

1 NATIONAL ANIMAL IDENTIFICATION

2 SYSTEM ROUNDTABLE DISCUSSION

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4 U.S. Department of Agriculture

5 1400 Independence Avenue, S.W.

6 Room 104A

7 Washington, D.C.

8 \* \* \*

9 Wednesday, April 15, 2009

10 9:10 a.m.

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13 The above-entitled matter convened on

14 Wednesday, April 15, 2009 at 9:10 a.m., pursuant to

15 notice, Larry Quinn, moderator, presiding.

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## 1 P R O C E E D I N G S

2 (9:10 a.m.)

3 MR. QUINN: Good morning, everyone.

4 Welcome to the Secretary of Agriculture's discussion  
5 on animal identification systems.6 Before we begin, I'd like to highlight  
7 some of the procedures we'll be following here. Help  
8 us by turning off Blackberries and cell phones at  
9 least to silent. Blackberries have an aversion to  
10 sound systems, so please don't put them on the table.11 As you will see, seated in this room is a  
12 cross-section of stakeholder and producer groups that  
13 have many wide-ranging views with regard to NAIS, and  
14 we have several participants on the phone that were  
15 unable to be here in person.16 As you came in here, you picked up your  
17 name card and your agenda. The agenda includes all  
18 of today's participants and the sequence we'll be  
19 following for you to provide your statements.20 Each presenter will have three to five  
21 minutes to make his or her statement. We will be  
22 timing you, so please do try to stay within the

1 allotted time, and we do want to be sure that  
2 everyone has a chance to speak.

3           Since there are several participants on  
4 the phone, we need everyone who's giving a statement  
5 to speak into the microphone. If you're not seated  
6 at the table when it's your turn to give your  
7 statement, please come to one of the two open seats  
8 that we have, and we will ask you to turn on the  
9 microphone button. You'll see a green light when  
10 it's ready to go. Then please turn it off after  
11 you've finished speaking.

12           In addition to your oral statements, you  
13 can submit two to five pages of written comments. If  
14 you brought copies with you today, please give them  
15 to Lisa at the desk outside this room.

16           You should know that we are transcribing  
17 today's discussion. On your agenda also, you'll see  
18 that we'll be taking a brief break starting at 10:00  
19 a.m. There will be light refreshments available  
20 outside the room. We ask you to please enjoy it out  
21 there so that we can protect the integrity and the  
22 beauty of this historic table.

1           We also want to say that the Secretary  
2 does need to leave at 11:30 to move to a press  
3 conference. That's another reason for us to stay on  
4 time.

5           It's now my pleasure to introduce  
6 Secretary of Agriculture Tom Vilsack.

7           SECRETARY VILSACK: Thank you, Larry.  
8 Thank you very much. Today we are joined by Cindy  
9 Smith, who is with us as well.

10           I want to thank you all for taking the  
11 time and being involved in this process. You may  
12 wonder why we're all here. It's very simple. I  
13 think every single person in this room is concerned  
14 about preserving your market for whatever livestock  
15 you all may be involved in producing, or the groups  
16 that you represent.

17           In conversations I've had with a number of  
18 Congressional leaders, they have expressed to me  
19 privately and in public concerns about the current  
20 national animal identification system, and have  
21 expressed reservations about whether or not it's  
22 working as well as they had hoped it would. You all

1 have disagreed, or agreed, with that observation.  
2 But the reality is they have a very important stake  
3 in all of this. They essentially provide the funding  
4 for the system, and I am a little bit concerned about  
5 the security of that funding if there is enough  
6 dissatisfaction with the current system.

7 I'm also concerned about preserving the  
8 market, which I think is a shared value of everyone  
9 in this room. So we've begun this process today of  
10 beginning a conversation and discussion about a  
11 national animal identification system that would be  
12 mandatory, as opposed to voluntary.

13 I say a discussion, because I understand  
14 and appreciate that there have been conversations  
15 about this and debate about this, and concern and  
16 passion and feelings about this for a number of  
17 years. But I also have an unshaken belief that when  
18 reasonable people get around the table and have  
19 dialogue and debate and conversation, that oftentimes  
20 creative solutions to problems that have been vexing  
21 for some time arise.

22 This is the first of a series of meetings

1 that I intend to have around the country. We also  
2 intend to make available opportunities for comment to  
3 the Federal Register as well as additional  
4 opportunities throughout this process, so that we can  
5 really give everyone a chance to not only educate us  
6 about their problems, but also potentially suggest  
7 ways in which those problems can be solved, or at  
8 least mitigated, to the point that we have a better  
9 system than we have today, and one that has greater  
10 confidence on Capitol Hill. That is one of our  
11 concerns and one of our goals.

12 I don't underestimate the difficulty of  
13 this. I know there are very strong feelings about  
14 this. But I just want you to think about the  
15 possibility, even if it's remote, of Congress one day  
16 just simply saying: We're not going to continue to  
17 fund the system. How reliable would the market be,  
18 and what would we do then?

19 I don't want us to get to that point. I  
20 want us to have a system that folks buy into, folks  
21 believe in, folks who have concerns about how it  
22 would be administered have been listened to and

1 hopefully accommodated. And most importantly of all,  
2 a system that allows us to market our livestock as  
3 the highest quality and best in the world.

4           We have trading partners who are watching  
5 what we do, and I am anxious to be able to convince  
6 them that there's no better system in the world than  
7 what we have. I travel to Italy on Thursday,  
8 tomorrow, for a G8 ministerial on food security.  
9 It's a topic that obviously isn't connected to this  
10 particular issue, but it is an opportunity for me to  
11 have conversations with at least 13 agricultural  
12 ministers, and perhaps more. And I want to be able  
13 to begin the process of creating relationships that  
14 will lead to greater export opportunities for our  
15 livestock industry.

16           With that, Larry, let me turn it over to  
17 you. I have designated Larry as the bad guy here.  
18 He's actually going to cut you off. It's only  
19 because we have, it appears, at least 29 people who  
20 want to speak. But I'm taking notes.

21           Thank you.

22           MR. QUINN: Thank you, Mr. Secretary.

1                   Our first speaker today is Adam Griffin,  
2 manager of dairy and ID programs with Holstein  
3 Association USA. Go ahead.

4                   MR. GRIFFIN: Thank you. I'll jump right  
5 into it because of the essence of time.

6                   Mr. Secretary and members of USDA, thank  
7 you for the opportunity to speak on behalf of the  
8 Holstein Association, USA, and its 30,000 members  
9 from across the United States, about national animal  
10 identification. We know you have been bombarded with  
11 commentary on the pros and cons of a national animal  
12 identification system.

13                   From our organization's national  
14 perspective, one of your top priorities needs to be  
15 implementation of a national mandatory animal  
16 identification program as fast as possible. The  
17 livelihoods of our members and all involved with  
18 production and animal agriculture are in jeopardy  
19 until we have a national mandatory identification  
20 program.

21                   The United States lags behind a number of  
22 other countries that now have effective mandatory ID



1 programs. Many of our international trading partners  
2 and competitors, such as Australia, Brazil, Canada,  
3 the EU and Japan have adopted solid national ID  
4 programs.

5           Animal health officials around the world  
6 have long recognized that an efficient and effective  
7 system for the ID of animals is an essential  
8 component of any animal health program. Establishing  
9 a nationally-recognized system of animal  
10 identification will enhance the competitiveness of  
11 U.S. exports of animals, dairy products and other  
12 products.                   Our lack of a standardized  
13 national ID system is one factor that prevented the  
14 United States from receiving negligible risk status,  
15 which is the best status possible under the rating  
16 system of the ESC. Receiving negligible risk status  
17 would not only enhance our ability to compete  
18 internationally, it would greatly support U.S. price  
19 structures that all producers, regardless of their  
20 interest in international marketing, would benefit  
21 from if the United States expands its export markets.

22           Currently in the U.S., it takes months for

1 animal health officials to complete an investigation  
2 of the animal disease events, because records are  
3 often at best kept on paper. The lack of a good  
4 national program makes traceability a huge challenge.

5           For example, of the 199 cases of bovine  
6 tuberculosis identified in the U.S. between late 2003  
7 and early 2008, over 84 percent of animals did not  
8 have official USDA identification.

9           As a result, USDA and state investigative  
10 teams spent substantially more time and money  
11 conducting tracebacks, including an expanded scope of  
12 investigation to identify suspect and exposed  
13 animals. The average time spent conducting the  
14 traceback involving 27 recent bovine TB  
15 investigations was 199 days. This is simply not  
16 acceptable.                   While critics of a national  
17 ID program often cite cost as a reason not to  
18 implement the program, in reality we cannot afford  
19 not to have a mandatory ID program. Initial data  
20 from a cost-benefit analysis Kansas State is  
21 conducting for USDA show that the annual government  
22 and industry costs associated with achieving full

1 pre-harvest traceability for cattle, swine, sheep and  
2 poultry exceeds \$200 million.

3           We must compare this with the estimated  
4 billions of dollars in losses we would suffer from an  
5 FMD outbreak.           The 2001 FMD outbreak in  
6 Great Britain cost \$7.9 billion in losses and  
7 eradication costs. Keep in mind that Britain is  
8 roughly the size of the State of Michigan. In 1997,  
9 FMD outbreaks in swine in Taiwan cost \$6.9 billion  
10 and wiped out its previously strong export market.

11           While there are those who bring up  
12 concerns over confidentiality as a reason not to have  
13 a national mandatory ID system, we believe consumers  
14 should have the right to know where their food is  
15 coming from. Recent concerns over peanuts,  
16 pistachios and other food products heighten the  
17 importance of the food safety concerns of consumers.

18           In closing, Mr. Secretary, there is an  
19 urgent need for a national mandatory ID in the United  
20 States that allows government to respond quickly and  
21 effectively to an animal health emergency. America's  
22 dairy and beef producers are vulnerable without such

1 a system. Thank you.

2 MR. QUINN: Our next speaker is Michael  
3 Rybolt, director of scientific and regulatory affairs  
4 with the National Turkey Federation.

5 MR. RYBOLT: Thank you.

6 Good morning, Mr. Secretary. The National  
7 Turkey Federation believes that a national voluntary  
8 system for animal identification, if implemented  
9 properly, can be a significant tool for protecting  
10 animal and public health. However, any system,  
11 whether voluntary or not, first and foremost should  
12 be complimentary and not duplicative, to the systems  
13 already at use within the turkey industry.

14 To understand our approach to animal  
15 identification, it's important to understand the  
16 structure of the poultry industry today and the  
17 capacity for animal identification that already  
18 exists. The turkey industry this year will raise  
19 more than 270 million turkeys, which will in turn  
20 produce more than 6 billion pounds of ready-to-cook  
21 turkey meat. The industry will generate more than \$8  
22 billion in sales.

1           Virtually all turkeys in the United States  
2 are produced on the vertically-integrated model. The  
3 processor owns the turkeys and contracts with  
4 individual family farmers to raise the birds. It's  
5 an industry that operates on extremely tight margins  
6 as well. In a good year a turkey might generate 2  
7 cents per pound profit at wholesale.

8           In order to maximize their chances for  
9 profitability, turkey processors long ago developed  
10 detailed systems for monitoring turkeys processed  
11 from hatching to the processing plants. This system  
12 has been vital for measuring health and performance  
13 of individual flocks.

14           The monitoring program also has proven to  
15 be a very advanced and reliable animal identification  
16 system. Currently, U.S. turkey companies can trace  
17 the movement of every bird that enters the processing  
18 plant. If a turkey on a processing line is found to  
19 have a serious disease, the processor has the ability  
20 to determine the flock or even the hatchery of origin  
21 for the birds.

22           Similarly, if a dangerous disease breaks

1 out in a turkey house, the processor has the ability  
2 to determine whether the turkey came to the house  
3 straight from the hatchery, whether it spent time on  
4 a brooder farm, and where all of the turkeys from  
5 that hatchery are located. Put simply, if a disease  
6 breaks in the turkey industry, our processors quickly  
7 can determine from a single sick bird what other  
8 turkeys are likely to have been exposed to the  
9 disease.

10           The value of our system has been proven in  
11 a real world situation. For example, when there was  
12 a widespread outbreak of low-path avian influenza in  
13 the Shenandoah Valley during the winter and spring of  
14 2002, the industry veterinarians and allied  
15 production managers were able to work closely with  
16 USDA, APHIS and the state health department to  
17 determine the origin of the outbreak, which was  
18 ultimately traced to the live bird markets on the  
19 East Coast.

20           How then does our program fit with a  
21 national animal identification system? That was the  
22 question that the poultry ID working group set out to

1 answer. The working group examined the tracing  
2 programs currently in place within the commercial  
3 industry. It was clear that the programs in the  
4 commercial industry were consistent with USDA's  
5 initial vision for animal identification, and more  
6 specifically they conformed to the four guiding  
7 principles.

8           We have already demonstrated that the  
9 industry can trace animals from point of origin to  
10 processing within 48 hours, often a lot sooner,  
11 without creating a burden for the producers or other  
12 stakeholders.

13           Number two, because the system already is  
14 developed, it has no impact on the overall size or  
15 role of the government. Number three, the system  
16 already has evolved through numerous changes in  
17 technology, currently utilizing sophisticated  
18 computer programs, and undoubtedly will be able to  
19 adapt to future technologies. Number four, by its  
20 very nature, the existing system is a private one,  
21 but one that can be accessed quickly by all levels of  
22 government should the need arise.

1           The National Turkey Federation supports  
2 the voluntary registration of premises with state  
3 premises registration systems. In fact, NTF, along  
4 with the National Chicken Council, egg producers and  
5 APHIS, have disseminated a registration brochure that  
6 was targeted toward growers, a brochure of which I  
7 have samples here. It promotes the value and the  
8 benefits of the premises registration system. The  
9 brochure was distributed both electronically and in  
10 hard copy to our members, and several hundred  
11 brochures have been mailed out to our members.

12           At this point, APHIS estimates that over  
13 75 percent of the commercial industry participates in  
14 the National Poultry Improvement Plan, or NPIP. As  
15 APHIS stated, the industry is able to provide highly  
16 complete premises information when a disease is  
17 detected.

18           This, coupled with the sophisticated  
19 systems our industry already has in place, make a  
20 clear case for leaving our system voluntary. But as  
21 noted at the outset, the most important thing is for  
22 USDA to work with the industry to make sure that any



1 animal identification system utilizes the strengths  
2 of our existing system, and does not inadvertently  
3 duplicate what would weaken the turkey industry's ID  
4 capabilities.

