

The National Animal Identification System:

What does it mean for producers and consumers of grass-fed products?

The USDA has described the National Animal Identification System (NAIS) as “one of the largest systematic changes ever faced by the livestock industry.” The NAIS has the potential to drive many producers out of business, whether for philosophical or practical reasons. For those consumers who wish to buy local, organic, or grass-fed products, the NAIS is likely to raise prices and reduce the range of choices. The only beneficiaries will be technology companies and large industrial-agriculture entities. But if enough people learn about the program and take action, we can protect our right to farm for ourselves and for others.

What is the NAIS?

The concept of an electronic, individual animal identification system that includes every livestock species was developed by large industrial-ag companies and associations, working with technology companies, in the late 1980s and early 1990s. In 2002, the National Institute of Animal Agriculture, a trade organization primarily made up of these entities, took the plan to the U.S. Department of Agriculture. USDA then established working groups. Not surprisingly, these working groups are dominated by commercial interests. As just one example, Tyson (which produces chicken, pork, and beef products) has three representatives sitting on the Beef Cattle Working Group.

In 2005, the USDA published draft documents. These set out a three-step program:

1. Premises registration: Every property where livestock or poultry are raised, held, or managed will have to be registered with the state government, and that information will be entered into a national database held by the USDA. This includes anyone who owns even one chicken, cow, horse, goat, sheep, pig or other livestock or poultry.
2. Animal identification: There will be two levels of animal identification: individual animal and group or lot identification. Most animals, especially those in pastured operations, would need to be individually identified with a unique 15-digit number. Animals either will be implanted with a microchip or tagged with a radio frequency device, or otherwise physically identified. The tag will have to bear the entire 15-digit number, with the number easily read. For at least some species, radio-frequency identification devices would be required.

Group or lot identification is designed to fit the needs of factory confinement farms. It could only be used where groups of animals are managed together from birth to death and not commingled with other animals. The agency has only discussed group identification for swine and poultry producers to date. If animals do not meet the requirements for group identification, they will have to be individually identified.

3. Animal tracking: “Events” in an animal’s life would have to be reported to a government-accessible database within 24-hours. The original draft plan and program standards included a long list of event codes, including entries for every time a tag is applied, an animal is moved onto or off the premises, a tag is lost or an animal needs to be re-tagged, an animal is killed or dies, or an animal is missing.

In its November 2006 User Guide instead of using the previously-defined events, the USDA distinguishes between “high risk” and “low risk” events. Unfortunately, the Guide does not provide clear definitions. Moreover, the User Guide notes that high risk events will be the “primary focus,” but expressly provides

that even low risk events may be reportable under certain circumstances. Ultimately, nothing stops the program's focus from continuously expanding once it is in place. And we now do not any real basis for predicting exactly how many intrusive, expensive reports will be required.

A recent USDA publication, entitled the "User Guide," states that USDA does not plan to adopt regulations making the NAIS mandatory at the national level. While this is a welcome development, the issue of the NAIS is far from over. The USDA still contends that the NAIS is important to animal health (discussed more below), and seeks to have every person who owns animals participate in the program. The USDA is continuing to fund state agencies to implement the program. Because the cooperative agreements between USDA and the states are generally based on showing a specified amount of progress, there continues to be significant pressure on the states to either implement mandatory state programs or to use coercive means to "encourage" people to enroll in the program. As cattle owners in Michigan have experienced, a lack of federal regulation is not a barrier to the NAIS – these individuals will be required to have electronic identification on all of their cattle by March 2007, even absent federal regulation or any state statute explicitly adopting NAIS.

Indeed, while the User Guide is clearly intended to reassure animal owners about the NAIS, it raises more questions than it answers. In contrast to the specific, detailed 2005 Plan and Program Standards, or even the April 2006 Implementation Guide, the new User Guide is filled with vague statements that have numerous loopholes. Far from indicating the USDA truly intends to change the substance of the program, it appears that USDA is simply trying to deflect criticism of the program while ultimately reaching the same end result.

What are the problems with the NAIS?

The very first stage, premises registration, raises issues of government intrusion into people's lives. While this type of intrusion poses no concern for corporate interests, people whose farms are their homes and who raise food because they care passionately about the lifestyle often object to government intrusion. For some people, such as the Amish and Mennonites, the objections are based on their religious beliefs.

