USDA Agricultural Marketing Service
U.S. DEPARTMENT OF AGRICULTURE

AMS **USDA Remote Grading Pilot for Beef**

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Ag. Outlook Forum

OVERVIEW

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USDA Meat Grading Service

- **USDA Meat Grading** is an *independent, unbiased* third-party assessment of product quality.

- **U.S. Standards for Grades of Beef** form the basis for uniform quality assessment.

- USDA Grades create a **"language of value" in the marketplace**, making business transactions easier.

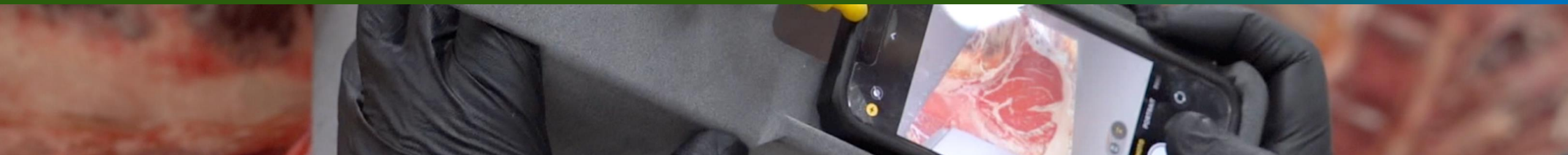- USDA Meat Grading Service is voluntary, and user-fee based.

Utilization of USDA Grading

- Over 90% of all beef in the U.S. is officially graded by USDA.

- Grading Service is underutilized by independent and smaller-scale processors.

- The cost of service is often prohibitive, even when there is strong demand for graded or certified product.

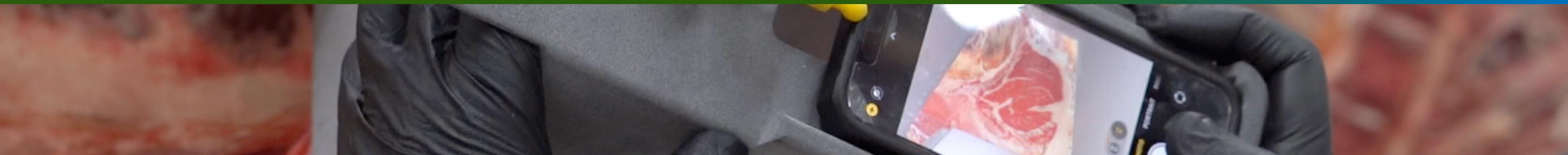*"Customers, especially the restaurant trade, know and expect USDA graded product."*
- 2023 RPG Test Participant

Remote Grading Pilot for Beef

The RGP Pilot process matches simple technology with robust data management and program oversight to make USDA Meat Grading Service more accessible and affordable.

- Allows a **USDA Grader** to assess beef carcass quality and assign an official grade or certification, all **from a remote location**.

- **Dramatically reduce expenses** related to USDA meat grading and certification, **making these valuable services more accessible** and facilitating access to new, better, and more diverse marketing opportunities for small and independent beef producers and processors.

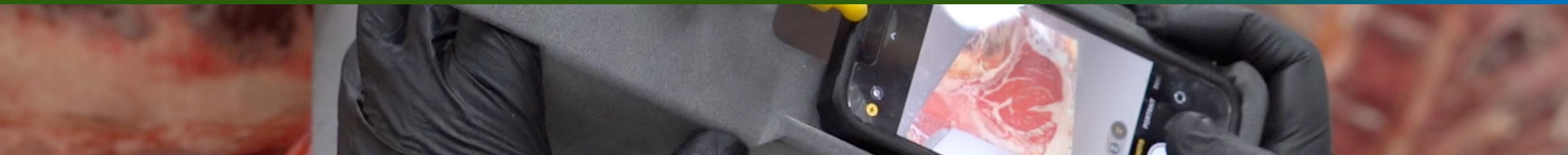# 2023: Test the Concept

- **Scale**
  - 20 small packers, 1-15 head/week
  - 1 USDA Grader full-time to administer and grade

- **Findings**
  - A "remote" service option is feasible and of value to participants
  - Controls work, to safeguard program integrity
  - Simple technology works, with potential for added efficiencies
  - Testing necessary in more diverse environments

"USDA Meat Grading allows us to showcase that local farmers…can raise and produce high quality beef."

- 2023 RPG Test Participant

2024: Launch A Pilot

- **When:**
  - Officially launched January 19 by USDA secretary, Tom Vilsack

- **Why:**
  - Continue testing and refining the remote grading policies and procedures through more and more diverse participation.
  - Gather information on actual costs, and level of surveillance needed to maintain integrity, and to continue exploring technology.

> ""This remote grading pilot opens the door for additional packers and processors to receive grading and certification services allowing them to access new, better, and more diverse marketing opportunities." *– Secretary Tom Vilsack, USDA*

USDA Certified Meat Programs

- USDA provides third-party certification for industry marketing programs that make claims around **beef breed and carcass characteristics**.

- USDA Certification often forms the basis for approval of **marketing claims** which go beyond the requirements for official USDA Grades.

