**Comments submitted on the**

**National Animal Identification System Strategic Plan**

**by**

**North Dakota Stockmen's Association**

**July 2005**

Docket No. 05-015-1
Regulatory Analysis and Development
PPD, APHIS Station 3C71
4700 River Road Unit 118
Riverdale, Maryland 20737-1238

To Whom It May Concern:

Comments referring to Docket Number 05-015-1

**National Animal Identification System; Notice of Availability of a Draft Strategic Plan and Draft Program Standards**

Thank you for the opportunity to comment on the NAIS draft strategic plan, program and standards.

We are extremely disappointed in both documents for their failure to address cost, confidentiality, flexibility and the integration of current ID programs that are proven.

We will answer the ten questions posed directly before we specifically address both the Draft Program Standards and the Strategic Plan. More information is needed to answer the five follow-up questions USDA has posed.

1. A mandatory identification program may be necessary, however, we are not convinced that it needs to be the same system nation-wide or be mandatory by 2009, especially since the current RFID plan has not been fully tested to assure that cattle can be processed at the speed of commerce.

2. If there is a mandated federal system, then the compliance should be the responsibility of the federal government (USDA). USDA needs to ensure compliance. The entity that is responsible needs to ensure compliance. If flexibility is allowed so states can design a plan that is cost-efficient and workable, then the states should ensure compliance.

3. Tagging sites need to be an option along with the use of other programs (brand inspection) to move the cattle through the system.

4. Compliance needs to be the responsibility of the entities that are mandating regulations. States need more authority to implement a workable system. We support the receiving premise being required to report the movement.

5. Age limit should not be a factor for identifying animals under the current plan. Tagging may not need to be mandated either, if another form of traceback can be achieved such as brand inspection.

6. Timeline for implementation is too aggressive. Most producers are unclear as to what is going to be required and are confused. The system has not been fully tested and a cost/benefit analysis of various programs have not been done, so the industry cannot make an educated decision.

7. All species need to implement a mandatory system at the same time. It is unfair to burden one species over another, especially since the federal government is not willing to tell any of the species what the current proposed systems will cost.

8. USDA needs to do a cost analysis on all the proposed systems for data entry and provide supporting documentation.

9. All information submitted and collected in the NAIS needs to be held in confidence. The only use should be for disease traceback.

10. When possible, current systems need to be used to hold the cost down. Duplicating reporting requirements does not make sense. The same can be said for requiring electronic health certificates and full implementation of an electronic ID system.

The only way the five questions can be answered concerning a private vs. government-held database, is to require both systems to do a cost analysis. All species need to be included. After the cost analysis is done, it then will allow states to decide which is most practical and cost-effective for them to adopt.

Please consider the following proposal as a way to compensate producers for some of the costs they will incur to run the NAIS. The federal government needs to seriously address their responsibility to fund this mandate.

**Producer Compensation for Mandatory ID**

When the subject of mandatory identification comes up, most of the discussion centers around not if, but when it will be implemented and how it is going to be accomplished.

Well, there is another aspect that needs serious consideration, and that is the cost of mandatory ID to the producers of this country.

A number of projects have already taken place that put the cost of placing an electronic ID tag in the ear of a calf at around ten to twelve dollars per head. Almost no consideration has taken place as to funding this undertaking other than the realization that the government will not be the funding source. As with other 'mandates' that come down, the cost of this program is expected to be borne by the producers.

If this program is as important to the entire industry as reported to be, then why should only one segment of the industry, the producer, bear the entire cost? If the consumer, whether domestic or foreign, is a major beneficiary of this program, then shouldn't they share in the cost? If you believe this to be true, there is a very simple method to compensate the producer for his work and pass this cost up through the industry to the consumer where the cost becomes miniscule.

**Here is how it could be done:**

On the day that the original owner of an animal is delivered to market, to a buyer or to the packing plant, that owner receives an additional seven dollars per head from the buyer. Each successive buyer also receives seven dollars per head from the next buyer until it reaches the packing plant. At that point, the packer can decide whether or not to pass this cost on to the wholesaler or retailer. If the cost is passed on to the consumer, they would pay about 1.34 cents per pound or approximately 1/3 of 1 percent more than they are paying now.

