

Fighting for the U.S. Cattle Producer!



National Animal Identification System (NAIS)

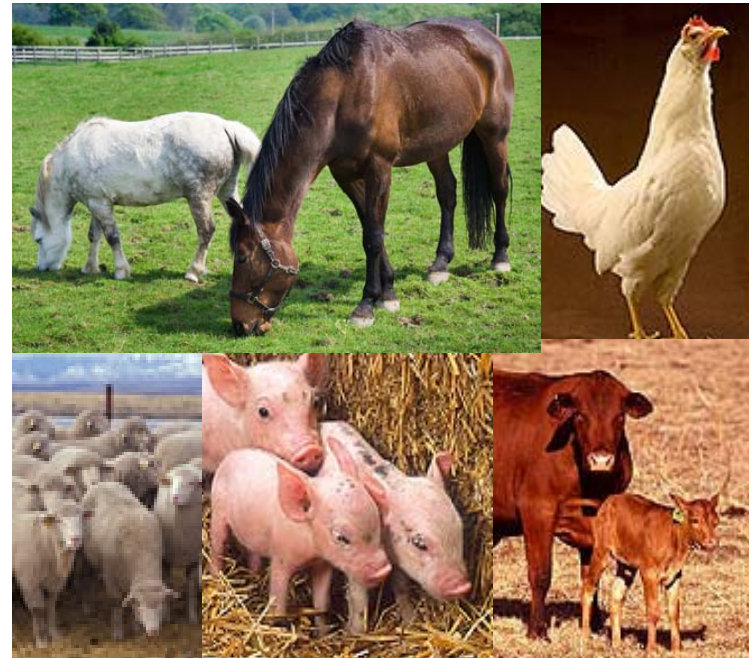
It Isn't Workable or Needed

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National Animal Identification System (NAIS)

Consists of:

- Premises Registration
- Animal Identification
- Animal Tracking



R-CALF USA Opposes NAIS in Total

- NAIS is an unworkable and highly intrusive bureaucratic boondoggle
 - it is a regulatory proposal for which a need has never been demonstrated
 - USDA has never provided specific citations of statutory and constitutional authority authorizing such action.
- NAIS should therefore be terminated in total

No Need for NAIS has Ever Been Demonstrated

- USDA has failed to demonstrate a need for the goal of a 48-hour trace back. It has similarly failed to identify what diseases require the imposition on producers of such a costly, onerous, and intrusive program.
- **NAIS is but another of a long string of examples whereby USDA has abrogated its national duty to protect and promote U.S. livestock and has, instead, blindly kowtowed to the dictates of the international World Trade Organization and its many international reference organizations.**

Example 1 - 1995

USDA relaxed U.S. import requirements to comply with the General Agreement on Tariffs and Trade (GATT) and stated,

“The United States can no longer require foreign countries wishing to export meat and poultry products to have meat and poultry inspections that are ‘at least equal’ to those of the United States; instead, foreign inspection systems must be [only] ‘equivalent to’ domestic inspection systems.”
(60 Federal Register, at 38,688)

Example 2 - 1997

USDA adopted a relaxed policy of “regionalization,” which allows regions within a country to continue exporting livestock and meat to the U.S. even if the exporting country has an ongoing disease problem. USDA stated,

“We consider this policy to be consistent with and to meet the requirements of international trade agreements entered into by the United States.”

(62 Federal Register, at 56,027)

Example 3 - 2004

USDA relaxed import restrictions by ceasing its longstanding practice of conducting monthly inspections at foreign meatpacking plants and began conducting only periodic inspections. USDA justified this action by explaining that under the United States' World Trade Organization (WTO) obligations:

“FSIS, acting as a regulatory agency of the United States, may not impose import requirements on inspection systems or establishments in an exporting country that are more stringent than those applied domestically.”

(69 Federal Register, at 51,195)

Example 4 - 2005

USDA justified its action of abandoning United States' longstanding BSE import restrictions on the basis that

“the OIE Code has never recommended banning the trade of cattle or their products even from countries with high BSE risk.”

