

Review of Animal Identification Systems

A Summary of R-CALF USA's Congressional Testimony

March 11, 2009

I. Introduction

The United States' success in preventing, controlling, and eradicating diseases and pests in livestock and preventing zoonotic diseases from infecting humans is dependent on disease prevention, disease control, and mitigating the risk of human exposure to potentially contaminated meat.

Mandatory animal identification is not an effective tool for preventing the introduction of diseases into the U.S. cattle herd and its misapplication as a disease prevention tool is contributing to the introduction and spread of disease. For example, although animal identification is required on cattle imported from both Canada and Mexico, the U.S. continues to allow the importation of Mexican cattle while knowing they are a significant source of bovine TB and it knowingly subjects the U.S. to increased BSE risk by allowing the importation of Canadian cattle born during the time when BSE was known to be circulating in the Canadian feed system.

The U.S. has been highly successful in controlling animal diseases following their introduction into the U.S. herd. For example, foot-and-mouth disease (FMD) has not reoccurred since 1929 and classical swine fever has not reoccurred since 1976. While bovine TB was widespread in the early 1900's, by the 1990s APHIS reduced its prevalence to very low levels. APHIS set out to eradicate brucellosis and by the end of 2007 APHIS reported that the only known reservoir of *Brucella abortus* infection in the U.S. is in wild bison and elk in the Greater Yellowstone Area (GYA).

Results such as these contradict USDA's claim that a radical, new, and unproven National Animal Identification System (NAIS) is now needed to effectively control the spread of animal diseases in the United States. Obviously, USDA did not lack necessary resources to control and eradicate animal disease outbreaks in the U.S. during the past 117 years. Control of diseases with long incubation periods does not require 48-hour traceback, and diseases that spread swiftly require immediate geographical containment and quarantine strategies, not the identification of individual animals-of-interest. APHIS provides no scientific evidence that existing disease programs are not inadequate nor has it provided scientific justification in support of its stated goal of achieving a 48-hour traceback.

II. The Driving Force Behind NAIS is a Desire to Conform to International Standards

The NAIS concept did not originate on U.S. soil and was not predicated on a need to improve the United States' ability to control the spread of animal diseases. Instead, the impetus for NAIS was the World Trade Organization's (WTO's) goal of liberalizing trade rules. The OIE, a resource extension of the WTO, is aggressively encouraging the U.S. to abandon its longstanding disease *prevention* strategies in favor of a less effective disease *management* strategy. This OIE-developed strategy requires each country to establish a legal framework for the implementation

and enforcement of animal identification and animal traceability. R-CALF USA believes USDA first decided to impose NAIS on U.S. livestock producers and then it invented, without any scientific support, the need to achieve 48-hour disease trace-back to justify and legitimize its pursuit.

R-CALF USA believes the goal of seeking conformity to international trade standards is an inappropriate consideration for the exercise of APHIS' authority pursuant to the Animal Health Protection Act of 2002. It also believes APHIS overreached its authority by registering livestock producers' real property and their livestock in a federal database and by mandating NAIS participation for producers that participate in federal disease programs pursuant to the agency's directives issued last fall, without ever providing the public the opportunity for comment.

While APHIS and other agencies use a targeted, risk-based approach for determining which foreign animals are eligible for importation, and which foreign meatpacking plants are subject to inspection, it does not intend to give U.S. livestock producers or their livestock the same science-based consideration. Instead, it applies a double-standard to U.S. livestock producers and livestock by treating each of them as a disease suspect. This inexplicable action is un-American.

III. APHIS Misrepresents its Newly Defined Premises Registration Scheme

Contrary to claims made by APHIS that the registration of producers' property with a premises identification has been part and parcel to its brucellosis and tuberculosis programs for decades, there was *no* requirement for any specific geographical-based premises identification as required under NAIS. In fact, the tuberculosis program authorized registered brands in lieu of a premises of origin identification. APHIS only recently modified its rules under a final rule issued in July 2007 to no longer require the state-of-origin and the local veterinarian's identification code on animal identification devices and to require the registration of a geographical-based location to be associated with animal identification numbers. APHIS has radically changed its preexisting disease programs by commandeering what was previously exclusive state and local control over the information required to identify livestock and livestock production units. The effect of this radical change is that livestock producers are now subject to a federal registration of their real property and a federal registration of their personal property under the NAIS.

