

**U.S. DEPARTMENT OF AGRICULTURE -
ANIMAL AND PLANT HEALTH
INSPECTION SERVICE**

Animal Disease Traceability Meeting

Bloomington, MN

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[START MORNING_SESSION_MONO-001.MP3]

MS. DENISE BARNES: ...close to even being an animal health person/specialist. What I am today is your host, simply to walk you through the agenda, make sure that we continue to have open discussions and walk through the agenda. I have a couple of other colleagues here who can help as needed, but more important than myself, we have several experts here in the room from APHIS and other groups that you'll be hearing from over the course of the day who recognize how important animal disease traceability is. I'd like to just take a moment to introduce some of those. Neil Hammerschmidt over here, who is the ADT program manager, Dr. Geiser, Dr. Sunny Geiser-Novotny, who is cattle health staff, traceability liaison. Dr. Aaron Scott, who is right here, program manager for preparedness and incident coordination, also oversight of the traceability and veterinary accreditation program, and the state veterinarian of Minnesota, Dr. Beth Thompson who is right here. So you'll be hearing from these and many more people today. But please keep in mind the

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overall goal is to listen and learn from everybody in the room. We're interested in learning about what has worked well and why, what still are challenges regarding ADT, and how we might address some of these challenges. We're hopeful that with all the expertise in the room, any questions that you all might have, we'll hopefully have answers or find them for you. We appreciate you all being here sharing your time with us and hopefully are looking forward to some fruitful discussions today.

In your packets, you all have folders, I just want to make sure that you all have five documents, including the agenda. If not, we can get you, just raise your hand, and we'll get any meeting documents that you don't have. But briefly, before we get started, I'm going to go over an overview of today's agenda. We'll start out with some introductory remarks by APHIS. That's one of my reminders, which I'm going to skip to first, how about that, how timely? Silence your cellphones or put them on vibrate, please. That would be great, thank you. Back to the agenda. Some introductory remarks, kind

of setting the stage, letting everyone know where we are, getting everybody on the same page. We'll have a presentation on basic principles in ADT assessment by Neil and Sunny over there, kind of share what we've accomplished in the past few years, and what we see as some of our traceability gaps and shortfalls.

We'll move into a panel discussion. We have five panel members, I believe today that will be sharing their personal experiences with ADT. We look forward to that. And you have an opportunity to ask them questions as well. After break, we're going to go into an open microphone session to hear from you, comments, questions, concerns, and answers. Please note as well you'll have white notepaper or notecards on the table if you have questions and you don't want to come to the microphone. Just write them down, and we can ask them on your behalf. And then we'll break for lunch. An hour before we break for lunch, we're going to get ready for small group breakout sessions and report-outs, and each group will have a facilitator and note

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taker to guide you through those discussions after lunch. Then we'll have closing remarks and some next steps, and then we'll be done for the day. So with that, back to a few other housekeeping, restrooms out the door. Take a right, and take another right. Please self-break as needed. We will have a morning break and an afternoon break and an hour for lunch. But feel free to get up and use the facilities as needed. Cellphone, already said that. And lunch is an hour. It's on or offsite. They have some restaurants on the premises and offsite as well. I'm not very familiar with the area, so I can't give you any recommendations there. So with that, I'm going to introduce Dr. Scott again and Dr. Thompson, who are going to kick things off this morning. And we welcome you all, thank you very much.

DR. BETH THOMPSON: Hey, good morning everybody, Beth Thompson, I'm the state veterinarian here in Minnesota. Thank you so much for coming in today. I need to recognize a few people in the audience too. First of all, assistant director from the Minnesota Board of

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Animal Health, Linda Glaser. And Dr. Stacey Schwabenlander, where did Stacey, there she is, in the back. She's our ADT guru at the Board of Animal Health. And then also Dr. Stephan Schaeferbauer, who is the assistant director here in Minnesota. We all welcome you to this meeting. As we talk about animal disease traceability, it's a big subject, and it's right down on the farm, when calves are tagged, whether those records are kept, if they move through a market, where they go, and of course it involves everybody here and what your business is. And that's why we appreciate you all are here to talk with us about how it affects your business.

The thing that I want all of us to keep in mind is when we do have a foreign animal disease, any other type of disease, how is that going to affect your business? And the mere fact that you tag a calf, and that calf's often in the flow of business somewhere, is that going to make a difference? So if you please keep that question in mind throughout the day, if you need anything, let us know. And if there's any

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other questions you have, catch one of us either during the presentations or during the breaks, and let's talk about it. And again, thank you, thank you everybody for being here.

DR. AARON SCOTT: Welcome everybody, and thank you, Dr. Thompson. I don't like podiums. Podiums are kind of scary places to hide behind. I kind of like people a little bit more than podiums. I'd like to introduce you all to this meeting. It's an informal meeting, and we're here to listen, we're here to talk, we're here to solve problems. The topic of our meeting is animal disease traceability, but that's not the real problem we have to solve. The problem we have to solve is our industry. It's protecting our industry from some really serious kinds of what I call industry buster diseases. They aren't necessarily foot-and-mouth disease, only heaven forbid that that would happen to us, because that would cripple all of us.

You're going to hear some things from Dr. Geiser in a few minutes about some more familiar things like Bangs and TB. You're going to hear about traceability and some of the traces that

1 we've done for those diseases, some of the
2 animals we've found and some of the herds that
3 we haven't. Maybe even some of the cattle that
4 you have haven't been found yet. Traceability
5 is APHIS's, one of APHIS's top ten priorities.
6 Why do you suppose that is? Why is that so
7 important to USDA APHIS? And why is
8 traceability that critical to some of our
9 counterparts in other countries? Some of the
10 people that we trade with and some of the people
11 that compete with us for that reason. The
12 reason is because it is a way that we can manage
13 diseases.

15 The OIE, the world organization for animal
16 health, considers traceability as a sanitary
17 measure. A sanitary measure is what their term
18 is for the things that a country's veterinary
19 infrastructure is able to do to contain
20 diseases. When we go to other countries, and we
21 look to them to see whether we're willing to
22 import their goods, and when they come to us, to
23 check us out and see how good of a job we do in
24 our veterinary community, our federal and state
25 and private veterinary services, we look at the

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things that they are able to do, their veterinarians and their infrastructure. And those are things like can they detect diseases, do they have laboratories, and so on and so forth. So traceability is one of those things that's a measure of our country and how well we're able to control diseases.

For today, we have a pretty full agenda. We will have some breakout groups where we'll get to talk a little bit more directly in small groups. The purpose here is to hear what you have to say to solve some problems. It isn't to make another rule. We're not here, in fact nobody has a secret rule hidden in their back pocket that they're ready to throw out on the table after this meeting or any other meetings. Right now we want to hear about the rule that was placed in 2013, how well it's working for you. We have some metrics, some of the things that it was intended to do it does very, very, very well. There are other things that it wasn't intended to do, and there are gaps, there are problems. So we want to hear from you. We can't talk to everyone in the United States,

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although that would be a nice thing if we could. So for each one of you that are here in this meeting, you are representing colleagues in other parts of the United States. So please feel free to speak up, come to the microphone, give your thoughts, your ideas, speak up in the smaller groups where we'll tackle some specific problems and roll your sleeves up, 'cause we've got a lot of work to do. So I'd like to welcome you all, state veterinarians, industry producers, our federal veterinary colleagues and private veterinarians, our market owners. All of us are here together in this industry. And all of us I believe can solve the problems that we are faced with. So welcome guys, and let's get to work.

MS. BARNES: Thank you. I forgot to mention one thing. The session today is being recorded, solely the purpose of augmenting our note taking. There have been several sessions around the country, and we just want to make sure that we're capturing as many notes as possible. The breakout sessions this afternoon will not be recorded, but just wanted to let you all know

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that this morning as well. So we will move on in our agenda. And I am going to ask Neil and Dr. Geiser-Novotny to come up, or Neil first, and then Dr. Geiser will go after. Thank you.

DR. NEIL HAMMERSCHMIDT: Well good morning everybody. Glad you all could make it. Sunny and I would like to make some brief comments. The comments that I'd like to make, maybe we can go through them rather quickly. It's kind of a quick look back at what ADT is or what we agreed to implement three, four years ago when we started ADT. We want to focus on cattle and bison today. Of course other species are represented in ADT, but we're looking at, sheep and goats for example are covered in the scrapie regulation. There are other program diseases that more specifically address traceability for other species.

So today we'll be looking at Part 86 in the regulation that was published for livestock moving interstate, and then Sunny will give a report on accomplishments, shortfalls in the first few years of the ADT framework.