(APHIS Fact Sheet, Response to R-CALF, Feb. 2, 1005)

Results

As a direct result of USDA's abandonment of longstanding U.S. health and safety standards, and its adoption of the less effective international standards, the U.S. has been exposed to increased disease risk and increased food safety problems.



NAIS Is a Furtherance of USDA's Blind Adoption of International Dictates

- During the gathering of the American Association of Bovine Practitioners in Vancouver in September, 2007, former USDA Under Secretary for Marketing and Regulatory Programs, Bruce Knight, was queried as to why USDA was making such a push for premises registration. His response: **“It is quite simple. We want to be in compliance with OIE regulations by 2010.”**
http://www.r-califusa.com/news_releases/2009/090507-nais.htm

NAIS' Goal is International, Not Domestic

- The concept of “48-hour trace back” is from OIE’s Terrestrial Animal Health Code, Article 4.2.2, Performance Criteria, which suggests, as a measure of effective animal ID, that “all animals can be traced to the establishment of birth within 48 hours of an enquiry.”

http://www.oie.int/eng/normes/mcode/en_chapitre_1.4.2.htm

The NAIS Word “Premises” is International, Not Domestic

- USDA’s use of the word “premises” also comes from the OIE code. The glossary defines “establishment” as used in connection with 48-hour traceback as “the premises in which animals are kept.”

http://www.oie.int/eng/normes/mcode/en_glossaire.htm#sous-chapitre-2

The NAIS Ear Tag is International, Not Domestic

- USDA intends to use the “840” international ear tag as its cornerstone animal identifier.
 - The “840” ear tag is inferior to the pre-existing brucellosis-type tag that uses a postal-code identifier to differentiate animals from within the entire universe of U.S. animals according to which of the 50 states it originated.

USDA Is Pushing NAIS to Benefit Industrialized Agriculture – Those Involved in International Trade

- The purpose of the OIE Code is one of assuring **“the sanitary safety of international trade** in terrestrial animals and their products.” (Emphasis added.) (http://www.oie.int/eng/normes/en_mcode.htm?e1d10)
- In his May 6, 2009, editorial, OIE’s Director General Bernard Vallat proudly proclaims, “One World, One Health.” (http://www.oie.int/eng/edito/en_lastedito.htm)

International Trade is Driving NAIS

- On June 11, 2009, Rosa DeLauro, Chairwoman of the House Appropriations Subcommittee on Agriculture issued a press release on the committee's fiscal year 2010 bill which included the following statement :

“The bill eliminates funding for the National Animal Identification System (NAIS). After receiving \$142 million in funding since fiscal year 2004,

APHIS has yet to put into operation an effective system that would provide needed animal health and livestock market benefits.” (Emphasis added.)



International Trade is Driving NAIS

- At the NAIS listening sessions, Secretary Vilsack stated in his welcoming video that “*we will all agree that we need to **protect the livestock markets and the livelihood of producers***” (emphasis added) and then he continues:

*“I don’t want us to get to the point where Congress says they will not continue to fund the system. If that were to happen, I would doubt the **reliability of our market** and that’s not where we want to be.”* (Emphasis added.)

“Markets” Are Not Demanding NAIS

- Apart from the fact that this nation is a net importer of beef, what markets are demanding NAIS?
- If indeed there is such a demand, cannot exporters continue working privately with producers on our current export verification programs?
- USDA never answers such questions.

USDA is Pandering to Agribusiness Exporters While Ignoring its Statutory Obligations to Rural Agriculture

- The notion that export markets are clamoring for the imposition of NAIS is simply not supported by the factual record.
- Of ironic interest is USDA's delay in the implementation – and its frustration of the clear intent – of COOL.

