



**National Farmers Union**

**Testimony of Joe Logan**

**Before the  
U.S. House Agriculture Subcommittee on  
Livestock and Horticulture**

**Concerning  
National Animal Identification System**

**Wednesday, September 28, 2005  
Washington, D.C.**

**STATEMENT OF JOE LOGAN**

**PRESIDENT, OHIO FARMERS UNION  
ON BEHALF OF NATIONAL FARMERS UNION**

**BEFORE THE U.S. HOUSE AGRICULTURE SUBCOMMITTEE  
ON LIVESTOCK AND HORTICULTURE**

**NATIONAL ANIMAL IDENTIFICATION SYSTEM**

**SEPTEMBER 28, 2005**

Thank you, Chairman Hayes and Ranking Member Case for holding this hearing and providing me the opportunity to testify before your subcommittee concerning the development and implementation of a National Animal Identification System (NAIS). My name is Joe Logan; I am president of the Ohio Farmers Union and here today to testify on behalf of the National Farmers Union (NFU). I am a fifth-generation family farmer from northern Ohio, growing row crops, grazing cattle, producing maple syrup and wine grapes. National Farmers Union is a general farm organization representing 250,000 members nationwide, including beef, pork, dairy and poultry producers.

The development and control of a NAIS is a big concern to our members, who fear they will be held financially responsible and legally liable for a system that may or may not achieve the goals of a 48-hour trace-back capability. The current state of the NAIS could best be described as a mandatory-voluntary system, which results in nothing more than an unfunded mandate for livestock producers. U.S. producers have no assurance that their foreign competitors will have the additional burden and expense of complying with an animal identification system in their country. We live in a competitive, global market where price determines market share. American producers are required to comply with strict labor, environmental and other production regulations, which drive up the cost of producing their commodities. Too often, our global competitors do not have to adhere to similar standards; a NAIS could simply be another example of increased production cost for U.S. livestock producers, with a potential loss of market share and no economic benefit.

National Farmers Union policy calls for a national animal identification system that:

- Is funded and controlled by the federal government;
- Mitigates producer liability;
- Limits producer information accessibility;
- Is coupled with the mandatory country-of-origin labeling law; and
- Is only accessed during times of animal disease or bioterrorism outbreaks.

The August 30, 2005, announcement by the U.S. Department of Agriculture (USDA), allowing private entities to collect and maintain producer information for a NAIS was a

great disappointment to NFU members. It is our hope that Congress will intervene to ensure a NAIS is not just another program that American livestock producers will find themselves footing the bill for the benefit of processors and retailers. Establishment of a national identification program may have been a good idea when former Homeland Security Secretary Tom Ridge proposed the idea months ago, but USDA is headed in the wrong direction.

Establishing a NAIS is necessary to protect our nation's food supply from naturally occurring disease outbreaks or deliberate attacks on our food system. However, in order for the program to work, it must be a mandatory system that is funded and controlled entirely by the federal government. The concerns our membership has with allowing a privately managed database system include:

- Forces producers to bear the financial burden, which they cannot afford;
- Creation of a revenue source for entities seeking to make a profit;
- Includes no legal or regulatory oversight to prohibit divulging confidential producer information;
- Includes no legal or regulatory oversight to mitigate producer liability;
- Creation of opportunities for packers and processors to condition the purchase of livestock upon participation in an unprotected NAIS;
- Assumes coordination among a complex web of data with no guarantees of success; and
- Assumes all sectors of livestock industry will agree upon development and maintenance of a single entity to represent each species interest.

The August 30 USDA announcement handed producers an unaffordable financial burden of implementing and maintaining a database. The current situation in rural America warrants the attention of Congress and the administration due to circumstances out of the control of agricultural producers. Soaring energy input costs, all types of weather-related disasters and rapidly declining commodity prices are jeopardizing the future of the American food production system. Unlike other sectors of the economy, agricultural producers cannot pass their higher operating costs forward; therefore, we believe it is appropriate that federal taxpayers assist our sector in bearing any increased operating expenses associated with the NAIS.

