

Traceability By Demand

Tracing cattle through the production chain may soon be a reality.

by Corinne Blender

Do you remember the steps you took to get from your bed to your feed truck this morning? You may have a somewhat normal routine of getting dressed, grabbing a cup of coffee, checking the DTN and then heading out the door to start the daily chores. It's a process that, in most cases, you would be able to predict fairly accurately, but you can't say for sure that's what happens every morning.

Like morning routines, the majority of U.S. beef producers have a general idea of how their cattle move through the production chain. Seedstock producers provide bulls to commercial cow-calf producers who then provide stockers to backgrounders. The animals destined for the retail beef market will more than likely end up in a finishing facility, move on to the packer, who then ships to retailers.

It's a chain that is fairly predictable, but there are details about cattle movement within this country that aren't so predictable, and they have become a concern in the market.

International markets

The buzzword in international markets today is *traceability*, says Mark Gustafson, senior vice president of international sales for Swift & Co. There are certain things international markets want to know about the beef they import, and this will continue to be a driving force in the way cattle are traced in the United States.

"The international market is mostly interested in the fact that animals are coming from disease-free areas," Gustafson says. "They are not interested in the same issues that we have with the country-of-origin labeling. They are not interested in born and raised. They are really not interested in anything all the way back to the ranch. They want to know that the meat came from an animal that came from a disease-free area."

This demand in the international market has evolved because of the bovine spongiform encephalopathy (BSE) cases in Japan, Gustafson explains. "The Japanese consumer is seeing that domestic beef is all traceable. It is all traceable back to the

prefecture (district or locale); it's all traceable back to an area that is free of disease."

The key word is traceability, but traceability is being defined differently throughout the industry.

"Traceability would be on a voluntary standpoint. There wouldn't be, and there doesn't need to be, any government oversight. This could be developed through the industry for the customer," Gustafson says of signals from international markets. "It's something that we have to look at because it is going to come, and the Japanese could require it tomorrow. From our most-favored nation's standpoint [for beef exports], we would have to comply in some way because Australia is, New Zealand is, Argentina is, Brazil is, Canada is."

Tracing what?

While traceability makes the hair rise on the backs of some cattlemen's necks, it is a term livestock specialists say may become a means of business in the livestock arena. DeeVon Bailey, a professor and Extension economist at Utah State University, says the industry will define the term. He points out that other countries, such as Canada, Europe and Australia, have implemented traceability systems for different reasons, including food safety and animal health, and have utilized traceability as a marketing ploy for their product.

Bailey has researched many angles of traceability. He says from a food safety standpoint, the government should play a role in implementing programs. But if traceability is used as a marketing tool, it should be market-driven and implemented by the industry.

"The world food system is moving toward more accountability, more control, and that is going to dictate this. Some sort of traceability is going to be the consensus," Bailey states.

Traceability, Gustafson says, is a separate issue from country-of-origin labeling (sometimes referred to as COL or COOL). It's different in that source verification, or knowing where the animal is born and raised (which country-of-origin requires), isn't the information that is being requested.

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Gustafson says traceability, as defined by the international market, is more concerned about knowing the product came from a disease-free area.

Bailey agrees that traceability is sharing more information than just where the animal was born and raised. He says country-of-origin labeling may be the first step in developing a traceability system, but traceability will be a process of sharing information up and down the beef chain freely to trace animal health and disease concerns.

“If you have a true traceability system, then basically you have electronic information that is going to follow either ear tags, lot numbers or something else through the system so that you have the information you need,” Bailey says. “With country of origin you’re not really giving a great deal of information about these animals. It’s a very specific piece of information that doesn’t say anything else about how the animals were handled — what types of programs they were on for feeding or medication, or any other kind of information that might be related to food safety or disease control.”

Emmit Rawls, livestock marketing and Extension specialist at the University of Tennessee, says he sees traceability as a real concern in the international markets because of the animal disease aspect. He points out that the United States exports about 9% of its beef and pork production and 20% of its poultry production. “The more the U.S. livestock industry depends on exports of meat products, the more we must comply with the regulations imposed by other countries,” he says.

Working toward traceability

Tracing cattle will not be something that is implemented overnight. There are a lot of factors that the industry will have to characterize.

Bailey says the issue is a “real can of worms” right now because of the adversarial nature of the marketing system. Competitors within the system are going to be concerned

about the information sharing that is required for traceability. “Say you have different feedlots that are selling to Tyson Fresh Meats. Tyson all of

a sudden has a lot of information about these feedlots, their feeding programs and medication, handling, anything else that they might want in a traceability system,” he explains.

Another aspect to consider is intellectual property. If people develop a system, say a software package, how will they maintain the intellectual property as they pass information up and down the channel, Bailey asks.

“The thing producers worry the most about is the potential liability that might exist with the traceability system. Right now the producer becomes invisible once they deliver their cattle,” Bailey points out.

Bailey says it would be very difficult to trace animals back to individual producers with the type of system the industry currently uses. The industry is quick to point fingers in today’s market, so there may be legitimate concern about how the industry would handle problems were a traceback system in place.

Producers worry that if a problem were to occur at the retail level, somehow they would be blamed for it, Bailey says. While there may be something to that, he says the kind of system that we have now leads to finger-pointing and looking for someone else to blame.

Rawls says he has questioned a lawyer about the liability concern. The lawyer says if a producer follows health protocols, such as Beef Quality Assurance (BQA) guidelines, documenting that label instructions were followed and records were kept on how the animals were managed, this information would be sufficient to prevent the producer from being liable. No legal action has taken place to prove this would be the case, however.

A packer’s view

When changes are made to an industry, someone may bear an added cost. Country-of-origin labeling has definitely caused

concern as to who will pay, and traceability will carry a cost as well.

“There’s a lot of responsibility for source verification that is going to fall on producers, backgrounders and feeders, and in packers and retailers. . . . Traceability can be more on the feeder and the packer and may not involve as much with the producer. It obviously would come at a very much reduced cost than source verification, and it would be something that would be more market-driven than mandatory,” Gustafson says.

He says his company is working on a traceable product because the international market demands it. Because it is market-driven, Swift & Co. may see value returned for implementing traceability, something Gustafson says is key to the system.

“The beauty of traceability is that, in my estimation, it’s a way to add value to the product. It’s a way to provide service to the customer, and it’s a way that you can help market products to a country if you have a system of traceability in place,” he says, adding that there is some flexibility if it is market-driven from start to finish.

“Europe is so sophisticated that when you scan a package of beef or pork through the retail market, the producer, in many cases, is pictured, and where he is located and everything comes up on a screen and thanks the consumer for buying this product,” Gustafson says.

While Europe and many other countries have implemented systems to provide traceability in some form for various reasons, Gustafson is quick to point out there is a difference in the industry from country to country. Implementing systems to provide traceability in the United States may be more difficult because of differences in the production system.

“They’re very small, and the magnitude of scale and efficiencies that we have in our operations is what makes this so difficult,” he explains. “When you hear about how well these systems work in these other countries, you have to remember that some of these slaughter plants are killing 300 per day.”

Livestock and industry specialists agree that it may take time and research to implement a traceability system in the vast livestock industry of the United States, but it may become a reality.

“Over time we are going to see more movement towards quality control within the system and more close ties up and down the marketing channel so that you don’t have such an adversarial situation,” Bailey says. “It’s more of a cooperative sort of situation where, if there is a breakdown, we can identify it quickly and correct it.”