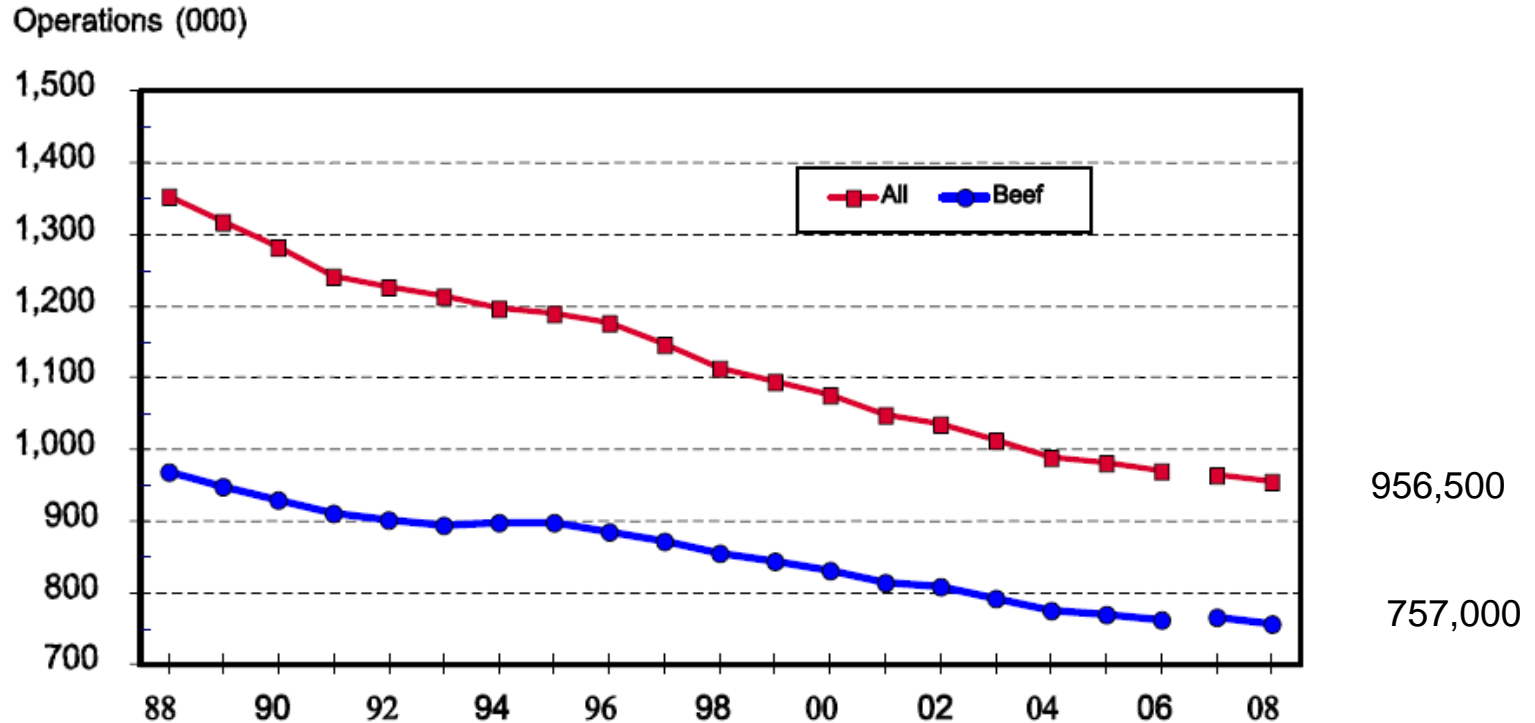


USDA'S Pandering to Agribusiness Comes at Great Cost to Rural Producers

- USDA data show for the period from 1984 through 2006, farm/ranch share of income distribution from trade declined by 28% while services' share doubled and trade/transportation's share increased nearly 52%!

