

**Australian Beef Association**  
**Response to NSW Agriculture. Regulatory Impact Statement**  
**and Draft Regulation on**  
**NLIS.**

Mandatory NLIS will be a major cost and administrative impost on the cattle industry. Tags alone will cost in the order of \$30 million per year. This is only 16% of the \$186 million that we estimate the scheme will cost NSW producers annually.

The technology proposed has not been proven to work under extensive conditions anywhere in the world.

Australia is moving into a mandatory adoption of a regulatory system that hasn't even been successfully trialled anywhere in the world.

Despite the huge scale of this undertaking, there has been no comprehensive system analysis, no national cost benefit analysis and consequently no informed industry consultation and debate.

In its current state NLIS is unnecessary, unproven, unenforceable and un-auditable. It is undeliverable by the vast majority of cattle producers.

**Why NLIS ?**

Advocates of NLIS claim it will:

- Significantly improve traceability of cattle in the event of a residue or animal health incident and thus facilitate consumer confidence and the retention of export markets.
- Improve productivity and rates of genetic improvement by linking carcass assessment data to individual animals.
- Generate efficiencies through the chain by the automation of administrative tasks in the sale and transport of animals.

Advocates of NLIS are mainly technocrats, multi-national tag and reader manufacturers and some enthusiastic and impractical veterinary bureaucrats. Support from processors is a knee jerk reaction to current disease fears without any research and is conditional on their costs being funded by government or producers. No significant producer organisation is unconditionally supporting mandatory NLIS. They are asking for Government funding as in the other mandatory sites --EU

,Botswana and Quebec Province.

### **Should NSW support Mandatory NLIS?**

Absolutely not.

NSW is in danger of committing itself and NSW beef producers to a program that has no clear benefits for industry. Japan is now illustrating that trace back is not consumer protection or disease control.

NSW is in danger of committing itself and NSW beef producers to an extremely expensive and technically unproven technology.

ABA estimates NLIS, Australia wide, will cost \$7 billion over a decade.

MLA have refused to do a cost benefit analysis. Peak councils including CCA and AMIC and their state counterparts, particularly VFF, that support mandatory NLIS have opposed a cost benefit analysis. This makes us wonder if pecuniary interests rather than the good of industry are driving this program.

The requirement to inform the database of any lost tag on property within 7 days of discovery is Big Brother as in UK –without Big Brother paying for it. With a minimum 60% of the NSW 80,000 odd tail tag holders being computer illiterate and rarely mustering their cattle to identify any lost tags ( the current tag can only be read by an expensive reader in a suitable set of yards) this is “mission absurd”. It is why Victoria is not doing it. Good yards are a missing ingredient on over 50% of the NSW tail tag holdings. One Beef Cattle Officer estimates that only 15% of his area have head bails suitable to safely and accurately insert the RFID tags.

### **Does NSW need NLIS for food safety and trace back?**

Absolutely not.

- For over a decade Australia has had tail tags and NVDs which are recognised as the best industry funded system in world. This system has facilitated and maintained Australia’s access to world markets and has the full support of the domestic retail and food service industry.
- MLA’s Livestock Production Assurance with its 2500 compulsory audits of NVD’s will further strengthen the integrity of this system. NVDs enables trace back within four hours as opposed to a claimed 30 minutes for NLIS. This is all the trace back security that any importing country will ever ask for.
- A Japanese delegation that visited Australia last month endorsed the integrity of our NVDs and tail tag trace back system.
- Trace back with mandatory NLIS does not provide disease control. Nor does it

restore market access as is currently demonstrated by the situation in north America.

- The EU's "IDEA" trial's first preliminary report acknowledges that RFID only goes to the abattoir and that the consumer trace back trail is lost there.

### **Does NSW intend to replace firebrands, tattoos and earmarks with RFID tags as a permanent ID?**

If so the project is hopelessly flawed as 50% of tags can be expected to be lost over a ten year lifespan of a cow . They can also easily be cut out and replaced.

### **Is the US going to require RF tagging for trace back following BSE?**

Individual ID is being discussed but it is not a high priority in the US.

Secretary of Agriculture, Ann Venneman has stated that they will study various technologies but not move until they are convinced that there are technologies that successfully address the real needs of customers. The US developed Optibrand (retinal imaging for ID ) is showing far more practicality for livestock than RFID technology.

Japan and Korea are demanding that the US (and Canada) test all animals for BSE to re-enter their markets. BSE tests cost about US\$30 per carcass. One processor has already agreed to provide it.

### **NLIS and EU**

A few years ago the Chairman of Cattle Council offered the EU the NLIS system to assure them beef from Australia was HGP free and the EU accepted. Despite a \$100 to \$150 per head premium for EU cattle, Australia has not filled its 7,000 ton quota (80% last year) for some years. Argentina, plagued with FMD and with no trace back system, now provides over 28,000 tons to Europe.

The cost of NLIS compliance exceeds the cash premium. We have priced ourselves out of the market.

Under the title of "IDEA" the EU began a one million head, four year trial of RFID similar to our NLIS in 1998. The only report we can obtain( the preliminary one ) states that their readability of data is running at 82% for electronic tags, 86% for rumen bolus and 62% for injectable transponders. *"However , recommendations of a reliable electronic identification system for animal identification must consider other factors such as the tamper proof nature of the system ( possibility of*

*identification change between animals) AND USE ON ANIMALS IN EXTENSIVE CONDITIONS, in addition to the retention and recovery efficiency of the electronic tags. Furthermore these conclusions are drawn from only a fraction of the data to be collected over the course of the IDEA project” .*

This is in the market that Cattle Council continually maintains requires our NLIS!!

### **Mandatory ID - global situation**

No beef importing country, notably the US, Japan and Korea is requesting that Australia have individual ID.

What countries actually have individual ID?

**Europe** has a Government funded paper passport system which was designed to try and stop fraud in their highly subsidised market. Hundreds of government inspectors are involved. Government pays but it is destroying the UK beef producer. The EU's million head RFID tag trial summary is above.

**Quebec Province, Canada**-Government with encouragement from tag manufacturers has spent over \$20 million to tag 1.2 million cattle. The situation is reported to be chaotic.

**Canada (apart from Quebec province)** has adopted bar code tags. Twenty five percent of tags disappeared from the database in two years and is now moving to RFID tags and a database. It is baulking at the practicality and cost of recording of stock movement. (A system similar to NLIS). The Canadians estimate it would cost about \$40 per head to operate.

**Victoria, Australia** has had compulsory tagging on some classes of cattle for more than two years. Victorian bureaucrats, who run the system, report scanning at saleyards and abattoirs is working well. Independent visitors report a 20% reweighing of cattle pens in saleyards. Victoria is not following any movements from store sales or between properties which makes the system a Claytons one—as was their first fiasco when they paid for tags for producers to apply but had no readers.

To date, there has not been an independent audit to verify the performance, integrity or cost of the system. The true position in Victoria is unknown.

**USA** has no trace back system at all. Since the BSE case they are considering a system. USDA did a cost benefit analysis on individual ID for the pig industry and came up with a cost of \$1billion/annum.