Reminder of some of the key principles that

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we established when we implemented ADT, was to take advantage of the infrastructure that had already been put in place over many, many years of hard work in disease control programs. Certainly traceability, animal ID is not new. We've just evolved over time, and it was obvious that we needed to do some revamping in regards to our framework. We wanted to emphasize that the program leads are key responsibility at the local, state, and tribal levels. We're always concerned about effective solutions that are cost-effective, and we certainly want to keep that in mind as we continue to go forward.

Also very important as we look back and analyze what we put in place, we need to keep in mind that it was intentionally designed to be a very basic system. We didn't intend to do traceability from start to finish 100%. We wanted to build a foundation and do that foundation extremely well and as we work with you all for consideration of traceability in the future to make sure that foundation could be expanded upon if deemed necessary.

We talk about it being a bookend system.

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And in some regards, we've achieved that bookend system. An ideal bookend system would identify the calf where it was born, and certainly at the end point. We don't always achieve the first bookend, so the bookend that we're talking about, primarily the way we structured ADT from the beginning is that we know where the animal was at when it was tagged. That might be at the third or fourth premises before it gets official identified. So that's why I say it's probably extending the term bookend a little bit more than maybe what we had originally planned.

Final rule of course was published already in 2013. It applies primarily to the animals that do move physically across a state line. If a tribe land that has a traceability system covers multiple states, even though the animal would cross a state line, that's not considered an interstate movement. And then we acknowledge that animals that get slaughtered at a custom slaughter plant are highly traceable, so we took some of the concerns off the table by excluding them from the traceability requirements.

Official ID on an animal that's being

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slaughtered for an individual person probably won't improve traceability from that perspective.

Two main components, and I think it's always important to look at these two issues separately, first an official identification method, as well as a movement document. Where is the animal moving from, where it's moving to. And we've had a lot of discussions about movement documents. It was our intent to minimize the burden, minimize the cost of acquiring this type of information by taking advantage of the interstate certificate of veterinary inspection. Those have been highly used, in place for many, many years. So instead of developing a new paper form or process, we I think improved the ICVI in itself by adding in more specific requirements or possibly defining what we expected to see on that movement document to support traceability. In itself, it's not a movement document. Just because an animal is listed on an ICVI doesn't confirm that it actually moved. But the information is highly correlated, so we do use that information

from a traceability perspective.

So the general requirements, of course official ID is defined by species; what works for cattle and bison probably won't work for equine. Very important to help standardize official ID. All states must accept all official methods of identification from animals moving into their state. A state cannot specifically require a certain technology. Michigan for example has RFID, individual ID requirements for cattle. While that's a state regulation, they can't require other states to meet that requirement for cattle being shipped to Michigan. Once the cattle are in Michigan, they of course have the prerogative and authority to require RFID.

But the good thing about the approach we've taken, that if you tag that calf with an official ID at an early age, from an IED perspective, it's good to go anyplace in the country. And I think that's important.

So when we look at cattle and bison, specifically official ear tags, obviously the predominant method of official ID today, also

recognized in the regulation, was that when a shipping and receiving state agree on other methods such as a registered brand, and an official brand inspection certificate or tattoos or other methods used by breed associations, they can categorize those as official if they both agree, shipping and receiving state.

Group lot identification was recognized, but more fully used for poultry and swine and so forth. Official ear tags, we've always had a lot of confusion on what tags are official. I think the rule helped clarify some of the confusion. Of course tamper-evident means if you move the tag from one animal to another, it would be obviously observed on the tag itself. But we imprint the US or the official ear tag shield on that tag, so if there's any question about the tags being official, if it doesn't have that US shield on it at this point in time, unless it's a real old animal that was identified well before 2015, but if it's a year-old animal and it doesn't have a US shield on that tag, it's not an official ear tag.

We've also standardized the numbering

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systems a bit more. We used to recognize more official numbering systems. We're down to basically two for cattle and bison. The traditional national uniform ear tagging system, primarily used on the metal clip tags, noose, refer to it, the first three digits are the state code, three alphas, and four digits. Still highly used, but also the animal identification number, also referred to as the 840 number, the 840 number was probably initiated on a global basis to fit a standard that was developed by the International Standards Organization for electronic ID. However, the 840 number itself doesn't have to be limited to electronic tag today. 840 tags are primarily electronic, but there's probably about 10, 15% of the total that are visual only. It's a discussion item. That's a long number to record manually, but it is an international standard that allows that number to be encoded in a transponder for compatibility assistance across multiple vendors.

So when is official ID needed for cattle and bison? All sexually intact cattle and bison 18

months of age and over, all dairy, and cattle and bison of any age use for rodeos, recreational events, shows, and exhibitions. So basically we're looking at beef feeder cattle under 18 months of age are not covered in the official ID requirement. It was understood and agreed at the time we published the first rule that those would not be included in the initial framework.

We've got quite a few exemptions for not requiring official ID at time of movement interstate. The first one is probably very rarely used, but if I have a premises that is separated by several miles and to get there, for whatever reason, I route my truck through one state or another state to get there but come back to the original state, that's not really considered an interstate movement even though I crossed a state line. Animals are moved directly to an approved tagging site. They are officially identified in accordance with the established protocol. Most of you are very familiar with tagging sites. Good possibility many of you or some of you are representing

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entities that are tagging sites. But it allows a producer to move cattle across a state line to a tagging site where it's understood those cattle are tagged on his behalf before they're comingled.

We do allow states again to agree on other methods of ID. If further out west, two brand states agree to a brand certificate as being official, they have the prerogative to do that. If for a special type movement, they're going to accept a different tag or identification method, that's their prerogative to do so. Then directly to a recognized slaughter plant, or to no more than one approved livestock market, and so that direct slaughter movement or through one approved market, they're also exempt.

So real quick, if we look at the ICVI interstate certificate of veterinary inspection, movements are looked at specifically for that requirement. Again, directly to slaughter or through no more than one approved market with an owner shipper statement, OSS, directly to an approved livestock facility, with an owner shipper statement, and the owner shipper

statement is specifically defined in the regulation for what information is required on the owner shipper statement, to a vet clinic, and the animal is returned back home after that examination at the clinic. As a commuter herd, with a commuter herd agreement. And with the prerogative again for the states to agree on owner shipper statements, brand certificates, and so forth, their prerogative again between the owner and shipper states.

The regulation defines the criteria of a certificate of veterinary inspection. We put a lot of emphasis on compliance with our accredited veterinarians, so we have high quality, complete information on the certificate that we are trying to get into more electronic forms. It's important to recognize that official ID numbers do not need to be recorded on the ICVI in certain movements, but for many, especially the breeding animals, the number of each individual animal needs to be listed on the ICVI. But cases that it's not required, the cattle and bison are moving to slaughters, steers and spayed heifers, and then sexually

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intact bison and beef cattle under 18 months of age, of course, ID is not required, so the recording of their IDs wouldn't be appropriate on the movement certificate.

Another part of the regulation that we supplemented, a regulation that FSIS has, Food Safety Inspection Service, is that we duplicated their requirement that all ID be collected at slaughter and that the ID number of that animal be cross-referenced to the carcass through carcass inspection. And certainly to aid if the animal needs to be traced back, that we have the proper ID on that carcass at that point in time.

One of your packets goes through the requirements in a little bit more detail as a reference if you need more information. So that really covers a quick overview of what ADT was put in place several years ago. Sunny is going to give a report, a review on the assessment report that really reflects the progress we've made and maybe some of the shortfalls. Sunny.

DR. SUNNY GEISER-NOVOTNY: Thanks Neil, and good morning everybody. As Neil mentioned, I'm going to go through the ADT assessment that we

released a few weeks ago. When the final rule was published in 2013, APHIS indicated that we would do a review of how effective animal disease traceability Part 86 is at enhancing our tracing capabilities and then determine what the gaps or shortfalls are or if it is truly effective. So in the next couple of slides, I'll go through some of the parameters that we looked at when conducting this assessment, including trace performance measures, and I'll tell you a little bit more about those. We looked at actual traces specifically related to bovine tuberculosis, an ID that might've been included on those animals. And then also information that we got back through outreach to not only industry but state animal health officials on how the rule is actually working.

So from the beginning in 2013, ADT was set up as a performance-based program. And these trace performance measures I'm going to go over were developed by the 2010 working group that had input into the rule. And what those measures focus on are the basic principles of the rule, so official identification and then

also movement documentation. And what they look for is to identify progress that we've made with traceability and identify any gaps that might exist within a state's tracing capabilities. And then that helps us to identify actions that a state could take or we can take to fill in those gaps and make our tracing capabilities stronger.

So we measured two key factors for each trace performance measure. The first is the elapsed time it takes to answer four specific questions. And that elapsed time starts when the state or the individual gets the official identification number that they're looking to trace. And it ends when the state finds that information to complete one of these four activities and completes it within our system.