IV. NAIS Displaces Preexisting, Time-Proven Animal Identification Systems

For over a century local, State, and USDA have used various means of animal identification to control and eradicate animal diseases. Under the preexisting brucellosis program, if a positive case were detected by surveillance, the animal's metal eartag and tattoo provided immediate traceback to the state-of-origin and to the local veterinarian that vaccinated the animal, and in some incidences, the production unit where the animal was vaccinated. Other effective means of animal identification include:

1. Registered brands and ear notches from the 15 states with brand programs.
2. Eartags and tattoos used by breed associations.
3. Eartags, tattoos, and ear and dewlap notches used by private individuals.
4. Backtags affixed and recorded at auction yards and other locations.

5. Health certificates used in interstate commerce.
6. Sales receipts and other documents used in commerce.

Local veterinarians and State and Tribal animal health officials are the first lines of defense for any disease outbreak and they have used any one or more of these preexisting animal identification systems and devices to successfully conduct animal disease tracebacks in cooperation with APHIS. Importantly, none of these systems or devices required the federal registration of real property or personal property as does the NAIS.

V. APHIS is Disingenuous in Its Attempt to Promote NAIS by Dismissing the Effectiveness of Preexisting Systems.

In its recent business plan, APHIS cites several case studies to promote NAIS. However, the cases it cites are the result of APHIS' dilatory actions to prevent the introduction of disease into the U.S. and its failure to contain diseases in wildlife. For example, the introduction of BSE in 2003 was the result of APHIS' failure to restrict imports from Canada after Canada imported a BSE-infected cow in 1993 and rendered many of its herd mates. Neither of the two U.S. cases of BSE was of the "typical BSE strain" that caused the outbreaks in Canada and Europe, and both were born *before* the U.S. implemented a feed ban to prevent the potential spread of BSE. APHIS also cites TB and brucellosis cases that involve diseases in wildlife populations (brucellosis in Yellowstone elk and TB in deer populations) and, as previously stated, TB is knowingly reintroduced through Mexican cattle imports.

APHIS has been highly successful at eradicating cattle diseases using existing resources, as evidenced by its near-complete eradication of brucellosis and its significant reduction in TB in the domestic cattle herd. Congress should not allow the agency to supplant its time-proven programs with an unproven system that is likely to consume more resources in its administration (that is, in its reporting, tracking, monitoring of animal movements, and managing a colossal databases) than the agency now spends in preventing, controlling and eradicating disease.

VI. The Costs of NAIS Will Accelerate the Exodus of U.S. Farmers and Ranchers

For decades Congress and USDA have ignored the effects on U.S. livestock producers from the tremendous buying power exercised by oligopolistic meatpackers. This buying power has caused a long-run lack of profitability for independent family farmers and ranchers. The results are alarming as independent farmers and ranchers in each of the major livestock sectors are exiting their respective industries at phenomenal rates. Since 1980, we have lost 90 percent of U.S. hog operations, over 40 percent of U.S. sheep operations, and about 40 percent of cattle operations. This demonstrates that U.S. livestock industries are unhealthy and contracting rapidly. The NAIS will significantly accelerate the exodus of U.S. farmers and ranchers.

During the last dozen years, the average return to U.S. cow/calf producers was an *operating* loss of \$6.42 per bred cow per year. When total production costs are included, such as hired labor and taxes and insurance, the actual loss per bred cow per year from 1996 through 2007 was \$493.87. During this period 228,880 U.S. cattle operations exited the industry, a rate-of-loss of

over 19,000 operations per year, the equivalent of losing more cattle operations each year than are in the entire states of California, Colorado, or Idaho.

Mr. Chairman and Members of the Subcommittee, this is not a natural attrition rate – this is a crisis, and until Congress takes action to correct the long-run lack of profitability in the U.S. cattle industry, we will continue hollowing out rural communities all across America.

The NAIS would significantly worsen the crisis because it would add additional production costs to an industry already unable to recover its cost of production from the marketplace.

It is disconcerting that APHIS has not provided a cost/benefit analysis for NAIS despite having aggressively promoted the program and having expended millions of taxpayer dollars for the program over the past several years. However, cost estimates for animal identification published by USDA in 2003 suggest a cost range from \$8.63 to \$15.90 per head. More recently, Kansas State University developed a spreadsheet that estimates the cost of animal identification for a producer with 100 head of brood cows at \$15.90 per head. The KSU data also shows the estimated cost for a producer with 400 brood cows is \$6.14 per head. Thus it appears the costs of NAIS become substantially lower as operation size becomes larger. This means that small-to medium-sized cattle producers would be significantly disadvantaged in the marketplace by NAIS. R-CALF USA believes NAIS would further encourage the corporatization of the U.S. cattle industry.

The NAIS is a colossal program, certain to have impacts that reach far beyond what anyone has presently contemplated. R-CALF USA is convinced it will be a colossal failure – necessitating a whole new bureaucracy just for its administration and resulting in a new era of unwarranted government intrusion on the personal lives and property of U.S. livestock producers.