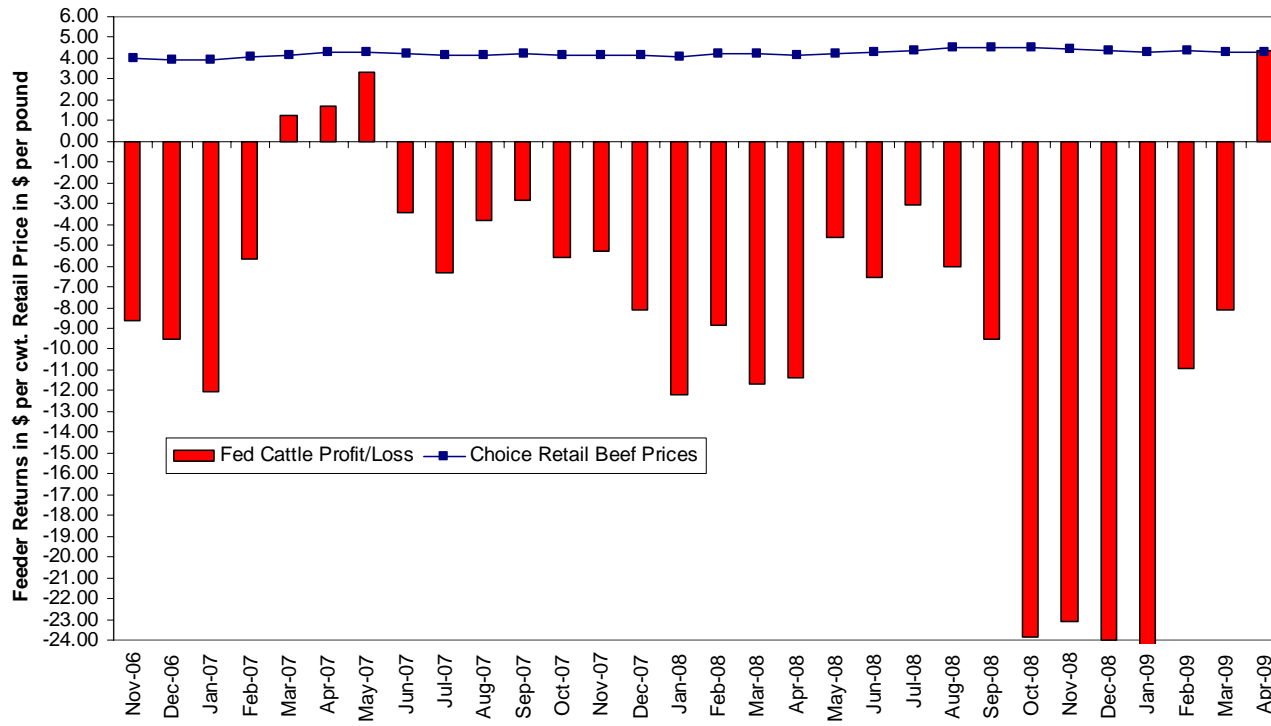
The Result is a Shrinking Industry: Industry Participants

Number of All Cattle and Beef Cow Operations
United States, 1988-2008



Cattle Feeders Suffer Long-Run Losses (Exceeding \$300 Per Head) While Beef Prices Steadily Climb to Record Levels