**Botswana** has three million cattle. Government fully funds the use of rumen bolus to try to stop illegal movement of cattle from disease ridden Zimbabwe.

**Japan** has had no regulatory trace back system and are now testing each beast slaughtered for BSE. They are working with individual tag introduction in their intensive industry.

### **There are No Benefits**

The NSW Draft Regulation and Regulatory Impact Statement are frightening in their inaccuracy and impracticality. There are NO BENEFITS for commercial producers.

NSW Agriculture claims benefits of \$24.5 million for Enhanced Response, \$27.0 million for Enhanced Export Market Access and \$3.2 million for Retained access. These are essentially the same thing counted as a benefit three times.

These categories are absurd. The US, Japan and Korea have not granted access to Canadian beef despite identification of the offending cow. To claim trace back facilitates access is commercial rubbish – as has been illustrated by our EU position.

The claims are further rendered meaningless in the context of the US BSE event. The US has traced back the BSE positive animal and located herd mates and progeny. Yet north Asia maintains its ban on north American beef. Japan and Korea are demanding the US and Canada test all cattle as a condition of access to their markets. North Asia has not been satisfied with successful trace back or the US undertaking to remove SRM from animals over 30 months of age. There is no reason to assume Japan and Korea would not ask the same of Australia. BSE tests cost about A\$35 per head.

NSW Agriculture's analysis on FMD and Blue Tongue acknowledges that while sheep, wild pigs are not tagged, cattle NLIS will have limited benefits to our customers.

The claimed saving of \$3 million on reduced cost of transaction identifiers is not evident as the current NVD and tail tag system is being retained.

The claimed saving of \$139,000 as NLIS replaces management tags is ridiculous, as management tags are still required in the paddock and in most producers' yards because the RFID tags can't be read by eye beyond a few metres.

The claimed saving of \$844,000 in reduced stock theft underrates the intelligence of thieves. Cattle thieving is a highly organised crime. Cutting out and replacing tags is a simple operation.

The claimed saving of \$1,354,000 for "improved herd productivity" has no basis in fact. All additional handling and time delays reduce the weight gain and meat quality of cattle.

Victorian processors are now not required to provide HSCW (originally a core benefit promoted by NLIS advocates). NLIS will not provide or facilitate carcass feedback that is not available already as processors are refusing to provide it unless it is paid for.

## **The NSW Agriculture Report Understates the Costs**

NSW Agriculture's estimate of costs add up to only 7% of our estimates-- based on a practical assessment and discussions with UK and Canadian officials.

NSW Agriculture document stated that it will cost \$268,000 (presumably 2 officer equivalents) to police what will amount to an estimated 14,000 NLIS transactions a day. Research into RFID systems in general commerce shows a minimum 3-5% error rate (520 errors/day) plus a minimal tag loss of 2% giving 800 errors per day. On UK figures, at least 50 officer equivalents will be required to police NLIS in NSW.

Most Producers will not voluntarily buy readers nor will they pay to transport stock to saleyards or pay associated scanning charges. The recording of movements from property to property will require enforcement. (Victoria isn't even trying).

Fifty officer equivalents will cost \$7 million per year, at least. RLPB's (regional administrations) will not deliver this as unpaid extra work.

Agents in Victoria are charging buyers an average \$2 per head to read tags at store sales to cover scanning and administrative costs. This is reasonable charging for additional labour and time but producers must also put a value on additional labor and time required by the scheme.

### **Cost Summary**

Cost per animal

Forgone weight gains and actual weight losses (shrink) through additional handlings on farm, between farms and in saleyards (av.3%-12kgs.liveweight@ \$1.70 ) \$20.00

Your figure on cattle worth 40% more would be higher –less the feed that you have in sale barns that we don't have)

Govt. enforcement / administration(if they get serious this will multiply) \$1.40

Agent store sale reading charges \$2.00

Additional farm labour for tagging, recording surveillance	\$4.00
Tag and tag replacement cost 1.5 x \$4/tag	\$6.00
Management tags for paddock and yard surveillance	\$1.22
MLA database cost \$2.5 million/pa, (this is now being doubled at least)	\$0.16
Readers: estimate 20,000 needed @ \$2,000 plus yard adaption @ average of \$1000 each -\$60 million.	
Depreciated over 5 years = \$12 million	\$2.50
<u>Total annual cost per head per year</u>	<u>\$37.28</u>
<b><u>Cost to NSW per year (five million head)</u></b>	<b><u>\$186.40 million</u></b>

### **Cost/Befit (\$million)**

	Cost	Benefit	Difference
NSW Agriculture	14.5	61	+ 46.5
ABA	186	0	-186

We believe that there is no financial benefit to producers and a \$186 million recurring annual cost. We are supported by USDA individual ID pig cost benefit figures and Canadian estimates.

This program could sink the Australian beef industry in its battle with cheap South American production and chicken. In the event of a disease or residue problem, it could leave the industry unable to cover the cost of testing as is being demanded by Japan and Korea.

### **Summary**

This is a commercial and political time bomb set to explode in NSW after 2005 when the proposed system is planned to start. It will also have major repercussions for government and bureaucrats.

Queensland has already moved their start back to a 2005 and their Implementation Committee Chairman has publicly stated that there will only be some use of individual ID in Queensland due to practicalities. This is commonsense but destroys the "national" part of NLIS.

### **Recommendation**

ABA's position is:

NSW should postpone the mandatory implementation of NLIS.

NSW should watch Victoria and Quebec Province trial NLIS for three years. It should watch progress in the US on the Optibrand technology.

If, after an Independent Performance Audit (similar to the EU's IDEA trial's preliminary audit ), Victoria can demonstrate that NLIS is operating in a cost efficient way and that they are getting a premium for their beef, then, and only then, NSW should re-consider its position.

*Author and contact John Carter-Tel 0248321179*

Australian Beef Association Response to NSW Ag. Regulatory Impact Statement and draft regulation on NLIS.

*When NASA first started sending up astronauts, they quickly discovered*



*that ball point pens would not work in zero gravity. To combat this problem, NASA scientists spent a decade and \$12 billion developing a pen that writes in zero gravity, upside down, on almost any surface including glass and at temperatures ranging from below freezing to over 300 Degrees.*

*The Russians used a pencil.*

NSW is in grave danger of plunging itself into a similar situation with expensive technology that is yet to be proven and a purpose that has been lost.

*We estimate that Australia's proposed NLIS will cost \$7 billion over a decade but we will have nothing to show for it.*

Technocrats, multi-national tag and reader manufacturers and some enthusiastic and impractical veterinary bureaucrats have convinced some producer "leaders" (who mostly have few cattle and minimal understanding of the composition of the NSW beef industry) to seek to mandate this currently flawed technology.

In its current state NLIS is unnecessary, unproven, unenforceable and un-auditable. It is undeliverable by the vast majority of cattle producers.

