

Questions and Answers: National Animal Identification System Benefit-Cost Analysis Packers Sector

Q. Were packers considered in the benefit-cost analysis for the National Animal Identification System (NAIS)?

A. Yes. Packers were examined as part of the study. The analysis focused on the bovine, porcine, ovine, poultry, and equine industries. The report also includes some discussion about minor species groups.

Packers were examined as part of the analysis for the cattle, swine, and sheep sectors, where they play a role in the commercial production chain.

Q. What did the study find were the costs and benefits for packers?

A. For packers, the study found that NAIS-related costs are associated with only a few specific activities. These activities include: reading or recording animal identification numbers and reporting animal termination records to the database.

The average cost for cattle packers is just under \$11,000 per plant. The average cost for swine packers is less than \$1,000 per plant. For sheep packers, the average cost is approximately \$550 per plant.

For the full discussion of packer costs, see pages 63–68, 95–97, and 116–118 of the full report, which is accessible via the NAIS Web page at http://www.usda.gov/nais/naislibrary/documents/plans_reports/Benefit_Cost_Analysis_NAIS.pdf

Some of the benefits discussed in the analysis that apply to packers include:

- better disease management and surveillance—tracebacks are faster and more specific, allowing unaffected producers to continue moving and selling their animals
- reduction of economic impact of disease events—reopening export markets more quickly after an outbreak
- traceability is becoming a standard for global markets—having this system will maintain or strengthen export markets as compared to doing nothing
- facilitation of country-of-origin labeling requirements

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