Feeder Returns vs Choice Beef Prices



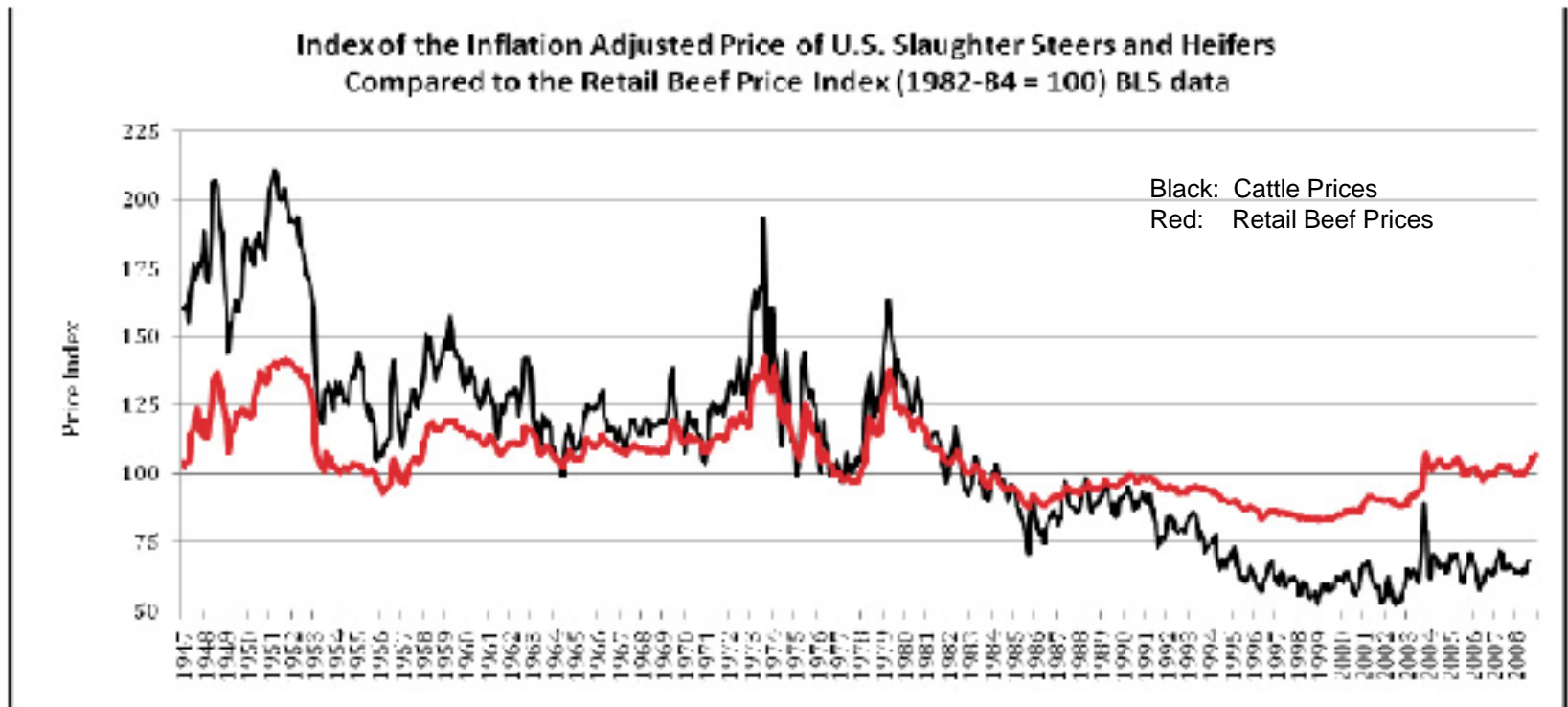
Source: USDA-ERS High Plains Cattle Feeding Simulator and Beef Price Spreads

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USDA's Pandering to Agribusiness is Destroying Domestic Production

- Using the period 1982 – 1984 as the base, and adjusting for inflation, the price of slaughter steers/heifers has declined 57% since 1947 while the retail beef price index has increased 3%!
Today, the United States is a net importer of beef, some 17% of domestic supply is of foreign origin.
- USDA has failed those it was established to serve.