5 Thank you.

6 MR. QUINN: Our next speaker is Judith  
7 McGeary, executive director of Farm and Ranch Freedom  
8 Alliance.

9 MS. McGEARY: Thank you, Mr. Secretary,  
10 and the folks around this table, for the opportunity  
11 to be involved with this process.

12 FARFA represents a wide range of small  
13 farmers, consumers of local foods, forest owners,  
14 homesteaders, and just a mishmash of other folks who  
15 don't fit into large industry groups. Our position  
16 is that traceability is not a goal in and of itself.  
17 Animal health, food security, food safety -- those  
18 are goals. Traceability is a tool in the tool box to  
19 reach those goals, and frankly NAIS is not a  
20 productive way to get there.

21 Starting with one of the key goals, animal  
22 health, traceability is part of an animal health

1 system. I've already seen the existing programs that  
2 worked very well. No one has said that these  
3 programs are perfect. But perfection is not the  
4 goal. The goal is a workable animal health system.

5           In 2005, the GAO did an analysis of our  
6 susceptibility to livestock diseases, and  
7 particularly agro-terrorism, and listed the wide  
8 range of steps USDA needed to take to improve animal  
9 disease protection. Traceability wasn't one of them.  
10 It's not the weak link in the chain, and we can't  
11 improve our animal disease programs by pouring  
12 resources into an area that is not the weak link to  
13 begin with.

14           One of the issues that FARFA has raised  
15 repeatedly for the last three years is the question  
16 of the scientific basis for this program. We've done  
17 Freedom of Information Act requests asking for the  
18 epidemiological models for the claims that are made  
19 for these programs, in particular issues that are  
20 related to the 48-hour traceability; the idea that  
21 every animal and every movement needs to be tracked.

22           These things defy basic risk analysis and

1 epidemiological principles. Animal susceptibility to  
2 disease varies based on how they are raised and how  
3 they are managed. The disease risk in a confinement  
4 operation, where animals are kept under high density,  
5 is very different than the disease risk for backyard  
6 poultry, pastured poultry, small-scale calf-cow  
7 operations, and so on and so forth.

8           Just using poultry as an example, while we  
9 just heard an example of the vertically-integrated  
10 system, there is a rising interest in pastured  
11 poultry, where animals are kept outdoors under  
12 conditions that improve their immune systems and  
13 reduce disease risk.

14           When you look at the cost of NAIS, we're  
15 not just talking about the cost of the task. We're  
16 talking about the cost of an entire electronic  
17 infrastructure. By nature, an electronic  
18 infrastructure favors large operators and creates  
19 great hardship on small producers.

20           Recently, IBM took out a full-page ad in  
21 the New York Times in which it mentioned that it's  
22 expected that 900 billion food items will be ID-

1 tagged by 2015. The only thing about the profit  
2 margins on those RFID tags -- you sort of realize the  
3 sort of monetary incentives that are driving the  
4 electronic system.

5           On food safety, although I realize it's  
6 not the main topic here, it's been an issue in our  
7 Congress. Our position is we don't need farm-to-fork  
8 traceability. We need factory-to-fork traceability.  
9 The problems with the food safety system lie in the  
10 slaughterhouses, the food processing facilities, the  
11 factory industrial system. And we fully support  
12 traceability from those factory industrial processing  
13 facilities for the consumer. However, doing live  
14 animal traceability will not improve our safety.

15           Another thing that is raised frequently is  
16 homeland security. We're told frequently in order to  
17 increase our monetary security, we need to diversify  
18 our investments. We propose to do the same thing  
19 with the food supply. We don't need to centralize  
20 and consolidate our food supply. That is a known,  
21 recognized risk.

22           Again, GAO has identified that as one of

1 the many risks we have. What we need is to  
2 decentralize and support regional food systems and  
3 small producers. NAIS, unfortunately, does the exact  
4 opposite. NAIS tries to substitute high-tech  
5 solutions for the inherent food safety that comes  
6 from diversity.

7           Small diversified farms are growing in  
8 this country. You need only look at the 2007 census  
9 numbers to realize that this is the future of our  
10 agricultural system the USDA should be encouraging,  
11 not creating a problem.

12           We offer several alternatives in our  
13 written comments, again encouraging decentralization  
14 following the GAO's recommendation from 2005. We  
15 need to increase training for veterinarians to  
16 recognize animal diseases, increase inspections of  
17 our imports, stop allowing imports from countries  
18 that have known disease risks, improve enforcement of  
19 large slaughterhouse and processing system  
20 regulations, and address traceability of meat from  
21 the slaughterhouse to the consumer.

22           Thank you very much.

1                   MR. QUINN: The next speaker is Don  
2 Hoenig, president of the U.S. Animal Health  
3 Association.

4                   MR. HOENIG: Good morning, Mr. Secretary.  
5 Don Hoenig. I'm a veterinarian from Maine. I'm also  
6 president of the U.S. Animal Health Association. I'm  
7 speaking here today in my position as president of  
8 the USAHA.

9                   The United States Animal Health  
10 Association is the nation's animal health forum, and  
11 has been for over a century. It is a science-based,  
12 non-profit, voluntary organization. Its 1400 members  
13 are state and federal animal health officials,  
14 nationwide organizations' regional representatives,  
15 and individual members.

16                   USAHA's board of directors represents 50  
17 states, four foreign countries, two sovereign nations  
18 and 34 allied groups serving health, technical and  
19 consumer markets, some of whom are here at the table  
20 today. The Association's mission is implemented  
21 through deliberation of 32 science-based committees  
22 and the adoption by the membership and board of

1 directors of resolutions and recommendations aimed at  
2 solving animal health problems.

3           As you might imagine, our Committee on  
4 Livestock Identification, appointed in 2003, has been  
5 quite active in the past several years. I did a bit  
6 of research the other day and discovered that since  
7 1994, there have been at least 25 resolutions  
8 directly relating to animal identification, many  
9 developed by this committee and subsequently passed  
10 by the Board of Directors, several directly by some  
11 of your predecessors. Our organization has been, and  
12 continues to be, intimately active and engaged in  
13 this issue.

14           In a word, the current system of animal  
15 identification in the U.S. is broken. All of us  
16 involved in livestock and poultry health, federal,  
17 state and industry folks, have aggressively and  
18 successfully eradicated an impressive array of  
19 diseases in the U.S. over many decades. But we've  
20 become a victim of our own success. Livestock, which  
21 used to be tested and identified as part of the feed  
22 control program at points of concentration such as

1 markets, auctions and sales are no longer being  
2 accurately or adequately identified or reported.

3           Accurate traceability, critical to  
4 investigating potential disease exposures or  
5 outbreaks, has suffered, and one needs to go no  
6 further than the USDA business plan to advance animal  
7 disease traceability to find recent examples of that.  
8 They're all listed in the back. I don't need to go  
9 into them.

10           But I don't think it's hyperbole to say  
11 that we're flying a Wright Brothers-style airplane in  
12 the space age. We need a system that moves at the  
13 speed of commerce, and that just isn't happening.

14           USAHA has gone on record many times in  
15 recent years as a forceful advocate to change this  
16 outmoded and fundamentally ineffective system of  
17 animal ID. At the root of all the USAHA resolutions  
18 and recommendations has been better ID and  
19 traceability for more effective disease control.

20           As you know, an ambitious attempt to take  
21 a giant step forward to address this dilemma is the  
22 National Animal Identification System, which was



1 rolled out almost eight years ago and has met with  
2 limited success -- and in some parts of the country  
3 outright hostility and opposition. And premises  
4 registration numbers, as you know, are 35 percent  
5 nationwide after approximately \$118 million expended.

6 I don't know anyone who is satisfied with  
7 these results, except possibly NAIS's opponents. But  
8 when Dr. Clifford testified a month ago, I watched  
9 him -- and thank you, Chuck. However, what he said  
10 that day really resonated with me.

11 All of us in livestock and poultry health  
12 realize we need a more effective system. If we  
13 can't get there with appropriate incentives, then we  
14 must explore mandatory compliance if that system is  
15 NAIS. If not, how do we get there? I guess that's  
16 the \$64,000 -- or the \$118 million --question.

17 USAHA passed a resolution at our 2006  
18 annual meeting in Minneapolis urging the USDA to  
19 proceed to implement premises registration and animal  
20 identification, and utilize the current  
21 identification numbering system to collect animal  
22 identification information at the point of origin and

1 the point of termination, often described as the  
2 bookend approach. I'm not sure if the bookend  
3 approach is the answer, but in the opinion of USAHA  
4 it has the key elements that animal health officials  
5 and industry need to improve the status quo.

6           In closing, I'd like to relate two  
7 personal anecdotes that demonstrate both the intense  
8 passion and the disturbing failures relevant to this  
9 issue. Three years ago, I was at a public meeting in  
10 Ellsworth, Maine, with 80 people. At the end of two  
11 hours of talking about animal ID, everything seemed  
12 to be settling down a little bit. Then two  
13 demonstrators rushed into the room, dressed in  
14 skeleton costumes, and attacked myself and one of my  
15 colleagues with horse manure pies.

16           It hasn't deterred me at all from saying,  
17 wherever and whatever chance I get, that we need a  
18 more effective system. But it shows you the passions  
19 around the issue. That meeting at the Ellsworth town  
20 hall was upstairs from the police office, the police  
21 department. Nobody was ever arrested.

22           One day, we tested a dairy herd of cattle

1 in Maine that resulted out of a traceback from a TB-  
2 positive town in Pennsylvania in September. We  
3 found out about that herd a month ago, and we've been  
4 tracing it down. That's too long.

5 So thank you very much for the chance to  
6 come and speak with you. I apologize for going 15  
7 seconds over.

8 MR. QUINN: Our next speaker is Chuck  
9 Kiker, Region V director of the U.S. Cattlemen's  
10 Association.

11 MR. KIKER: Good morning, Mr. Secretary.  
12 I want to extend the gratitude of our membership for  
13 the opportunity to participate in this discussion of  
14 NAIS.

15 Our membership opposes mandatory  
16 participation in the National Animal Identification  
17 System. However, we have continued to participate in  
18 discussions concerning NAIS. We have encouraged USDA  
19 to continue to develop a standardized voluntary  
20 program that incorporates existing animal tracking  
21 and animal health systems. For branding states, we  
22 also feel utilization of the brand and brand

1 inspection should also be incorporated into the  
2 system.

3           The vast majority of U.S. cattle producers  
4 have chosen not to participate in the current  
5 voluntary program, as evidenced by the low number of  
6 producer enrollments in the system. Make no mistake:  
7 ranchers understand the need for an effective animal  
8 health traceback system and the risks associated with  
9 animal disease outbreaks. Ranchers understand the  
10 economic and social consequences of an animal health  
11 crisis in America. Their steadfast opposition to the  
12 NAIS proposal sends a strong message to policy  
13 decisionmakers that they are not satisfied with the  
14 fundamentals of the proposed system.

15           Even bigger problems for producers with  
16 NAIS are the unanswered questions: what the current  
17 system is, what it will evolve into, and how much the  
18 system will cost. There is an extreme lack of  
19 confidence in USDA when it comes to NAIS. Until USDA  
20 restores that confidence, producers are not going to  
21 buy into a voluntary program, and likewise that lack  
22 of stakeholder confidence and support will be the

1   demise of any efforts to implement a mandatory  
2   system.

3                   USCA also has policy directing the  
4   Department of Agriculture to conduct a cost-benefit  
5   analysis of a mandatory program, so that all  
6   stakeholders will have an understanding of the  
7   potential benefits and associated economic  
8   consequences. To date, the results of any analysis  
9   have not been released. We've been told that APHIS  
10  has one in hand. When will it be made public?

11                   The original NAIS with 48-hour traceback  
12  was a Cadillac, pie-in-the-sky system with all the  
13  bells and whistles. It was going to be privatized,  
14  and groups were already divvying up the different  
15  components and counting the profits they were going  
16  to reap. The use of RFID tags and the infrastructure  
17  needed to read them at every point of sale or  
18  movement was overwhelming. Where are we now? Is  
19  that still the end goal?

20                   You said you were just trying to get  
21  producers to sign up for premises numbers. We voiced  
22  concern that we were signing premises numbers for

1 property, and what effect that might have on  
2 producers' property rights. There has also been  
3 concern of a producer signing up for premise numbers  
4 on leased land.

5           We have encouraged USDA to go to a  
6 personal ID number that uses the producer's address  
7 or the mailing address of the ranch for a locator.  
8 You gave reasons why you didn't heed our suggestions,  
9 but you did nothing to build producer confidence in  
10 your proposal.

11           We've asked many times who's going to pay  
12 for the brunt of the cost of NAIS, and never gotten a  
13 straightforward answer. Nearly all segments of the  
14 beef industry are financially strapped. As cattle  
15 producers, we are price takers, not makers. We have  
16 no way to pass the costs of this program on to  
17 consumers. We compete in international markets with  
18 third world countries, and consequently have to be  
19 low-cost producers.

20           Our competitive edge is compromised on a  
21 regular basis by government regulations and  
22 bureaucracy. An excellent example is the unfounded

1 trade restrictions on U.S. beef exports as a result  
2 of BSE, and the lowering of import standards on beef  
3 coming into the U.S. from Canada.

4           We hear about all the other countries that  
5 have animal ID systems. Animal ID does not prevent  
6 disease outbreaks. Not adhering to their feed ban is  
7 why Canada has a BSE problem. Australia boasts of  
8 having an advanced system with traceback. I've been  
9 there twice, and it's not working near as well as  
10 their government and MLA would like you to believe.  
11 Their industry is nothing like ours. The cattle  
12 seldom change hands until they are two to three years  
13 old, and generally go straight to a processor.

14           The United States has an excellent track  
15 record for eradicating and mitigating animal  
16 diseases. We need to not lose sight of what has made  
17 us the top beef producing nation in the world, or  
18 what has made us competitive in the top beef  
19 consuming market in the world and abroad.

20           The U.S. Cattlemen's Association has  
21 policy directing USDA to harmonize animal health data  
22 bases already in existence through federally-

1 administered animal health programs like brucellosis,  
2 tuberculosis, Yoney's disease and so on. We  
3 appreciate recent steps taken by APHIS to do so, and  
4 have actively participated by offering commentary on  
5 veterinarian services' policy changes.

6           Today's roundtable discussion is a  
7 refreshing approach to existing issues. U.S.  
8 cattlemen are hopeful that this signals the agency's  
9 willingness to examine all aspects of the program,  
10 and an openness to develop an animal health traceback  
11 system that shields the nation from a crisis,  
12 protects producers from financial burden and  
13 government regulations that businesses cannot  
14 overcome.

15           I will be submitting written comments from  
16 USCA for the record. I appreciate it.

17           MR. QUINN: Our next speaker comes in by  
18 telephone. He is Neil Dierks, the CEO of the  
19 National Pork Producers Council. Neil?

