

Executive Summary

Enhancing existing animal health and disease control programs by establishing a nationwide system to identify farms with livestock and eventually the animals themselves has been discussed for more than 20 years. It gained momentum after a cow with bovine spongiform encephalopathy was found in the U.S. in late 2003. Since then, the concept has undergone many changes to reach its current voluntary status. Farm Bureau believes a successful system must address cost, confidentiality and liability issues while protecting animal health.

Issue Background

In the wake of the first discovery of bovine spongiform encephalopathy in the United States in late 2003, increased attention has been focused on developing an animal identification program. As a result, the U.S. Department of Agriculture initiated a National Animal Identification System (NAIS) in April 2004.

A state-federal-industry partnership, the goal of the NAIS is rapid, 48-hour traceability of livestock in the event of a disease outbreak or other animal health emer-

gency. The voluntary program, being implemented in three phases, is available to livestock producers and handlers in all 50 states.

While many farmers and ranchers believe in the value of establishing a nationwide system for the purpose of protecting animal health, there are skeptics and critics who oppose the concept for a variety of reasons. USDA has struggled to overcome this opposition as it promotes implementation of a voluntary program. Changes have been made to the program in the last year to better reflect the

issues and concerns raised by producers, agricultural organizations and industry. The voluntary NAIS continues to be a work in progress.

USDA's Animal and Plant Health Inspection Service is charged with developing the voluntary program and communicating with states and other relevant parties. To that end, APHIS unveiled extensive educational and support materials and a Web site (www.usda.gov/nais) in the fall of 2006.

The Draft NAIS User Guide,

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Food Safety:

Animal Identification

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AFBF Policy

AFBF Policy 106, Livestock Identification (excerpted):

“Any new method of livestock identification should only be considered if it is proven equally practical and effective as current methods and is a legally recognized form of proof of ownership in all states having livestock brand law. We urge the USDA to conduct a full cost analysis study of the NAIS program and to publish the details. No action should be mandatory until Congress has published the cost figures and appropriated funding.

“We support the establishment and implementation of a voluntary national animal identification system capable of providing support for animal disease control and eradication. Only non-profit agricultural or meat/livestock organizations should have control of the animal ID program, not a private ‘for profit’ company. We support the oppor-

tunity for each state to decide the entity controlling their respective animal ID program database.

“A cost effective national system of livestock identification, with adequate cost share among government, industry and producers, should be established and regulated by an advisory board of producers, processors and USDA. Any such program must protect producers from liability for acts of others after livestock leaves the producers’ hands, including nuisance suits naming everyone who handled particular livestock.

“The program should ensure the security of producer information and respect the privacy of producers by only collecting data necessary to establish a trace-back system.”

The entire policy book is posted at <http://silo.fb.org/Policy/AFBFPolicyBook.htm>.

Key Phases of a Voluntary NAIS

The Department of Agriculture has identified three phases to implementing the voluntary National Animal Identification System. Here are the current and future phases:

First phase: Registering premises—Farms, ranches, feed-lots, sale barns and packing plants in all states may request premises identification numbers that are unique to the physical locations where animals are held. A few states have opted to make premises registration mandatory, but this is not a federal requirement.

Second phase: Identifying individual animals—Individual animals, or groups and lots of livestock for animals that move together throughout their lives such as poultry, receive unique, standardized 15-digit numbers.

Third phase: Traceability—In the event of an animal health emergency, individual animal numbers—or group/lot numbers—may be matched with premises numbers to determine where animals have been and whether others were exposed to the disease.

Economic Analysis

The potential cost of the National Animal Identification System—and who will bear the burden of that cost—is a key concern of Farm Bureau, as noted elsewhere in this issue briefing. The NAIS could cost \$100 million annually, but Congress has appropriated \$33 million annually in recent fiscal years. Livestock producers cannot and should not be responsible for an unfair share of that cost down the road.

Meanwhile, keep in mind another set of numbers: The value of beef exports in 2003 was \$3.86 billion. That figure dropped to \$1.86 billion in 2006—so \$2 billion reflects the difference in lost market share. Specialists with the Department of Agriculture’s Foreign Agricultural Service and the U.S. Meat Export Federation have said the lack of source- and age-verification data for U.S. beef cattle is the single biggest reason U.S. livestock producers have been unable to regain lost markets overseas. And Australia and Canada, which require identification of their cattle, have gained export market share at the same time U.S. beef has lost access to those markets.

Another component of market access is the time to recover international markets after a disease outbreak, which is inevitable as we go into the future. A comprehensive animal identification program would not only facilitate proper quarantine and liquidation of affected animals, but it would protect export markets by allowing the continuation of production for export in non-affected areas of the U.S.

