

RESOURCE GUIDE: NEBRASKA HERD SHARE PROGRAM



Independent local meat processors are a vital component of resilient food systems. They contribute to the rural economy, provide a needed service to livestock producers, and ensure quality meat is readily available.

During its 2021 session, the Nebraska Legislature recognized the need to make it easier for consumers to purchase individual packages of meat directly from producers or processors with the unanimous passage of Legislative Bill (LB) 324. The legislation created a framework for what is known as a herd share program.

What is a herd share program?

A herd share program makes it easier for the consumer to purchase small quantities of meat from a local producer.

Before LB 324 was passed, direct purchase from local producers was available only to those who could afford and store large quantities of meat, or were fortunate enough to live near one of the several U.S. Department of Agriculture (USDA) facilities licensed in the state.

Nebraska's herd share program removes these barriers by enabling multiple individuals to establish an ownership interest in the same animal. This claim of ownership entitles the consumer to meat processed in one of the many custom exempt locker plants across the state. With one share equivalent to one pound of meat, the customer-owner can purchase as many shares as he or she likes—from 1 to 1,000.



HOW HERD SHARES WORK

1

The farmer and consumer enter into a herd share agreement, which provides the consumer with an ownership interest in the animal or herd of animals.



2

The farmer and consumer develop a bill of sale that decides where the animal will be processed, which cuts of meat will be available, and at what price.



3

The farmer delivers the animal to the processor, and provides him or her with a list of all share owners and the agreed upon cut instructions.



4







The consumer can pick up the finished product at the processor or on the farm.






What are the guidelines for a herd share program?

Ownership is the most important element of a herdshare agreement. Each customer-owner must have an established ownership interest to participate. This interest can be documented in a simple Herdshare Agreement.

Each agreement must include:

-  The names and addresses of the manager and customer-owner;
-  A short description of the livestock;
-  The number of shares available, the number being acquired, and the price;
-  An explanation of any health or processing standards used;
-  A short summary of any care, boarding, delivery, and processing plans, and recognition that these costs are included in the share price; and
-  A prohibition against resale and a disclaimer stating: “The requirement for a license under section 54-1904 or for inspection under the Nebraska Meat and Poultry Inspection Law shall not apply to the sale of meat products pursuant to this section.”

After the agreement is complete:

-  The manager or customer-owner will work with the processor to determine cut instructions, delivery date, and other necessary details;
-  The manager will share the names and addresses of each customer-owner with the processor, who will attach this to each box of product; and
-  The manager will coordinate with each customer-owner for pickup and delivery.



SAMPLE ANIMAL SHARE AGREEMENT

Shareholder: _____ Date: _____

Manager: _____ Tag number: _____

Sale of Shares: Manager agrees to sell and Shareholder agrees to purchase the following shares in one [animal type]. By purchasing one or more shares, the Shareholder is acquiring an ownership interest in this live animal.

| Share Type | Price per Share | Number of Shares | Notes |
|------------|-----------------|------------------|-------|
| Premium | | | |
| Standard | | | |
| Basic | | | |

Purchase Price and Payment: Shareholder agrees to pay Manager a total of \$_____ for _____ shares out of a total number of _____ shares upon completion of this contract. One share is equivalent to one pound of meat.

Health Standards: Manager attests to the health and quality of this livestock. Processing will take place at [processor] on [date (month, day, year)]. Processor is a state-licensed custom exempt facility based in [location (city, state)], and in compliance with standards established in the Federal Meat Inspection Act.

Care and Boarding: (Insert information about care of the animal and the location.) Manager agrees to provide all necessary care and boarding. Manager also agrees to provide delivery of livestock to [name of processing plant] for processing. The share price includes the Shareholder's contribution toward care, boarding, delivery, and processing costs. This agreement controls and the Shareholder has no rights to the animal by way of partition or access/possession during life and agrees to leave all care and boarding decisions to the Manager.

Shareholder Signature: _____ Date: _____

Shareholder Contact Information: _____

Manager Signature: _____ Date: _____

Manager Contact Information: _____



SAMPLE ANIMAL SHARE AGREEMENT, CONTINUED

Resale Prohibition: No person who obtains meat in accordance with this section shall sell, donate, or commercially redistribute the meat in any way. No farmer or rancher shall publish any statement that implies the department's approval or endorsement of meat made available pursuant to an animal share. The requirement for a license under section 54-1904 or for inspection under the Nebraska Meat and Poultry Inspection Law shall not apply to the sale of meat products pursuant to this section.

Governing Law: The contract laws of the State of Nebraska shall govern this Agreement.

Assumption of Risk and Waiver Claims: By signing this Agreement, the Shareholder knowingly and voluntarily assumes the risk of harm. Risk of loss concerning any shares sold under this arrangement will pass from Manager to Shareholder upon the signing of this Agreement.

The Shareholder waives any right to make, file, or pursue any claims, demands, suits, actions, causes of action, damages, etc., against Shareholders, the Manager, or any of the Manager's agents, employees, representatives, principals, lessors, lessees, vendors, contractors, subcontractors, etc., to any claims that arise out of or in any way relate to any injury, illness, death, loss, or damage caused, in whole or in part, by the handling or consumption of uninspected meat and meat products.

The Shareholder also waives any right to make, file, or pursue any claims, demands, suits, actions, causes of action, damages, etc., against other Shareholders, the Manager or any of the Manager's agents, employees, representatives, principals, lessors, lessees, vendors, contractors, subcontractors, etc., to any claims that may arise out of or in any way relate to any injury, illness, death, loss, or damage to the animal caused, in whole or in part, by the care and/or boarding of the animal by the Manager.

Unforeseeable Circumstances: Notwithstanding anything to the contrary in this Agreement, neither Manager nor Shareholder shall be responsible for any delay or failure of its performance under this Agreement if the delay or failure is caused by any matter beyond the control of either party, including, but not limited to, government regulations, public emergency, or necessity including public health necessity, legal restrictions, labor disputes and actions related thereto, riot, war, or insurrection, and windstorms, rainstorms, snowstorms, floods, or other acts of God.

Indemnification: The Shareholder shall indemnify and defend Manager and its agents, employees, representatives and contractors, and all other Shareholders and shall hold harmless Manager and all other Shareholders against any and all demands, claims, suits, actions, causes of action, etc., for any injury, illness, death, loss, or damage that arises out of or relates in any way to any handling, consumption, or use of any meat or meat product obtained through this Agreement and/or any failure on the part of the Shareholder to comply with the terms of this Agreement or with any rules, procedures, directions, orders, etc., of Manager that are authorized or permitted by this Agreement.