20           MR. DIERKS: Thank you, Mr. Secretary. I  
21 apologize for not being in person. I had an earlier  
22 commitment, but I did want to be there.



1           Mr. Secretary, if the national animal  
2 identification program were working as a voluntary  
3 program, we wouldn't be having this discussion today.  
4 The fact that we only have 35 percent of U.S.  
5 livestock facilities registered is a pretty powerful  
6 indictment of a voluntary system.

7           The pork producers of the U.S. have had a  
8 mandatory animal identification system in place for  
9 more than 20 years. Without it, we would never have  
10 eradicated pseudorabies from our domestic herd.

11           The pork industry support of NAIS and its  
12 adoption into our system -- our industry has changed  
13 our existing identification system to fit the  
14 requirements of NAIS. Producers in the pork industry  
15 voted in 2005 for a policy that supported a U.S.  
16 mandatory animal identification system. Again in  
17 2007, producers voted to ask pork packers to require  
18 premises registration as a condition of sale, and ask  
19 breed registration requirement as a condition of  
20 registration. Today, more than 80 percent of swine  
21 premises have been registered, compared with only 35  
22 percent nationally.

1           The U.S. livestock, dairy and poultry  
2 industries are increasingly vulnerable to foreign  
3 animal disease because of the potential spread of  
4 disease due to increased international travel and  
5 trade. Worse yet, you had mentioned the issue of  
6 terrorism.

7           The best way to protect the health of the  
8 U.S. livestock herd is through a mandatory  
9 identification system across all livestock, all dairy  
10 and all poultry species, where each industry develops  
11 an effective and affordable ID system for their  
12 respective species. Having a mandatory ID in place  
13 would give our animal health officials ability to  
14 trace disease or potentially exposed animals to the  
15 farm of origin, and identify other potential exposed  
16 products within 48 hours of discovery.

17           The real advantage of that ID system is  
18 that it places a searchable data base in all states  
19 of all the premises holding livestock, and this  
20 allows the health officials to review those premises  
21 without having been exposed to a disease, rather than  
22 trying to physically, which would mean driving to

1 them to locate them.

2           The cost of a foreign animal disease to  
3 the pork industry and the government would be  
4 staggering. It was estimated in 2005 that a foot-  
5 and-mouth disease outbreak would cost the U.S. pork  
6 industry alone between \$40- and \$60 billion. A  
7 mandatory ID system would substantially mitigate  
8 those costs, because of the ability to control the  
9 disease earlier.

10           While the U.S. pork industry has been  
11 successful in implementing a national ID program, it  
12 is recognized that some diseases affect multiple  
13 species. Even if the U.S. pork industry registers  
14 our extent of the pork premises, it still remains  
15 vulnerable to unregistered premises down the road  
16 that may have other susceptible animals that have  
17 been exposed to animal disease.

18           Until the animal ID system is made  
19 mandatory, it'll never have the intended effect of  
20 improving our ability to eradicate or control foreign  
21 or domestic diseases, or improving our animal health  
22 infrastructure.

1           The government proposal to protect the  
2 privacy of the information collected through NAIS has  
3 been distorted by some as a means to avoid a  
4 mandatory system. There's no information that's  
5 collected under NAIS that is not publicly available  
6 in toll books, plat books, or other information  
7 already provided by producers to government agencies  
8 through various permitting processes.

9           The U.S. pork industry supports a  
10 mandatory identification system that is species-  
11 specific, that accommodates the production of each  
12 species, allows animals to be identified by groups,  
13 and requires animal identification only if the  
14 animals move outside of a closed production system.  
15 We also believe the ID system should be required by  
16 federal regulations. This should include a simple  
17 data base created and operated by federal funding.  
18 The pork industry does not support reporting every  
19 animal movement.

20

21           With that, thank you for your time, Mr.  
22 Secretary. We appreciate the opportunity.

1           MR. QUINN: Our next speaker is also by  
2 telephone: Glen Fisher, who is president of the  
3 American Sheep Industry. Glen?

4           MR. FISHER: Thank you, Mr. Secretary, for  
5 the opportunity to join this discussion by phone this  
6 morning. Likewise I could not attend.

7           On behalf of the American Sheep Industry  
8 Association and the 82,000 sheep farms and ranches in  
9 the U.S., I would share with you that our industry  
10 already has an animal identification system in place  
11 today.

12           MR. QUINN: Glen, you're breaking up. Can  
13 you --     MR. FISHER: -- in 2004, an ID system was  
14 implemented. Producers call a central phone number  
15 and it automatically routed them to their office  
16 where a number was assigned to them for interstate  
17 movement.

18           MR. QUINN: Glen, you're breaking up. Can  
19 you use the handset if you're not using a handset?

20           MR. FISHER: Yes, I will.

21           MR. QUINN: Go ahead.

22           MR. FISHER: Funding for the scrapie

1 eradication program was provided for the purchase of  
2 low-cost yet functional official ear tags by the  
3 state. This simple centralized system has resulted  
4 in over 90 percent of the sheep premises recorded in  
5 the National Scrapie Data Base, and I will repeat  
6 that -- 90 percent.

7           The scrapie ID program incorporates a  
8 workable producer, state and federal partnership  
9 whereby the ear tags that are distributed by the  
10 state to the producers are recorded and uploaded to  
11 the federal data base. Official ear tag numbers and  
12 the premise ID number travel with the sheep when they  
13 are in interstate commerce through certificates of  
14 veterinary inspection.

15           We believe that a practical and functional  
16 identification program can provide both state and  
17 federal regulatory officials with the ability to  
18 trace animals quickly by information collection and  
19 type of identification. From experience with the  
20 scrapie eradication ID system, we believe that a  
21 premise identification number, which we call PIN  
22 and/or an individual animal number along with the

1 sheep producer's name and address, are the basic  
2 informational need.

3           A national animal identification system  
4 requires that animals in feed or slaughter channels  
5 be identified. We strongly believe that the single  
6 identification of groups or lots of over ten head is  
7 the most effective method of achieving traceability  
8 in this type of movement. Applying tags, recording  
9 the identification properly, and assuring the  
10 accuracy of the record is ultimately the  
11 responsibility of the producer.

12           Some producers choose to tag and record  
13 their sheep at marketing time, while some choose to  
14 do it at birth or marking time. Either way, the task  
15 is at least not more labor-intensive than  
16 vaccinations or other practices that result in  
17 animals needing to be penned, restrained and handled.  
18 There is an associated cost and production lost each  
19 time an animal is handled which the producers bear.

20           For these reasons, and in the interest of  
21 implementing a successful ID program for the animal  
22 agricultural industry, and public well-being, we

1 believe that the ear tags should continue to be  
2 provided by USDA without cost. As far as 48-hour  
3 traceability, while scrapie is not a highly-  
4 contagious disease, state and federal regulators can  
5 trace breeding sheep within 48 hours. The  
6 sheep industry appreciates working with USDA APHIS on  
7 the disease eradication and associated identification  
8 efforts, which include the strong producer education  
9 fee.

10 Briefly, the American sheep industry  
11 supports the mandatory national identification system  
12 with several critical provisions. Number one, the  
13 cost of identification to integrated services,  
14 supplies and devices should be provided by the public  
15 sector. Number two, implementation of a national ID  
16 system for livestock should not be duplicative of the  
17 national scrapie eradication program ID requirement,  
18 and a seamless transition to another system should be  
19 planned and announced well ahead of the time, with  
20 supplies available through well-organized  
21 distribution channels.

22 Number three, a national ID system for



1 sheep should accommodate all the various production  
2 systems in the United States, including group  
3 movement of all animals for management purposes, as  
4 well as movement through feeder and slaughter  
5 channels. A readily visible means of identification  
6 or group lot ID must be included in the chief  
7 identification system.

8           Number four, a system should contribute to  
9 the management, marketing and business needs of the  
10 U.S. sheep industry. Many of our producers have  
11 already purchased their own tags as a management  
12 system, where they're color-coded or with their name  
13 on it.

14           A system for sheep should be fairly field-  
15 tested before implementation to demonstrate the  
16 technology is compatible with normal industry  
17 operation. And last, number six, implementation of  
18 this system must not economically burden any sector  
19 of the U.S. sheep industry.

20           Finally, Mr. Secretary, I will close with  
21 a reminder to you and APHIS that ID is of no use on a  
22 lamb that's been drug off of its mother and killed by

1 coyotes. I encourage your support of the federal  
2 share of predator management through APHIS wildlife  
3 services. I again thank you for the opportunity to  
4 comment on the phone today.

5 MR. QUINN: Our next speaker is Liz  
6 Reitzig, secretary of the National Independent  
7 Consumers and Farmers Association.

8 MS. REITZIG: Good morning, Mr. Secretary.  
9 Thank you.

10 My name is Liz Reitzig, and I'm secretary  
11 of the National Independent Consumers and Farmers  
12 Association. The USDA claims that the Animal Health  
13 Protection Act of 2002 authorizes it to implement  
14 NAIS. However, nowhere in the AHPA is the USDA  
15 authorized to assign a federal, permanent, seven-  
16 character number to private land. Neither is it  
17 authorized to require application to any animal of an  
18 840 prefix tag indicating the animal is U.S.-born,  
19 and it is not authorized to require RFID devices like  
20 implantable microchips or RFID padding on a  
21 privately-owned animal.

22 Further, the AHPA does not authorize the

1 USDA to require reporting movements for any of the 23  
2 reportable events listed in these documents. The  
3 AHPA authorizes the USDA to track shipments of  
4 animals that have been imported. Any assertion  
5 beyond that is an extrapolation by the USDA.

6           If the USDA knew that AHPA authorized it  
7 to implement NAIS, why would it have supported and  
8 pushed for five bills to mandate NAIS in statute  
9 since 2003? If the AHPA is the authorizing act, why  
10 has USDA been involved in developing the NAIS since  
11 at least 1994, as evidenced by the National Livestock  
12 Identification Symposium, where both Dr. John Loomers  
13 of APHIS and Neal Hammerschmidt, at the time employed  
14 by the Holstein Association and since employed by  
15 USDA APHIS as a coordinator, were participants?

16           These men have been architects for NAIS in  
17 this country since at least 1994, and have drawn  
18 salaries from USDA for most of those years. Have  
19 these salaries, and the funding of the foreign animal  
20 identification and records program of the Holstein  
21 Association, as well as the establishment of the  
22 Wisconsin Livestock Identification Consortium, been

1    figured into the cost of NAIS thus far?  
2    Both of these groups were headed at their inception  
3    by Mr. Hammerschmidt, before he became NAIS  
4    coordinator for USDA APHIS.

5                    The USDA has stated in various NAIS  
6    documents that the goal of NAIS is 48-hour traceback  
7    to the premises of origin of an animal disease  
8    outbreak. Foot and mouth disease, or FMD, is the  
9    nightmare scenario used to scare everyone into  
10   believing that we must have 48-hour traceback to  
11   remain. Yet, with foot and mouth disease, 48 hours  
12   is not fast enough.

13                   FMD is highly contagious and spreads  
14   through airborne contamination, cross contamination  
15   from non-infected species or wildlife, or by direct  
16   contact. Symptoms may take up to three weeks to  
17   manifest, yet viral transmission can occur within a  
18   week of contamination. FMD does not kill the  
19   infected animal unless the animal is already  
20   stressed. A cow will lose her next calf, and dairy  
21   animals will produce less on the next freshening, but  
22   they will not die.

1                   It also does not infect people, nor make  
2 an infected animal's meat unsafe for human  
3 consumption. An infected animal traveling from  
4 Oklahoma to Washington on an open livestock trailer  
5 has the potential to spread the virus anywhere in  
6 between. Passing another livestock trailer means any  
7 of those animals could contract and spread the  
8 disease. Should that occur, in order to keep the  
9 FMD-free status for World Trade Organization members,  
10 as required by the LIE, world animal health  
11 organization, Americans would have to kill every  
12 susceptible livestock animal within a 6.2 kilometer  
13 radius of where the infected animal has been.  
14 However, according to Dr. Steve van Wie, Homeland  
15 Security veterinarian, in wildlife such as deer, this  
16 disease is self-limiting.

17

18                   While no one wants this disease, and we  
19 should control our borders and refuse to import raw  
20 meat from affected nations, the truth is that FMD is  
21 really a WTO concern, and the nightmare of FMD would  
22 be in following the LIE stampout measures that would

1 not eliminate the disease, rather than the disease  
2 itself. Recognizing that the only real justification  
3 for NAIS is to meet World Trade Organization and OIE  
4 guidelines, the only acceptable application for a  
5 program of this magnitude and constitutional  
6 repugnance would be that export verification services  
7 offer it as a pay-to-play program for exports to WTO  
8 member countries that might desire to require this  
9 type of system. There are two livestock  
10 markets in the nation, export and domestic, and those  
11 who believe they can benefit from this program should  
12 be allowed to attempt to do so at their own expense.

13 Our country is unique among the nations of  
14 the world. The United States Constitution is  
15 designed to limit the powers of centralized federal  
16 government, and our forefathers carefully crafted the  
17 document to insure liberty for their posterity. In  
18 Article I, Section 8, the powers of the federal  
19 government are delineated.

20 Nothing in the Constitution authorizes the  
21 federal government to require registering private  
22 property. George Washington's men did not follow him

1 barefoot and starving through the snows of Valley  
2 Forge so that the USDA could require birth  
3 certificates for goats.

4           In closing, you must be aware that there  
5 is no consensus to be reached on a mandatory or a  
6 voluntary federally-managed and funded NAIS. The  
7 opponents of this program stand upon their God-given,  
8 inalienable, constitutionally-guaranteed rights to  
9 engage in agriculture, and their ability and duty to  
10 feed themselves and their countrymen. We farmers are  
11 too few to win this fight alone, but we will not  
12 dishonor those who have gone before, as our freedom  
13 was bought with their blood. We are not too few to  
14 die, and such is our resolve. The question is, how  
15 firm is the resolve of the USDA?

16           Thank you.

17           MR. QUINN: Our next speaker is Patrick  
18 Boyle, president and CEO of the American Meat  
19 Institute.

20           MR. BOYLE: Thank you very much. I  
21 appreciate the opportunity to be here, Mr. Secretary.  
22 AMI represents the packers and processors in the

1 United States who collectively produce about 95  
2 percent of our beef, pork, lamb and veal, and about  
3 70 percent of our nation's turkey supply.