Public Relations Resources

Talking Points

- A well-designed, voluntary animal identification program that builds on existing animal health and disease control programs should help contain and manage new or deliberately introduced animal diseases.
- Farmers and ranchers continue to have concerns about who will bear the financial costs of a national animal identification program, as well as who will be responsible for matters of confidentiality and liability. If a nationwide system is to succeed, these issues must be addressed satisfactorily.
- The National Animal Identification System, designed by the Department of Agriculture with input from states and industry, is voluntary, and producers should continue to have the option of whether to participate in this federal program administered by states. (A few states, however, have opted to make it mandatory.)
- The voluntary NAIS is a work in progress. Farmers and ranchers who choose to participate should continue to have avenues for providing feedback and suggesting changes that would shape and strengthen the program.
- Voluntary participation should continue to guarantee quick notification of disease outbreaks and other events that might put additional animals at risk.
- The faster the response, the faster the disease is isolated, the sooner life gets back to normal on farms, ranches and in nearby communities. Choosing to participate shows a commitment to doing everything possible to protect farm animals and neighbors from suffering the consequences of a sudden animal disease event.

What's Happening Now?

The Animal Health Protection Act in the 2002 farm bill gave the Department of Agriculture the authority to implement a livestock identification program to track interstate movement for animal health purposes.

USDA's Animal and Plant Health Inspection Service has primary responsibility for the voluntary National Animal Identification System, but it is not the only government entity with a significant role.

Establishing a nationwide program means the participation of states—especially state animal health officials—is crucial. States are responsible for helping livestock producers obtain premises

identification numbers unique to the physical locations where farm animals are held.

While USDA is committed to a voluntary NAIS, some state legislatures have approved legislation making participation in part of the NAIS mandatory in their states.

Indiana, for instance, has such a law in place for premises registration and sign-ups there have proceeded without a lot of controversy.

Wisconsin, which leads the nation in premises registration, requires it for all livestock operations as of May 1, 2007.

Michigan has a similar law, originally enacted to control bovine tuberculosis, mandating cat-

tle identification as of March 1, 2007.

In Congress, Rep. Jo Ann Emerson (R-Mo.) introduced H.R. 1018 earlier this year. H.R. 1018 would prohibit the USDA secretary from implementing the NAIS and require the protection of information obtained through a voluntary NAIS. It also would expressly prohibit a mandatory NAIS.

Rep. Steve King (R-Iowa) has reintroduced his bill (H.R. 2301) to establish a Livestock Identification Board whose members would be responsible for implementing a national identification system. Information collected would be exempt from public disclosure.

Three Key Concerns

AFBF has three key concerns it believes must be addressed in order for a national animal identification system to succeed:

Cost—The program could cost \$100 million annually, but Congress has appropriated \$33 million in recent fiscal years. Therefore, it is important to consider who will be responsible for the difference. Livestock producers must have adequate cost-share options if they are to participate because they cannot and should not bear an unfair share of the

costs associated with building and maintaining the system.

Confidentiality—Legislation must be approved to ensure the privacy of submitted information. Producers' information must be protected from public disclosure via the Freedom of Information Act, regardless of whether the database is held privately or publicly. Otherwise, competitors or activists could exploit proprietary information. Further, access to the data must be limited only to those state and federal agencies with direct

authorities for protecting animal health.

Liability—Livestock producers are concerned about being held liable for actions taken by others after they no longer have control of their animals. A traceability system could facilitate producer liability for food safety problems that now are limited to meat merchandisers. Producers are more likely to participate in a voluntary program if liability protection is assured.

Issue Background

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published by USDA in November 2006, is the most current guidance document and replaces the 2005 draft strategic plan and other outdated draft materials. Farmers and ranchers are encouraged to review the guide and submit comments.

APHIS claims the U.S. has about 1.4 million livestock premises—locations where livestock and poultry are raised, held or boarded. As of mid-May, nearly 400,000 premises were registered, and 18

states have registered at least 25 percent of their premises. The long-term goal is to achieve a high level of participation in premises registration.

For a state breakdown, visit http://animalid.aphis.usda.gov/nais/premises_id/update.shtml.

Farm Bureau supports the establishment and implementation of a voluntary animal identification system capable of providing support for animal health and disease control. We believe that a success-

ful system must address cost, confidentiality and liability issues. AFBF continues to work with Congress and USDA to resolve these issues in order to encourage producer participation in the voluntary program.

For More Information

The following AFBF staff members assembled this issue briefing:

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Additional Resources

Additional information is posted on Farm Bureau's intranet site, SILO, at <http://silo.fb.org/issues/livestock>.

Among the resources posted on the Livestock Issues Management pages on SILO are news clips, links to past Issues Management Briefings about related issues and links to agricultural law programs around the U.S. Links to related conference calls and PowerPoint® slide presentations also are posted on these pages.