We believe this would be a very simple process which would require essentially no paperwork whatsoever and yet, would partially compensate producers for additional processing and costs.

The association would like to express its concerns in both documents, of the lack of understanding that USDA has shown for the industry. Throughout both documents, deadlines are set, but at the same time, USDA does not know if such a system will work or what the cost will be to the industry. UDSA talks about flexibility, but leaves no room for flexibility and fails to lay out a plan that gives states the flexibility to implement any plan that will work.

**The following comments pertain to the Draft Program Standards:**

***Page 1 – Animal Identification.*** Requires a standard way to identify animals. This does not allow for flexibility such as recognizing brand inspection in early cattle movements.

***Page 2 – Animal Tracking.*** USDA admits this will be the most challenging, yet have not guaranteed, through proper pilot programs, that this can even be done at the speed of commerce and at a cost that doesn't put a huge burden on the producers. USDA wants to ignore the cost element of this program by placing the entire burden on others. We suggest USDA do a fair cost/benefit analysis prior to any threats of mandates as well as fully test the proposed electronic system to see if it will work in real-life conditions.

***Page 3 – Data standards.*** There are no data element standards indicated that would recognize a brand certificate number or other information on a brand certificate that would allow for easy entry for brand states choosing to use this type of ID. (no flexibility)

***Page 5 – Animal Identification.*** Your statement that premises identification cannot be used to record individual animal movements is not factual. We have proven through brand inspection, along with other buyer and auction records, that this can be done. We are currently doing traceback using brand records with no other form of ID.

***Page 6 – Official Identification Devices and Methods.*** We agree with the first sentence on recognizing other methods such as brand inspection, but USDA does not identify specific fields in the database for this information.

***Page 7 – Group/lot.*** Brand inspection could easily be used to move cattle from ranch or market to a feedlot without a GIN assigned. That information contained on the certificate could be entered into the database and referenced to the individual animal tagged on arrival.

***Page 8 – Information Systems.*** USDA needs to recognize individual state's rights to designate who should maintain and operate the state system.

***Page 9 – NARR.*** A specific field description needs to be added that would include brand inspection information. This field will be widely used by western states that have a system in place. The remarks field is inadequate because it doesn't designate which fields would need to be entered, and that must be done for non-brand states receiving a shipment of cattle from brand states. Since the system is unfamiliar to them, they will need to know what specific fields will need to be documented.

***Page 17 – Animal Movements.*** This burden is being placed on all segments of the industry without regard for cost of equipment or manpower to administer.

***Page 20 – Tagging.*** All species, not just cattle, need to be included and brought on line at the same time. It gives other species an unfair advantage to move their commodity through the system without additional cost that this program will force on producers.

***Page 21 –*** Use of electronic health certificates will cause the industry to pay twice for the system, so veterinarians will not provide this service free and cannot be expected to. With the shortage of large animal vets in underserved areas (which includes most of the cattle country), this task is going to be hard to accomplish.

***Page 27 – Performance Standards for Tags.*** We agree with these standards, however, these standards fail to address the other equipment that must also function at -40 degrees Celsius, in manure, humidity, heat and various other weather conditions. It also fails to recognize other obstacles that cause equipment failure that are beyond the control of the operator. Failure to recognize these obstacles will result in hundreds of millions of dollars spent on equipment and personnel that is destined to fail and interrupt commerce.

***Pages 29-31 – State status designation.*** These stage designations are unrealistic and premature. It appears very bureaucratic with report after report needing to be filed when time and effort need to be put into trying to make the system functional and simple as possible.

***Stage II #4*** – Requiring premises information updated annually is foolish. It fails to recognize what states are doing, and, that most often, little will change on the premises information itself. Brand recording has proven to be efficient and workable with 5 or 10 year renewals with continual updating of information without a mandate.