So the first question is in what state was an imported animal official identified? So you have our reference animal that was shipped into your state, what state identified it, where did the animal come from basically. Two, where in your state was the animal officially identified? So for Minnesota, that would measure the state's

recordkeeping, official identification recordkeeping and distribution system and then also for accredited vets and producers, their tag application records.

The third, from what state was an imported animal shipped. And so again, the animal might've been tagged in a different state. Did it actually ship from that state, or did it go to another state and then enter Minnesota? And then fourth, from what location in your state was an exported animal shipped? So that animal shipped from Minnesota to another state. What location did it actually ship from?

The second parameter that we measure is the percent of successfully completed trace performance measures, and so how often do you find the information to complete that activity and complete the trace? So if you look at the parameters that we measure and what we're hoping to identify, it's evident that timely retrieval of accurate and complete information is essential. And this is one of our favorite slides for the program. And on the left you'll see a year's worth of import and export CVIs for

the state of Colorado. So when you think about having to trace one animal, one official ID, and you've got to paw through boxes and boxes of CVIs to find that information, if you ever find it, versus going into a database, plugging in that number and finding it within seconds if the records exist, that's the most significant progress that we've made with this rule and program to date, is getting our records more readily available and more easily searched within systems.

So for these trace performance measures, with the finalization of the rule, we set up national baselines for each of those four activities that I went through before. And then for each cooperative agreement period after that national baseline, we've used that as a comparison to the baseline to see if we're making progress for each activity. And so the 2014 cooperative agreement period was our first comparison to the national baseline; 2015 was then the second. We just completed our 2016 cooperative agreement period, so we'll have that comparison, that third comparison to the

national baseline here soon.

So I know this slide is a little bit busy, but we'll just walk through it quickly. And so on the left hand, the first column you'll see each activity, one through four. And then the national baseline column is the first column, the first comparison and second comparison years. And then underneath that, we have the percent successful in the first part of that column and the elapsed time in the second part of that column.

And so for activity number one, that only relates, it's where was the animal officially, or in what state was the animal officially identified? That only measures those 840 tags that Neil was talking about, the distribution records and application records related to those. If you look at a noose tag, you can tell what state it was tagged in so it gives you the answer just by looking at it. So for the first, or the national baseline, we didn't have enough records to do a national baseline for that. That's why you see NA there. But then for the remaining activities, we were able to set up a

national baseline and do a comparison. And what I want you to see is so we range from 58 to 76% for successfully completed in the national baseline. And then for the first and second year comparisons, we go up to the high eighties or even 90% successfully completed, so huge jump in the ability to trace that information or find those records.

The other thing for the elapsed time, if you look at the first, the national baseline values, we average anywhere from 4 to 11 days to find that information, whereas in the first and second year comparison we dropped down to one to two days to find that information in a successful time period. So huge improvement from the national baseline to the first and second year comparison. And as I mentioned, we'll have another year here soon to see if we're continuing to make progress.

This slide represents the tuberculosis data on traces from slaughter. And so at slaughter, FSIS will inspect carcasses. If there's a lesion suggestive of tuberculosis, they'll take samples. Any samples that are submitted, the ID

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that's present on the animal is collected and submitted. And then we can do DNA tissue matching to know we're in the right herd or we have the right lesion from the animal. And so in the first column, you'll see the type of identification that was present on those animals at slaughter, and then across the top you'll see the total number of cases and then whether or not those animals were able to be successfully traced or not.

So we had 38 cases total from 2010 through September of 2016, just to give us a representation of before and after the publication of the rule. 20 of those cases were in feeder cattle. 18 were in adults. And then if you look at the types of identification present, there were 12 cases that had unofficial identification, 14 that had no identification, and 12 that had official identification. When you look at that traced indirectly, basically what that means is that animal was found or located, able to be traced back to the herd of origin because of another animal it came in with. So there was movement documentation or an

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official tag on another one of the traces, and that's how we found that animal's premises.

But what's important to see here is yeah, we can trace animals successfully with unofficial identification. We can even trace them successfully without identification if the records are there. But if you look at official identification, we were able to trace all of those animals successfully. And so there is a significant difference in having official identification in those animals and being able to find that herd of origin for the infected herd.

So how are we doing? So in the context of official identification and movement documentation for animals that are, for covered livestock that are moving interstate, we're doing well. We've increased the number of our records that are available with accurate information. We can easily retrieve those records. But nobody would argue that significant gaps exist in the current system. And so that's what I'll review in the next couple of slides, based on the assessment that

we conducted and the feedback that we've received so far to date.

So in looking at the rule in its current framework and the discussions that we've had so far, the official ID requirement being limited to interstate movements to us is the most significant gap within the current framework. When you consider that an animal can move multiple times within a state before they ever, maybe never cross state lines, there's no requirement for official ID. So they could move to multiple markets, go back into the country, and then potentially move across state lines and finally need ID, but you don't know where that animal has been. Oftentimes in those cases records don't exist, so when you're going back to find all of the connections for an infected animal, you're just going to find where they were officially ID'd and not all the movements and things before that. The other thing we always joke about is how do you trace a black animal with no identification? It's pretty hard. One of the things we hear most commonly, probably from the markets, but from a lot of

1 individuals is that all the exemptions in the
2 rule, while it made it really flexible, have
3 also made it really confusing. So did the
4 animal move interstate? Does it need official
5 ID, or is it going direct to slaughter? Does it
6 need an ICVI? Can it move on a back tag? All
7 of those flexibilities have made it difficult
8 not only for people to determine what they need
9 to do to comply, but then also for us to be able
10 to judge enforcement. So if we can't, how do
11 you now if a record doesn't exist, if it needed
12 one? If there's no ICVI, did it actually move
13 interstate or not? So you kind of don't know
14 what you don't know. So the flexibilities have
15 made it very challenging I think for everybody.

17 Reliance on low-cost technology or visual-
18 only tags, I don't think any one of us would
19 argue that noose tags have been a huge asset to
20 our disease programs, for brucellosis
21 specifically. But anytime we have a noose tag
22 at slaughter, the ability to trace that animal
23 is greatly enhanced. But I think we can also
24 agree that trying to read that small metal tag,
25 having to catch the animal up, and the tag is

beat up or filthy, and you're just trying to raise some small numbers and digits, it's challenging. And to do that at the speed of commerce is even more challenging.

And then another one of our favorite pictures is the bottom right hand slide, a picture of an ICVI, and I sympathize with this accredited vet, because he did the right thing. I can't tell if that's just his handwriting or if he was mad and figured you try to figure this out. But I sympathize with him. I wouldn't want to have to do that, so I appreciate that he probably didn't want to either. So not only does he have to catch all the animals up, read those IDs, and then he's got to write them down. So when you consider the error rate of writing those numbers down and reading them quickly, you know the speed of commerce, not trying to slow things down, and then getting them right on the ICVI, that's challenging. When you look at us potentially doing data entry to put that into a system, that's another place where it can get transposed. So there's a lot of room for error with the way these systems are set up now with

these visual-only tags.

When we set up, when the final rule was published, and as Neil mentioned, feeder cattle were excluded from that final rule back in 2013, and part of the assessment or the indication for us doing the assessment would be, second phase would be inclusion of feeder cattle. And I think many people have come to these meetings expecting that we're here to say we're set to start officially identifying feeder cattle. And while they are, it is a gap in the system, the exclusion of feeder cattle being officially identified is a gap, it's not the main gap that we have in the current system. And so why we've listed it here, we think there's other, more important gaps to fill, such as the interstate movement, limitation to interstate movement. So just wanted to make that clear that this isn't about feeder cattle. There's other things that are not working well in the system.

But we also know that they're not isolated from disease. So if you look at the TB cases I presented, 20 of 38 were feeder cattle. If we have that official ID in feeder cattle, we're

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able to trace them successfully. If we don't have it, it makes it more challenging. It doesn't mean we can't do it, but it definitely makes it more challenging. So when you consider the movement and marketability of them, they're really no more isolated from disease than other breeds and species.

We also have the trade implications. Dr. Scott mentioned that in the beginning. And while we focus on animal disease traceability for disease program purposes, they're inextricably linked to trade. We get measured by that by our trading partners of how well we're able to trace animals domestically, how often we find that disease. And if you consider for TB specifically, that we had five cases we couldn't trace, those are five herds we didn't find TB in. And so that's what they look at when they look at our tracing capabilities. And so it does have trade implications to have populations that are unidentified.

An additional challenge that Neil brought up was the requirement for collection of ID devices and correlation to the carcass through final

disposition. And so in the final traceability rule, as he mentioned, we mirrored FSIS's language for that need to collect the ID and then make sure it's correlated to the proper animal. If it's not correlated properly, we don't have the right herd. So that just makes it a little more challenging. It's like having an animal without official ID or any ID. We find that inconsistently applied for a bunch of reasons. One, trying to collect all the ID at the speed of commerce, we've heard back tags are in locations that make it hard to pull those off of. So if an animal just moves at a back tag, it's hard to collect that.