4           AMI supports the mandatory animal  
5 identification system for a number of reasons. Many  
6 of them are tangential rather than direct. You  
7 already mentioned, Mr. Secretary, the impact on  
8 exports, particularly in the beef sector, as we have  
9 struggled to regain our lost markets related to BSE.  
10 A number of foreign governments during negotiations  
11 repeatedly pointed out the fact that Canada has an  
12 animal ID system and the U.S. does not.

13           Many of our other competitor countries in  
14 the beef market also have systems. Australia has a  
15 system, New Zealand is pilot-testing an RFID system.  
16 Uruguay has announced that it will have a mandatory  
17 animal ID system in place in 2010.

18           Another benefit would have been our  
19 ability to comply with mandatory country of origin  
20 labeling. It certainly would have facilitated the  
21 ability of our packers to comply with that mandate.  
22 Curiously enough, Congress precluded the Secretary



1 from implementing a mandatory ID system within the  
2 context of COOL.

3 I think there's also a consumer confidence  
4 perspective, particularly when other sectors of the  
5 food industry are voluntarily moving toward a farm-  
6 to-table traceability system in the wake of the  
7 spinach recalls and the outbreak of salmonellosis  
8 associated with that produce. The produce industry  
9 has embarked upon a traceability initiative where  
10 they intend to identify the acre from which every  
11 fresh fruit and vegetable originates, and follow it  
12 through the various distribution channels.

13 Many of the proposals pending before the  
14 Congress that deal with FDA reform also address  
15 traceability. Three comprehensive reform bills have  
16 provisions that would mandate the traceability on the  
17 FDA food-regulated sectors. One of them, by  
18 Congresswoman deGette, also mandates traceability  
19 onto products regulated here at USDA: meat, poultry  
20 and eggs. So to the extent those bills are  
21 successful in passage at some point, this discussion  
22 may be rendered moot.

1           But the primary benefit, as many previous  
2 commentators have cited, would accrue to APHIS  
3 producers and processors in terms of our ability to  
4 respond to, contain and eradicate outbreaks of animal  
5 diseases. In AMI's view, as in the views of many  
6 previous commentators, to maximize the effectiveness  
7 of such a system, the animal ID system needs to be  
8 mandatory.

9           One final comment as an aside. Many  
10 critics or opponents of such a mandate have cited  
11 privacy concerns; the department would not be able to  
12 protect the confidentiality of the records  
13 accumulated under a mandatory animal ID system. I  
14 will point out, within the last few weeks, the U.S.  
15 Federal District Court here in the District of  
16 Columbia rejected that concern. The court concluded  
17 that the Privacy Act does enable the department to  
18 maintain the confidentiality of these records, and  
19 that they are not releasable to the public under  
20 FOIA.

21           Thank you again, Mr. Secretary, for your  
22 interest in this issue, and the opportunity to be

1 with you today.

2 MR. QUINN: The next speaker is Joel Espe,  
3 president of the North American Elk Breeders  
4 Association. Joel?

5 MR. ESPE: Good morning, Mr. Secretary.  
6 Years ago, I heard that the human brain works  
7 continually from the instant you're born until you  
8 get before a group to speak.

9 (Laughter.)

10 MR. ESPE: I'll read my comments.

11 As president of the North American Elk  
12 Breeders Association, and also president of the Non-  
13 traditional Farmers and Ranchers Coalition U.S., I  
14 appreciate this opportunity to share comments on  
15 NAIS.

16 Much of the national plan of NAIS  
17 originated in Wisconsin, with the formation of the  
18 Wisconsin Livestock ID Consortium. This group  
19 included all the various livestock producers and  
20 states as equal shareholders in developing a premise  
21 and traceback system to be used for animal health  
22 emergencies. To be able to identify where all the

1 various types of livestock were located in such an  
2 emergency was the first step, individual animal  
3 records from birth to death being second.

4           As then-president of the Wisconsin Deer  
5 and Elk Farmers Association, I joined the WLIC to see  
6 if premise and animal ID could benefit our industry.  
7 Many of our markets and borders have been closed to  
8 us due to a perceived animal health issue. I had  
9 hoped that participating in this program would give  
10 us credibility in our state and federal government to  
11 open those national and international borders and  
12 markets to us again.

13           At one time when we sold our elk-velvet  
14 antlers to China and Korea, they were \$150 a pound.  
15 When those borders were closed, we were getting \$9 a  
16 pound.

17           I led one of the three pilot projects for  
18 WLIC, writing a grant to cover the cost of computers,  
19 software, RFID tags and readers. My elk herd was  
20 the first group of animals nationwide to have the  
21 official NIS RFID buttons in their ears. I also  
22 helped other elk breeders throughout Wisconsin tag

1 their animals.

2           This project took place in 2004, five  
3 years ago. Over those five years, I've not seen one  
4 market or border reopened for our industry. I  
5 presented this information to members of USDA at our  
6 WLIC meetings, and explained to have credibility to  
7 breeders, there needs to be a reward for the extra  
8 work and expense involved.

9           In the process of tagging deer or elk or  
10 exotics, there's a high risk of injury or death to  
11 very expensive animals. There needed to be a carrot  
12 dangled in front of us to offset the risk.

13           Where most of you can ship your livestock  
14 nationally or internationally, our members are  
15 treated differently. Our markets in other states are  
16 closed, in spite of our animals being brucellosis-  
17 free, TB-accredited and CWD-monitored for over five  
18 years. We had hoped that participating in a national  
19 plan would change that system.

20           Where some of you today are objecting to  
21 premise ID, we've gone well beyond that step to the  
22 individual animal ID part of the plan. The cost of

1 animal health outbreaks in any livestock species is  
2 incredibly high. The cost of implementing the  
3 premise ID system is quite reasonable.

4           Without a mandatory premise ID system  
5 nationwide, the system is doomed to fail. The threat  
6 of withholding indemnity or not participating,  
7 however, is a club not a carrot. Our industry has  
8 participated willingly, above and beyond  
9 expectations, to earn the credibility to reopen  
10 borders and markets. The national plan has lost some  
11 credibility to us by not working to do that. We hope  
12 this will be rectified soon so we can continue to  
13 support the plan.

14           One of the groups that we're an umbrella  
15 group for with our coalition is the Exotic Wildlife  
16 Association, out of Texas. They've asked me to read  
17 just a brief statement.

18           The Exotic Livestock Association, which is  
19 a member of the Non-traditional Farmers and Ranchers  
20 Coalition, has issued the following brief official  
21 position from their executive director, Charlie  
22 Seale, and I quote: We will only support a voluntary

1 program, one that gives individual animal owners the  
2 option to participate or not, without jeopardizing  
3 their ability to participate in commerce.

4 Thank you.

5 MR. QUINN: The next speaker is Howard  
6 Magwire, vice president of government relations for  
7 United Egg Producers.

8 MR. MAGWIRE: Good morning, Mr. Secretary.

9 United Egg Producers is a cooperative  
10 whose members represent about 98 percent of the shell  
11 eggs that are produced in the United States. Our  
12 board has been behind NAIS since USDA first started  
13 discussing it with the poultry industry a few years  
14 ago.

15 Like the chicken and turkey producers, egg  
16 farmers see the prospect of an outbreak of highly  
17 pathogenic avian influenza, for example, as a serious  
18 threat to poultry health, possibly food safety, and  
19 certainly the viability of our industry. Again,  
20 working with our partners at APHIS, state animal  
21 health officials, and land grant universities, we  
22 continue to build on plan to control any outbreak of

1 high path AI in the poultry industry in the United  
2 States.

3           Premise registration through NAIS is a key  
4 component of that plan, which depends on an immediate  
5 determination of potentially infected or exposed  
6 flocks. While NAIS is part of the department's  
7 animal disease control efforts, we also see it as an  
8 important tool in conducting tracebacks in the event  
9 of any food safety issue involving eggs.

10           In some major egg-producing states, dozens  
11 if not hundreds of backyard flocks are now  
12 registered. The registration of these premises is  
13 another important element in control of animal  
14 disease outbreaks that could affect commercial  
15 production. The threat to animal health posed by  
16 these flocks will increase if and as their number  
17 increases.

18           In discussions at national and regional  
19 meetings over the last several years, UEP has  
20 encouraged its members to register each egg-laying  
21 site under the voluntary NAIS program. Last year,  
22 working with the Animal and Plant Health Inspection



1 Service, the other egg and poultry associations  
2 represented here today, we prepared a poultry-  
3 specific brochure on NAIS. We distributed it to all  
4 of our members, and in fact we made sure it was made  
5 available to folks that aren't our members at the  
6 International Poultry Exposition in Atlanta, Georgia  
7 last January.

8           Several state egg and poultry associations  
9 have conducted grass roots efforts to register egg  
10 and poultry operations. Through UEP and state  
11 efforts, we believe that a high percentage of  
12 commercial egg producers have registered their  
13 premises. Our enlarged part, of course, due to our  
14 concern about confidentiality that we have insisted  
15 on, handled registration of hundreds of backyard  
16 flocks.

17           We cannot identify with certainty areas of  
18 the country where we need to increase our efforts to  
19 register commercial flocks. We would like to explore  
20 with APHIS, perhaps working with state egg and  
21 poultry associations, a means to identify states  
22 where registration is not yet complete, although we

1 believe it's near completion.

2           Within the egg industry, animal movement  
3 is by flock rather than individual animal or even  
4 small groups of animals. Hence flock identification  
5 rather than individual animal identification will  
6 meet the objectives of NAIS. Therefore we will not  
7 incur costs associated with identification of  
8 individual animals.

9           Our producers have long maintained the  
10 bulk of records required under NAIS. Therefore we  
11 will not incur substantial costs in this area.  
12 However, some of those records are maintained on  
13 paper generated at farms that are distinctly, and I  
14 might say purposely, rural.

15           As you know, Mr. Secretary, many of these  
16 locations do not have access to high-speed internet  
17 service. Like other farmers, our producers use  
18 computers in many areas of their operations.  
19 However, they have not found it necessary to replace  
20 some of the paper records produced relative to the  
21 movement of birds. Yet our producers can produce  
22 necessary records within the 48-hour time prescribed

1 by NAIS.

2           Some of the draft food safety legislation  
3 under consideration by the Congress right now would  
4 require electronic records essentially for whole  
5 sectors of food processing, including at the farm  
6 level. We urge that the department carefully review  
7 the costs and benefit of any similar effort under  
8 NAIS. We believe that our producers would incur  
9 substantial costs with no benefit if the NAIS were to  
10 require electronic records at every level of  
11 production.

12           As the discussion on making NAIS a  
13 mandatory program continues, we also suggest the  
14 department carefully examine the impact of this  
15 action. For our industry, the voluntary program has  
16 made great gains without a heavy administrative or  
17 regulatory burden. As discussed previously in these  
18 remarks, it is important in assuring the safety of  
19 our flocks and the continuity of supply of shell eggs  
20 in this country.

21           Mr. Secretary, thank you and your staff  
22 for listening to these remarks.

1                   MR. QUINN: Bill Bullard, CEO of R-CALF,  
2 is the next speaker.

3                   MR. BULLARD: Thank you, Mr. Secretary.  
4 It's a pleasure to be here representing the cattle-  
5 producing members of R-CALF USA.

6                   We recognize that USDA was granted  
7 authority under the Animal Health Protection Act to  
8 restrict imports, to protect the introduction and  
9 spread of foreign animal diseases and pests, as well  
10 as to take measures domestically to control and  
11 eradicate diseases. However, we disagree strongly  
12 that the Act provides the authority to require the  
13 registration of every producer's premises, to require  
14 the identification of every single animal, as well as  
15 to require the movements of those animals throughout  
16 their lifetime, as a precondition to participating in  
17 the livestock industry in the United States. That's  
18 what this would amount to, particularly in a  
19 situation where there is no imminent threat of a  
20 disease outbreak, nor anticipation of an imminent  
21 threat, that would otherwise invoke the USDA's  
22 authority over a particular sub-population of

1 livestock and their owners.

2           We strongly support the authority of USDA  
3 when it exercise its jurisdiction over disease  
4 outbreaks, such as it has in the brucellosis and  
5 tuberculosis program. But NAIS far exceeds that  
6 level of authority over the entire industry, and it  
7 has done so without any analysis as to why such an  
8 expansion of jurisdiction and authority is necessary.  
9 If an analysis was conducted, it certainly was not  
10 subject to public review and comment, as required by  
11 the rulemaking processes.

12           In fact, the only analysis that appears to  
13 have been conducted about pre-existing disease  
14 programs indicates that they achieve a high level of  
15 traceability. In fact, the USDA business plan says  
16 that not only did this existing system achieve this  
17 high level, but also they not only supported the  
18 needs of specific disease programs, but provided  
19 traceability for foreign animal disease  
20 investigations and other disease control efforts.

21           The industry deserves to know why, if this  
22 is the case, that we achieved these high levels of

1 disease traceability under the existing programs,  
2 must we now depart to a very radical change in the  
3 way disease programs are managed. We view NAIS as an  
4 invasive encumbrance on commerce.

5           The effect of this would be to impose  
6 additional production costs on an industry that has  
7 suffered from long-term lack of profitability without  
8 any means of recovering those production costs in the  
9 marketplace. We think this will represent a barrier  
10 to entry into the U.S. cattle industry, and it would  
11 accelerate the ongoing exodus of cattle producers  
12 from our industry.

13           In addition, it's going to exacerbate the  
14 already comparative advantage that other beef-  
15 producing nations enjoy, due to their inherently  
16 lower production costs. And our members are  
17 concerned about the potential enforcement and  
18 compliance costs that are going to arise due to the  
19 management of this colossal data base by a third  
20 party. Unfortunately, our producers are going to be  
21 subject to a third party, which is the federal  
22 government, under a command-control relationship.

1           We have long recognized the value of  
2 disease traceback programs. But we view NAIS to be a  
3 considerable distortion of the components necessary  
4 in order to establish an effective and sound disease  
5 eradication program. NAIS is a radical departure  
6 from the highly effective systems that we presently  
7 have in place.

8           The three components of NAIS that have  
9 been distorted. Number one, premises registration.  
10 USDA is wrong to assume that premises registration is  
11 the foundational component of a disease control  
12 program. Instead, we need to do what the  
13 brucellosis-type system does, and that is to allow  
14 the local veterinarian and the state veterinarian to  
15 oversee and have jurisdiction over the livestock, and  
16 then for the state and the USDA to assign the  
17 location identifier number so that they can associate  
18 the actual livestock with the producers.

19           After all, in a disease investigation, the  
20 first response is not going to be to travel to the  
21 point of coordinates demonstrating where the premises  
22 is located. The first step is going to be to

1 identify the first responders, the veterinarian and  
2 the local owner who has the records and information  
3 necessary to initiate the disease investigation.

