



NDSA'S COMMENTS AT JUNE 2009 LISTENING SESSION

Thank you for the opportunity to participate in today's discussion regarding the National Animal Identification System. My name is Warren Zenker. I am a rancher and feedlot operator from Gackle, N.D., as well as the chairman of the Brand and Theft Committee of the North Dakota Stockmen's Association, which I represent today. The North Dakota Stockmen's Association is an 80-year-old, 2,700-member-strong producer organization, which works to protect, promote, educate and serve our state's beef cattle industry.

The Stockmen's Association was engaged in the animal identification discussion long before "NAIS" and "RFID" became household lingo. It has always been our position that, in order to be effective in animal disease traceback, a National Animal Identification System (NAIS) must be a simple, common-sense, voluntary, market-driven program that utilizes existing traceback systems, like our time-honored and proven brand programs, and not impede the business of animal agriculture. In order to help assure that these objectives are met and that cattle producers' concerns are addressed, in 2001, the Stockmen's Association successfully lobbied to be named the state administrator of any National Animal Identification System program if or when a federal program was initiated. We have been able to provide premises registration and answer questions for interested producers at no charge since that time. Together with the State Board of Animal Health, we have registered 8,817 premises, or 63 percent of the total premises in the state.

However, many of our members continue to have concerns about the NAIS, which is why our policy supports a voluntary – not a mandatory – system.

A primary concern is the cost of participating if a system is mandated. A weak economy and skyrocketing input costs are already putting the squeeze on producers' profit margins. Requiring the adoption of certain tags, identification equipment and related components would add to that burden. Mandatory animal identification is estimated to cost roughly \$228 million per year. Mandatory radio frequency identification devices used to track cattle are estimated to cost between \$2 and \$5 per head. The time associated with tagging animals and complying with a mandatory system also is a concern and would add to the cost for producers.

Confidentiality is another issue for many producers, because a release of their information could expose them to additional liability and risk. The public dissemination of private business information could also be harmful. We initiated statutory confidentiality protection for participating producers on a state level, which has been successful. That level of protection would need to be guaranteed on a federal level as well. The U.S. Department of Agriculture (USDA), however, has not been able to guarantee that the information in a mandatory system would be

protected from release under a Freedom of Information Act inquiry. USDA's own counsel has indicated that protection would be different between a voluntary and mandatory system.

Some producers fear being held liable for problems or disease that occur in an animal that they previously owned. While identifying all affected producers in an emergency traceback situation is important, particularly in the case of a foreign animal disease outbreak or an emerging domestic disease, it is also critical that any animal identification program documents change in ownership.

Our members are also concerned about the technology involved in animal identification. It is critical that an animal identification system moves at the speed of commerce, because any delay in the working, processing or marketing of cattle could be devastating to those marketing their animals on a particular day. Hiccups in the performance of tags, readers or computer systems cannot be tolerated, as a rancher's annual income often rests on one sole marketing day.

The North Dakota Stockmen's Association manages the state's brand inspection and brand recording programs; both have served as successful means for animal traceback for eight decades. Forty-eight-hour tracebacks have been accomplished on many occasions. The brand programs are tried and true and well accepted by the state's livestock producers. Therefore, it would only make sense to incorporate their components into the National Animal Identification System. The Cattle Working Group, as well as the International Livestock Identification Association (ILIA) and its member brand states, have identified ways to weave them together for the benefit of producers and taxpayers alike. ILIA member states have also been working to standardize brand inspection documents from state to state to make it easier for the forms to be used. An old adage tells us that there is no sense in reinventing the wheel. The same holds true for this issue; brand programs have provided a valuable, cost-effective means of animal traceback since their inception. Therefore, utilizing those systems would be wise.

Some of our members already participate voluntarily in numerous animal identification programs as one of many tools to improve their herds, monitor disease and better market their cattle. Some have found valuable benefits, including incentives for age- and source-verification. We believe that producers will accept the National Animal Identification System much more readily if it designed as a simple, voluntary, market-driven program.

Again, from our perspective, the National Animal Identification System must also be cost-effective, ensure confidentiality and incorporate proven, existing animal identification systems. Please consider these attributes carefully as you move forward. We are committed to working with USDA to refine the program so it can accomplish its purpose without crippling family farmers and ranchers.