There are some procedural issues at plants, a lot of turnover at the plants. So between FSIS and local plant personnel, the education maybe isn't there, the outreach from our staff or from FSIS staff to make it clear what an important thing this is, to be able to have the ID and have it correlated to the proper animal. So definitely a gap as well.

And so that brings us to what we're trying to do here today in our outreach related to how

we think the rule is working - - the feedback that we want to get from all of you. And so we started this with conference calls internally with our personnel and then also with state animal health officials, and with feedback generally from producers and industry on what's working and what's not working out in the field. We also charged our state and federal animal health officials with going back out to their local areas to say what is working well and what's not working well and bringing that feedback back to us. We started these regional stakeholder meetings a few weeks ago. I believe this is our fourth one. We've got six I think more to go, so trying to get out to make sure we have representation regionally for what you guys encounter with the traceability rule. But also kind of charging you guys here today with that same local outreach, and you'll back and talk to your counterparts that maybe couldn't travel in here today and get their feedback. They can make comments in a variety of ways to say what's working well and what's not working well or where they think we need to go. So also asking

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you to drum up some interest for commenting and providing feedback from your counterparts.

From all these meetings, we set up a state-federal working group that'll kind of take all the feedback that we've gotten to summarize it. What's the most consistent theme that we've heard throughout these meetings and that sort of thing, and looking for them to present us basically with a summarization of that in the fall of this year, September, in a national ADT forum in Denver.

And so goals for today, I think you've heard it a bunch of times now, we want to know what's working well, what's not working well for you, what you think the gaps are in traceability, how is it difficult for you to comply, and any suggestions that you might have for revisions to the current framework. So don't be shy. We want this to be a comfortable, informal meeting where everybody can offer, voice their opinions and give us feedback, so please don't be shy. And I think Neil and I will take any questions you guys might have for us at this time. Oh. Dr. McGraw? I have that right here. Oh yeah,

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yeah, yeah. So I think what Dr. McGraw was asking is if I could go through the TB traces to say what needed identification and what didn't need identification, if I can read my chicken scratch here, I'll be able to go through that with you. So for adults, prior to traceability, there were 2 out of 12 adults that had official ID. So it wasn't required then. After, there was 3 out of 6. So while not statistically significant, the numbers are so small it's hard to identify if that was statistical. But definitely half - -. For feeders, 2 had, or 2 prior had no official ID but didn't need it. 18 had official ID afterwards. Or there were 18 after the rule. 7 out of 11 had official ID. Six of those cases were in beef feeders, so they didn't need official ID. 12 were Holsteins. So 2 out of 5 needed official ID and were non-compliant. 3 out of 5 were exempt. So out of 7, only 1 was required. Sorry, I know that's a lot of information. And it's summarized, for those of you who might've had a chance to see the assessment, it's actually posted on our website, and it does into a lot more detail.

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It's hard to go through all the numbers in a presentation quickly, but the compliance thing, so we did have cases of non-compliance that we could delineate. The exemption thing, those are three cases that wasn't needed. So doesn't help us.

DR. HAMMERSCHMIDT: Any other questions or comments? There will certainly be ample opportunity to bring any questions up throughout the day, but certainly a point, if you want to ask a question for clarification on any points. The assessment report I think is very interesting, revealing on the progress made, and certainly identifies some significant gaps that we want to discuss more with you all later today.

DR. GEISER-NOVOTNY: Question here?

MALE VOICE 1: What kind of gaps do you have out in the current case of TB in Hardin County, South Dakota?

DR. GEISER-NOVOTNY: I'm sorry; repeat the question?

MALE VOICE 1: In Harding County, South Dakota, now there's TB going, bovine, and what

gaps are you finding there?

DR. GEISER-NOVOTNY: And so I'm not, I don't think we have any veterinary services individuals from South Dakota, do we? I think currently, I know they've got a number of herds quarantined, and they're testing them. What I can say from previous trace back investigations for TB, one of the things that we run into is if there's not official ID, whether it's feeders or adults, you can get back to usually, you can limit it to a number of herds with slaughter records, so you might get back to ten herds. One of the cases we used in the assessment to show some of the difficulties we had is a case where we got back to 29 herds in four states. And the states said we're not testing those animals. We're not quarantining that number of people. We can't waste the resources. And so that's another case of TB that goes unfound or undetected, so it has the chance for spread.

The Canadian case here over the last year, and I don't know what they ended up, I think they had something like 38 herds. That was from a community pasture, basically commuter herds,

and so they quarantined 38 herds and tested them, and it was a hardship for those ranchers. They ended up subsidizing them I think for feed and water and things like that because they were just keeping them longer than they would've had to. So it can be a substantial cost. We always talk about FMD, but we don't have to look to FMD for it be a hardship. Last year we spent \$26.5 million on TB indemnity. So it's definitely an issue for just our general disease programs tracing.

DR. HAMMERSCHMIDT: Okay Kathy, I think we're ready to move onto the agenda. Thank you all very much.

MS. BARNES: Thank you, thank you, thank you. We're going to move to the panel discussions, so I'm going to ask my five panelists to come up and take a seat, and then the rest of you can just take a little stretch break if you need one while we're getting set for that.

[END MORNING_SESSION_MONO-001.MP3]

[START Morning_Session_MONO-002.mp3]

MS. BARNES: If I can everybody come on

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back, gather in, take your seats. Great, thank you very much. We are moving into the panel discussion portion of our agenda with our five distinguished panel members up front. I've asked each one of them before they provide their remarks to introduce themselves, where they're from. That way I won't mess up their names or anything like that. But please know that after they give their remarks, you can ask questions. There's again place cards there if you need to write something down, have any questions for them and you want to keep a mental note or write them down. They are available for questions and answers at the end of the panel discussion. So without anything more from me, we'll just go down the line. As you introduce yourself, provide your remarks, and then we'll just continue on down the line.

MR. TOM FREY: I'm Tom Frey. I represent Creston Livestock Auction in Creston, Iowa as well as the vice president of the Livestock Marketing Association, representing roughly 800 member markets across the nation.

MR. DON SCHIEFELBEIN: Yeah, I'm Don

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Schiefelbein from Kimball, Minnesota, part of a beef/cattle family operation. And when I say family, I mean kind of family gone wild. So there are seven brothers that farm with me, my mad, and now there's 30-some grandchildren back with us, and now 15 great-grandchildren. So we all farm in Kimball, Minnesota, our little operation there.

DR. BETH THOMPSON: Beth Thompson, I can't stop that. State veterinarian of Minnesota.

MR. KEITH YORK: I'm Keith York. I'm a sixth-generation dairy farm from Lake Geneva, Wisconsin, so I'm in the very southeast corner. My farm actually goes up to the Illinois state border, but I never cross it, because there's a fence between us and, Illinois and Wisconsin, so...

MR. TODD WILKINSON: Todd Wilkinson from South Dakota. I run a family operation. We finish between 20 and 25,000 cattle a year in our family feedlot.

MS. BARNES: Great, so we'll start left again.

MR. FREY: I get to start again, okay.

MS. BARNES: Tom, go ahead and provide your remarks, thank you.

MR. FREY: Well I, as a representative of the Livestock Marketing Association, we have of course a lot more questions than we do answers when it comes to officially ID'ing beef feeder cattle. We've seen the implementation of it in our Holstein steers. You looked at the clips, whether it was successful or whether, the success rate of it on a very small scale compared to what it would be if we took on the challenge of trying to identify millions of beef feeder cattle, under the age of 18 months. The challenges, a few of the challenges that go past the tagging and the labor-intensive part of that, our member markets would find it extremely difficult to do, but probably the tougher thing would be educating the producers. And I told Don this a little bit ago that, I'll just use southwest Iowa for example, if I asked 30 of my consignors what ADT stood for, they'd say almost dinnertime. You know, they have no idea of what we would have to do or to go through to successfully ID that many animals. There's so

many other questions of the shrink on the cattle, the stress on the cattle, the handling of the cattle. I can, the ID part, I can speak with experience when, a few years back when we talked about the mandatory animal ID thing coming through. I was one of the markets that stepped up and one of our more successful ear tag people come to us, and we had 10 or 12 consignors, really good consignors that went through a vaccination protocol, put the electronic ear tags in. We put up the, they put the readers in as the cattle come off the chute, or off the truck through the chute. We put readers in before they went into the sale ring. We put the readers as they went out of the sale ring, in case there was one sorted off. And then again, when they were loaded back on the truck.