4           So there's a fundamental flaw in the idea  
5 that we must first register premises, particularly  
6 with respect to the hundreds of thousands of cow-calf  
7 operations in this country. What we need to do is  
8 have a system in place like we already have that  
9 allows for the association of livestock to their  
10 owner.

11           In addition, the next step in the  
12 component of the NAIS is the animal identification.  
13 Central to the NAIS program is an international 840  
14 ear tag. That 840 ear tag does not support domestic  
15 commerce. It is an international ear tag. It is of  
16 little value to domestic disease traceback  
17 investigations, as it does not subdivide this massive  
18 population of livestock in this country.

19           I've exceeded my time. Thank you.

20           MR. QUINN: Jay Hickey, president of the  
21 American Horse Council, is next.

22



1                   MR. QUINN: Jay Hickey is President of the  
2 American Horse Council.

3                   MR. HICKEY: Thank you, Mr. Secretary, for  
4 the opportunity to participate in this discussion. I  
5 first would like to say to Mr. Hoenig that I hope the  
6 horse manure did not begin with one of our members.

7                   (Laughter.)

8                   MR. HICKEY: The AHC represents all  
9 segments of the horse industry in Washington D.C. It  
10 includes over 160 organizations representing every  
11 facet -- racing, showing, recreation use.

12                   We organized the Equine Species Working  
13 Group in 2003, to evaluate the NIAS and how the horse  
14 industry might fit into the system. The Working  
15 Group has worked with the USDA staff and made  
16 recommendations.

17                   At this point, we are expecting the  
18 national ID system to be voluntary. Horses are  
19 livestock and are included within the USDA's plans  
20 for NIAS.

21                   That being said, as the Department moves  
22 forward, please recognize that the horse industry

1 differs from other livestock industries in many  
2 critical respects.

3           Let's look at some of the differences. By  
4 way of background, there are an estimated 9.2 horses  
5 in the United States, and, of those, 850,000 are  
6 involved in racing, 2.7 million in showing, and 3.9  
7 million in recreation.

8           There are two million horse owners,  
9 ranging from big commercial stables, to backyard  
10 horse owners, who simply enjoy their horses for  
11 recreation. Unlike other livestock industries, the  
12 horse community involves far more recreational owners  
13 and participants, than those who are actually  
14 involved in the horse business.

15           As you would expect, each group looks at a  
16 national ID system in dramatically different ways.  
17 Every year, there are hundreds of thousands of horses  
18 routinely transported to racetracks and horse shows,  
19 from farm to farm, for breeding and training, to  
20 veterinary clinics, to National Parks and state  
21 parks, and trail riding, and just next door for  
22 riding with a friend. Horses are move routinely

1 intrastate, interstate, and internationally.

2           With all of these unique characteristics  
3 and differences in the horse industry, come a variety  
4 of challenges to fitting horses into an inclusive ID  
5 system for all livestock as USDA is currently  
6 proposing.

7           We believe the ID system should, first,  
8 focus on food animals, then other livestock such as  
9 horses. NIAS calls for a specific information for  
10 any horse in the system; second, the registration of  
11 premises that receive horses; and, three, a tracking  
12 system that allows trace-back.

13           Regarding equine identification, horses  
14 would not use ear tags. It is likely horses would  
15 ultimately be identified with microchips, which is  
16 recommended by the Working Group, but which are more  
17 expensive and must be implanted, most often by a  
18 veterinarian. This is a more expensive process.

19           Regarding premises, horses would be going  
20 not only to large commercial facilities, like  
21 racetracks or show arenas, that might be better  
22 equipped to handle reporting, but also to many

1 locations that are smaller and used once or twice a  
2 year, or simply meeting points.

3           Finally, tracking every one of these  
4 movements, will be difficult, costly, and time-  
5 consuming.

6           The ESWG recommendations do not call for  
7 every movement to be reported, but, rather, focus on  
8 movements categorized as high-risk, those using  
9 certificates of veterinary inspections and EIA tests.

10           If the aim of NAIS is 48-hour  
11 traceability, the horse industry might not be able to  
12 achieve that goal. Therefore, USDA might review  
13 whether the 48-hour timeframe, as well as the  
14 participation goals, should be reconsidered for the  
15 horse industry.

16           We also suggest a phased-in approach, if a  
17 plan goes forward. The cost of participation to  
18 horse owners, will be substantial.

19           If USDA deems important enough that it  
20 becomes mandatory, we would hope the federal and  
21 state authorities would be willing to share the cost  
22 to horse owners.

1           Members of the horse industry, like many  
2 other livestock industries, have not bought into the  
3 NAIS program 100 percent, but I want to emphasize  
4 that many in the horse industry, believe that it is  
5 important, particularly when you think of the current  
6 outbreak of CEM in the United States, which was first  
7 detected in December and is still ongoing, in terms  
8 of identifying and locating all the horses involved.

9           The USDA and the Horse industry itself,  
10 must be able to show that the program is workable and  
11 valuable to the horse industry, to get sufficient  
12 support.

13           We appreciate the opportunity to speak  
14 today and participate in this important discussion,  
15 and we stand ready to work with USDA as you go  
16 forward. Thank you, Mr. Secretary.

17           MR. QUINN: Next is Nancy Robinson, Vice  
18 President, Government and Industry Affairs, for the  
19 Livestock Marketing Association. Nancy?

20           MS. ROBINSON: Good morning, Mr.  
21 Secretary. LMA is National Board for the livestock  
22 marketing sector, representing about two-thirds of

1 all registered livestock market auctions in the  
2 United States.

3 I'm Nancy Robinson, LMA's Vice President  
4 for Government Affairs. Livestock markets are the  
5 most important juncture in livestock commerce, and  
6 for the implementation of any national animal ID  
7 system.

8 More than 35.6 million head of cattle and  
9 calves and 10.9 million head of sheep and hogs, move  
10 through livestock markets annually.

11 Maintaining the speed of commerce in the  
12 marketing of livestock, is not just a term of art to  
13 our markets; it is an absolute necessity in  
14 maintaining a viable marketing system that serves  
15 tens of thousands of producers every day, somewhere  
16 in this country.

17 For markets, speed of commerce means  
18 processing and marketing consigned livestock on sale  
19 day, within just a few hours, minimizing weight  
20 shrinkage, protecting the safety and welfare of  
21 market employees and livestock they handle through  
22 the sale, and moving animals on to their next

1 destination, with a minimum of delay, all of which  
2 are ultimately about using our time and resources  
3 wisely and well, to minimize the cost and maximize  
4 the profit to our consignors.

5           Because the majority of our members remain  
6 skeptical that the current NAIS business plan will  
7 uphold the speed of commerce at markets, it is our  
8 policy that NAIS should remain a voluntary program.

9           The following are some of our members'  
10 paramount concerns and issues with the current plan:

11           One, low-frequency RFID tag and reader  
12 technology has been demonstrated to be inadequate in  
13 preserving the speed of commerce in most market  
14 settings. High-frequency RFID may be a better  
15 solution, yet there is no clear evidence that it does  
16 not have just as many, if different, limitations as  
17 low-frequency.

18           USDA's technology-neutral status will  
19 result in the proliferation of incompatible,  
20 imperfect ID technologies and systems, resulting  
21 enormous inefficiencies and costs to the industry.

22           Thus, a standardized ID technology that is

1 compatible from one livestock operation to another,  
2 must be identified, before moving on to a mandatory  
3 plan.

4           Three: Mandating individual animal ID  
5 will likely require many markets to establish tagging  
6 service for their consignors unable to tag their  
7 animals on the farm, leading to such concerns as  
8 added costs, staffing, work crew safety, liability,  
9 animal welfare, et cetera.

10           Four: Release of the NAIS cost/benefit  
11 study, is critical to our deliberations on a  
12 mandatory ID program, and we hope to see it very  
13 soon.

14           Five: The NAIS business plan lacks any  
15 strategy for how USDA intends to pay for putting the  
16 plan into operation. Without this, there will be  
17 continued resistance to a program that builds in more  
18 costs, without demonstrating an appreciable return on  
19 investment.

20           Since the U.S. beef cattle industry, as  
21 you know, is not comparable to the nation's swine,  
22 sheep, or dairy industries, in size, scope, or level



1 of concentration and integration, thus, mandatory ID  
2 schemes must reflect those differences.

3 Nor, should the cattle ID systems in  
4 Australia and Canada, be used to justify a similar  
5 National Animal ID program in the U.S. I have toured  
6 Australia and seen their ID system, and their cattle  
7 industry and marketing system is in no way like ours.

8 Seven: It is time that we quit muddying  
9 the NAIS waters with talk of value-added, trade, and  
10 food safety benefits, and hone in on what we are  
11 really about in this effort -- animal disease control  
12 and eradication.

13 Eight: Further concentration and  
14 consolidation of U.S. beef production as a  
15 consequence of a government-mandated NAIS program,  
16 would be disastrous for rural America. An animal ID  
17 program too expensive or difficult to operationally  
18 comply or bother with, is certain to put any number  
19 of small producers and markets out of business and  
20 further contract the industry.

21 Nine: It is unreasonable to impose a  
22 complex, all-embracing ID system, costing hundreds of

1 millions of dollars, to establish and annually manage  
2 a potential foot and mouth or other form of animal  
3 disease outbreak, when all livestock movement would  
4 have to stop, regardless of where the infected  
5 animals originated or moved, and where 48-hours  
6 traceback of FMD-infected animals could realistically  
7 occur today under current or slightly modified ID  
8 programs.

9           It is time to separate the possible from  
10 the desirable with NAIS and abandon what was probably  
11 always too ambitious of a plan, and, in the  
12 alternative, embark on a more cost-effective,  
13 achievable, step-by-step approach to NAIS.

14           Perhaps in doing so, the program will  
15 begin to garner the kind of support from the  
16 stakeholders in this room, necessary to its success.  
17 If USDA is committed to moving forward with a  
18 mandatory ID program, a bookend ID and tracking  
19 system should be considered, as it would give the  
20 livestock industry time to adapt to any new ID system  
21 requirements, as well as allow advanced ID  
22 technologies time to catch up with the realities of

1 U.S. livestock industry.

2           Such an approach would make 48 hours, at  
3 least much faster traceback possible, and in  
4 relatively short order, establishing a costly,  
5 impractical, un-achievable electronic movement-by-  
6 movement ID system will not.

7           Proceeding in a deliberative, measured  
8 way, and establishing a complex, multifaceted ID  
9 program, fitting the scope and size of the U.S.  
10 livestock industry, should not be the antithesis of  
11 good policy.

12           We know you appreciate that point, and we  
13 will be working with you to resolve some of these  
14 issues with NAIS. Thank you.

15           MR. QUINN: Bill Northey, Iowa Secretary  
16 of Agriculture, speaking for the National Association  
17 of State Departments of Agriculture.

18           MR. NORTHEY: Thank you, thank you, Mr.  
19 Secretary. I appreciate you taking on this tough and  
20 important issue, and, certainly, as an Iowan, I would  
21 expect nothing less.

22           I'm here representing the 50 Departments

1 of Agriculture across the country. Thirty-nine of  
2 those Departments have the responsibility for animal  
3 health, responsibilities, whether it's state vets and  
4 certainly are implementing premise ID.

5           We have 11 other states where that's a  
6 separate function in other parts, rather than in the  
7 Department of Agriculture. In some of those states,  
8 we have states that are implementing mandatory  
9 identification.

10           We have other states that either the  
11 Departments, or certainly their legislators, are  
12 strongly opposed to this. So, we're obviously  
13 struggling through some of the same issues.

14           The reason for trying to be able to  
15 provide some traceback, but see some of those  
16 challenges, as well --

17           In general, our folks are going to be the  
18 front lines of being able to implement the program.  
19 We're your partners in this, we want to be able to  
20 work through on the program rules that will work.

21           We need to be able to carry it out in the  
22 country. Obviously, you know as well, the challenges

1 that we have in states right now.

2           We're going through budget challenges in  
3 our Department of Agriculture. In Iowa, we're  
4 looking at about a 15-percent budget cut, a \$3.3  
5 million cut.

6           We will have furloughs and likely,  
7 potentially, have layoffs, certainly have some  
8 programs that we'll back away from.

9           The challenges there, meaning the  
10 resources at the state level, are limited, very much  
11 so, even for matching funds -- even for matching  
12 funds for programs. It's very limited, as we look at  
13 -- there are good matching programs within premise  
14 ID.

15           We're looking very hard at whether we can  
16 come up with the state dollars. We have been very  
17 successful in Iowa on premise ID. We have over 50  
18 percent of the premises registered in the state of  
19 Iowa.

20           But all those resources are extremely  
21 important right now and stretched very thin within  
22 the states.

1           We certainly need a program authority, and  
2 we need incentives for producers to be able to  
3 participate. And you've heard that there have been  
4 incentives in some of the disease programs, and  
5 that's been very effective. We get very high  
6 compliance.

7           In other areas, there may be a challenge  
8 to finding those incentives. And we, being those  
9 kind of -- those folks that are working directly with  
10 producers, need those incentives.

11           You know, there's lots of different ways,  
12 and we're looking at lots of different ways as well.  
13 Well, one of those ways that's talked about, is a  
14 voluntary program whereby there are incentives, and  
15 whether it's animal disaster or livestock disaster  
16 programs, other kinds of federal programs, that you  
17 only get to participate in, if you're part of the  
18 National Animal ID Program, or Premise  
19 Identification.

20           It's a voluntary program, but there are  
21 great incentives to participate, parallel to  
22 certainly the incentives to participate within the

1 disease programs that are out there.

2           And so within our written comments, we  
3 talk about, certainly, some of those cases that would  
4 have been very beneficial to have a more functioning  
5 animal ID program from CEM, that was mentioned here,  
6 and the challenges to be able to find some of those  
7 horses that have been around.

8           We've got some of those horses in Iowa, as  
9 well, and that's been kind of a tough process to be  
10 able to find previous BSE within the U.S., but,  
11 obviously, BSE overseas, FMD overseas, there's  
12 certainly plenty of those examples. You've heard  
13 them today, you'll continue to hear more of them.

14           There's lots of reasons to be able to have  
15 a system that works more effectively. We want to be  
16 your partners in helping to make that work.

17           We need to be your partners in helping to  
18 make that work, and we have lots of different  
19 situations. It's got to work in all those different  
20 states, with all the different species, so we look  
21 forward to working together. Thank you.

22           MR. QUINN: Thank you for honoring our

1 time. We do have time for a brief ten-minute break.

2 (Recess.)

3 MR. QUINN: We'll resume our presentation  
4 with George Watts, who is president of the National  
5 Chicken Council. George?

