



July 6, 2005

National Animal Identification System
Animal and Plant Health Inspection Service, PPD
Docket No. 05-015-1
Regulatory Analysis and Development
Station 3C71
4700 River Road Unit 118
Riverdale, MD 20737-1238

Re: Docket No. 05-015-1

Dear Sirs:

On behalf of the farm and ranching family members of National Farmers Union (NFU), I am pleased to respond to the May 6 Federal Register notice (Volume 70, Number 87, pages 23961-23963) and request for comment on the U.S. Department of Agriculture, Animal and Plant Health Inspection Service's Strategic Plan and Draft Program Standards for a national animal identification system (NAIS).

Former Secretary of the Department of Homeland Security, Tom Ridge, remarked that given the economic significance of the U.S. livestock industry, an animal identification system should be considered in the interest of national security. 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. NFU agrees with Mr. Ridge's comments and believes producers are placed at economic risk without a trace-back system in the event of any future animal disease outbreaks or potential bio-terrorism attacks.

It is not only in the interest of livestock producers to have a comprehensive and functioning NAIS, but also in our national economic, security, and food safety interests. Livestock producers are the stakeholder sector that will likely bear a majority of implementation costs, assume the most financial risk and can least afford to incur additional operating expenses. Unlike other sectors of the food economy, producers cannot pass their higher operating costs forward. Therefore, it is appropriate that federal taxpayers assist our sector in bearing any increased operating expenses associated with the NAIS.

The advent of animal disease outbreaks such as foot and mouth disease, bovine spongiform encephalopathy and scrapie, highlight the vulnerability of the U.S. livestock industry in the absence of a NAIS. Many current livestock disease tracking and prevention programs have worked successfully and we encourage the department to coordinate and expand upon these programs during the development of a NAIS. In order to achieve success with a NAIS, all states must be coordinated in the method under which information is collected and animals identified. The method and nature of information data gathering protocols must be universal and comprehensive enough to identify breed, farm-of-origin and movement, as well as coordinated with state officials who will be on the ground, responsible for information collection. The role performed by local officials must not be undermined

and should be viewed as an essential component to assist and augment the federal management of information collected.

An effective trace-back program runs the risk of compiling information that may be unfairly and improperly accessed or utilized by others. NFU is very concerned that private control of the database creates the inherent risk to participants that private or proprietary information could be divulged in a manner that is detrimental to individual producers, firms and/or the operation of the marketplace. Producers and other stakeholders should not be held financially responsible by processors and other entities seeking to profit from the system. We strongly believe the best way to protect the privacy and security of livestock producers is in a federally maintained and controlled information database.

The USDA stated goal of a NAIS is to identify specific animals in the United States, and record their movement over their lifespan, further enabling 48-hour trace-back of the movements of any diseased or exposed animal to ensure rapid disease containment and maximum protection of the U.S. livestock herd. Producers must be reassured the proprietary information submitted to a NAIS include clear limits to ensure their information is not used by processors to discount individual producer prices. Collecting production records beyond this stated goal is unnecessary.

An additional firewall of protecting producer information must be achieved through an exemption from the Freedom of Information Act, which Congress must provide to ensure integrity throughout the system. USDA has publicly stated it would only pursue a voluntary system until confidentiality issues are resolved, which is encouraging from our perspective. All producer information should be protected from disclosure unless it is necessary for animal disease or bio-terrorism trace-back only.

As stakeholders in the system, producers should not be held liable for contaminated food products. Unfortunately, current processing and handling practices are often the cause of food product contamination and a NAIS may appeal to packers and processors as an avenue to transfer liability to the original owner of the animal. Protecting producers from this type of liability transfer must be addressed prior to implementing a mandatory program. Furthermore, while a NAIS is intended to serve as an animal health tool employed during animal disease outbreaks, the system must be implemented in such a manner that it operates seamlessly to provide country-of-origin information to consumers at the retail level.

NFU recognizes that the mandatory country-of-origin labeling law is for marketing purposes and a national animal identification system is for animal health purposes; however, the two are undeniably related. Mandatory country-of-origin labeling continues to receive overwhelming support in the countryside by livestock producers, while producers remain somewhat skeptical of a potentially costly NAIS. In an effort to gain producer acceptance and enthusiasm of a NAIS, ensuring mandatory country-of-origin labeling will be implemented in tandem with a tracking system is key. Coupling the two programs will provide producers with the opportunity to realize economic benefits to offset costs incurred with a NAIS. Furthermore, consumers will have the ability to select food products with the knowledge that new steps have been taken to strengthen our capacity to identify and contain food pathogens or other food safety factors prior to products reaching the retail market.

Many of the questions posed with USDA's NAIS "thinking paper" could be easily resolved by the federal government providing all of the funding necessary to launch and maintain the program. Various suggestions for tagging animals are viable if funding is provided to producers to meet set guidelines. There is no question the United States is a step behind the rest of the world in identifying

and tracing our livestock. We should be looking to other countries that have successfully implemented their own NAIS to learn what did and did not work with their livestock identification and tracing programs.

National Farmers Union is encouraged by steps taken by the department to establish a national animal identification system, including publishing a draft strategic plan and program standards. We stand prepared to help in the development of a livestock producer-friendly and effective NAIS that protects our livestock herd from disease outbreaks and bio-terrorism attacks, while also protecting the safety of our food supply and our national security interests.

Since 1902, National Farmers Union has been dedicated to protecting and enhancing the economic well-being and quality of life of family farmers and ranchers and their rural communities. We appreciate the opportunity to again stand up for these interests by expressing our members' views on the proposed strategic plan and draft program standards for a national animal identification system.

Sincerely,

A handwritten signature in black ink, reading "David J. Frederickson". The signature is written in a cursive style with a large initial "D" and "F".

David J. Frederickson, President