When we got all done that day, of those thousand cattle, our best read in any reader was 98%. Now if you work for the government, 98% is probably okay. But when you run an auction market, you have to have 100% accuracy. And so there's so many questions like that, that we

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1 have, not to put gas on your fire or water,
2 either one, we've got a lot of work to do to
3 ever be able to successfully implement the
4 tagging of millions of beef feeder cattle. Don,
5 I'll turn it over to you; it's your turn.
6

7 MR. SCHIEFELBEIN: Well thank you very much.
8 I guess before I say my remarks, I do have to
9 give you just a little bit of a warning, and
10 that is that when you are raised with nine
11 brothers, you tend to be very focused and
12 straight in what you say, and there's not a lot
13 of maybe cushion or soft-spokenness about me, so
14 I apologize in advance. So first of all, as you
15 evaluate where we are today, to say anything
16 other than failure in my mind is a mistake.
17 Because when you look at the percentages of the
18 ones that we're able to track, and you did that
19 very well and very politely, but we had come up
20 with six animals unable to be traced, for the
21 risk of our industry, that is failure. Six is
22 unacceptable. So then you have to go to figure
23 out okay, if six is unacceptable, why are we
24 having such a high rate of unacceptability? And
25 this is just my opinion looking at it, and for

those of you who don't know me well, know that I also am the chairman of the five-year beef industry plan for NCBA in the beef industry. So I'm well-versed with the ability of having to appease people because different factions have different wants and different needs. But I really, in our family we run under the premise that if you try to appease everyone, you end up with nothing of value. And I think as you take a look back, and you look at all the exemptions and the rules that we have in place, and maybe I'm incorrect, but it looked like it was kind of political in nature as they put this thing together, and they said well, a group B came to me, so we had to make an exemption. Group C came, so we had to make another exception. As you look through that logic, what you do when you have all those exceptions is you have rules that nobody really understands. And by the way, my take home is if you need a flowchart to explain whether a beef producer should tag an animal or not, it is unacceptable, okay. We don't work on flowcharts; it has to be fairly simple, just going back to what you say.

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Some of the things that I think need to go in place, and again, I am a guy who believes it needs to be both simple and practical, if you are going to do the bookend model, which I think is where it needs to go, the simple thing is when they leave the premise, they have a tag. When you want to even get simpler, and which as I support, is if they leave your premise, they have to have one kind of tag, not a whole arsenal of potential tags that may qualify, given the exemptions that may apply. And if you really live in my simple world, they not only have to have a tag, a specific tag, but a tag with a very identifiable color, if they leave your premise, to be successful. So to me what it boils down is it has to get really, really simple. And I think when we go through, and our family just went through the process of shipping animals to 20 different states, because we just had a bull sale, and if you think complexity is just in this broad sense, try to distill it down to now the rules that you have to sub-do into individual states. The veterinarian that we work, Carl here at Watkins Vet is a very good

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guy, a very bright guy. It takes a bright guy to make it through veterinary school, doesn't it? And he is just a good-looking guy, but he's got a hairstyle about like mine now just from pulling his hair out, having to try to figure out what is needed for a health certificate for 20 different states in the union of United States? So I think we've got a long ways to go. I think sometimes if you're doing it the right way, it's what I call, when I talk to my wife Jennifer, it's called good parenting number one, is sometimes tough love is the best love. And so while you'd like to put your arms around and hug everybody and say gosh, we'll appease you and we'll appease you, sometimes you have to write rules that are in the benefit of all and then stick to them and say this is how business will be done. Those are my comments. One supporter, that's about what I get - -.

DR. THOMPSON: Once again, I can't top that. Coming from the state perspective and maybe a little bit off of what was just said, I go back to TB days to Minnesota producers here. Raise your hand if you remember TB days. I was hired

by the Board of Animal Health in 2008, right in the middle of TB, and I can tell you we've made some strides since then when I look at how we run our office and how ID is traced through the Board of Animal Health in Minnesota. But I go back too, and we've got Mr. Billy Bushelle in the back here, owner of Bagley Livestock, we've got Dr. Wendy Bovee here, who is one of the veterinarians up there, the amount of paperwork that we had in 2005 through 2011, somewhere in that date range, there were TB tests, charts. There were of course CVIs, if any cattle were coming in or moving out. And there were market records. We even had animal movement certificates, or as we knew them, AMCs, within the state office for any of the cattle that were moving in that small area up in northwestern Minnesota. Paper everywhere, I mean the Colorado picture that you guys saw earlier, that was nothing compared to the amount of paperwork that we had to deal with on a day-to-day basis. We too, and thank you Billy Bushelle, we had RFID panels up in Bagley. And I still think we didn't have enough time with them. I mean they

certainly, yeah, I work for the government, and 98% is a pretty good number. But what we ended up doing is if we didn't catch all of the tags, we'd send one of the state people that was in the market out to the pen, and individual wand it so we could grab that ID before they went off to slaughter. Oh, and there's more paperwork. We tracked all those animals to slaughter, so there's more paperwork there coming back into the state office. There is room for improvement.

Now we have come a long ways since then. A lot of what we do is electronic, but there's a lot more to be done. You've got to put a tag in the animal, and you've got to keep a record of it. A tag in the animal without a record means nothing. And of course you're not going to have a record unless you have a tag in the animal. The two of those go together. And with the amount of technology that we have right now, we could be doing a lot better. And I've got a list of things that I think, at least in my world, these are the goals, or what we need to have in a good traceability system. First of

all, sufficient traceability for trade and business opportunities in the face of a disease or not. It has to work in both situations. It has to be based on risk and based in science. We can't be tagging things one way just because it's easy. It needs to be based in science. It has to be low or no cost to producers. We're talking about time and money. Low or no cost to our markets. Again, time for all those people that work in those markets and the money that is spent that goes into that traceability.

And then last but not least, and this is very selfish on my part, it has to work for each individual state. Dr. McGraw is here today, and I can tell you that depending on the time of day and how much sleep I've had, if there's a disease detection down in southwestern Wisconsin, as a state veterinarian, I don't know. I don't know if I really want any of Wisconsin's animals to come into the state. Now if Dr. McGraw can convince me that he's doing all that he can and animals moving into the state have that guarantee that they're not going to be, have disease, that's great. But if I put

the shoe on the other foot, or whatever that saying is, and it's Minnesota, then it's a big difference to me because I want every producer, every market, every veterinarian, I want all of you to be able to continue to do that business. And I certainly want to do everything to convince Dr. McGraw that Minnesota cattle moving into Wisconsin are disease-free. So what we do with those geographical lines that separate each one of our states is important, very important. And I believe that's all I have.

MR. YORK: I think as a dairy producer, I grew up with traceability. We traced, I don't remember a time that we didn't double-tag every animal to know what animal is a part of the herd. And most importantly, if we're going to be dealing with genomics, or purebred breeding, we need to know who the animal is. If we can't trace that animal, the records, the genomics or anything else isn't worth anything to us. So we started with RFID tags in 2001. I came from a family of six brothers. We had five farms, 50-cow dairies, 'til we came together in the late eighties. But we always - - ID tags. We always

1 had the metal ear tags, and we had a big ear tag
2 so that we could remember the cows. When we had
3 the 50-cow dairies, we knew all the animals. We
4 knew who the - - were and everything, so it was
5 easy for us to trace.
6

7 But in 2001, when we came together, and we
8 grew to 1,000 cows, we needed another way to,
9 our memories aren't that good, so we use the
10 RFID tags to trace every animal. Management was
11 the big thing. How do we manage 1,000 animals
12 and 1,000 young stock? And so we could use the
13 RFIDs to manage our herds, and it was very
14 important. And we still use an 840 number, an
15 RFID tag, and a metal ear tag on all our
16 animals. Now I don't know how that works when
17 the 840 is the official number, and we have a
18 metal ear tag. When we sell that cow, what
19 happens to the metal? I mean I don't know how
20 that works in the system, if that cow lives
21 forever because we never got rid of it, or how
22 that works.

23 We started tagging the bull calves. We sell
24 our calves the first week, and we started
25 tagging them with metal ear tags, but we never

ID'd them 'til two years ago. And the main reason we are ID'ing them is we sell it to a private grower. Most of it goes to the feed lots, but we wanted to be able to track that animal in case anybody wanted to come back to it. But I don't what he does with the tags. I know he puts his own tags in there, so I don't know how that works either. So those are some of the things that we are dealing with.