6 MR. WATTS: Thank you, Mr. Secretary. The  
7 National Chicken Council represents the producers and  
8 processors of about 95 percent of the meat-type  
9 chickens in the United States.

10 The Council supports the goals of NAIS and  
11 feels that a properly-implemented system for animal  
12 identification and tracking, can be a significant  
13 tool for protecting animal and public health.

14 We are especially pleased that USDA has  
15 not seen fit to implement a one-size-fits-all  
16 approach, but, instead, has recognized the  
17 differences that exist between species and the  
18 various industry models.

19 Prior to efforts to implement NAIS, the  
20 commercial grower chicken industry, by its nature,  
21 already has a flock identification and tracking  
22 system in place. Each company maintains computer



1 records, enabling it to identify and trace each flock  
2 to its farm of origin.

3           In addition, each farm and flock can be  
4 traced to the hatchery they originated from and to  
5 the breeder farms that produced the hatching eggs.  
6 All of this information can be made available to the  
7 state and federal officials in considerably less than  
8 48 hours.

9           In testimony before the House Committee on  
10 Agriculture last month, Dr. Clifford addressed the  
11 level of traceability that currently exists within  
12 the various animal industries, and with regard to the  
13 level of participation by the poultry industry, he  
14 noted that the poultry industry continues to have a  
15 high level of traceability, which he estimated as  
16 being more than 95 percent today.

17           We feel strongly that the commercial  
18 broiler chicken industry programs for animal  
19 identification and animal tracing, are in place and  
20 working very well.

21           The third component that makes up NAIS,  
22 premises registration, is a bit more challenging.

1 Within the commercial chicken industry, we obviously  
2 know where the grow-out farms are located, but, for  
3 various reasons, many of the independent farmers have  
4 chosen not to register their premises.

5           Frankly, this does not interfere with  
6 traceback in the event of a disease outbreak, but we  
7 are, nevertheless, working cooperatively with other  
8 poultry associations at the national and state  
9 levels, and with APHIS, to conduct an outreach and  
10 educational program to encourage premises  
11 registration.

12           However, we are not aware of a program in  
13 existence, that will be successful in convincing all  
14 of the owners of small non-commercial backyard  
15 flocks, to register, and that is the challenge that  
16 remains to be resolved. Thank you, Mr. Secretary.

17           MR. QUINN: Our next speaker is Mary K.  
18 Thatcher, Public Policy Director for Commodities and  
19 Livestock with the American Farm Bureau Federation.

20           MS. THATCHER: Good morning, Mr.  
21 Secretary. I appreciate being here. The Farm Bureau  
22 continues to be very supportive of the voluntary

1 program, very opposed to a mandatory system.

2           We have the three same concerns that we  
3 have talked about for a long time -- the cost, the  
4 confidentiality, and the liability issues.

5           We are very concerned with the recent  
6 proposal that USDA put out about the standardized 840  
7 number, and while we certainly incorporate -- support  
8 the incorporation of these animal disease programs  
9 into NAIS, we think it's a little bit of a back-door  
10 method of making the program mandatory, because there  
11 is no opt-out provisions for people who do have the  
12 numbers, due to disease control.

13           We also believe that, maybe a little bit  
14 like you are, that a half-implemented system is very  
15 costly to the livestock industry and to the Federal  
16 Government, and that this partial system really  
17 hasn't done much in the way of benefits for animal  
18 health.

19           Lastly, I'd like to really spend some time  
20 on the issue of confidentiality. There are those who  
21 have said that they believe that the Zenoni case,  
22 which was ruled on within the last couple of weeks,

1 has changed thing.

2           We don't believe that; we believe that it  
3 is a step in the right direction, and it's promising,  
4 but it's a single ruling. We feel very strongly that  
5 it could be appealed to the Court of Appeals, and  
6 that ruling overturned, and we also believe that  
7 other people could file FOIA requests for appeals  
8 with different arguments in other courts, and come  
9 out with a different ruling than was issued in the  
10 Zenoni case.

11           We believe that producer information  
12 that's voluntarily submitted to the program, rather  
13 than submitted because of being participants in a  
14 disease program, is very vulnerable to public  
15 disclosure, and we're concerned that the Court based  
16 its opinion on Section 1619 of the Farm Bill, and  
17 that statute specifically refers to production of  
18 producer information, quote, "in order to participate  
19 in programs of the Government," and that it's unclear  
20 whether that statutory provision means those who are  
21 producers registered under the NAIS, in order to  
22 benefit from the programs, versus those who are

1 voluntarily participating.

2                   And we continue to believe that the  
3 arguments for protecting information are much easier  
4 with a voluntary system than a mandatory system.

5                   Last but not least, the Court doesn't do  
6 anything to protect the data at the state level, and  
7 since a lot of this data is given to states, before  
8 it comes to the Federal Government, we're concerned  
9 about state FOIA laws and state sunshine laws. Thank  
10 you.

11                   MR. QUINN: Our next speaker comes to us  
12 by telephone. He is Walter Jeffries, who is founder  
13 of the NoNAIS. Walter?

14                   MR. JEFFRIES: I'm a small family farmer  
15 in Vermont. I'm a voice in the wilderness of rural  
16 America. I hear from a great many other small  
17 farmers, and homesteaders who are upset about NAIS,  
18 for a great number of reasons.

19                   We need honesty and transparency and a  
20 totally voluntary, privately-created and managed  
21 system, funded through private industry, not  
22 government.

1           The government shouldn't be having  
2 anything to do with NAIS. NAIS should not be  
3 mandatory. NAIS should not be mandatory.

4           Small farmers should not be burdened with  
5 NAIS. NAIS doesn't prevent disease and even USDA  
6 memos state that.

7           Everything about NAIS is after the fact  
8 and not to be noticed until months have passed. NAIS  
9 is not even particularly good at tracking things.

10           Prevention systems don't see cows to cows,  
11 they don't feed antibiotics, they don't get MRSA.  
12 You don't import animals without quarantine and  
13 testing and you don't bring foot and mouth disease or  
14 other exotics into this country.

15           Prevention is the solution. NAIS is just  
16 a boondoggle that's going to create more jobs in  
17 government and crush small farmers with paperwork and  
18 burdens and other costs of tracking.

19           NAIS is not about food safety; NAIS is  
20 about meeting global standards for trade. It is big  
21 agricultural producers that do virtually all of the  
22 exporting, who benefit from NAIS. Virtually all

1 foot-borne illness comes from big producers. Almost  
2 all of that happens at the producer's processors,  
3 after the animals leave the farm.

4           Big ag wants traceback for export as a  
5 marketing tool, so they can crack into the niche of  
6 consumers now looking to connect with their foods.  
7 It's big ag that should be privately creating their  
8 own voluntary program, not government.

9           Virtually all the small farmers don't  
10 locally -- don't export, don't import, and do not  
11 benefit from NAIS. We already have 100 percent  
12 traceback for our animals.

13           Our customers know where their meat comes  
14 from. They can drive by and see our fields. We  
15 don't need the cost or wasted time dealing with NAIS.

16           A fundamental problem with NAIS, is that  
17 while it benefits big ag, it burdens small farmers  
18 and homesteaders. The population threat to our  
19 people through noncompliance remains. For big ag,  
20 depopulation is no problem; they just reorder new  
21 animals from the catalog.

22           They have insurance, the government

1 reimburses them, but for a small producer or  
2 homesteader, the threat of depopulation is  
3 overwhelming to the point of pushing them to evoke  
4 noncompliance. Depopulation isn't even necessary;  
5 quarantine and testing are highly effective.

6           A big fear that many people have, is  
7 errors or malicious acts. All you have to do, is  
8 look to the UK to see what happened there.

9           One hundred percent compliance with NAIS,  
10 is impossible. Don't even try and make a system that  
11 requires that. That means it has to be voluntary,  
12 because you don't have everybody.

13           NAIS has created a lot of ill will.  
14 Individual animal ID versus group ID, is a major sore  
15 point with small producers.

16           After all, big ag benefits, but big ag  
17 doesn't pay the cost. The egg companies have huge  
18 flocks and all they pay is for the flock numbers.  
19 They don't have to track all those birds.

20           The small farmer has the opposite. ID  
21 tags have been demonstrated in Australia and other  
22 countries where they are costing producers money,



1 both up front, and the cost of tagging, and also  
2 result in lost sales.

3           RFID is a trigger for many independently-  
4 minded people who make up a very large portion of the  
5 small farmers and homesteaders.

6           It's just not necessary. Don't exaggerate  
7 the registration numbers. The published numbers  
8 include tens of thousands of non-voluntary  
9 registrations that were made against people's will.

10           These are non-producers, although they're  
11 stated as farms in many press releases, and, adding  
12 up numbers of all the animals, I come up with about  
13 ten million premises, not the 1.4 million that USDA  
14 is talking about.

15           Don't falsify numbers to make it look  
16 better than it really is. Voluntary at the federal  
17 level and then pushing for mandatory at the state  
18 level, limits people's trust.

19           Write in clear, concise, and accurate  
20 English. Honesty and transparency will let them  
21 create a truly voluntary NAIS system.

22           MR. QUINN: Walter, we need you to

1 summarize, please.

2 MR. JEFFRIES: I'm all done, that was it.

3 Thank you.

4 MR. QUINN: The next speaker, also by  
5 phone, is Lance Cook, from the National Bison  
6 Association. Lance Cook?

7 MR. COOK: Thank you, Mr. Secretary. The  
8 National Bison Association does not have a formal  
9 position with regards to a mandatory animal  
10 identification system.

11 We do support a private industry-driven  
12 system, with producer group participation.

13 The Bison Working Group was developed in  
14 2004, and developed some recommendations that were  
15 somewhat consistent with the cattle industry's  
16 recommendations. However, there are some significant  
17 differences with regard to animal handling  
18 requirements and general animal husbandry practices  
19 in the bison industry, that must be addressed in any  
20 system that is developed.

21 Also, we have found that the available  
22 technology does not offer adequate ability trace

1 bison in any of the production facilities. USDA has  
2 created a verification system and this program can be  
3 used as a basis for any identification system that's  
4 required for bison participation.

5 In general, our membership feels that if  
6 the bison industry is required to participate in a  
7 mandatory system, a producer should not be required  
8 to shoulder the costs, and any requirements have to  
9 be bison-compatible.

10 On behalf of the National Bison  
11 Association, I'd like to thank you for the  
12 opportunity to participate today. That's all I have.

13 MR. QUINN: Our next speaker is Gilles  
14 Stockton, a representative of Northern Plains  
15 Resource Council and Chair of the Western  
16 Organization of Resource Council's Trade Team.

17 MR. STOCKTON: Thank you, Mr. Secretary,  
18 thank you, everybody. At the time, I was not sure  
19 that I agreed with Ronald Reagan that the nine most  
20 terrifying words are "I'm from the Government and I'm  
21 here to help," but I am starting to believe them.

22 I can't recall anybody from Montana or the

1 other northwestern mountain states, asking for help  
2 on having a national ID identification system, and  
3 USDA's rationale for these programs has changed so  
4 often, that we are completely and totally confused.

5           This is why the Western Organization  
6 Resource Council has sent you a letter, Mr.  
7 Secretary, last week, and I think you received it,  
8 with quite a lot of very fundamental questions that I  
9 think USDA needs to be forthcoming on, to answer  
10 these concerns in our states.

11           I think that grass roots support is  
12 essential to support the program, and, frankly, USDA  
13 does not have credibility in our country. NAIS is a  
14 marketing program; I've heard that here today.  
15 Country-of-origin labeling is a marketing program,  
16 and USDA had to be dragged kicking and screaming all  
17 the way.

18           I would say that marketing is a private  
19 issue. Last October, when I sold my calves, the  
20 buyer wanted identification as to where the calves  
21 came from. This was an issue between my buyer and  
22 me, not USDA.

1           I want to remind you that the United  
2 States does not export beef, but Cargill, JPS, and  
3 Tyson export beef, which is another issue that we  
4 have with USDA.

5           It's obvious foolishness to think that  
6 NAIS is a food safety program. The last time USDA  
7 came to us to help us in the early '90s, they came  
8 with a scientific-based hazard analysis and control  
9 system, so hazard is the gift that keeps on giving  
10 salmonella.

11           We need to put food inspection back, meat  
12 inspection back, and NAIS has nothing to help in that  
13 aspect.

14           NAIS and homeland security and  
15 biosecurity, and USDA has a pretty poor record there,  
16 having introduced BSE into this country and TB again.  
17 So, it's far from reassuring that USDA has the answer  
18 here. That's far from reassuring.

19           Food security belongs on our borders, not  
20 in our heartland.

21           Now, NAIS has, indeed -- a disease control  
22 and eradication program, but we do already have

1 disease control and eradication programs. Some of  
2 them are working well. It needs to be organized, but  
3 it doesn't have to be organized immediately. We have  
4 time to figure out a system that is compatible with  
5 what already exists.

6           And for the premises identification,  
7 Montana has had premises identification and animal ID  
8 systems for 125 years, and it works.

9           So where is NAIS going to be, beyond what  
10 we already have? That has not been shown or proven  
11 by any means.

12           So USDA does not have a good track record,  
13 it doesn't have a good track record on the packers  
14 and stockyards, its implementation and enforcement.  
15 It doesn't have a very good track record on  
16 international markets.

17           I keep reminding you about BSE, which you  
18 keep trying to import into the United States, even as  
19 we speak. You have a Department, Mr. Secretary,  
20 which has very low credibility, and USDA's attempts  
21 to force NAIS on producers, is scandalous, and using  
22 our children to do that, is even worse.

1                   So, NAIS is a program that lacks clarity  
2 and logic. It has not value-added for the western  
3 cattle producers.

4                   That is why I do hope that you take our  
5 letter seriously, because it was meant seriously and  
6 was very well intended. Thank you.

7                   MR. QUINN: The next speaker is Collin  
8 Woodall, Executive Director of Legislative Affairs  
9 for the National Cattlemen's Beef Association.

10                  MR. WOODALL: Mr. Secretary, thank you  
11 very much for inviting the National Cattlemen's Beef  
12 Association to participate today.

13                  NCBA recognizes the need for a national  
14 animal identification system for the purpose of  
15 enabling state and federal animal health officials to  
16 respond rapidly and effectively to animal health  
17 emergencies, such as foreign animal disease outbreaks  
18 or emerging domestic diseases.

19                  We also support the use of animal  
20 identification for genetic improvement and marketing  
21 arrangements. In fact, NCBA policy supports the  
22 adoption of NAIS as the national animal

1 identification program.

2           NCBA has encouraged our members to  
3 participate in animal identification systems and has  
4 produced and implemented a media campaign to get  
5 producers to register their premises.