The former President of the Australian Beef Association and a fifth-generation cattleman from Australia, John Carter, whose family, incidentally, registered the first-ever cattle brand in Australia in 1853, produced a short but compelling video on how Australia's attempts to administer its national animal identification system have been a disaster for Australian producers. I have provided a copy of Mr. Carter's video in DVD format for the hearing record.

VII. R-CALF USA's Suggestions for Improving Disease Prevention, Disease Control, and Mitigating the Risk of Human Exposure to Potentially Contaminated Meat

R-CALF USA urges Congress and USDA to immediately cease all efforts to implement the NAIS. Instead, R-CALF USA recommends that Congress and USDA focus on targeted solutions to the legitimate livestock disease-related challenges faced by U.S. livestock producers, and take steps to meaningfully address the legitimate food safety challenges evidenced by recent, and massive recalls of meat produced in U.S. slaughtering plants. The legitimate challenges include the fact that fewer producers and fewer livestock are now participating in disease programs now that nearly all states have been designated free of brucellosis and bovine TB, and the fact that USDA and State and Tribal animal health officials have not adequately coordinated communications and information sharing among and between each other.

To address these challenges, R-CALF USA recommends the following alternative course of action:

1. Prevent the importation of serious cattle diseases and pests from foreign sources:
 - a. Prohibit the importation of livestock from any country that experiences outbreaks of serious zoonotic diseases, including pests, until scientific evidence demonstrates the diseases and/or pests have been eradicated or fully controlled and there is no known risk of further spread. This recommendation includes a request for an immediate ban on live cattle imports from Canada, which harbor a heightened risk for BSE.
 - b. Require all imported livestock to be permanently and conspicuously branded with a mark of origin so identification can be made if a zoonotic disease or serious pest outbreak occurs in the exporting country subsequent to importation.
 - c. Require all livestock imported into the United States to meet health and safety standards *identical* to those established for the United States, including adherence to U.S. prohibitions against certain feed ingredients, pesticide use on feedstuffs, and certain livestock pharmaceuticals.
 - d. Require TB testing of all imported Mexican cattle and further require that all Mexican cattle remain quarantined in designated feedlots until slaughtered.
 - e. Reverse USDA's efforts to carve out regions within disease-affected foreign countries in order to facilitate imports from the affected country before the disease of concern is fully controlled or eradicated.
 - f. Increase testing of all imported meat and bone meal to prohibit contaminated feed from entering the United States.
2. Adopt the surveillance and identification components of the preexisting brucellosis program, including the metal eartag and tattoo that identifies the state-of-origin and the local veterinarian that applied the identification devices, and require breeding stock not otherwise identified through breed registries to be identified at the first point of ownership transfer.
3. State and Tribal animal health officials should be solely responsible for maintaining a statewide database for all metal tags applied within their respective jurisdictions and should continue to use the mailing address and/or the production unit identifier determined appropriate by the attending veterinarian to achieve traceback to the herd of origin should a disease event occur. Under no circumstances should the Federal government maintain a national registry of U.S. livestock or require the national registration of producers' real property.

4. The Federal government should enter into agreements with State and Tribal animal health officials to pay for the State's and Tribal government's cost of identifying breeding stock, maintaining the State and Tribal databases, and bolstering disease surveillance at livestock collection points such as livestock auction yards and slaughtering plants, including increased surveillance for BSE.
5. The Federal government should coordinate with the States and Tribes to establish electronic interface standards and establish improved communication protocols so it can more effectively coordinate with the States and Tribes in the event of a disease outbreak.
6. The Federal government should coordinate with the States and Tribes to establish improved protocols for the retention and searchability of State and Tribal health certificates, brand inspection documents, and other documents used to facilitate interstate movement of livestock.
7. Establish specific disease programs and focus increased resources toward the eradication of diseased wildlife in States where wildlife populations are known to harbor communicable diseases.

To address the challenge of increased incidences of tainted meat products, Congress and USDA should implement a requirement that meat sold at retail and at food service establishments be traceable back to the slaughterhouse that produced the meat from live animals, not just back to the processor that may have further processed tainted meat. This simple improvement would enable investigators to determine and address the actual source of meat contamination – primarily the unsanitary conditions that allow enteric-origin pathogens to contaminate otherwise healthful meat.

VIII. CONCLUSION

R-CALF USA greatly appreciates the Subcommittee's investigation of the NAIS and we trust that you will not allow USDA to carry through with this unacceptable proposal. R-CALF USA stands ready to assist Congress and USDA in the development and implementation of a more reasonable, workable, and effective program to continue protecting U.S. livestock and consumers from diseases that affect livestock.

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