But I really think that traceability, I'm a beef producer too. Every one of my animals is sold for beef. So when you talk about the value of the export market with the beef industry, the dairy industry, that's a very important part to us too. If you look at the gross income, how much the beef sales are to the gross income, it isn't much. But if you look to the profit of the dairy industry, like last year or 2009, that's where our profit was, was just in the sale of beef cattle. And there's plenty of years where we didn't have any. I mean there was no profit. But it's probably 20 to 25% of the income of the dairy industry. It comes from the sale of the dairy cow and the calves and the

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1 heifers. And the big thing I see with the
2 traceability, the consumer wants to know where
3 our food comes from. And I think that's an
4 opportunity for us, if we can trace and show
5 them, I know when we sell our - - cheese, and
6 they have been talking about three or four
7 years, having videos of every farm, so that when
8 they go to the pizza places where we sell our
9 cheese to, most of them go to small pizza
10 places, they can have a video for the people to
11 see where their food comes from. And I think
12 that's something that's going to be more
13 important. We're going to lose market access if
14 we don't have traceability in the export market,
15 but I think we're going to lose it too in a
16 domestic market, because all consumers in the
17 domestic market and in the global market want to
18 know where their food came from. I think that's
19 probably, I've said enough, I guess.

21 MR. WILKINSON: Well I've just got to pick
22 up right where you said, you said you made a
23 profit in '15 or '16, and I was wondering how
24 you did that, because I didn't. In the feedlot
25 sector, there wasn't one. So that was a good

start. I'm glad the dairy industry did a little better than the feedlot sector. I come from a different setup a little bit. I too have brothers. I don't have nine and six. We run an operation that is, we own all of our own cattle, so we're buying everything. We source our cattle from six or seven states. I buy a lot of western cattle, buy a lot of northern Minnesota cattle. So our cattle are coming in from a number of different places. When the Japan deal, the 30-month rule was going on, the age and source program worked very well for us. We run nine background yards in addition to our finishing yard. And when there was money to be made with the age and source program, it gave us a lot of benefits. And we were able to pay that rancher some additional money. We actually shipped our tags lots of times right to the ranch, 'cause I buy a lot directly from the ranch. It wasn't a cheap program. We were doing the age and source verification through a couple of the major EID tag manufacturers. It's a lot of work; it's a lot of money. We were sourcing, I think the one year we sourced off of

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72 different ranches. There is a cost to that. But when you get that animal in, and we use the EID tag plus the panel, we did the combo tag, because it was really handy for us, we found that when that animal went into one of our background yards, we had the ability to wand it and track it all the way through, and our data was so much better all the way through to the plant where they were killed. We could go back to that rancher and say this is how your cattle performed. And it was really valuable to us. It made it easier for us to track our profit and losses on the animal on individual basis. Made it much easier for me to say to that rancher if you're not going to improve your bull power, I'm not back next year or something like that. It was an expensive process, but a valuable process to us. I would agree with Don's comment. Right now I think the system is kind of broke. Really right now as I bring animals from Montana or North Dakota, they come in with that calf tag, and that's all they have. And I understand that the feedlot sector is exempt. But if, at least with the calf tag, our guys are going to on

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receiving put another specific tag in their ear so that we can match up with that. Frankly, I don't think that the branding program works very well. I know I'm going to annoy some people with that, but me buying 300 head from a ranch, if I have to individually trace back a specific animal, it's pretty difficult. That brand alone does not give me the detail that I need. The bottom line for us, from the feeding sector, it's got to work for the rancher, and it's got to work for the feedlot operator. If you expect us to shoulder the burden on the feedlot side of the additional cost, I figured when we were doing the age and source program, we were running about five to six bucks a head, for running the cost. And that's buying 10,000 EID panel tags at a crack in order to get the price down that much. But then you got to go through the ranch certification and all of that. So there's a cost there. As we experienced the electronic readers and the whole program, our ranchers were very reluctant. I've been doing business with some of the same ranchers for 15 years. They got used to the program. But when

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I wasn't able to pay them a premium, it went away. And we currently are not putting an electronic tag in anything anymore. There just simply isn't any money in it. I would agree with the statements on the trade side. I think that's the only way we're going to get into China and some of those markets. It's not going to be fun. It's an expensive process, but unless we get into those markets, we're limiting ourselves quite a bit.

I know I'm probably in the minority here. I think it's something that's way past its time. It needs to be there and for our industry to move forward, we're going to have to bite the bullet and get this thing all the way through the program.

MS. BARNES: Thank you very much. Can anyone tell me what time it is?

MR. WILKINSON: 9:30.

MS. BARNES: 9:30, okay, great, thank you. We are going to take a quick break. 15 minutes is the break time, or are we going to move into open mic? Okay, I'm sorry. I thought we were going to do that after break. Okay, any

questions for the panel members? And can you just state who you are, what your question is, and if it's directed towards any particular panel member that you would like to receive an answer from. Yeah, we have roving microphones.

MR. ED GREIMAN: Ed Greiman, from Iowa, a cattleman from Iowa. So Tom, I'm going to pick on you for a minute, because I'm extremely sensitive about the dilemma that you guys are in at the livestock markets. I spent a few days in Kentucky. I was a guest speaker at some meetings talking about the markets. And so every morning I would spend time with Jim Acres [phonetic], going to his sale barns. And for a while we watched cattle come in. And so you guys are the ones who are going to be blessed with the task of making sure all these cattle are identified, and so you're the first gathering point. If we could get over all the hurdles of resources that you need, and ease of identification of the cattle, could we get to the point that you guys could be in favor of some kind of identification at the livestock markets, if we could get over some of those

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hurdles and take the burden off of you?

MR. FREY: Yeah, to answer your question, there's nobody in this business that wants to see the containment of disease or anything more than we do. The cattle are our livelihood; the producers are our livelihood. The struggles, there's a lot of hurdles that we can get through. There's no doubt about it. But the labor-intense part of it, the facility part of it, the stress to the cattle, the welfare of the cattle, I think are some of the hurdles that are going to be the hardest to face. As auction market operators, what are we going to tell, so many cattle, maybe not so many up in this country, but in Iowa, in Kentucky, wherever, the cattle that move through the video auctions, how are they going to be recorded and those tags read and all that done? The inconsistencies with the states, we've got producers that are of retirement age, I'm going to just sell my cattle private, I'm not going to go to the market. Sell them private, I don't have to tag them, I don't have to do nothing. They can go to Minnesota and not need a thing. We've got so

many, to answer your question, I think we can get through it, but it's going to take a long, long time. We've got way too many hurdles to cross to make it just to work for everybody. We don't mind having a lot of monkeys on our back, but we can only stand so many. I hope that answers your question, but I think as livestock markets, I don't think there's anybody in the world that wants to see disease traceability be effective, but I don't know, more questions than answers.

DR. GARY STEEN: I'm Gary Steen [phonetic]. I'm a veterinarian and a livestock owner. I'm not in Minnesota now, but in South Dakota. And we're West River, so you know what that means.

MALE VOICE 2: Yep.

DR. STEEN: So we like branding, but we also ear tag. And tags get lost, and cattle get stolen or lost, whatever. So we like the brands, and it seems to work fairly well for us, but nobody else wants to brand apparently, not East River or Minnesota. I have a brand for Minnesota too actually, when I had cattle here. But we have, like I mentioned earlier, we do

1 have the outbreak of TB on both sides of my
2 ranch. We got about 600 cattle in the whole
3 operation, 'cause I work with a ranch from North
4 Dakota also. I know the veterinarian really
5 well; that's my neighbor. And one of her
6 biggest issues is the buffalo coming in from
7 Canada and the number of times they have to be
8 handled to get the brucellosis and the TB
9 straightened out before some of them are shipped
10 to Montana. So there's a lot of effort and a
11 lot of time. And I just talked to, her name is
12 Sandra Holcomb, and she works at the various
13 livestock markets around there. She was just at
14 Faith [phonetic], and when they got done with
15 the sale, then she worked from about 3:30 or
16 4:00 'til about 11:00 at night, identifying all
17 these animals and putting tags in. So it's a
18 laborious process to make sure everything gets
19 done right. And like I say, you can't have
20 screw-ups. Everybody's got to be identified.
21 And so our feeder cattle, I mean the steers, the
22 calves that go, that's what they have when they
23 come, is a brand and a tag. And I'm hoping you
24 can follow through on that and identify those if
25

there'd ever be a problem. But there's a lot concern about the time and effort and the expense, both in personnel as well as in the actual physical purchase of identifying, so it's a problem that a lot of ranchers are really concerned about. So I don't know what the best thing is, but anyway, that's why I'm here today.

MR. WILKINSON: If I could just respond, I would agree that there's a lot of labor in it. The problem with the brand alone, I buy from ranchers direct where I'm going to get just brand alone. Or I'm going to get missing ear tags. We talk about how difficult it is in the process, but I just go back to when we had the age and source, and when there was a premium, we were making it work. I mean ranchers putting in electronic tag, going through the paperwork, selling me their cattle, and they were getting paid for it. And the system worked, to mandate it on all of us right now economically and just say from the government, we want you to do it, that's going to be difficult to do because the cost is, somebody's going to bite the bullet. And right now from the beef sector for the last

two years from the feeding side, there isn't more bullet to bite. But I like the program. I think it works. The age and source program demonstrated that to me. And I have a lot of ranchers that are in your area that were very reluctant to put in an electronic tag back at that time. But they started doing it because they were getting paid for it. And ultimately that's what it comes down to.