- For 35 years Australia has had one of the very few trace back systems in the World. It is the best industry funded mandatory system there is. Some industry "leaders" have taken leave of their senses in forgetting this. The USA's World Beef Quality Audit in 1995 gave Australia the best shelf life for its exported beef. This translates as the best hygiene.
- MLA's Livestock Production Assurance with its 2500 compulsory audits of our NVD's will further strengthen the integrity of our system- a system that enables trace back within 4 hours as opposed to a claimed 30 minutes for NLIS. This is all the security that any importing country will ever ask for. A Japanese delegation that visited Australia last month was extremely impressed by our trace back regulation, our NVD's and tail tags. They would be –Japan has had nothing. USA with no system at all looks like regaining the Japanese market with BSE testing of animals at some abattoirs—they are addressing the perceived problem directly rather than doing the NASA astronaut pen job that we are attempting.

- There is massive confusion of disease control and trace back. Any responsible person in UK will explain that they are two separate issues.
  
- Market Access.  
 A few years ago the Chairman of Cattle Council offered the EU an individual NLIS system to assure them of supposed HGP freedom ( It does no such thing without reliance on the NVD and integrity of the producer filling in that NVD ).  
 EU naturally accepted it as they don't need or want our beef. Now we are unable to fill our 7,000 ton quota ( 80% last year ) . Argentina , with no trace back system at all now provides over 28,000 tons to Europe.  
We have priced ourselves out of the market.  
 I have a guarantee from MLA and AQIS officereers that that they would not offer the recent Japanese visitors this system. They know it would be undeliverable and price us out of the Japanese market.
  
- No importing country is requesting that Australia have individual ID – why should they –they haven't got it themselves.
  
- What countries actually have individual ID? There are plenty of “gunners”— as Australia has been since 1990.
  1. Europe has a Government funded passport system which was designed to try and stop fraud in their highly subsidised market. Hundreds of Government inspectors are involved. Government pays but it is destroying the UK beef producer. EU's million head RF tag trial appears to have failed as they refuse to do a report on it.
  2. Botswana –Has 3 million cattle . There is fully Government funded use of rumen bolus to try and stop illegal movement of cattle from disease ridden Zimbabwe.
  3. Quebec Province in Canada , where Government with Allflex encouragement has spent over \$ 20 million on 1.2 million cattle and has chaos on its hands. The rest of Canada has gone to a tag and a database of tags issued. They are balking at the practicality and cost of continuing recording of stock movement as is proposed in Australia. Their executive officer agreed with our estimate of \$40 per head per year when all labour, cattle weight loss through additional holding and mustering, readers, yard alteration, tag cost, policing officers' salaries etc are included. If NSW perform 5 million cattle

transactions per year this equates to \$186 million per year—a huge variation on NSW Ag's estimate of \$38 million over 3 years then \$14 million per year.

4. Victoria, Australia. Still to have an audit of the system and a costing of the real costs.

- USA has no trace back system at all and following the BSE case they are doing investigations of systems. USDA did a cost benefit analysis on individual ID for the pig industry and came up with \$1 billion/annum. USDA Secretary Veneman is saying that they won't rush into any system without a complete analysis and costing—in sharp contrast to Australia, where MLA refused to do a cost benefit analysis.
- NSW Draft Regulation and Regulatory Impact Statement are frightening in their inaccuracy and impracticality---

#### Benefits.

NSW Ag figures of \$24 .5, \$27.0 and \$3.2 million for “Enhanced response” ,”Enhanced export market access” and “Retained access ”are trebling benefits for the same claim which has already been shown to be absurd by the failure to open the Canadian market despite identification of the offending cow with their new system. They will look even sillier if the US bows to Japan and goes to testing for BSE at \$35 Aust. per head. Australia would have to follow, and we are forced move to testing @ \$35 with an NLIS costing \$36 per head as well--\$71!

On FMD and Blue Tongue the NSW Ag. Analysis acknowledges that with sheep, wild pigs not being tagged, the Cattle NLIS will have limited benefits to our customers.

\$3 million on reduced cost of transaction identifiers is not evident as the current system is being retained because it works and is respected around the world.

\$139,000 saving as NLIS replaces management tags is ridiculous as management tags are still required in the paddock and in the yards as the NLIS tag can't be read unless very close.

\$844,000 in reduced stock theft underrates the intelligence of those who operate. They will cut out the tags and replace them with their own.

\$1,354,000 for “improved herd productivity” illustrates that whoever wrote this analysis has no understanding of the real world. NLIS reduces productivity by greatly increased handling and stress on cattle.

Every time a producer yards his cattle he is cancelling their 0.5, 1, or 1.5 kg weight gain for those animals for 2-3 days—average 1 kg x \$1.60 x 3= \$4.5. Do an additional 3 times per year and you look at \$14 per head—a 3% LOSS in productivity.--\$70 million loss per annum.

Having to muster earlier so that reading of tags can be done will add another 1-2% shrink to any saleyards cattle -\$4-8 per head (average \$6)--\$30 million/loss per annum.

Feedback on carcass is NOT being provided in Victoria and any processors that we have approached say that it would be an additional cost to the producer.

There are NO BENEFITS for commercial producers.

### Cost

NSW Ag. figures add up to 7% of our estimates after discussions with UK and Canadian officials.

NSW Ag. document states that \$268,000 (presumably 2 officer equivalents) can police 14,000 transactions a day when RFID research shows a minimum 3-5% error rate (520 mistakes/day) plus usual tag loss (2%) giving 800 mistakes per day !!

On UK figures at least 50 officer equivalents will be required to police the scheme in NSW. The reading of movements from property to property just won't happen without enforcement. People are not going to buy readers or have them driven to a saleyard without policing.

Fifty officer equivalents will cost \$7 million at least.

Will NSW Ag. pick this up each year or will producers have to fund it through RLPB's or MLA?--- per beast - \$ 1.40

This will make the NSW OJD debacle look like a triumph as Rural Lands Protection Boards refuse to use their scarce veterinary resources to police what takes hundreds of officers in UK.

The requirement to inform the database of any lost tag or death on property within 7 days of discovery is Big Brother as in UK —without Big Brother

paying for it. With a minimum 60% of the NSW 80,000 odd tail tag holders being computer illiterate and rarely mustering their cattle to identify any lost tags ( the current tag can only be read by an expensive reader in a suitable set of yards) this is “mission absurd”. Good yards are a missing ingredient on over 50% of the state’s tail tag holdings.

- Tags are not a permanent ID. A herd with cows culled at 10 years of age would expect to have lost 50% of the tags. What happens to the NSW Cattle firebrand/tattoo register under the proposed legislative changes ?

Agents in Victoria are charging from \$1.50 to \$3.00 per head to read tags. We don’t question their need to do so but ask who pays the producer who has to make more musters, has to re- read mobs where there is any false reading?? Most NSW producers are single operators with many over 60 years old. Most make losses on their cattle operations.

So—Per beast cost—

Forgone weight gains and actual weight losses through shrinkage --	\$20.00
Administration --	\$1.40.
Agent reading at sales and saleyard reading of cattle moving from property to property- Average	\$2.00
Additional farm labour for tagging , recording and increased yarding and surveillance -----	\$4.00
Tag and tag replacement cost 1.5 x \$4-----	\$6.00
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Management tags for paddock and yard surveillance-	\$1.22
MLA database figure has moved from \$450,000 in April 2003 to“\$2 to 3 million” (Chairman at November Perth AGM).	
Minimum \$2.5 million for est.16 million movements =	\$0.16
Readers –estimate 20,000 needed @ \$2,000 plus yard adoptions @ average of \$1000-\$60 million depreciated over 5 years = \$12 million=	\$2.50.
Total annual cost per beast	

Total \$37.28 per beast per year x 5 million=\$186.40 million per year cost for the state of NSW.