U.S. Cattle Markets Have Been Broken for Decades

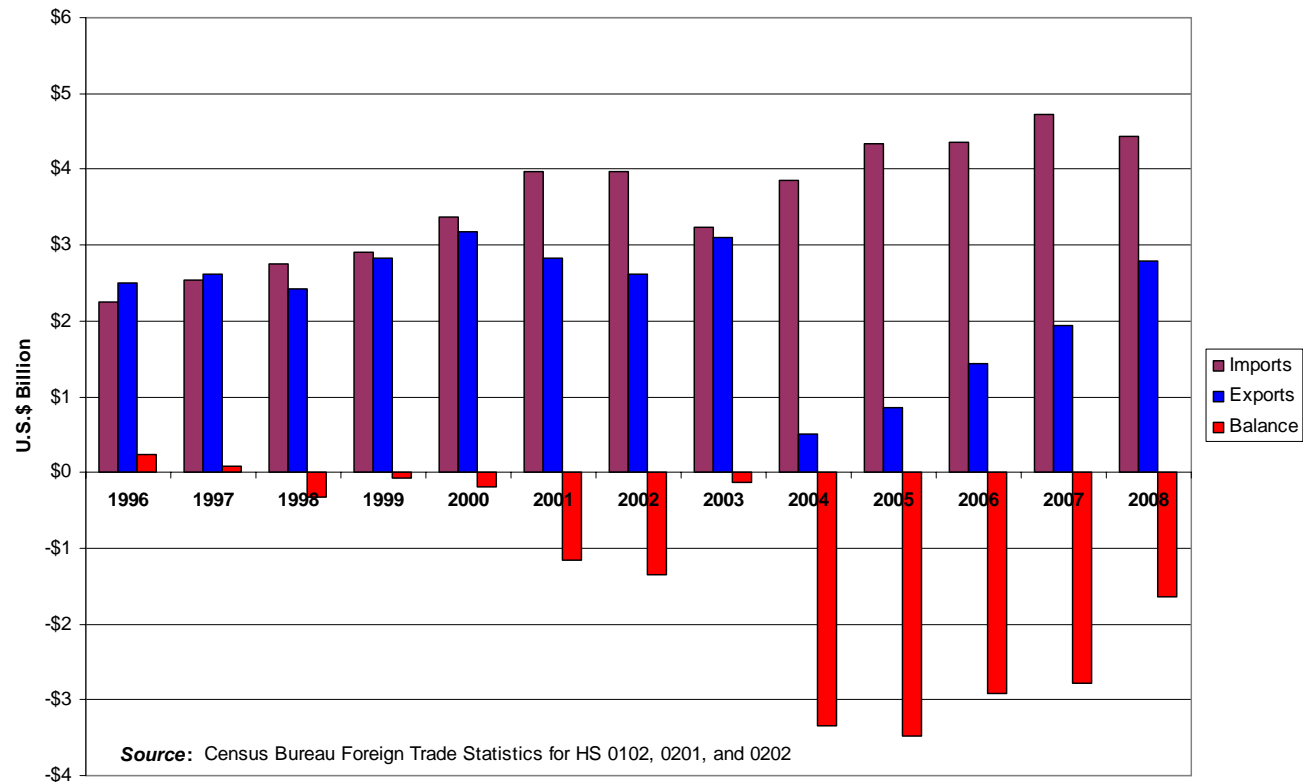


Source: Dr. Robert Taylor, Auburn University

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Long Run Value Deficit in Cattle and Beef Trade Exacerbates Broken Market Problems

U.S. Trade in Cattle and Beef



Just Follow the Money

- NAIS burdens producers with costs and intrusive regulations to benefit industrial agriculture and global trade. There are no benefits for producers in NAIS, only costs.
- Being in the business of accumulating and wielding power, Government is a beneficiary.
- Tag and technology companies will earn increased profits.
- Meatpackers will mine data and industrial agriculture engaged in international trade will likewise enjoy increased profits.

Our Existing Disease Programs Are the Envy of the World

- The existing combination of hot brands, brand inspection, health papers, auction back tags, and border interdiction of disease has served this nation well for 100 years. Brucellosis, TB and other livestock diseases have been effectively controlled while FMD has been unknown in the country since 1929.



USDA's Assertion that NAIS is Needed to Control BSE is Hogwash

- Given USDA's:
 - laissez-faire attitude toward the importation of BSE from Canada,
 - its asserted position that its risk assessments and the removal of SRMs result in a de minimis risk to consumers, and
 - its insistence that U.S. producers cannot voluntarily test for BSE

The contention that BSE is a disease that must now be managed with NAIS is simply disingenuous.

USDA's Assertion that NAIS Is Needed to Control TB Is Hogwash

- USDA's Office of Inspector General (OIG), in its Sept. 2006 Audit Report, stated that *“despite the higher prevalence of TB-infected cattle in Mexico, APHIS has not established additional import controls or requirements to test or restrict the movement of Mexican cattle after importation to the United States.”* (Emphasis added.) And, the lack of controls over Mexican cattle *“has resulted in infected cattle being detected in 12 states over the last 5 years.”* (Emphasis added.)