When we reach the second and third stages of the NAIS, animal identification and tracking, practical objections rapidly arise. The USDA still has not done an analysis of the costs of program. When asked, the officials have focused on the cost of the tag alone, usually quoted around \$3 each. But that cost is only the beginning. One must consider the equipment necessary for tagging the animals, reading the tags electronically, and filing reports electronically. Whether the owner buys this equipment, or pays another to perform these services, this hardware is not free. The costs of maintaining databases that, in their totality, will far exceed the size of any existing database or database system will be staggering. And then there are the costs in producers' time and the added stress on the animals from additional handling.

Since the USDA has not done a cost analysis, the best evidence may be the costs of similar programs overseas. The Australian Beef Association estimated the costs of their electronic tracking program for cattle at between \$37 and \$40/head for tagging and tracking. A report to the British Parliament on their program estimated their costs at \$69/head.

Remember that these costs are averages, not the cost to each individual. Due to economies of scale, the costs for small producers are likely to be much higher. And since most of our heritage breeds are maintained by small producers, the NAIS poses a threat to the continued viability of rarer breeds. Large producers face their own challenges, since even \$3 per head adds up quickly when you have 1,000 animals! The only winners are the meat packers and confinement operations, who will not have to do individual identification and tracking.

After all of the intrusion, expense, and hassle, yet more concerns remain. How will the USDA use the information? Many farmers have had unfortunate experiences with the USDA's policies for depopulation

already, and many more fear the massive overkilling that occurred in Britain could also occur here. And if the databases are held by private entities, as is currently proposed, what stops these entities from selling the information or using it to control the market? Even if such actions are illegal, it would be difficult (if not impossible) to prove the case. Almost everyone has experienced the misuse of their information by credit card companies, fundraisers, or other entities. Many cow-calf operators have voiced concern about the potential for distribution of the information to companies who would use it to their economic advantage. At a time of weekly reports of lost or stolen data, developing a database with detailed information on every single individual who raises even one livestock animal is deeply troubling.

What do we get in return?

The sole stated purpose of the NAIS is to identify all premises on which the animals and poultry are located and all animals that have had direct contact with a foreign animal disease or domestic disease of concern within 48 hours of discovery. Despite the scope of the proposed program, the government has not conducted any scientific studies or epidemiological models to analyze the design or effectiveness of the NAIS. Rather, the USDA has relied on generalized statements that NAIS is necessary to protect the United States against an outbreak of animal disease and that it will help the export market.

But what will the NAIS actually accomplish? We already have trace-back mechanisms. In brand states, the trace-back ability is already excellent. In other states, minor changes to existing programs could meet the need for monitoring animal health.

The NAIS is more about marketing than it is about animal health. Foreign markets seek trace-back for consumer confidence. Yet the proponents of the NAIS ignore that the US is a net importer of food. A program to benefit the export market will benefit a handful of companies, not the general economy. And markets should be addressed with market methods, not by spending tax dollars on coercive government programs.

Moreover, many producers and consumers of grass-fed products already have the ultimate trace-back system: direct farm-to-consumer sales. And when it comes to grass-fed meats and organic foods, domestic demand dramatically outstrips supply. Consumer confidence is developed through the relationship between the farmer and the consumer, not a USDA program. So most grass-fed producers will bear the costs of the NAIS program without getting any benefit at all from the market aspects.

What does this mean for consumers?

The NAIS will impact even those Americans who buy their food at the grocery store, through increased taxes funding a larger government bureaucracy. But consumers of grass-fed or organic products will face a far greater and more direct impact. If the NAIS is implemented, the producers of pastured meats will face increased government intrusion, added expenses, and more work, on top of the already labor-intensive methods for raising healthy food. Many will go out of business, whether for philosophical or practical reasons. Those that remain will be forced to raise their prices to survive. Given that demand already outstrips supply, many consumers will have no option but to buy the mass-produced foods produced by corporate confinement operations.

What can be done?

The NAIS will impact all of us, and everyone should read the government documents for themselves. You can find the most recent documents on the USDA website, at www.usda.gov/nais, and the earlier documents are

available at www.libertyark.net. Read them carefully, looking beyond the reassurances to the real substance of the program. And then decide if you want to see the NAIS implemented in your state.

If you are opposed to the NAIS, then urge your Congressman to investigate how the USDA is promoting the program. The new head of the House Agriculture Committee has called for hearings to look into how USDA has handled the program, so we have an important opportunity right now. After the USDA's recent announcement that NAIS will be voluntary at the national level, we also have an improved opportunity to stop this program at the state level. Call and write your state legislators, urging them to oppose NAIS. You can find sample letters and information on how to contact your legislators at www.farmandranchfreedom.org or www.libertyark.net, along with other tools to help you educate your friends and neighbors and take action.

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