6           Many of our members already participate  
7 voluntarily in numerous animal identification  
8 programs, as one of many tools to improve their  
9 herds, monitor disease, and better market their  
10 cattle.

11           The private sector plays a tremendous role  
12 in the administration of these voluntary programs,  
13 and NCBA believes that private sector involvement and  
14 the resulting competitive market forces, benefit  
15 producers, while maintaining the objectives of NAIS.

16           However, our members continue to have  
17 concerns with NAIS, which is why NCBA's policy  
18 supports a voluntary, rather than a mandatory system.

19           The first concern is that private  
20 producers' confidential information will be housed in  
21 a USDA-maintained database. The Federal Government  
22 does not have a strong track record of preventing the



1 leak of private information.

2           Furthermore, the USDA has not been able to  
3 guarantee us that the information in a mandatory  
4 system, would be protected from release under a FOIA  
5 request.

6           In fact, USDA's own Office of General  
7 Counsel has told both us and the House Agriculture  
8 Committee, that protection is different between a  
9 voluntary and a mandatory system.

10           Another concern is the need for a system  
11 that will move at the speed of commerce. The  
12 working, processing, and marketing of cattle, cannot  
13 slow down in order to be scanned and entered into the  
14 system.

15           Finally, we want to make it very clear  
16 that animal ID is not a food safety tool. There are  
17 many firewalls and inspection procedures in place to  
18 keep our beef supply safe.

19           The NAIS will not serve to enhance food  
20 safety, nor was it intended to.

21           Additionally, animal ID does not prevent  
22 animal disease; it is merely a tool to respond to an

1 animal health emergency.

2 NCBA is committed to working with USDA in  
3 further recommending refinements to NAIS, and we look  
4 forward to the discussions with you and your staff.  
5 Thank you for allowing us to be here today.

6 MR. QUINN: Our next presenter comes to us  
7 by phone. Billy Smith is Executive Director of  
8 Information Technology for the American Quarter Horse  
9 Association. Billy?

10 MR. SMITH: Secretary Vilsack, the  
11 American Quarter Horse Association represents 340,000  
12 horse-owning members in all 50 states. Most of them  
13 are middle class Americans who own and who  
14 responsibly care for small numbers of horses.

15 Our members involvement with the American  
16 Quarter Horses, spans the continuum from purely  
17 recreational to their primary source of income as  
18 trainers, breeders, and riding instructors, to teach  
19 responsible riding.

20 These are ordinary Americans who struggle  
21 with feed and fuel bills, as well as additional state  
22 regulations and a weak American economy.

1           American Quarter Horses are not luxury  
2 items, they are central figures in the outdoor  
3 lifestyle, and an NAIS initiative that adds  
4 additional costs to these middle class families, has  
5 the potential to destabilize horse ownership in an  
6 economic environment that is already challenged.

7           So let's not create an environment that  
8 adds crippling costs to those who pose little or no  
9 risk to the U.S. food supply.

10           Moreover, adding burdensome costs, could  
11 further exacerbate an already challenged situation in  
12 the United States.

13           One of the American Quarter Horse  
14 Association's central mandates, is the health and  
15 well begin of the American Quarter Horse. NAIS  
16 should avoid regulations that, in the end, might  
17 separate healthy and well-cared for horses from  
18 responsible horse owners, because of additional and  
19 unnecessary costs and regulations that have no  
20 positive impact on food safety.

21           With that established, the American  
22 Quarter Horse Association supports the concept and

1 the goal of NAIS, only for the purpose of protecting  
2 animal health.

3 Compliance with NAIS, should remain  
4 voluntary. We encourage the USDA to consider  
5 following these guidelines in developing NAIS policy:

6 The NAIS should avoid making horse  
7 movement burdensome to horse owners. Policies that  
8 make animal movement unnecessarily difficult, further  
9 penalizes Americans dedicated to rural lifestyles.

10 Part of the AQHA's mission is to encourage  
11 responsible American Quarter Horse ownership and  
12 participation. We respectfully encourage the USDA to  
13 avoid inappropriate regulations for horse owners  
14 under the guise of food safety, that would inhibit  
15 our ability to carry out that mission and further  
16 erode horse owners' ability to responsibly care for  
17 and to enjoy their horses.

18 Next, any national ID system should ensure  
19 that personal information would not be made available  
20 under the Freedom of Information Act. Our members  
21 have loudly voiced their opposition to mandatory  
22 NAIS, due to the threat that private information

1 becomes available under FOIA, and is at the center of  
2 much of our members' concerns, or that the USDA will  
3 rely on private registries to provide ownership  
4 information during times other than disease  
5 outbreaks.

6           In the ramp up to NAIS, the USDA has  
7 always proposed a technology-neutral system for  
8 identifying horses. This neutrality is central to  
9 the identification methods used by most breed  
10 registries, that incorporate brand, markings, color,  
11 tatoos, and, most recently, DNA.

12           Nonetheless, microchips have become -- to  
13 NAIS and represent one additional methodology for  
14 permanently identifying horses.

15           Veterinarians and other horse-interested  
16 parties, have faced much confusion about the type of  
17 chips available and which should be used for  
18 appropriately marking horses. We encourage the USDA  
19 to maintain its current position that the method of  
20 identification will be ISO- or ANSI-compatible  
21 microchips.

22           Moreover, NAIS should not have the effect

1 of increasing the cost of microchips for consumers.  
2 We believe that allowing free market forces to  
3 dictate microchip price, will result in minimal costs  
4 to equine owners for purchase and placement of  
5 microchips.

6 In addition, because horse owners who show  
7 their horses or who trail-ride in public areas,  
8 already comply with these equine infectious anemia  
9 testing requirements, many states already require  
10 certificates of veterinary inspection.

11 We strongly encourage NAIS's tracking  
12 systems to be limited venues at borders that require  
13 statistics for veterinary inspection, and that only  
14 the minimal amount of information possible be  
15 included in government databases, and that such  
16 databases should meet Tier IV security and redundancy  
17 standards to further protect personal information.

18 Again, Mr. Secretary, on behalf of the  
19 American Quarter Horse Association, I appreciate the  
20 time you have provided to us and the ability to  
21 comment on this important issue.

22 The American Quarter Horse Association

1 stands ready to discuss national animal ID with your  
2 staff at any time. Thank you.

3 MR. QUINN: Our next speaker is Scott  
4 Stuart, President and CEO of the National Livestock  
5 Producers Association.

6 MR. STUART: Good morning, Mr. Secretary.  
7 I am Scott Stuart, and I'm commenting on behalf of  
8 the National Livestock Producers Association. Our  
9 organization represents livestock marketing  
10 cooperatives nationwide, that handle more than 3.7  
11 million head of livestock for 150,000 individual  
12 livestock producers, annually.

13 We appreciate your convening this  
14 roundtable on an issue that has grown in importance  
15 over the past decade. My comments on the issue of  
16 the National Animal Identification System, will  
17 relate to the livestock marketing sector.

18 The NAIS will profoundly affect the  
19 livestock marketing sector, perhaps more than any  
20 other stakeholder group in the industry. As you  
21 know, livestock markets have been incredibly  
22 important in the success of animal health programs

1 for many years, and they will also be very important  
2 to the success of NAIS.

3           As a member of the National Animal  
4 Identification Team Steering Committee, and, more  
5 recently, the NAIS Subcommittee of the Secretary's  
6 Advisory Committee on Foreign Animal and Poultry  
7 Diseases, I, on behalf of NLPA, have been involved in  
8 the planning process.

9           It has been encouraging to me, that the  
10 concerns of markets have been listened to and  
11 addressed in many ways. But to make NAIS mandatory  
12 at this point, would be a large mistake, since there  
13 are many issues and it would be extremely detrimental  
14 to the marketing and movement of livestock at the  
15 speed of commerce.

16           I would like to highlight three of the  
17 most important issues:

18           First, if the NAIS becomes mandatory, the  
19 marketing sector is wary that fixed marketing  
20 facilities could be put at a severe disadvantage, in  
21 that requirements for reading and reporting animal  
22 identification, even though required for all



1 movements, would be much more easily audited and  
2 enforced at the fixed facilities, as compared to  
3 other transactional activities in the countryside.

4           Indeed, some in our industry anticipate  
5 the development of a black market that would reward  
6 producers for circumventing the system. In addition,  
7 there would need to be a very clear understanding of  
8 the responsibilities of the various parties involved  
9 in the system.

10           Our members feel very strongly that the  
11 responsibility for applying official identification,  
12 if mandated, should rest with the initial owner of  
13 the animals.

14           Second, the issue of cost is real and of  
15 major concern. Although producers are concerned with  
16 what their ID devices may cost, and rightly so, our  
17 members are concerned with what it will cost them to  
18 equip, maintain, and adequately staff their  
19 operations in order to comply with the NAIS.

20           In addition, if USDA is either unwilling  
21 or unable to provide adequate funding for the  
22 necessary collection of animal movement data, we are

1 concerned as to how it will be funded.

2           And, finally, what equipment are we to  
3 use? USDA has taken a technology-neutral stance,  
4 which has been a frustration to some, but, the fact  
5 of the matter is that although there are some  
6 electronic technologies that have been developed in  
7 recent years, that are promising, in our estimation,  
8 there is not an available technology that may be  
9 utilized in the commercial marketing channels, that  
10 will not slow the movement of animals and increase  
11 stress on those animals.

12           The members of the National Livestock  
13 Producers Association fully appreciate the need for  
14 successful animal health monitoring and surveillance.  
15 Without it, our food system in the United States,  
16 would be severely jeopardized.

17           They also appreciate that our animal  
18 health officials need workable traceback and trace-  
19 forward tools, but to mandate a system at this time,  
20 which has the potential to bring more harm than  
21 benefit to livestock owners and markets, is not  
22 warranted.

1           Again, we appreciate your initiating this  
2 roundtable discussion and look forward to your future  
3 listening sessions. I would also like to alert you  
4 about a major national symposium on animal  
5 identification that will be held August 25th through  
6 27th in Kansas City, Missouri.

7           Sponsored by the National Institute for  
8 Animal Agriculture, the ID Info Expo 2009, is the  
9 eighth such symposium that brings together all  
10 stakeholders to discuss key issues regarding animal  
11 identification, and we invite USDA and you to be a  
12 part of this crucial discussion. Thank you.

13           MR. QUINN: Our next speaker is Roger  
14 Johnson, President of the National Farmers Union.

15           MR. JOHNSON: Thank you, Mr. Secretary,  
16 for providing this opportunity for input, and  
17 listening to all the concerns about NAIS.

18           The National Farmers Union develops its  
19 policy from the grass roots up, and so what I'm about  
20 to suggest, comes from our delegates at our national  
21 convention.

22           We support a national animal ID program,

1 as long as a number of conditions are met. We have a  
2 number of concerns about privately-managed databases.  
3 Let me take you through those in order:

4           First of all, the conditions that would be  
5 a part of our support for a national animal ID  
6 program: Cost is a big issue, and we want to be  
7 certain that the government provides whatever funding  
8 is necessary to create those -- to cover those costs  
9 that are over and above what otherwise might be  
10 there.

11           Secondly, to mitigate producer liabilities  
12 -- you've heard a lot about this already -- a  
13 seamless system should be provided at all retail  
14 levels, that ensures that the information gathered  
15 through an ID system, is complementary with that  
16 provided through mandatory country-of-origin  
17 labeling, so we'd like the systems to work together.

18           Third, proprietary information must be  
19 kept confidential. Access to producer information,  
20 should only be made available in times of animal  
21 disease outbreaks or bioterrorism attacks.

22           Fourth, uniformity of an identification

1 system with tracking technology and database  
2 management, should be a part of it.

3 Fifth, control of the database needs to be  
4 under the control of the government.

5 The concerns that we have with respect to  
6 privately-managed databases, we are concerned that it  
7 forces producers to bear financial burdens. You've  
8 already heard a lot about most in agriculture being  
9 price-takers.

10 A public database could create a revenue  
11 source for private entities, just seeking to make a  
12 profit, and so we're concerned about that.

13 It does not contain oversight to protect  
14 confidential producer information. We've heard a lot  
15 of concern about producer information and protection  
16 under public systems. They may be even more  
17 significant under privately-owned and operated  
18 systems.

19 We're concerned that it may not mitigate  
20 producer liabilities; that it may, in fact -- private  
21 systems may create opportunities for packers to  
22 condition the purchase of livestock upon

1 participation in a voluntary program.

2           It assumes coordination among a complex  
3 web of data, with no guarantees of success.

4           Finally, such a system would assume that  
5 all sectors of the livestock industry would agree  
6 upon the development and maintenance of a single  
7 representative to represent each species's interests.

8           Again, thank you for doing these listening  
9 sessions. We stand ready to work with you and to  
10 attempt to resolve these issues, and hope to be able  
11 to be a part of something that works for all of us.

12           MR. QUINN: James Cook is President of the  
13 American Veterinary Medical Association.

14           DR. COOK: Secretary Vilsack, I appreciate  
15 the opportunity to discuss the National Animal  
16 Identification System and its important role in  
17 protecting our nation's food supply and food animal  
18 populations.

19           I am a mixed animal practitioner from a  
20 small town in Central Kentucky, and I currently serve  
21 as President of the American Veterinary Medical  
22 Association.

1           My clients are proud of the fact that  
2 Kentucky has the largest number of beef cattle of any  
3 state east of the Mississippi. The AVMA believes a  
4 mandatory system that identifies animal locations and  
5 tracks their movement, is essential to minimizing the  
6 impact of a potentially catastrophic animal disease.

7           We cannot afford to wait for an animal  
8 health crisis to make the National Animal  
9 Identification System mandatory and to make animal  
10 identification a reality.

11           The National Animal Identification System  
12 could dramatically reduce the time required to  
13 control animal disease outbreaks. A potential  
14 response time of 48 hours, would be a vast  
15 improvement over the current system.

16           For example, within the past five years,  
17 it took an average of 199 days to trace TB-infected  
18 animals back to their origin.

19           For a highly contagious disease such as  
20 foot and mouth disease, a rapid response made  
21 possible with a National Animal Identification  
22 System, could save millions of animal lives and

1 billions of dollars.

2           Animal identification systems are becoming  
3 prerequisites to international trade, and studies  
4 describe how our nation lags behind major livestock  
5 producing countries in terms of animal traceability.

6           Even owners of small livestock operations,  
7 who find it necessary to commingle groups to get  
8 uniform truckload lots, appreciate premises and  
9 animal identification. Premises identification to  
10 verify the quality and health status of each owner's  
11 herd, could prove invaluable to livestock order  
12 buyers making repeat purchases.