USDA has yet to answer the basic questions of how much a privately controlled database will cost and where the money will come from. Given the economic significance and vulnerability of the U.S. livestock industry, and to the extent such a program is viewed in the national interest, NFU believes it is appropriate for the federal government to bear a substantial portion of both the development costs as well as those associated with the day-to-day management of the program.

National Farmers Union believes the development and operation of a NAIS should not be a revenue source for entities seeking to make a profit. Private control of producer information creates an inherent risk to producers that private and/or proprietary information could be divulged in a manner that could be detrimental to producers.

Permitting private entities to collect and control animal movement information jeopardizes producer participation during the voluntary stage, places the financial burden on producers, does nothing to resolve producer confidentiality concerns, and creates a risk that information necessary for quick trace-back will be delayed.

Congressional intervention is needed given the current consolidated livestock market structure and potential economic harm that could be done to independent producers by a privately held database. There is great concern across the countryside that packers and processors will condition their purchase of cattle from independent producers on producers' participation in the voluntary NAIS program. With no legal or regulatory limitations on who has access to the database, packer and processor access to producer information would be detrimental for producers, firms and the marketplace.

USDA officials have stated that private control of the NAIS database does not resolve confidentiality issues such as a Freedom of Information Act (FOIA) exemption and there will be no producer participation mandate until those confidentiality issues are worked out. NFU has been working with Ranking Member Peterson and other commodity groups to develop legislation that would resolve this issue; however, Congress has not acted on the legislation introduced by Representative Peterson that would exempt information collected via the NAIS to be exempt from the FOIA. We strongly urge this subcommittee to encourage immediate action of the full committee and Congress to address these very real concerns.

Establishing and maintaining a NAIS is surely to be a complex task, and USDA has assumed that someone will coordinate the web of private and government data and know how the system works in the case of a disease outbreak. Multiple database sites controlled by multiple entities will no doubt slow the efforts to put the NAIS into action during a disease outbreak. Without real-time access to all of the data collected under NAIS, USDA will not be able to execute its mission and stated goals of the program. The United States government does not have the best track record in coordinating in a crisis. The recent devastation of the Gulf States due to Hurricane Katrina is a clear example of the federal government's failure to coordinate communication among first responders, which the Department of Homeland Security has been working on for the past four years, following the tragic events of September 11, 2001.

One idea that should be carefully considered is having the USDA's Farm Service Agency (FSA) take the lead role and responsibility in collecting and housing all confidential producer data and information. The FSA currently retains sensitive information about individual producers, has offices in most counties across the country, and has the experience in dealing with producers. The National Association of FSA County Office Employees has stated its readiness to be part of an alliance that ensures a secure, efficient and cost-effective NAIS by utilizing the strengths and capabilities already within the agency. FSA has the positive track record with producers, is currently on the ground with a local presence today and maintains 90-95 percent of all producer information in its database. Instead of cutting jobs, closing offices and disrupting the multiples services

FSA provides to our rural communities, as the administration has recently proposed, we believe we should utilize FSA's expertise in administering the NAIS.

A comprehensive educational and outreach communications component is critical to the success of the program in order to educate producers of their role and responsibilities. The committee recently heard from representatives of the Australian and Canadian animal identification programs and their reliance on open communications with producers to ensure success of their respective identification programs. It is difficult to ask livestock producers and others in the industry to blindly pay the tab for a database strategy, which they had no part in developing. Hosting a public forum on October 12, in Kansas City, MO and expecting all livestock industry players to agree upon an already established private strategy is simply short-sighted and unrealistic on the part of USDA.

In conclusion, National Farmers Union believes USDA has taken a step in the wrong direction by allowing private entities control over the NAIS. It is our hope that further producer input and immediate congressional action will prevent this program from being hijacked by profit-seeking entities. I thank the subcommittee for this opportunity and look forward to answering any questions.