

NR ORAL STATEMENT ON NAIS FOR USDA MEETING:

Mr. Secretary, thank you for inviting the Livestock Marketing Association to this discussion on the future of the NAIS plan. LMA is the national voice for the livestock marketing sector representing about two-thirds of all registered livestock auction markets in the U.S. I am Nancy Robinson, LMA's Vice President for Government and Industry Affairs.

Livestock markets are the most important juncture in livestock commerce in the implementation of any national animal ID system. More than 35.6 million head of cattle and calves and 10.9 million head of sheep and hogs move through livestock markets annually.

Maintaining the speed of commerce in the marketing of livestock is not just a "term of art" to markets, it is an absolute necessity in maintaining a viable marketing system that serves tens of thousands of producers every day somewhere in this country.

For markets, speed of commerce means processing and marketing consigned livestock on sale day within just a few hours, minimizing weight shrinkage, protecting the safety and welfare of market employees and the livestock they handle through the sale, and moving animals on to their next destination with a minimum of delay. All of which are ultimately about using our time and resources wisely and well to minimize the cost and maximize the profit to our consignors.

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

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

1. Low-frequency RFID tag and reader technology has been demonstrated to be inadequate in preserving the "speed of commerce" in most market settings. High-frequency RFID may be a better solution, yet there is no clear evidence that it does not have just as many, if different, limitations as low-frequency technology.
2. USDA's technology neutral stance will result in the proliferation of incompatible, imperfect ID technologies and systems resulting in enormous inefficiencies and cost to the industry. Thus a standardized

- ID technology that is compatible from one livestock operation to another must be identified before moving on to a mandatory plan.
3. Mandating individual animal ID will likely require many livestock markets to establish tagging services for their consignors unable to tag their animals on farm; leading to a myriad of other concerns, such as added costs to the markets, staffing, worker safety, liability, animal welfare, etc.
 4. Release of the NAIS cost-benefit study is critical to our deliberations on a mandatory ID program thus we hope to see it very soon.
 5. The NAIS business plan lacks any strategy for how USDA intends to pay for putting the plan into operation. Without this, there will be continued resistance to a program that builds in more costs without demonstrating an appreciable return on investment.
 6. The U. S. beef cattle industry, as you know, is not comparable to the nation's swine, sheep or dairy industries in size, scope or level of concentration & integration. Thus mandatory ID schemes must reflect those differences. Nor, should the cattle ID systems in Australia and Canada be used to justify a similar national animal ID program in the U. S. I have toured Australia and seen their ID system and their cattle industry and marketing system is in no way like ours.
 7. It is time that we quit muddying the NAIS waters with talk of value-added, trade, food safety and COOL benefits and hone in on what we are really about in this effort—animal disease control & eradication.
 8. Further concentration and consolidation of U. S. beef production, as a consequence of a government-mandated NAIS program, would be disastrous for rural America. An animal ID program too expensive or difficult to operationally comply or bother with is certain to put any number of small producers and markets out of business and further contract the industry.
 9. It is unreasonable to impose a complex, all-embracing ID system costing hundreds of millions of dollars to establish and annually manage a potential Foot and Mouth or other foreign animal disease outbreak, when all livestock movement would have to stop regardless of where the infected animals originated or moved, and where 48-hour traceback of FMD infected animals could realistically occur today under current or a slightly modified ID program.

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

Perhaps in doing so, the program will begin to garner the kind of support from the stakeholders in this room necessary to its success.

If USDA is committed to moving forward with a mandatory ID program, the so-called bookend ID and tracking system would give the livestock industry time to adapt to any new ID system requirements as well as allow advanced ID technologies time to catch up with the realities of the U. S. livestock industry. Such an approach starting with mandating premises registration, identification of the breeding herd over the next five years or more, and incorporating existing ID systems and brand programs into the NAIS design makes 48-hour or at least much faster traceback possible in relatively short order. Establishing a costly, impractical, unachievable electronic movement by movement ID system will not.

Proceeding in a deliberately measured way in establishing a complex multi-faceted national animal ID program befitting the scope and size of the U. S. livestock industry, should not be the antithesis of good policy. LMA appreciates your understanding of that point, Mr. Secretary, and stands ready and willing to work with you and our industry partners in advancing a new more constructive approach to NAIS that meets the demands and needs of the U. S. livestock industry and has the support of those directly affected by it.