13           But beyond financial repercussions,  
14 disease outbreaks have the potential to decimate  
15 livestock populations and cause untold animal  
16 suffering.

17           The National Animal Identification System  
18 would allow animal officials to respond far more  
19 quickly and effectively to locate, quarantine, and  
20 eliminate the disease and dramatically reduce the  
21 number of animals that might suffer.

22           Some producers have expressed concerns



1 about a potential invasion of their privacy and  
2 personal property rights from a mandatory national ID  
3 system. In reality, even without the hometown phone  
4 book, there's enough public information at the local  
5 property evaluation office and county agricultural  
6 services agency, to develop the National Animal  
7 Identification System.

8           The unique animal identification  
9 requirements of the National Animal Identification  
10 System, are similar to other forms of identification  
11 currently in use by almost all livestock producers  
12 for herd records or disease programs.

13           And let's not forget that the cost to  
14 implement a national electronic animal ID system,  
15 pales in comparison to the cost of a major animal  
16 disease outbreak. Most of my clients would willingly  
17 pay the extra \$2 a head for the radio frequency ear  
18 tag.

19           The AVMA has worked closely with APHIS to  
20 help implement and publicize the National Animal  
21 Identification System to our members. We have urged  
22 all large animal veterinarians to register their

1 hospitals and to encourage their clients to register  
2 their premises. My premise ID number is 00HCYYH.

3           Despite these combined efforts, only about  
4 one-third of the nation's food animal production  
5 facilities are registered. We believe that the  
6 National Animal Identification System will not live  
7 up to its expectations, unless the majority of all  
8 food animal production facilities are registered.

9           We cannot afford to delay the full  
10 implementation of a National Animal Identification  
11 program. Only with full producer participation in  
12 the National Animal Identification System, will we be  
13 able to quickly contain and eradicate diseases, and,  
14 as result, minimize the impact on public health,  
15 animal suffering, interruption of our food supply,  
16 and the financial health of livestock and related  
17 industries.

18           Thank you, Mr. Secretary, for giving the  
19 AVMA the opportunity to discuss the National Animal  
20 Identification System. America's veterinarians look  
21 forward to continue working with you on the full  
22 implementation of this system.

1                   MR. QUINN: Next is Jeff Eisenberg,  
2 Executive Director of the Public Lands Council.

3                   MR. EISENBERG: Thank you, Mr. Secretary  
4 for pulling together this timely meeting. We share  
5 your strong interest in establishing a strong  
6 national identification system that will protect the  
7 livestock industry to the greatest extent possible in  
8 the event of an outbreak of disease.

9                   We believe the most effective system, is  
10 one that relies on incentives to encourage voluntary  
11 participation, and that uses existing state and  
12 private sector systems to carry out the function to  
13 the greatest extent possible.

14                   Our members are sheep and cattle producers  
15 in the West, and they are fearful of a mandatory  
16 system, for a number of reasons:

17                   One, they fear a mandatory system would  
18 disrupt the flow and the quirky characteristics of  
19 livestock production in the West. They are fearful  
20 of having the confidentiality of their information  
21 breached, and they're fearful of the costs of such a  
22 system.

1           I'll try to pick up these points one at a  
2 time. We strongly believe that animal identification  
3 should mirror the flow of production and commerce to  
4 the extent possible.

5           The success of either a voluntary or  
6 mandatory system, will turn, in large part, to the  
7 extent to which the system tracks the natural flow.

8           The greater the gap between system  
9 requirements and livestock commerce, the greater will  
10 be the barrier to producer participation.

11           Many sectors of livestock production have  
12 unique marketing characteristics, which should be  
13 tracked in whatever system USDA comes up with.

14           Group identification works for many  
15 livestock transactions, so long as the livestock  
16 remain in the group and the premise identification  
17 number and lot number assigned at the time the cattle  
18 first change owners, will identify the group to its  
19 ranch of origin.

20           The critical point is that ranching in the  
21 West, depends on movements of large groups of  
22 livestock between pastures on federal, state, and

1 private land, and between states.

2           Systems such as branding and premise  
3 identification are in place to ensure that the  
4 livestock are identifiable to the ranch of origin.  
5 The epidemiological goals of an animal identification  
6 system, are served by the existing processes in  
7 place.

8           We are concerned that any system of animal  
9 ID should not unnecessarily increase the cost of  
10 operations, thus becoming a disincentive for  
11 voluntary producer participation.

12           In our view, the test for any change to  
13 the current system, must be that the change is  
14 necessary because the current procedures do not allow  
15 for effective tracing of animal movements, and that  
16 the change being proposed, will make that tracing  
17 possible.

18           The burden should be on the proponent for  
19 change, because USDA has already shown itself willing  
20 to work with group identification for both hogs and  
21 chickens, for example. Short of this, justification  
22 will be difficult to understand, why changes to the

1 current system of permanent ID, lot numbers, and  
2 brand laws, are needed to protect animal health.

3           We are certainly open to having the  
4 discussion with USDA to make sure animal  
5 identification works for livestock producers in the  
6 West, and an effective system -- as well as work for  
7 an effective system for animal health.

8           On confidentiality, as I say, our people,  
9 rightly or wrongly, are fearful of having their  
10 information breached, and, in particular, the  
11 producers in the West, are not comfortable giving  
12 that information to the Federal Government.

13           They fear that information will be put to  
14 improper or unauthorized use by other federal  
15 agencies, or that it will be released wrongfully to  
16 the public.

17           We've heard today that there's differences  
18 in the systems of production in Canada, Australia,  
19 and this country. All the same, important work has  
20 been done in Canada and Australia, in establishing a  
21 national private database that we at least feel we  
22 could learn something from.

1           Effective databases have also been  
2 established in a number of states in the West, that  
3 we could draw from, as well.

4           Either a private or state system should or  
5 must be run according to the standards established by  
6 the Federal Government. A database managed by the  
7 private sector or states, must make possible,  
8 instantaneous or immediate traceback via the  
9 Internet.

10           USDA would be authorized to collect  
11 information needed for traceability whenever the  
12 Secretary certifies that an animal health emergency  
13 exists. The USDA, though, would also be barred from  
14 releasing the collected information to any other  
15 public or private entities, except for those with  
16 statutory responsibility for managing animal health.

17           As to cost of compliance, I won't go over  
18 what other people have said, but, again, we just  
19 would urge USDA to impose costs in implementing the  
20 system, only when it can be shown that the costs are  
21 needed to achieve the epidemiological goals of the  
22 system, and no viable alternative exists.

1           In closing, again, I'd like to thank you  
2 for holding this roundtable discussion. We look  
3 forward to working with you to establish an animal  
4 identification system that works for animal health  
5 and production agriculture. Thank you.

6           MR. QUINN: Tom Cook is President of the  
7 National Renderers Association. Tom?

8           MR. TOM COOK: Thank you very much, and  
9 thank you, Mr. Secretary, for including us in this  
10 meeting.

11           The renderers have not been active  
12 participants in the National Animal Identification  
13 System program as other groups around the table have  
14 been, but it's very important to us, and we look  
15 forward to becoming more engaged.

16           The rendering industry has often been  
17 called the invisible industry, however, in recent  
18 years, because of a number diseases related to issues  
19 including BSE, we have become recognized more and  
20 more as an essential industry.

21           Renderers in the United States process 54  
22 billion pounds of inedible livestock and poultry



1 products annually, including animals that die on the  
2 farm, markets, and downed animals.

3 To give you a perspective of 54 billion  
4 pounds, that would be the equivalent of filling the  
5 Dallas Cowboys stadium ten thousand times.

6 Independent renderers, a sector of the  
7 rendering industry, provide a valuable service of  
8 collecting and rendering fallen livestock in many  
9 areas of the country.

10 Where this service still exists, it's very  
11 important as the most viable and environmentally  
12 sound and public health means of disposal.

13 Proper animal ID is important to  
14 renderers. Renderers have contributed to better  
15 disease control, surveillance, and disposal of  
16 livestock.

17 In addition, an example of the importance  
18 of ID in rendering, is that the renderers bear the  
19 major responsibility for the compliance with existing  
20 FDA feed rules prohibiting the feeding of ruminant  
21 materials to ruminants.

22 An enhanced feed rule, which is scheduled

1 to be implemented sometime this summer, will require  
2 greater importance on age verification. We support a  
3 better animal ID program, even if it is mandatory.

4           Again, Mr. Secretary, thank you very much  
5 for including us in this meeting.

6           MR. QUINN: Barry Carpenter was here and  
7 had to leave for another commitment. He left his  
8 written statement representing the National Meat  
9 Association, so our final presenter today is Jerry  
10 Kozak, CEO and President of the National Milk  
11 Producers Federation.

12           MR. KOZAK: Thank you, Mr. Secretary, for  
13 including us, and thank you for giving me the last  
14 word.

15           (Laughter.)

16           MR. KOZAK: Thank you for your leadership  
17 in this area. I'm going to make my remarks fairly  
18 brief, because I think a lot has already been said.

19           National Milk represents over 31 coops  
20 with 40,000 producers, producing the majority of milk  
21 in the United States in all 50 states. National  
22 Milk's standing policy supports, first, the

1 establishment of a mandatory national identification  
2 system at the earliest possible date, for reporting  
3 livestock movements in the United States.

4           We also support adoption of the ISO-  
5 compliant radio frequency identification device ear  
6 tags for the cattle industry. We also support a  
7 centrally-managed national database, which  
8 facilitates ready access to essential tracking data  
9 by all state and federal animal health authorities,  
10 in a real-time basis, while safeguarding producer  
11 confidentiality.

12           In 2005, National Milk, along with five  
13 other organizations formed I-Dairy: The American  
14 Cattlemen's Association, Holstein Association,  
15 National Association of Animal Breeders, National  
16 Dairy Herd Improvement Association, National Milk and  
17 the Dairy Calf and Heifer Association.

18           These organizations collectively did a  
19 tremendous amount of work with USDA in terms of  
20 pursuing a national identification system that  
21 protects farmers' privacy, but allows for immediate  
22 access to relevant information in the event of a

1 crisis that would endanger the dairy industry.

2           We support, as organizations, RFID  
3 technology for the speed of commerce. I heard  
4 somebody say that the NIS system was designed to be a  
5 Cadillac. I submit to you, we've got a Model T  
6 system, and, from a business perspective, let me just  
7 clarify why National Milk believes in a mandatory  
8 identification system.

9           There are two important facts: Thirty-  
10 eight billion dollars in dairy producer revenue at  
11 the farm level and \$110 billion in dairy farm assets.  
12 We believe that a mandatory national identification  
13 system is the collective insurance policy, Mr.  
14 Secretary, that is needed.

15           Nobody likes to pay for auto or home  
16 insurance, but you're sure as hell happy when you  
17 have it and an accident occurs. From a business  
18 perspective, that is one of the major reasons why we  
19 support putting in place, a system to protect our  
20 assets.

21           With that, I appreciate the opportunity to  
22 make my comments.

1                   MR. QUINN: Thank you to everyone in the  
2 room and on the phone for your participation. Mr.  
3 Secretary?

4                   SECRETARY VILSACK: Thank you very much  
5 for the opportunity to begin this dialogue. I want  
6 to emphasize that this is, at least for me -- it may  
7 be a continuation for all of you, of this dialogue,  
8 but for me, it's a beginning.

9                   It is important for USDA to listen and to  
10 learn. One take-away from this meeting, is that  
11 there have been expressed, concerns by a number of  
12 speakers, about the fact that USDA is not perceived  
13 to be credible, not perceived to be believable.

14                   That is obviously a concern to me as the  
15 Secretary of this Department. And it's concern to me  
16 as a person who has spent a good part of my life in  
17 government service.

18                   I want to tell you that I'm proud of my  
19 government service and I'm proud of being part of  
20 government. And I think government does have a role  
21 to play in making life better for its citizens.

22                   If I didn't have confidence in our

1 capacity to do good, I wouldn't be here and I  
2 wouldn't have spent most of my adult life involved in  
3 politics and in government service.

4           But I understand and appreciate that my  
5 feelings are not shared by a lot of folks, so, one of  
6 the challenges for us in this process, is to reengage  
7 people to a point where there is at least an  
8 understanding that we are listening and taking your  
9 concerns seriously.

10           Secondly, I remember, many years ago,  
11 coming to Washington, D.C. when I was a state  
12 senator, for a healthcare conference. And I remember  
13 the speaker getting up -- and this is an issue,  
14 obviously, that we still haven't resolved in this  
15 country, is healthcare -- and I remember the speaker  
16 basically saying that action only occurs in the  
17 context of either crisis or consensus.

18           I appreciate and recognize, by virtue of  
19 the statements that were made here today, that  
20 consensus is difficult, but I want you, as you leave  
21 here today, to think about the cost of crisis and I  
22 want you to think about how well we decide things in

1 the context of crisis when there is the pressure and  
2 stress of the moment, and I want you to think about  
3 whether or not, as we talk about this important  
4 system, whether it's mandatory or voluntary, whether  
5 it's government or it's the private sector, and all  
6 of the issues that have been discussed here today,  
7 whether or not, in the face of a significant crisis,  
8 whether we would get it right, or are we in a better  
9 position through the process of listening to one  
10 another, respecting each other's opinions and trying  
11 to figure out what the best possible solution is for  
12 the greatest number of people.

13           So I'm encouraged by this conversation and  
14 I've learned a great deal today. There have been  
15 some consistent themes that give direction to my  
16 thought process on this, and, as I say, I want you to  
17 know that this is the beginning of the conversation  
18 and by no means is this the end.

19           We have, as I suggested, a plan of going  
20 out and listening throughout the country, which will  
21 be implemented over the course of the next several  
22 months. We will also encourage written comments,

1 which will be reviewed by myself and staff.

2           We will make sure that the groups that are  
3 concerned about this issue, who aren't represented  
4 here today, haven't have a chance to participate, are  
5 given that opportunity.

6           And our hope and belief is that we're  
7 going to try to improve on the current system. I  
8 really am not interested in getting a phone call one  
9 day from Capitol Hill, telling me that the costs and  
10 funding for the program has been cut off, because  
11 people are not getting this to work and now we're  
12 faced with basically no system.

13           I don't think anybody thinks that's a good  
14 idea. It's just a question of what the right system  
15 is, and who should be involved in whether it's  
16 mandatory or voluntary. All the issues have been  
17 discussed today.

18           So, again, I appreciate you all making the  
19 effort to be here. Some of you came from great  
20 distances. I look forward to continuing this  
21 conversation.

22           (Whereupon, at 11:35, the Roundtable



1 Discussion was concluded.)

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