NSW Ag’s the Cost benefit equation is \$14.5 million per year cost --\$61 million benefit !.

We believe that there is no benefit to producers and a \$186 million recurring

annual cost. We are supported by USDA Pig Cost benefit figures and Canadian estimates.

This program could sink the Australian Beef industry in its battle with cheap South American production and chicken.

### Summary.

This is a bureaucratic and political time bomb set to explode in NSW after 2005 when the proposed system starts to be bedded down.

Queensland has already moved back to a 2005 commencement and their Implementation Committee Chairman has publicly stated that there will only be some use of individual ID in Queensland due to practicalities. This is commonsense but destroys the “National” part of NLIS.

Processors recent calls for no exemptions are more a reflection of their fear of being forced to test individual animals for BSE, and their ignorance of the scheme’s impracticality, than logic.

We say “Let Victoria trial it along with Quebec Province. If under an Independent Performance Audit they can demonstrate that NLIS can be implemented in a cost efficient way over 3 years and that they are getting a premium for their beef then let us follow. Don’t let us price ourselves out of the export market as we have with NLIS for the EU”.

Update on Miles Speech 5/2/2004--- 450-500 present.

**Common Sense --**

**When NASA first started sending up astronauts, they quickly discovered that ball point pens would not work in zero gravity. To combat this problem, NASA scientists spent a decade and \$12 billion developing a pen that writes in zero gravity, upside down, on almost any surface including glass and at temperatures ranging from below freezing to over 300 Degrees.**

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- **For 35 years Australia has had one of the very few trace back systems in the World. It is the best industry funded mandatory system there is. Some industry leaders have taken leave of their senses in forgetting this. The USA's World Beef Quality Audit in 1995 gave Australia the best shelf life for its exported beef .This translates as the best hygiene.**
- **MLA's Livestock Production Assurance with its 2500 compulsory audits of our NVD's will further strengthen the integrity of our system- a system that enables trace back within 4 hours as opposed to a claimed 30 minutes for NLIS. This is all the security that any importing country will ever ask for, in fact , a Japanese delegation that visited Australia last month was extremely impressed by our traceback regulation, our NVD's and tailtags. They would be --Japan has had nothing. USA with no system at all looks like regaining the Japanese market with testing of animals at abattoirs—they are addressing the perceived problem directly rather than doing a NASA astronaut pen job as we are attempting..**
- **Market Access.A few years ago the Chairman of Cattle Council offered**

the EU an individual NLIS system to assure them of HGP freedom. They naturally took it as they didn't want our beef.. Now we are unable to fill our 7,000 ton quota ( 80% last year ) . Argentina , with no traceback system at all now provides over 28,000 tons to Europe. We have priced ourselves out of the market. I have a guarantee from MLA and AQIS that they will not offer Japan this system as they know it would be undeliverable and price us out of their market.

- No country is requesting that Australia has individual ID – why should they –they haven't got it themselves.
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- 4. Europe has a Government funded passport system which was designed to try and stop fraud in their highly subsidised market. Hundreds of Government inspectors are involved. Government pays but it is destroying the UK beef producer. Their million head RF tag trial appears to have failed as they refuse to do a report on it.
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- NSW draft regulation and Regulatory Impact Statement are frightening



in their inaccuracy and impracticality. Their Benefit figures have already been shown to be absurd by the lack of opening of the Candain market despite identification of the offending cow with their new system. Their suggesting that 2 officers can handle 14,000 transactions a day when commonsense shows a minimum 1% producer mistake rate(140 mistakes) is ludicrous.

Their requirement to inform the database of any lost tag or death on property within 7 days of discovery is Big Brother as in UK –without Big Brother paying for it. They don't seem to understand that at least 50% of the 80,000 tailtag holders are computer illiterate and rarely muster their cattle—an essential move to find any lost tags as the current tag can only be read by a an expensive reader in a suitable set of yards— also missing ingredients on over 50% of the states tailtag holders..

Summary. This is a bureaucratic and political time bomb set to explode in NSW on 1/7/2004. Queensland has already moved back to 2005 and their Implementation Committee Chairman has publicly stated that there will only be some use of individual ID in Queensland due to practicalities. This is commonsense but destroys the “National” part of NLIS.

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Summary.

**This is a bureaucratic and political time bomb set to explode in NSW after 2005.**

**Queensland has already moved back to 2005 and their Implementation Committee Chairman has publicly stated that there will only be some use of individual ID in Queensland due to practicalities. This is commonsense but destroys the “National” part of NLIS. We say “Let Victoria trial it along with Quebec Province. If they can show that it can be implemented in a cost efficient way over 3 years and are getting a premium for their beef then let us follow. Don’t let us price ourselves out of the export market as we have with NLIS for the EU”.**

## NLIS-Cattlemen have no understanding of its implications. Big Brother take over is afoot.

To the Editor,

The NLIS PR machine has been brainwashing producers on its merits. There has been very little analysis of its huge costs and industry dislocation if it is implemented. NONE of our trading partners have asked for NLIS. It is acknowledged by our international trading partners that Australia already has the best traceback system in the world with our Waybills and NVD's. The EU requirements foisted on Australian producers were not demanded by the EU, but were offered by the very unrepresentative Cattle Council of Australia. Financially, physically and economically this NLIS scheme will cause chaos if forced on our industry.

The infrastructure that is already in place cannot support such a scheme. Already, many operational problems have surfaced in Vic where some of the scheme has just begun to be implemented. To put the whole Australian cattle herd onto computer and ask cattlemen to trace every movement and treatment of every individual beast; to ask producers to be *accountable* for every beast that is lost, died, stolen, missing; to ask producers to face the manpower and animal-health cost of this extra handling of their stock; to ask producers to transfer this information to a central database regularly; to ask producers to fund the cost of this exercise themselves when the few overseas countries that have individual ID are funded by Government, is sheer madness. The NSW draft regulations suggesting that only two government officers will be required to oversee and regulate five million transactions show how far from reality we are drifting!!

The NLIS lobby promises that individual identification will safeguard our herd from exotic diseases! How? Does that button in the ear put a ring of safety around each individual beast? The Canadian situation shows that only *one* beast was infected with an 'exotic' (and highly questionable) disease, but the *whole* industry took a nose dive.

Cattlemen feel that the real argument against NLIS is the cost of tags themselves. This is only the initial cost. Cattlemen should be asking the WHIFUM question – "What's in it for me?". I'll tell you - extra work, extra cost, extra handling of cattle, longer pre-sale yardings to account for every beast, meat shrinkage as a result, no premiums, Big Brother type accountability by every producer still no meat trading system, no guarantee that every bit of

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.....ry, and producers need to make themselves very aware of all the arguments for and against NLIS. There are advertised forums being held around Queensland designed to put up both sides of the argument, so that the producers can make an informed decision about mandatory NLIS *versus* voluntary NLIS. I suggest that we all get very informed, very quickly. Linda Hewitt, Roma

**T** January 27, 2004

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## **Rules Issued on Animal Feed and Use of Disabled Cattle**

By DENISE GRADY and DONALD G. McNEIL Jr.