DR. STEEN: As a veterinarian, I work mostly with small animals. The last few years, as my back and knees don't handle that hard physical work so much anymore, but those tags would migrate too at times, even in the small animals, and I don't know if that's a problem with your large animals, with cattle, buffalo, I don't know. But is that a problem? Does anybody have experience with that, so that you don't find them in the area that they'd normally be, you're looking around for them?

MR. WILKINSON: No, we're talking apples and oranges. I'm talking about a button in their ear. A button in their ear, right. And about the only thing you're going to experience with

that is you may have one fall out just like a calf tag.

MR. SCHIEFELBEIN: Let me just add one thing to that, and we actually own a sale barn in South Dakota as well. But when you get into do brands qualify, the bad thing about a brand is it doesn't individually identify. It group-identifies. When you get into managing an outbreak or anything, you need individual management that matters. And that's where, we have a bunch of customers in your area, whether it's Gilbert [phonetic] or Denny Price [phonetic], etc., and when we give them information back on their calves, they don't want brand information, they want individual information on how they did individually. So I think it's an individual world, not a group world.

MS. BARNES: Question in the back?

MALE VOICE 3: This is both for Todd and for Don, 'cause you're both in the same feeding sectors, but you do your businesses totally differently. I know this by experience with you. So I want you both to answer it. If I

1 went today to either one of your feed yards, and
2 randomly picked a calf out of a pen, you knowing
3 what pen that is, do you mean to tell me you
4 couldn't trace that calf back to within one or
5 two possible ranches of origin? I know Don you
6 would be able to. You probably would have all
7 the genetic information, which I - - care about.
8 We're talking about disease traceability here.
9 We're not talking about improving the industry.
10 I'm in the industry. I'm a livestock marketer.
11 I want everything, if we make something
12 mandatory, Todd, that you got a premium for,
13 there isn't going to be a premium. If everybody
14 has to do it, why would they pay you to do it?
15 If we make it mandatory for everyone to go
16 through that, that takes away the opportunity
17 for you as a better manager and a better
18 operator to capitalize on an opportunity to
19 deliver this product that is traceable.

20
21 MR. WILKINSON: I'll jump in first. Could I
22 identify that? Yeah, when that calf comes in
23 right now, I'm going to get the certificate from
24 Montana, North Dakota, wherever it's coming in
25 from. That certificate is not typically going

to have that individual animal ID, that calf tag. I mean it's...

MALE VOICE 3: Well would you be able by visual, looking at that calf, knowing the pen that it's in, knowing the management, you know where that calf came from?

MR. WILKINSON: I would know, we're feeding to 20 to 25,000 animals a year. So I'm going to know what went into a particular pen. And I'm going to know the ranch that it came from. Now my pens are--

MALE VOICE 3: [Interposing] Isn't that over after, is traceability to the whole ranch?

MR. WILKINSON: I think we need to be more than that. I think we need to get some value out of the process. Now I understand your comment about animal disease traceability. But unless we get some value out of it, I don't see how we're ever going to get the system to function. Now if you make it mandatory, does that mean everybody, that there is no premium? Right now there's no premium in it as far as I see right now.

MALE VOICE 3: Exactly.

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MR. WILKINSON: There simply is no premium. It's not worth my dollars. I'm not using a NHTC program. I'm not into that program. I know it works for some people. But for me right now to invest the dollars to do individual ID, it simply is not there. And we probably track our animals more just because we want to know what's going on, because it's part of I want to know what's coming from that rancher, and I want him to be able to build his herd. But I get a lot of customers that say I want to know the individual carcass data of a particular animal, and I can't give them that right now, because I'm not willing to pay Tyson to read that calf tag 'cause there's no money in it for me.

MALE VOICE 3: But if that person wanted to give that information to you, and if it was worth it to him, which it should be, for him to be able to trace his genetics and his production, if he wanted to do that, it's available to do it now, in the private sector. It's just like you said. You're not willing to do it on your level. Maybe I want to feed cattle next door to you, and I'll advertise that

I will give you all this information back, but hey, I'm going to give you a \$1.40 for your 800-lb. steer calf when you're paying \$1.45, because I want the extra \$40 to this. The producer ain't going to sell me the cattle. Very few will; a handful will. But nobody, no serious producer will.

MR. WILKINSON: I don't disagree with that. You're not going to get a producer, that rancher, equal money being put out there, he'd gravitate towards being able to get more data back. But equal money out there, and he has to do more work, and he doesn't get paid for it, that rancher is not going to go through that program for me. He's just not going to do it. I mean I'm bidding, and on the Superior and the other videos, that system worked with the age and source when it was out. I would get the data. It would come in, and if they had the buttons in the ear, there wasn't a problem with the videos. I didn't have a problem with that. Now I'm running a livestock auction barn, and I know that this is a pain in the butt. But in our operation, we're going to want that animal

when it comes into one of our background yards. We're going to wand it every time it gets worked. We're going to wand it again when it comes into our finishing yards. And we're going to have a whole bunch more data because of that. Now that's a choice that we made when we put that button in the ear. I can't afford to do it right now because there's no economics, there's no return for that data for me.

MALE VOICE 3: Well I guess that being my point, is everyone's talking, and I do believe in all the things you and Don are both saying. I believe producers in general and pretty much across the board are going to benefit with more access to more information, which this is going to give them. However, today all we're addressing is disease traceability. We're not addressing how you can help me. We're not addressing how I can go back and help my producers. We're addressing disease traceability for that reason only, identification. If it's an extra kickback, that I'm going to get all these other benefits and my producers will get all these other benefits,

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that's a way to sell them to accept the program, but you yourself said standing on its own right now, it's not there to do.

MR. WILKINSON: I'm just going to make one final comment.

MS. BARNES: And then we'll turn it over to the other person who - - respond.

MR. WILKINSON: The only thing that I would add, it is a disease traceability, but in and of itself, the disease traceability program is not, it's not set up to be economically viable right now. So unless you couple the two, trade and the traceability, I don't think we'd get anywhere. And that's just my thoughts.

MALE VOICE 3: I'd agree with that. One last thing before they flip it--

MR. SCHIEFELBEIN: [Interposing] Let me jump in there on that, because I disagree just a little bit on that. Not because there's an economic gain to be made, but if you look at disease and the risk of the cost of not having it, you have to look at that on the flipside as a potential cost. So in our business, we put a lot of dollars in place so we avoid game over.

1 And game over is very important to a family
2 business. You can't afford gave over. So going
3 back to your question, do we know, or do we
4 identify all of our animals? - - absolutely
5 every one. In fact most of them, we know who
6 their daddy is, all right.
7

8 MALE VOICE 3: Exactly.

9 MR. SCHIEFELBEIN: But does that protect me
10 from a disease outbreak beyond my domain? So
11 for example, if my neighbor who doesn't have the
12 same data capability as I do, if he is the cause
13 or the culprit of the disease outbreak, and it
14 shuts down the US markets, how do I play into
15 that game? I get hurt just as badly as he does,
16 yet I have everything in place. So when it
17 comes to disease outbreak risk, as much as we
18 would like to be the nice guy who says well play
19 if you want to play, and we'd really like you to
20 play, but we don't want to mandate it, because
21 you are playing with my family's risk of whether
22 or not we have a livelihood if the markets shut
23 down, you can't quite give them the complete
24 laissez-faire flexibility there. Because now
25 the burden of you not doing something can

1 directly impact my family's livelihood to sell
2 beef successfully. And that's where the rub
3 meets it, and it has nothing to do with good
4 guys and bad guys. It's all of us in it
5 together that's saying gosh, what do we need to
6 do as an industry together to collectively make
7 sure that should one of these disasters approach
8 us, that we can get out of it as quickly as
9 possible, so that our family's business can
10 rebound successfully. So I don't think it's a
11 bad thing. I think you have to look at it in a
12 positive light.
13

14 MALE VOICE 3: But my question being Todd
15 with a whole different type of feeding operation
16 than you have, can you tell me within a
17 reasonable, within a couple of ranches, Todd,
18 where that calf come from, if I drive out to
19 your place and show you a calf in one of the
20 random pens? Will you be able to tell me,
21 because of that lot number, because of whatever
22 identification you might've had, whatever
23 records you have, what would be the most amount
24 of possibilities that that particular calf
25 would've come from? I mean if you've got five

or six ranches in one lot, would you be able to narrow it down that much?

MR. WILKINSON: Yes.