**The following comments pertain to the Strategic Plan 2005 to 2009**

***Page 1 – Executive summary.*** We are extremely disappointed that the four key stakeholder concerns expressed were not answered or addressed in a manner to give the industry confidence that this plan is workable. The cost was not addressed at all, except, to say that limit on the growth of government is desirable, which means the burden will be put on the industry. Confidentiality is addressed only that legislation will be proposed, however it is not passed or any level of comfort that it will be passed in a satisfactory way for the industry. Flexibility is expressed but nothing is allowed outside the strict one federal program that must work for everyone. Liability is also not addressed in a way to ease producer's minds that those not involved at the time a potential problem arises will not be drug into a legal battle.

The principals are based on one system designed for USDA purposes but does not truly address flexibility.

***Page 2 – Flexible.*** NAIS is designed for animal disease purposes only and could conflict with production management systems.

Milestones – are unrealistic with this unproven system.

Stages of development – most of the responsibility lies with the state but the authority for the states to design a system that works for them is not allowed. Often times, throughout the document, uniform and flexibility conflict. The goal should be for the states to design what works for them, then design a system of information gathering to compliment each state.

***Page 4 – Background.*** The statement "…no uniform nationwide animal identification systems exist for all animals of any given species. That is about to change." This statement re-enforces that flexibility to deliver a program that will be cost-effective and work for the states and industry will not be allowed.

***Page 5 –*** USDA needs to follow the USAIP more closely as we have seen a lot of the flexibility in that plan absent in this strategic plan.

***Page 7 – Driving force –*** We disagree with the driving force events for individual animal ID. The 48 hour response is not necessary for BSE. Also, if FMD or a contagious disease is involved, vast areas will be quarantined regardless of premises or individual contact as an 'abundance of caution' measure.

Voluntary vs. mandatory. We find it ridiculous that USDA is taking 47 comments and making the determination that the system should be mandatory. With more than a million producers, many have no idea what this system will entail, it is not logical that people can honestly state it should be mandatory. A scientific, unbiased poll should be taken with a full explanation of what producers are going to be required to do and pay for would be far more beneficial. The NIAA survey is also not a realistic sample, especially since most of its numbers will not have to comply with the mandate. Those that must comply and pay for this system need to have more input.

***Page 8 – Phased-in-Approach.*** USDA will implement the electronic interstate certificates and electronic movement permit system which will more than likely duplicate an NAIS. Additional cost to record documents and read tags will be a burden to producers. Large animal vets do not have the time to provide regular vet services and will be required to do additional regulatory paperwork on top of the animal ID system.

***Page 9 - Regulatory Process.*** We agree that USDA should be allowed to enter into agreements with stakeholder organizations, provided those organizations are authorized by the state.

***Page 10 -*** The timeframe for implementation should not be set until the pilot projects are complete and the system is checked out to ensure that it can perform at the speed of commerce.

***Page 11 - Stakeholder concerns.*** Concerns are identified, however, not answered, and no system should be moved forward until they are.

***Page 12 - Key Components.*** Appears very vague but yet doesn't appear to allow flexibility for states. Again, animal tracking, which will be the most expensive both in infrastructure and labor, is the most challenging and we question if it can actual occur under this system at the speed of commerce.

***Page 13 - Uniform & Flexible.*** The two contradict each other. If flexible only refers to using this system for other purposes (marketing), then it does not allow all states to adopt an existing system that works. Producers view flexibility as adopting a system that meets the goal and is workable within today's system, potentially at no additional cost or little cost to producers.

Inclusive – being clear about when it will become mandatory will not translate into more producer participation because, so far, USDA has failed to prove the system will ever work and at what cost.

***Page 14 - Cooperative.*** Your cooperative efforts do not unduly increase the size and scope of the federal government, because you push the burden onto the state and the industry. The government provides only mandates and references to provide the infrastructure to carry out the mandate. Also, service providers will assist but at a cost that is unknown. It is time for USDA to seriously address the cost of this program prior to any further mandates. A true cost benefit analysis needs to be completed. This will take time because USDA will need to identify current state and federal programs that are in existence that can provide traceback capabilities and compare cost.