The Food and Drug Administration imposed new rules yesterday to prevent the spread of mad cow disease, including a ban on feeding cow blood and chicken wastes to cattle. The agency also banned using dead or disabled cows to make products for people like dietary supplements, cosmetics or soups and other foods with traces of meat.

The rules, described by Mark B. McClellan, commissioner of food and drugs, in a telephone news briefing, take effect in a few days, as soon as they are published in The Federal Register, a spokesman for the agency said. The quick start of the rules after their announcement is a departure from the usual slower process.

Tommy G. Thompson, the secretary of the Health and Human Services Department, the parent of the food and drug agency, called the rules "a giant step forward" but said in a telephone interview that even stricter regulations on animal feed might be imposed in the future.

The rules are meant to prevent human exposure to the agent that causes mad cow disease and mirror the steps that the Agriculture Department took last month to protect meat supplies. The two sets of changes are a reaction to the discovery last month that a cow in Washington State had the brain disease bovine spongiform encephalopathy.

Officials theorize that the cow was infected by contaminated feed in Canada, where it was born.

Contaminated feed is widely believed to have started the mad cow epidemic in animals in Britain in the 1980's. Scientists suspect that feed can transmit the disease if it includes bone meal or other material rendered from the carcasses of sick cows, particularly the brain and spinal cord. The United States banned the use of cow parts in cattle feed in the 1990's but let producers feed cow blood to calves as a milk substitute.

Blood can no longer be used, because studies have suggested that it may also be infectious.

Also banned is the use of composted "poultry litter" as a feed ingredient for cows. The litter consists of bedding, spilled feed, feathers and fecal matter swept from the floors of chicken coops. The ingredient that worries health officials is the spilled feed, because chicken feed can legally contain meat and bone meal rendered from beef.

Animals can no longer be fed "plate waste," the agency said, meaning the meat and other scraps that diners leave on their plates in restaurants and that is rendered into the meat and bone meal added to feed. That material interferes with tests for prohibited proteins in the animal feed, the agency said.

Finally, the new rules say equipment that makes feed with meat or bone meal can no longer be used to make cattle feed.

Consumer groups praised the rules on animal feed but said there should be even more restrictions.

Andrew Kimbrell, executive director of the Center for Food Safety, a consumer group in Washington, said: "This is long, long overdue. I wonder whether it's too little too late.

"They've been legally on notice for seven years that they need to close all these loopholes. Everything they're doing, science organizations have requested long ago."

Dr. Michael Hansen, a scientist at the Consumers Union, said, "It's a good step forward, but it's not good enough."

A remaining loophole, Dr. Hansen said, is allowing rendered matter from cows to be fed to pigs and chickens and rendered pigs and chickens to be fed back to cows. In theory, that sequence could bring the disease full circle, back to cows. In Europe, cows cannot be fed any animal matter.

Dr. Stephen F. Sundlof, director of the Center for Veterinary Medicine at the food and drug agency, said there was no evidence that pigs or chickens could transmit mad cow disease.

Nonetheless, Mr. Thompson said the rules might be changed in the future to stop such practices.

"We're looking at that," he said. "It's reasonable to say it could be changed in the future."

With regard to products meant for people, the new rules say that from now on material from animals that die on the farm or from "downer" cows, which cannot walk, will be banned from use in cosmetics and dietary supplements. The ban will also apply to foods with traces of meat, items that the food and drug agency rather than the Agriculture Department regulates.

Also banned from products for humans will be the tissues most likely to carry the infectious agent like the brain, skull, eyes and spinal cord of animals 30 months or older and the tonsils and part of the small intestine of all cattle. Because a product called mechanically separated meat may carry infectious tissue, it will also be banned.

Dr. Murray M. Lumpkin, principal associate commissioner of the food and drug agency, said he did not expect any products to be recalled. Cosmetics carried little if any risk, Dr. Lumpkin said, but "certain supplements contain as a major constituent cattle neuronal tissue or other parts from cows."

Because those tissues are not allowed in foods, they should not be allowed in supplements, either, he said.

Dr. Tod Cooperman, president of ConsumerLab.com, an independent laboratory that tests dietary supplements to see whether they contain the active ingredients that they claim, said high-risk cow products were most likely to be contained in "glandulars," supplements made from brains, pituitary glands and testicles of cattle and promoted to enhance muscle and bone growth and to prevent Alzheimer's disease or cure other disorders.

He estimated that \$50 million to \$100 million of "glandulars" were sold annually in the United States.

n

**Event From Responsible person Time period**

Sale or supply of permanent identifiers (cl.23(3))

From

Gazettal

Manufacturer / supplier Within 7 days of supply

Delivery and slaughter of stock at an abattoir (including knackery) (cl.27(2))

01/07/05 Owner or person in charge of abattoir

Within 7 days of arrival of stock

Movement of stock to a saleyard (including stock in transit), or to any other place for sale (cl.27(3),(5))

01/07/05 Owner or person in charge of selling facility

Within 7 days of arrival of stock

Export of stock to another State or Territory or overseas (cl.27(4))

01/07/05 Owner or person in charge of property of embarkation

Within 7 days of embarkation

Movement of stock to another property (including purchase and agistment) (cl.28(2))

01/07/06 Owner or person in charge of stock at other

property

Within 7 days of movement to the other property

Death of stock on a property or in transit (cl.28(3))

01/07/06 Owner or person in charge of stock

Within 7 days of detection

Attached identifier lost or unreadable (cl.28(4))

01/07/06 Owner or person in charge of stock

Within 7 days of detection

Stock that are lost, stolen or cannot be found (cl.28(5))



01/07/06 Owner or person in charge of stock  
Within 7 days of detection

Unattached identifiers that are lost, stolen or cannot be found (cl.28(5))

01/07/06 Owner or person in charge of stock to which identifiers were to be attached  
Within 7 days of detection

Introduction of identified stock 01/07/06 Owner or person in charge of stock to which identifiers were to be attached  
*Stock Diseases (General) Regulation 2004 – Regulatory Impact Statement 35*

**Event From Responsible person Time period**

from another State, Territory or country (cl.28(6))  
charge of stock, or agent of owner  
introduction

The information that must be supplied to the database is (clause 22):

- the type of event;
- the date of the event;
- the unique particulars of the identifier for that stock; and
- the property identification code (PIC) of the property where the event occurred, or the address if the place doesn't have a PIC.

It will not be mandatory to notify the database when cattle leave a property or are sold, only when they arrive on a new property (including a saleyard), are slaughtered or are exported. The European Union Cattle Accreditation Scheme (EUCAS) will still require movements off accredited properties to nonaccredited destinations to be notified, and other producers should be encouraged to notify sales or other movements off a property to protect their own interests.

Stock agents, commissioned buyers and traders will have to notify the national database of the location of any cattle they acquire for trading purposes just like other cattle producers, even if the stock are only on a property or held in yards for a short period.

