Animal Disease Traceability
Livestock Market Perspective

Jerry Etheredge, Montgomery Stockyards & LMA President (Montgomery, AL),
Jim Reynolds, National Livestock Commission (Oklahoma City, OK),
Jake Parnell, Cattlemen’s Livestock Market (Galt, CA)

USAHA 2017 Annual meeting
Livestock Markets in our Industry

Livestock Marketing Association (LMA)

• National trade association representing livestock sales auctions (sometimes called sale barns / stockyards) across the United States and related businesses

• 78% of markets in the U.S. are members

As Sellers of Large Volumes of Cattle, we care greatly about the future of ADT
• Concerns about current program
• Concerns about the future and especially including feeder cattle
Livestock Markets in our Industry

Livestock markets sell 31 million head of cattle, 7 million hogs, and 3 million sheep/lambs annually. *(USDA-GIPSA)*

Livestock markets sell $40 billion worth of livestock annually. *(USDA-GIPSA)*

80% of cattle producers sell at livestock auction market at least once per year. *(Cattlemen’s Beef Board)*

No reliable data exists on cattle moved in the country.  
• ICVI information limited
Cattle Movement in US

Map of the 800+ LMA member auction markets

Cattle movement based on a sampling of ICVI data
Perspectives from the Field

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TEN MYTHS ABOUT ANIMAL DISEASE TRACEABILITY
1. MYTH: ALL “PROGRESSIVE” PRODUCERS WANT THIS.

FACTS:

• Our customers are not pushing us for mandatory ID.

• There are a variety of producer perspectives on this topic.

• Of producers choosing to take a recent online BEEF magazine survey, nearly 38% were unaware of USDA’s ADT program.
2. MYTH: IDENTIFICATION IS INEXPENSIVE

FACTS:

• The cost of tags is just one piece of the equation.

• Other costs include:
  o Labor
  o Shrink
  o Risk of injury (livestock and humans) and associated insurance costs
  o Facilities
  o Slows speed of sale
  o Readers and Sale System Integration
3. MYTH: MARKET CAN PASS ON THE CHARGE

FACTS:

• Markets cannot simply pass on the charge
  ○ Becomes a competitive issue between markets
4. MYTH: IDENTIFICATION CREATES VALUE FOR PRODUCERS

FACTS:

• We don’t see cattle currently bringing a premium simply for being identified.
  • Additional information (e.g. NHTC) is often needed for value to appear.

• Producers wanting to add value through identification can do so under voluntary programs today.

• Concerns exist that source and age verified premiums that do exist may disappear once the entire beef herd is commoditized in the same way.
5. MYTH: PRODUCERS WHO ARE NOT WILLING TO TAG ON FARM ARE TOO SMALL TO MATTER.

FACTS:

- Small herds make up a large portion of the US beef industry.
  - Average cow herd is 40 head

- Farms with fewer than 100 beef cows account for:
  - 90.4 percent of all farms with beef cows
  - 45.9 percent of all U.S. beef cows.
6. MYTH: IT’S THE MARKETS DUTY TO MAKE SURE THEIR BUYERS AND SELLERS COMPLY.

FACTS:

• ADT regulates persons responsible for covered animals moving across state lines.
  • Fact specific
  • Typically the owner of the livestock

• Markets are not typically in control of the destination of livestock and may not know where they are heading
7. MYTH: IT’S LOGICAL AND EFFICIENT TO FOCUS ALL COMPLIANCE EFFORTS ON CONCENTRATION POINTS, LIKE MARKETS.

FACTS

- It is discriminatory against the markets and their customers to only enforce at markets.

- Many cattle moving in the country are covered by the current law. However, there is no enforcement mechanism to catch country cattle moving without needed identification or documentation.

- Enforcing only at markets could push producers out of this method of selling and harm the common goal of compliance.
8. MYTH: ELECTRONIC IDENTIFICATION SOLVES MANY OF THE ISSUES WITH IDENTIFICATION.

FACTS:

• Disagreement over low frequency vs. ultra high frequency

• Need equipment to read tags

• Less than 100% read rate isn’t good enough.

• Sale systems won’t be compatible/integrated

• There is currently not a clearinghouse for electronic ID information
9. MYTH: MANDATORY IDENTIFICATION OF ALL CATTLE WOULD ACHIEVE TRUE TRACEABILITY

FACTS:

• We still don’t have data on all movements
  • intrastate movements, same owner movements

• We still won’t know what other animals that animal came into contact with.

• There will still be people who don’t comply and even cut tags out.

• There still needs to be a system for retiring tag numbers.
10. MYTH: ONCE WE FIGURE OUT ELECTRONIC ID WITH ADULT CATTLE, WE SHOULD MOVE DIRECTLY INTO FEEDER CATTLE.

FACTS:

• The higher volume of feeder cattle makes this a much more difficult task.

• Feeder cattle are not being worked through chutes as frequently as adult animals.

• A cost-benefit analysis and industry input is needed prior to considering mandatory identification of feeder cattle.
Any Questions?
Markets Role in Identification

Common place for identification of livestock
• Flexibility for customers coming from out of state to have adult cattle identified at market
• Owner Shipper Statements often used to collect movement information

Markets work with USDA and state veterinarians in trace backs

Place USDA and state officials come to check compliance with ADT and other laws

Markets have partnered with states and USDA for pilot projects on technology
Limitations to Markets Role

ADT regulates persons responsible for covered animals moving across state lines.

- Fact specific
- Typically the owner of the livestock
- Markets are not typically in control of the destination of livestock and may not know where they are heading

Markets can work with customers on compliance and education, but ultimately these are USDA responsibilities.
Bottom Line on Identification

Differing opinions about if tagging requirement should be on farm, point of first comingling, or moving across state lines.
• Producer support reduced if on farm identification were required.
• Some lack the facilities.

Markets incur costs when identifying animals.
• Labor
• Shrink
• Risk of Injury (livestock and humans)
• Facilities
• Slows speed of sale
• Tags
Consistency in enforcement is key.

How will enforcement of ADT be consistently enforced to ensure identification of all covered animals regardless of method of sale?

Enforcing only at markets could push producers out of this method of selling and harm the common goal of compliance.

What will the role of the states be?
Purpose of ADT

APHIS should continue to focus on their mission-area of disease traceability and animal health

• Trade implications are a separate subject

• Chinese market is willing to accept beef verified through a voluntary USDA AMS program
  • Allows participating producers to reap the rewards
Next Steps?

Education at producer level is a must

More consistent enforcement in the country

Tag retirement at slaughter

Explore opportunities with technology
  • Must be proven to work at speed of commerce

Industry continue to explore voluntary process verified programs

Not ready to expand mandatory ADT to feeder cattle
Responsible Parties?

9 CFR § 86.2(b) “No person may move covered livestock interstate or receive such livestock moved interstate unless the livestock meet all applicable requirements of this part.”

9 CFR § 86.5(a) “The persons responsible for animals leaving a premises for interstate movement must ensure that the animals are accompanied by an interstate certificate of veterinary inspection (ICVI) or other document required by this part for the interstate movement of animals.”
Owner Shipper Statement Defined –

A statement signed by the owner or shipper of the livestock being moved stating the location from which the animals are moved interstate; the destination of the animals; the number of animals covered by the statement; the species of animal covered; the name and address of the owner at the time of the movement; the name and address of the shipper; and the identification of each animal, as required by the regulations, unless the regulations specifically provide that the identification does not have to be recorded.

Can be an existing document. (tag in slip)