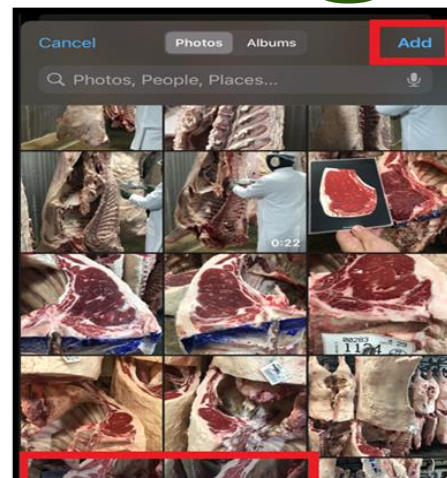**www.ams.usda.gov/grades-standards/certified-meat-programs**
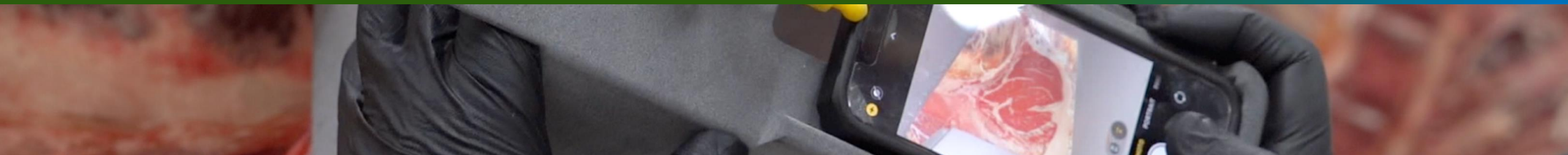
THE PROCESS

The Remote Grading Process

Resource:
"Remote Grading Pilot Requirements and Procedures"
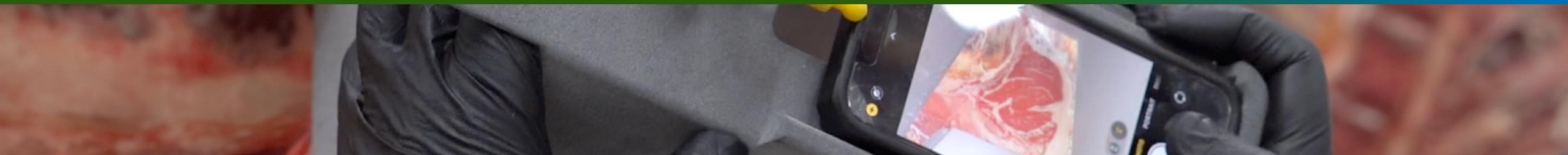www.ams.usda.gov/RGPbeef

Surveillance and Compliance

- **Applicant Approval** and Startup
- Authorized employee
- **Data** capture and review
- Monthly **records reviews**
- **Surveillance visits** and *for cause* visits
- **Enforcement of Public Law 272:**
  - AMS monitors and verifies grade labeling and advertising of meat products including in processing facilities and at retail establishments
- Internal data dashboards for oversight and trend analysis
- Open and continuous communication and support for pilot participants.

Resource:
Public Law 272
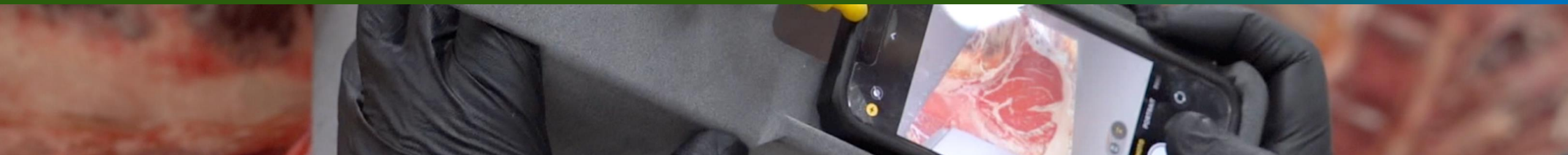www.ams.usda.gov/grades-standards/public-law-272

Cost Considerations

- RPG Pilot significantly reduces expenses related to traveling a USDA Grader to a plant; it does not eliminate those expenses

- Fees Charged:
  - ✓ Initial Site Visit – *one time*
  - ✓ <u>Monthly Records Reviews</u> – *monthly when grading*
  - ✓ Surveillance Visits - *annual*
  - ✓ **<u>Grading Service</u>** – *upon request*

Resource:
"Options and Cost Considerations"
www.ams.usda.gov/RGPbeef

To Participate

1. Determine Eligibility
   - Federally Inspected Beef Slaughter Facilities and other state eligible plants
   - No business size/processing capacity limitation on eligibility*
2. Determine Readiness- Review the U.S. Grade Standards and RGP Pilot Procedures
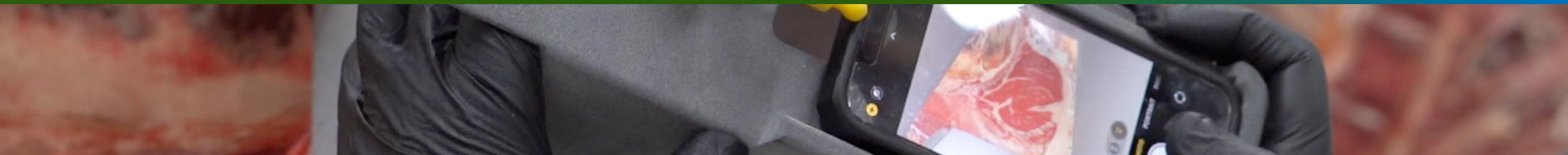3. Consider Options and Costs

Then:

4. Contact AMS Livestock and Poultry Program
5. Be Approved for Service and Undergo Initial Site Visit
6. Submit Product for Grading

Resources:
"Guide to Getting Started"
"Options and Cost Considerations"

www.ams.usda.gov/RGPbeef

THANK YOU

USDA Agricultural Marketing Service
Livestock and Poultry Program

RGP Pilot: **www.ams.usda.gov/remote-beef-grading**

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