Persons without a PIC for their property will have to apply for one (clause 30). The legislation does not provide for a fee to be charged by the authorised administrator for submitting information to the permanent identification register.

**Offences**

The following main offences will apply:

- The owner of stock must identify the stock as required by the Regulation (clauses 25, 26).
- The responsible persons must notify the authorised administrator of the permanent identification register (the MLA database) of the specified events within 7 days (clauses 27, 28).
- A person must not sell or buy, or cause or permit to be sold or bought, stock

unless the stock are identified as required (clause 29(1)). 'Sell' is defined in clause 14 to include offer for sale, assist in selling and attempt to sell

□ A person must not send or deliver, or cause or permit to be sent or delivered, stock unless the stock are identified as required (clause 29(2)).

□ A person must not keep stock on a property that does not have a PIC (clause 30).

□ A person must re-identify stock, within 7 days of becoming aware of the situation, if a permanent identifier is lost, becomes unreadable or ceases to work (clause 31).

□ A person must not attach a permanent identifier to stock that already has a permanent identifier attached, unless the original identifier is unreadable or has ceased to work (clause 32).

*Stock Diseases (General) Regulation 2004 – Regulatory Impact Statement 36*

This range of offences is in keeping with the rationale behind introducing mandatory permanent identification, that is, enhanced traceability. They should help to encourage compliance by all industry sectors – producers, hobby farmers, transporters, agents, buyers and processors – and underpin the investment that industries and Governments are making in the NLIS.

### **Assessment of Costs and Benefits of Proposed Division**

#### **Table 7 - Mandatory Permanent Identification for Cattle**

##### **- Implementation Costs Over First 3 Years**

Costs to cattle industries:

- Obtaining property identification codes \$ 578,000
- Purchasing identifiers <sup>(1)</sup> \$ 17,332,000
- Labour to attach identifiers <sup>(2)</sup> \$ 2,447,000
- Purchasing applicators and readers (producers) <sup>(3)</sup> \$ 4,275,000
- Recording and notifying cattle movements (producers) <sup>(4)</sup> \$ 13,000
- Installing readers (saleyards, agents, abattoirs, feedlots, dairy recorders) <sup>(5)</sup> \$ 1,252,000
- Additional infrastructure (saleyards) <sup>(5)</sup> \$ 439,000
- Recording and notifying movements (saleyards, abattoirs, feedlots, dairy recorders) <sup>(5)</sup> \$ 1,908,000

- Processing orders for identifiers (RLPBs, funded by producers) \$ 863,000
- Database set-up and administration (MLA, funded by producers) \$ 716,000

Total industry costs \$ 29,823,000

Costs to Government:

- Administration by NSW Agriculture \$ 3,027,000
- Government grant to facilitate uptake of scheme \$ 5,400,000

Total Government costs \$ 8,427,000

Total implementation costs over 3 years \$ 38,250,000

#### **Table 8 - Mandatory Permanent Identification for Cattle - Annual Recurrent Costs**

Costs to cattle industries:

- Purchasing identifiers <sup>(1)</sup> \$ 9,248,000
- Labour to attach identifiers <sup>(2)</sup> \$ 1,306,000
- Purchasing and maintaining readers (producers) <sup>(3)</sup> \$ 2,194,000
- Recording and notifying cattle movements (producers) <sup>(4)</sup> \$ 17,000
- Purchasing and maintaining readers (saleyards, agents, abattoirs, feedlots) <sup>(5)</sup> \$ 684,000
- Recording and notifying movements (saleyards, agents, abattoirs, feedlots) <sup>(5)</sup> \$ 320,000
- Auditing orders for identifiers and saleyards (RLPBs, funded by producers) \$ 284,000
- Database administration (MLA, funded by producers) \$ 168,000

Total industry costs \$ 14,221,000

Costs to Government:

- Administration by NSW Agriculture \$ 268,000

• Reader maintenance by NSW Police \$ 21,000

Total Government costs \$ 289,000

Total annual recurrent costs \$ 14,510,000

*Stock Diseases (General) Regulation 2004 – Regulatory Impact Statement 37*

(1) Based on average cost of \$3.65 per ear identifier and assuming no rumen boluses are used.

(2) Based on 2 minutes per head

(3) Assumes 3% of additional producers purchase readers each year, and 25% annual depreciation

(4) Based on 1 minute per animal per movement

(5) These costs might be passed on to producers as fees for service

#### **Table 9 - Mandatory Permanent Identification for Cattle - Annual Recurrent Benefits**

Benefits to cattle industries:

- Reduced costs through elimination of transaction identifiers \$ 1,815,000
- Reduced costs as NLIS identifiers replace management ear tags \$ 139,000
- Reduced stock theft \$ 844,000
- Reduced costs to RLPBs by elimination of transaction identifiers \$ 1,148,000
- Improved herd productivity \$ 1,354,000
- Enhanced response to major exotic disease or residue incident (potential loss averted)

\$ 24,513,000

- Enhanced export market access \$ 3,200,000
- Retained access to export markets (potential loss averted) \$ 27,086,000

Total industry benefits \$ 60,099,000

Benefits to Government:

- Reduced administration by NSW Agriculture by elimination of transaction identifiers \$ 263,000
- Reduction in Police investigation costs \$ 392,000
- Enhanced response to major exotic disease or residue incident \$ 400,000

Total Government benefits \$ 1,055,000

Total annual recurrent benefits, savings and losses averted \$ 61,154,000

#### **Balance of costs and benefits for NLIS for cattle**

The cost of establishing and maintaining a mandatory permanent identification system for cattle (NLIS) is substantially greater than the cost of the current transaction identification scheme. However, once fully implemented, NLIS has the potential to provide a number of savings and benefits:

- assisting the beef and dairy industries to retain and enhance access to and competitiveness in export and domestic markets due to better disease and residue traceability and control;
- enabling government and industry to respond quickly and effectively to future livestock disease, chemical residue and food safety incidents;
- enhance arrangements for preventing stock theft and identifying stolen cattle, allowing information on transported stock statements to be more readily verified;
- improve on-farm productivity by facilitating better herd monitoring, feedback of carcasse information, and management of breeding and nutrition;
- enhance and support quality assurance programs for product safety and integrity, underpinning voluntary vendor declarations; and
- enhanced marketing options and the transfer of information about product quality and suitability for specified markets.

The principle driving force behind, and potential benefits from, the NLIS come from retaining export markets in the face of expected changing market requirements for enhanced traceability.

The use of NLIS identifiers is already mandatory for access to European Union markets, which demand a high degree of traceability and confidence that beef

products are free of hormonal growth promotants (HGPs). Should other export or domestic markets demand in future the enhanced traceability provided by NLIS, then the potential benefits of mandatory permanent identification could be as high as the premium value of those markets. Japan has foreshadowed requirements for secure traceability of all beef to the carcasse, animal and farm of origin. The United States is also looking at implementing a national animal identification system over the next few years. Experience shows that, as countries adopt higher standards at home, they require imported product to meet the same standards, while other countries tend to follow the standards set by market leaders.