USDA's Assertion that NAIS Is Needed to Control FMD Is Hogwash

Foot-and-mouth is another disease which Homeland Security and USDA have used as a scare tactic. Given USDA's efforts to regionalize Argentina and the announced relocation of the Plum Island facility to Kansas – America's heartland – the assertion that producers must now embrace NAIS to combat a potential FMD outbreak is untenable.



Plum Island



Manhattan, KS from www.dhs.gov/xres/labs/gc_118850962_3607.shtm

NAIS is Ill-Suited for FMD Control

- The Canadian Vet. Journal, Vol. 50, Jan. 2009, contained a 60-page report on the containment of England's 2001 FMD outbreak. England has long had an animal ID system; however, that system and "traceback" was not the key to FMD containment in 2001.
- The 2001 FMD outbreak was handled by throwing up perimeters and then, with locals, working in from the perimeter.
- Animal ID was not utilized to contain the 2001 FMD outbreak nor would it be of any meaningful benefit were this nation to suffer an outbreak. Further, it would not identify vehicles and individuals who have been in contact with contaminated herds.

USDA Has Neither Statutory Nor Constitutional Authority for the Imposition of NAIS

- NAIS represents the implementation of the OIE Terrestrial Animal Health Code and the Codex Alimentarius, the adoption of which is a treaty action never ratified by the Senate as required by Article II, Section 2 of the U.S. Constitution

The Animal Health Protection Act Does Not Confer Authority to Implement NAIS

- Any fair reading of the Act does not permit the expansive authority needed by USDA to implement NAIS. Further, USDA's assertion of broad authority cannot be countenanced under any fair reading of the United States Constitution. The powers of Congress are not implied, plenary, and inherent, but rather express, limited and enumerated. USDA's assertion that Congress has delegated and granted it broad powers which are implied, plenary and inherent flies in the face of the clear intent of Article 1, Section 8, of the U.S. Constitution.

NAIS' Regulatory and Enforcement Provisions are Unknown and its Underlying Premise is Suspect

- Inherent in NAIS is the assumption of an errorless system:
 - no cattle will ever lose ear tags,
 - tags will always function and not succumb to the effects of weather and sun,
 - all dead and missing cattle can be accounted for,
 - all movements of cattle can and will be accurately scanned,
 - data so scanned will always be properly registered,
 - data so uploaded will always be properly received,
 - data so received will be always be properly recorded, and
 - data will always be retrievable.

The Notion that NAIS is a Technologically Feasible Means of Tracing 100 Million Cattle is not Supported by Existing Evidence

- USDA's own record with computers, theft, hacking and other security breaches coupled with animal ID experiences in England and Australia well demonstrate that it is a system that should be rejected.
- What will happen when cattle movements are not accurately scanned, registered, transmitted, or received? There will be discrepancies and irregularities in data. How heavy handed will USDA be in such instances? Most producers have experience with federal agencies and in many cases, it is not favorable.

USDA is Silent on Enforcement

USDA has given no indication to producers of how NAIS will be enforced and discrepancies/irregularities handled. If England is any indication, producers can expect heavy-handed enforcement.

End NAIS Now

R-CALF USA respectfully urges Secretary Vilsack to close down shop with NAIS and to began a new dawn of rebuilding bridges with producers, working with us rather than with industrialized agriculture, to fulfill USDA's express statutory mandate and be about the business of improving "the quality of life for people living in the rural and nonmetropolitan regions of the nation."

7 USC 2204 (a).



New Direction Urgently Needed

- As producers, our livelihood is more dependent on fixing broken domestic markets than it is on expanding foreign markets and implementing an ID system that provides a false sense of security for herd health.
- USDA should stop NAIS now and begin helping producers do what they do best: produce.
- Currently, USDA's policies would castrate and bid the gelding be fruitful.

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