

# Traceability: Where Are We

Panelists explain their views on a national animal traceability system.

Story & photos by *Kasey Miller*, associate editor

The USDA announced a nationwide animal identification system for animal disease traceability (ADT) Dec. 20, 2012. Published in the *Federal Register* Jan. 9, the final rule will take effect 60 days later, March 11.

Where does that put the beef industry? A panel consisting of Mark Gustafson, JBS; Rick Scott, AgriBeef; and John Butler, Beef Marketing Group, addressed that question at the International Livestock Congress—USA 2013 (ILC) in conjunction with the National Western Stock Show (NWSS) in Denver, Colo., Jan 15. Leann Saunders, Where Food Comes From Inc., moderated the panel.

## Traceability demand factors

Saunders explained that traceability is the ability to track animal movements up and down the supply chain, and communicate the source of the animals and the production practices to which they were subjected. The three major factors in traceability systems, she said, include:

- ▶ breadth, or amount of information collected;
- ▶ depth, how far back tracking is available through the system; and
- ▶ precision, the accuracy of the information.

“[Traceability] offers us the opportunity to communicate source information up and down the supply chain and get efficiencies from that,” she explained. “It then gives us the opportunity to communicate verifiable

production-practice information to the consumer in a way that’s authentic and transparent.”

Within the last 20 years, animal traceability has been an issue, and while most in the industry agree that it’s needed, the question of who manages the system and who pays for it has been the biggest obstacle to widespread adoption. Historically, Saunders said, outside of a few state initiatives in the past few years, traceability programs have been market-driven by branding initiatives. For example, to access the Japanese market after the 2003 case of bovine spongiform encephalopathy (BSE), beef had to be traceable, and, more specifically, age-verified.

The Japanese market required that beef imports be from cattle younger than 20 months (until Feb. 1, 2013, when the requirement changed to cattle younger than 30 months). To access this market, producers needed to age-verify their cattle, which led to source-verifying by private companies like Where Food Comes From Inc. (previously known as IMI Global) and other data-service providers working to source cattle all the way to the cow-calf operation where they originated.

“Then began the demand for other requirements to be met so you could build upon that base platform in these operations to add things for other countries for brand initiatives,” she said.

This led to the adoption of the radio-frequency identification (RFID) tag and its use today.



▶ Traceability systems differ in their breadth, depth and precision, explained Leann Saunders, moderator of the traceability panel.

## Current system

“You’ll have a cow-calf producer that’s going to put in an RFID tag at the source of origin. That tag then is allocated into a database with one of your data-service providers that enables that animal to move up and down the supply chain, and it becomes a driver’s license for that animal,” Saunders explained. “Information and online lookups can give anyone upwards in the supply chain access to the information to make decisions as far as where those cattle can go into a particular program.”

The USDA has oversight over these private-industry companies that provide the international trade opportunities to the supply chain. The standard-setting body in this case is a government entity, the USDA, which helps in international trade, but it isn’t dictating who applies the technology down the supply chain.

“I think it’s to our advantage to talk about the systems that we do have in place over the past seven years and a number of producers engaged in that,” she said.



▶ From left, Mark Gustafson of JBS, Rick Scott of AgriBeef and John Butler of the Beef Marketing Group agreed that the federal animal disease traceability system set to take effect in March is a good start, but there are many holes.

# Now?

Saunders voiced concern that in anticipation of Japan amending its age requirement to 30 months of age, about 30% of producers did not source-verify their cattle last fall. Data-service providers confirmed that when age verification is no longer a requirement, producers stop source-verifying their calves, too.

“As an industry, what we have to think about is how do we continue to engage those producers absent the age-verification requirement from Japan?” she said.

The new federal traceability program focuses specifically on diseases in breeding cattle and does not mandate a particular type of animal identification, as long as the selling state and the receiving state both agree on the identification method. Compared to other countries worldwide, ADT is pretty lenient, Saunders noted. She warned that there are a lot of holes, and it may not work commercially as well as we might hope. It’s a start, and it took 20 years to get to this point.

## Other takes on the system

Gustafson said the United States lags far behind other countries in traceability programs, being one of the two countries that don’t have one — the other being India. He said Australia has one of the best programs, and every sector has to pay for it, and the government collects the data.

Canada has a great identification (ID) system, he said, but it has trouble tracing animals through the system. He suggested combining the U.S. system with Canada’s, because the United States has the capabilities to trace the animals, and Canada has a better ID system.

“The United States is always on the cutting edge, so why can’t we put a traceability program in place?” he asked.

Market incentives are the strongest drivers of a traceability program, and Gustafson said we are missing out on export opportunities because of the lack of a nationwide program.

In addition to market incentives, a catalyst for a stricter traceability program would be a “what if” disease outbreak, like the case of BSE in 2003. However, he said, the industry gets complacent about traceability when disease is not prevalent. If we can’t figure out a voluntary program, then a disease outbreak could force a program and many may not like it.

It is important, he said, to talk about it now before it becomes a necessity.

“The benefit of having a voluntary traceability program with robust controls in

place is that we can use it for animal disease, use it for marketing, and we can use it for trade access. In my opinion, our government can use it for trade negotiations. They can say we have a system in place, and it makes us that much stronger,” he asserted.

The panelists agreed that the federal animal disease traceability system is a start, but there is much work to still be done. Scott noted that, in the current ADT system, each state develops its own system.

“Can we as an industry afford to allow states to create 50 different systems?” he asked.

Scott noted that the beef industry is large and decentralized, which makes forming a cohesive traceability structure difficult.

Butler added that at times, it’s a cannibalistic system, with different segments antagonistic toward each other. He said that we don’t have a system that holds the industry as a whole accountable to a profit and loss.

**“Can we as an industry afford to allow states to create 50 different systems?”**

**— Rick Scott**

Segments are accountable, but not each industry, adding that responsibility and accountability are lax in the industry as a whole.

“Our chance of success is going to be private,” Butler predicted, offering traceability systems for Tyson’s Farm Check, Progressive Beef and Whole Foods as good examples of private programs.

AgriBeef has a traceability program built into its vertically integrated system, Scott added, noting that it adds value. “The investment in those systems have saved five times the cost.”

Overall, the panelists agreed that animal disease traceability is necessary and that the current system is a start. They also agreed it needs much improvement.

Saunders said the technology is available; the challenge is to engage all sectors.

Gustafson added that successful programs in other countries are driven by the industry and supported by the government, so it is time to step up to the plate.