If markets for NSW beef are lost because NSW does not have a NLIS, this loss would continue for at least a few years until NLIS or an equivalent system is eventually implemented. Regaining the market again would depend on our competitiveness and ability to displace the alternative supplier over that period. In the meantime, much of the product might still be sold to markets with less rigorous traceability standards, but at a much reduced value.

If it is assumed that just NSW beef exports to Japan are at risk from such requirements and may be lost progressively over the next 10 years without NLIS, then the average per annum loss averted over that time from NLIS underpinning market access and maintaining the premium available from this market is \$27million.

The adoption of NLIS may provide opportunities to obtain additional market share by showing that NSW product has enhanced traceability and integrity and by competing more favourably with other countries that have not been able to meet market requirements for traceability in time. Some markets may in future require assurances that the products they import meet certain market-specific requirements concerning origin of product and the NLIS would be an important tool in providing such assurances. Assuming a small potential benefit in these respects of 0.25% of export value, then the potential benefit of NLIS is an additional \$3 million per annum.

Another major driver to NLIS is the potential very high cost of an incident or outbreak of a significant exotic disease such as bovine spongiform encephalopathy (BSE or 'mad cow disease') or foot-and-mouth disease (FMD). While the risk of such incidents is low, the potential economic impacts are huge. Accurate stock identification and traceability systems are vital to ensuring that the source of infection is quickly found, the spread of infection is stopped, and market and consumer confidence is restored.

Australia is free of BSE and has very low risk factors for the disease.

Nevertheless, a BSE incident could occur in an animal imported into Australia from what at the time was thought to be a BSE-free country, or if an overseas country tested an animal or product imported from Australia as positive, or if a suspected case occurred in Australia. Unless tracing of related animals followed by quarantine and further testing could very quickly exclude BSE from the general cattle population, such an incident could result in substantial trade losses. It has been estimated that the direct cash cost to the Canadian economy

> Regards

> Ross Gould, P.Ag.

> Calgary, Alberta

> =====

>  
> COOL VIEWS  
> February 3, 2003  
> Herd on the Hill  
> Edited by Kiran Kernellu  
> There was much discussion at last week's NCBA meeting in Nashville, TN  
> about  
> the implementation of Country-of-Origin Labeling (COOL) for beef.  
> Remember,  
> beef, pork and lamb COOL requirements, along with requirements for  
> dairy,  
> produce (fruits and vegetables), fish and peanuts were in the 2002 Farm  
> Bill. Even before the NCBA Board discussion on Saturday, interesting  
> information flowed from the Council and Committee meetings on Thursday  
> and  
> Friday.  
> There is no quick fix. What Congress hath done to mandate COOL in  
> October  
> 2004, only Congress can undo before that date, or the courts can undo  
> after  
> that date.  
> Any such Congressional action, in the form of legislation, will take 218  
> votes in the House and at least 51 in the Senate. Remember, COOL was  
> passed  
> with 295 votes in the House in 2002.  
> Even if COOL is reconsidered in Congress, it may have new supporters.  
> One  
> presenter told attendees that consumer advocates like it a lot since it  
> will  
> help to provide animal traceback to specific livestock when tracking  
> pathogen sources.  
> There are many livestock already on the ground in the United States that  
> don't have traceback to origin, and many of them in breeding herds and  
> dairies will not be marketable when COOL becomes mandatory in October  
> 2004.  
> This is not an insignificant number of livestock; we estimate somewhere  
> between 20 and 40 percent of the bovine population. This estimate does  
> not  
> account for livestock born between now and October 2004 at locations  
> where  
> there is no traceback/ID system.  
> The burden of COOL falls on retailers, with penalties of \$10,000 an  
> incident. It is reasonable for retailers to prefer to handle poultry,  
> to  
> which COOL does not apply, rather than incur any risk of a COOL  
> violation.  
> Remember, it's not an option for retailers to say: I don't know. The  
> COOL  
> legislation is clear that USDA may not mandate animal ID on the  
> livestock  
> industry as part of implementation.  
> One way out is to send U.S. bovines without COOL to Canada or Mexico,  
> and  
> let them return in boxes as "Product of Canada" or "Product of Mexico."  
> Those countries do not require birth to slaughter identity, and their  
> newest

- > bovine immigrants would immediately achieve country status on their way
- > to
- > the abattoir. That would significantly affect U.S. slaughterers.
- > Another alternative for the mature bovine population is the animal
- > welfare
- > dream, let the animals be pastured till they drop and then go to pet
- > food.
- > COOL does not apply in foodservice. Implementation of the 2002 law
- > could
- > rearrange the slaughter industry, where firms might choose to service
- > only
- > the food service industry and not the retail industry. This would
- > completely revolutionize distribution and pricing systems. It would not
- > take long to figure out the cost for the consumer benefit of knowing
- > just
- > how much COOL costs. It would have a devastating cost on meat packers.
- > Certainly, grinders could have segmented lines designated to U.S. COOL
- > grinds, and imported product that comes with its specific country
- > identity.
- > This would probably make blending U.S. trim from quality beef with lean
- > imported meat less attractive and another marketing pricing readjustment
- > of
- > substance would be established.
- > Would a legislative delay in the mandatory requirement be helpful?
- > Probably
- > not, because it would not resolve most of these issues, other than
- > giving
- > producers a little more time to get an animal traceback system in
- > place. It
- > would not help the dairies and breeding herds with livestock on the
- > ground
- > today that won't be harvested till after a mandatory date.
- > Who are the winners? Imported meat that will go to consumers at retail
- > labeled with the country-of-origin. New Zealand and Australian lamb is
- > already marketed as such. These same countries and Canada will have
- > great
- > opportunities to enter the retail ground beef market with
- > country-identified
- > product at retail.
- > Who are the losers? American livestock producers who will not have a
- > domestic retail market for their beef that lack traceback information.
- > American slaughterers and processors who will have to maintain a whole
- > new
- > set of records, demanded by retailers who will be unwilling to risk
- > \$10,000
- > civil penalties for having meat of unknown origin in their counters.
- > Machiavelli himself could not have developed a better scheme for
- > self-destruction.
- > NMA counsel regard COOL as unconstitutional and note that a court
- > challenge
- > may be filed once USDA mandatory rules are issued.
- > As explained above, COOL would effectively require U.S. livestock to be
- > labeled as product of a foreign country if there is not documentation to
- > prove its U.S. origin. However, under the First Amendment, government
- > may
- > not require label statements that are false or misleading.

- > To be constitutional, a government labeling requirement must advance a
- > substantial government interest, which COOL does not and not impose an
- > excessive regulatory burden. Mere "consumer curiosity," in contrast to
- > information about the safety or physical characteristics of the product,
- > does not constitute a substantial government interest.
- > Most COOL observers recognize that the scheme is not so much about
- > providing
- > consumer information as it is a system to require elaborate traceback
- > documentation that would be especially burdensome for imported
- > livestock,
- > meat or other COOL foods. To be constitutional, the labeling
- > requirement
- > must directly advance the government interest. To require labeling for
- > the
- > sake of burdening imports is not directly advancing a government
- > interest.