***Page 15 -*** USDA cannot assure confidentiality and is pursuing legislation. We strongly feel that USDA needs to more aggressively pursue the legislation so that the industry knows what actually will be protected. It's unfair to the industry to assume that it will be passed in a form that is acceptable. This will also allow the industry to determine if the legislation passed is adequate enough to support a government-held database if someone outside of government (private industry) should be held responsible to hold the database in a secure fashion.

***Page 16 - Timeline.*** Timelines, again, are unrealistic with so little effort by USDA to answer the four concerns expressed by the industry. Animal tracking tied to electronic vet certificates in 2006 will not work because of the shortage of large animal vets in underserved areas to perform the task as needed. We also want to know what is meant by "focus on integration of management systems to forward animal locations/sightings?" In 2007, you discuss incentives. What does that mean? And who are the incentives for? Also, what is meant by expand the integration of management systems to forward sighting?

***Page 17 -*** What is meant in 2008 by all premises registered with enforcement? Who does the enforcement? It appears that it will be a federal mandate with no federal responsibility either to enforce or pay for. Under animal tracking you allow processing plants flexibility to collect a high percentage however all movements are collected in other locations. In 2009, you require enforcement for reporting all animal movements but do not assist in the funding. Again, all the timelines are unrealistic until the four concerns are adequately addressed.

***Page 18 - Stages of Development.*** Comparing the last disease eradication programs to the implementation of the ID program appears very bureaucratic. More time is spent in idle work than actual implementation of a plan that the states can manage.

Because of some states meeting every other year, the implementation of some requirements in Stage 1 will not become law until late 2007. All the reporting to APHIS is unnecessary. There also does not appear to be any flexibility identified in development of a program other than RFID. There is no incentive for industry reps to legislate anything until USDA puts a cost estimate together, as well as prove the electronic system will work at the speed of commerce.

***Page 19 - Stage II.*** Requiring premises to update annually will be time-consuming and expensive and will not serve any purpose. An existing system such as brand renewals works well and that is every 5 years with voluntary updates as the producer sees fit in order to assure renewal and ownership.

***Stage IV –*** Key locations are not defined, so you may be mandating some facilities to pay for infrastructure while others may not be required. Who determines if 60% of qualified animals are met? Does this include all species? These same questions need to be answered for Stage III and Stage V.

***Page 20 - Full Implementation.*** This will never occur because there will always be, for various reasons, someone in the system who refuses to or fails to comply. Who then will be responsible for enforcing penalties? Some species have not even started to address, so full compliance will be difficult. Who determines the 80% of animal movement? Does it mean 100% movement reporting at some facilities and 0% at others? Is that fair or acceptable?

What is the penalty for failure to move to the next stage? The federal government is not paying for the system now so it can hardly take any financial incentive away.

The duration of status will be a constant change where no state will know where it stands or for how long as well as its neighboring states. Again, the stage you're in is not impacted, since no dollars appear to be flowing to the industry to cover cost.

***Page 21 - Lines of Action.*** APHIS fails to adequately pursue the resources outside of its own staff to properly run this program.

Encouraging the development of state infrastructure falls far short of its responsibility, since it wants to mandate a costly program on the industry.

1 – Acquire Resources - #3b is the first recognition of developing a cost-benefit analysis. This needs to be done first, before any part of the program is further developed.

Throughout this section, it appears the intent is to mandate without further responsibility. Please explain #2-3b-iii. Unify animal identification requirements?

#2-6 Submit proposed legislation to support confidentiality. This needs to be passed, not just submitted, since we need to see the final product before the industry will feel comfortable with the government holding the data.

***Page 22 -*** Input into the development has occurred throughout the last several years but appears to go unheard, especially in brand states that have identification programs that can adequately do the needed tracebacks for disease surveillance. They are proven to work.

Instead of a complete new, unproven system, USDA needs to allow for small modification in current programs involving high-risk animals. The results will be the same as the bangs program, back tag program or brand programs that currently exist. The desire to go hi-tech without proving the system will work is disappointing.

Again, we are extremely disappointed in both documents for their failure to address cost, confidentiality, flexibility and the integration of current ID programs that are proven.

Thank you.

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