----- Original Message -----

From: "Ross Gould" <[srgould@shaw.ca](mailto:srgould@shaw.ca)>  
To: <[black-ink@mystery.com](mailto:black-ink@mystery.com)>  
Cc: "GRAZE-L POSTING" <[graze-l@taranaki.ac.nz](mailto:graze-l@taranaki.ac.nz)>  
Sent: Thursday, February 06, 2003 5:47 AM  
Subject: AMI attorney warns industry: Gear up for C-O-O-L law now

- > {#} Replies are directed back to [black-ink@angus.mystery.com](mailto:black-ink@angus.mystery.com)
- > {#} To reply to the author, write to Ross Gould <[srgould@shaw.ca](mailto:srgould@shaw.ca)>
- >
- > Good Morning List Friends,
- >
- > Here is link to another article on the Country Of Origin Labeling (COOL)
- > issue - this time from Dan Murphy, editor of the "[www.meatingplace.com](http://www.meatingplace.com)"
- > news letter for the American meat industry.
- >
- > <http://www.meatingplace.com/meatingplace/DailyNews/News.asp?ID=10402>
- >
- > He reported remarks by Mark Dopp, the American Meat Institute's general
- > counsel and senior vice president of regulatory affairs:
- >
- > "In an address to the National Cattlemen's Beef Association Annual
- > Convention in Nashville, Tenn., Dopp said producers would need
- > verifiable documentation for every animal born in 2003 (and thereafter)
- > that goes to market when country-of-origin labeling becomes mandatory in
- > September 2004. He said that each animal sold to a packing plant must
- > have its place of birth documented, as well as the place or places the
- > animal spent its life."
- >
- > As suggested in my earlier post, this will be a rather large pain for
- > beef producers and processors.
- >
- > Regards
- > Ross Gould, P.Ag.
- > Calgary, Alberta

----- Original Message -----

From: North Star Stock Farm <[norstar@connect.ab.ca](mailto:norstar@connect.ab.ca)>  
To: <[beeftoday-l@angus.mystery.com](mailto:beeftoday-l@angus.mystery.com)>  
Sent: Wednesday, October 11, 2000 4:45 AM  
Subject: Re: The Case for Universal Livestock ID Systems

- > NOTE: Replies are directed back to [beeftoday-l@angus.mystery.com](mailto:beeftoday-l@angus.mystery.com)
- > To reply to the author, write to North Star Stock Farm  
<[norstar@connect.ab.ca](mailto:norstar@connect.ab.ca)>
- >
- >
- > Gordon,
- > We don't have any choice in the ID matter. The CCIA has decided this
- > is the tag that is to be used to identify all Canadian cattle.
- >
- > Many Alberta cattlemen aren't happy with the Canadian Livestock
- > Identification Agency and their program.
- > <http://www.cattle.ca/ccia>
- > We were supposed to have started tagging our cattle many months ago
- > with their official tag but there have been so many glitches -
- > including the major one about who is going to enforce the mandatory
- > tagging, that it is now set back to July 2002. The Alberta livestock
- > auction association said they would sell the cattle whether they were
- > tagged or not - it wasn't up to the auction to turn any away or to
- > have to tag them at that point.
- >
- > This ID program is only to trace reportable diseases:
- > Reportable diseases are typically those which Canada and some 150
- > other countries have agreed to control or eliminate to safeguard
- > human health and maintain access to the international marketplace.
- > Currently, the CFIA carries out approximately
- > 2,000 tracebacks per year in its investigation of reportable diseases
- > and other conditions. The CCIA identification system increases the
- > efficiency of a traceback by 90% and will help ensure the rapid
- > containment and elimination of potentially devastating reportable
- > diseases and major food safety defects, as well as any unforeseen new
- > problems that may arise.
- >
- > Reportable Diseases
- >
- > Foot-and-Mouth Disease
- > Vesicular Stomatitis
- > Rinderpest
- > Contagious Bovine Pleuropneumonia
- > Lumpy Skin Disease
- > Rift Valley Fever
- > Bluetongue
- > Anthrax
- > Pseudorabies
- > Rabies
- > Anaplasmosis
- > Bovine Brucellosis (Bangs Disease)
- > Bovine Tuberculosis
- > Cysticercosis
- > Mange
- > Bovine Spongiform Encephalopathy (BSE, or "mad cow"



> disease") to identify reportable diseases:  
>  
> Many Alberta cattle are shipped to the U.S. for slaughter and from  
> what I have heard, the U.S. plants aren't going to recognize our  
> tags. Actually Canada exports over 50% of it's beef and cattle  
> production (and Alberta has +60% of the cattle in Canada) so there's  
> over 50% being tagged for nothing - no data will sent back.  
> The cattle are to be tagged at their "herd of origin", so how many  
> times could they change ownership before they are slaughtered, yet  
> the only ownership record the CCLIA has is whoever originally put the  
> tag in that animal. If the animal loses a tag somewhere along the  
> line (and everyone knows how well ear tags stay in), then the current  
> owner has to replace the tag.  
>  
> It seems to make sense that if there is going to be an ID program, at  
> least Canada and the U.S. should have had the same regulations.  
> Richard  
>  
>>Richard  
>>Dallas Semiconductor makes an inexpensive device that will work. Or you  
>>can go a little more expensive and put the same stuff they use in your  
car  
>>at toll gates to count cattle through gates and identify them and give  
you  
>>some idea where the cows are on some ranches that are cross fenced or  
have  
>>limited access to water.  
>>  
>>The tags they use in pets will work just fine for less than \$1.00 a head  
>>for the cost of the tag.  
>>  
>>Gordon  
>  
>  
>  
#} -----  
-  
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64671.  
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## **National Identification Livestock Scheme (NLIS).**

The Mandatory Debate.

No one questions an individual's right to tag his own cattle . Some major Australian pastoral companies have chosen to tag their cattle with the approved electronic devices for internal recording as well as access to the EU market. It has been a very costly exercise but may be justified in their breeding programs.

No one questions the fact that the EU is demanding individual ID for cattle whose beef is sent to the EU. Their reasons may be questioned. Their Mad Cow disease was the catalyst. Their Governments are paying for the program in EU—but not for outsiders trying to get beef into EU.

The cost of a mandatory scheme pushed on to Australia's 160,000 producers would be huge—estimates of \$1 billion in year one—to set up crushes, readers, computers, software, the enormous database with an ongoing \$25 per head per year to maintain that database. This is a big cost in Australia's low cost industry.

Those pushing for a mandatory scheme say that we will lose access to other markets if our competitors adopt the idea. According to their rhetoric Canada and New Zealand are intending to go mandatory The US talk about it. Australia intended to in 1986 -- meetings were held and a national numbering system worked out --it died there. Some are now using the EU requirement to resurrect it.

Will such outlay be justified in increased price?

Does individual ID and a 'whole of life passport' give any more consumer health security than tailtags and a stat.dec. Vendor Declaration?

What real risks exist for consumers eating the beef of healthy cattle at time of slaughter?

How would consumers react to farm of origin labelling (a UK retailer has used it as a successful marketing ploy)?

How would abattoirs identify place of origin in the boxes—would it have a cost benefit?

Will India and China --our low cost competitors, implement such schemes?

What do you think? Yes or No to a mandatory scheme?.