MALE VOICE 3: Okay. Then wouldn't you consider that pretty good disease traceability to go back to those five ranches? We just went through I don't know how come they couldn't track the TB animals. They say 29 ranches in all these different states or 29 sources, the states wouldn't cooperate, that that to me is unacceptable. But to go back to five ranches, whether it's in three states or five states, to find something out of your deal, it seems like that's not such a big burden.

[Crosstalk]

MR. WILKINSON: The hard reality is how many could you not trace? Wasn't it six? Six were untraceable, so we can live in whatever world we want to dream of, but the reality of the world we're living in says six, they couldn't do it. I'm sure you tried every way possible to find it, so they went to them, and they said give me option A, give me option B, give me option C. How about your cousin's friend's relative, could

he possibly have the animal? They explored all those. Where we are today is six were not able to be traced. So under today's system...

MALE VOICE 3: But they said there was 29 different possibilities, and that's where they quit following it. To me I would think 29 possibilities aren't the end of the world.

MR. SCHIEFELBEIN: No, that's not the answer.

DR. THOMPSON: And so it's six animals. That doesn't equate to 29 herds. 29 herds was one of those six. So when you tell a producer I don't know if it's you, but I'm going to quarantine you for this period of time and test so many times, that's a burden to them.

MALE VOICE 3: We went through it. I know; we went through it with hundreds of producers through the TB deal, which 100, most of them had absolutely no reason to have to do it, other than the fact that we had to ensure we had, that we were going to eradicate TB in northern Minnesota. I don't think it was that difficult to do. I think the tracing, both tracing out and tracing back, I think I was trying to get

some documentation and some statistics on how well they traced out and in. As far as I know, 100% we were able to trace from the sale barns that I operate to at least the next owner. Now from that point on, whether it was a feeder animal and it got slaughtered out of there, or whether it was a bred cow, some of them we sold again two years later as a bred cow again. We were able to track all of the movements that had anything pertaining to our livestock auctions. But I just don't think, but we were talking mostly bred animals. Feeder animals, yeah, we had one calf that they were wondering because it was a crippled steer calf, and they didn't have an ID, they were wondering if it was, where that, to make sure that that was the calf that this producer sold, it was a five-year trace back, a 300-lb. crippled steer calf. So we spent probably the better part of a month back and forth with Glenn coming in and trying to narrow out all the possibilities where this calf could've gone. And like I told Glenn, I could see if it was a heifer. But a crippled steer calf means he was crippled, wouldn't even be

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1 able to be an oxen pulling a cart for somebody.
2
3 The possibility of him still out there five
4 years later infecting our state, when we were
5 still trying to track down bred cows, I just
6 think they didn't have their priorities all in
7 line. But the ones that they did need to trace,
8 I think they did an excellent job.

9 DR. THOMPSON: Well and thank you. So I
10 think that our staff and the state staff do an
11 exceptional job with the information that they
12 have available. So consider our protocol for
13 traces is to go back five years, movements on
14 and off of that premises for five years. So if
15 you're talking about 29 potential sources for an
16 infected animal, and you go back and trace them,
17 and then you're looking at all the movements in
18 and out of that particular facility, it's like a
19 spider web. And there's arms that reach out all
20 over the place for some of these traces. It's
21 not a one facility-type of deal. It's five
22 years' worth of data and sorting through
23 information, if it exists. So I think you're
24 fortunate you keep good records, but that's not
25 always the case that we run into. So sometimes

these takes months.

MALE VOICE 3: I think I misunderstood your statement. I thought you had six actual infected animals that you could not find where they came from.

DR. THOMPSON: Correct.

MALE VOICE 3: Okay, so now we're not going back five years. We're just trying to find out where this animal came from. If the spider web goes back to 29 different possibilities, I don't see that being such an insurmountable deal. I know it's a lot of work. We went through it. Believe me; we did. But it's doable, and especially if the disease is something that has the potential to wreck commerce or to spread quickly. TB being such a, I'm assuming yeah, it was a TB animal, wasn't it?

DR. THOMPSON: Yes, these were all TB--

MALE VOICE 3: [Interposing] Yeah, it's such a slow-moving disease that that's how come you get these cases. They're not detectable right away. If we've got hoof and mouth, well they could be dropping like flies. It's not going to be real hard to find, to go back and find them.

1 It's not going to be lasting five years later.
2 You're not going to have a trace back problem
3 like that, but just that one animal, to find out
4 where it could've possibly come from, I'm
5 assuming it was probably in a feed yard, and the
6 feed yard said hey, here's all the places I
7 bought cattle from. I'm assuming that's the
8 scenario? I don't see where it'd be so hard to
9 go back. Maybe it wasn't a priority for the
10 people doing it. Maybe the state that
11 potentially had that animal there just didn't
12 want to deal with it. But yeah, I don't see
13 where, I don't see where that would've been such
14 a big deal. It would be way easier to trace
15 that animal once a year than to record all of
16 the other feeder cattle just for that one, or
17 those six times. If you put it into comparison,
18 I'd rather have a whole team that did nothing
19 but trace backs. And you would expend a lot
20 less energy doing that than you would be trying
21 to track every beef feeder animal.

23 MS. BARNES: Good thoughts, thank you. Are
24 there any other questions for the panel? I
25 didn't see anyone raising hands or anything,

but...

FEMALE VOICE 1: Over here.

MS. BARNES: There we go.

MR. MIKE VAN MAANEN: Mike Van Maanen from northeast Missouri. I am a cow-calf guy. I'm a backgrounder; I'm a cattle feeder. I also run two markets in the state of Missouri. Most of my market business comes from, I mean I got some fulltime cow-calf people that I deal with, but most of my market business comes from a guy that might work in town or a large drain farmer than off on the side might have 50 cows. They're not fulltime cow-calf people. As we move forward with any kind of disease traceability program, we have to protect the small cow-calf guy and not force him out of business. And you know, there's lot of things we can do voluntarily to export cattle. But to make it mandatory, that we drive people out of business, I think we have to be very careful on export business and also in disease traceability if you want to tie them together. To me it's kind of two different issues. But we haven't discussed the guy that's got 50 cows, he's done it for a hobby, he does

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not have a lot of facilities, he wants to bring them to my market and know I'm going to get the best price I can. Chances are they're not weaned, they're not bull calves, and maybe none of you guys want to feed them cattle, but there's people out there that will buy them and background them and feed them. So we have to protect the people in that industry, even though they're not on that panel, and they're being discussed. And Tom, I mean Tom and I fit into the same category. He would deal with those people. Those are the same people that wouldn't even understand what ADT is about. When you show up and you want to introduce it to them, some of them you can train, some of them are just going to quit. And I'm for the guy that is going to, you're going to force out of business, and I'm here to represent him, and I think we've got to keep those people in business.

MR. FREY: I just had one other comment, and that was when I talked to these people out at the ranch and the people from North Dakota that I work with, they didn't know about this meeting. And I don't know how many places you

1 have it in. I know I get the Tri-State
2 Livestock News, so that's where I found it. And
3 I talked to everybody that I know at the ranch,
4 and they just wondered where in the heck it came
5 from. And the meeting was apparently short
6 notice. I don't know how long it was. I don't
7 know. Anyway, that's just a comment, that a lot
8 of people probably still don't know. And of
9 course you were saying what does ADT mean or
10 whatever, but...

12 MR. GREIMAN: So Ed Greiman again from Iowa.
13 In all my travels, in the work that I'm doing,
14 when I look into the crystal ball of what we've
15 got to do, there's no doubt in my mind that
16 traceability is something we're going to have to
17 tackle. And that's why I say I am so sensitive
18 to how we can do this, because I agree that the
19 gathering point is going to be the sale barns.
20 That's going to be the gathering point for those
21 guys that have 10, 20, 50 cows. And so there's
22 no doubt in my mind that we have to figure out a
23 way to get over that hurdle, 'cause I don't
24 think we can say we're never going to have ID.
25 I don't think we can say that forever. So I

think we've got to figure out a way to get over those hurdles, and I know it's going to be hard, it's going to be extremely hard. It's going to take a lot of resources. So I think that's probably what we've got to do with USDA is figure out how to get over those. But I am sensitive to both state staff and working with my state vet and their staff of the resources and that you guys are going to end up, you're going to have the burden of all the work of doing this. I know you are.

MS. BARNES: I just want to make sure that there are no more questions for the panel members, because then we can take a break and then come back and continue the open microphone session, so in particular, any questions for the panel? Okay, so we'll take a break. It is, yes thank you very much. We'll take a break until 10:15 and then come back, and we'll continue with the open microphone discussion.

[END Morning_Session_MONO-002.mp3]

[START Morning_Session_MONO-003.mp3]

MS. BARNES: Okay, we're going to reconvene. If I could have you all come back in and take

your seats. I'm going to into my open mic. You will need microphones, because it's open microphone. Now it's just comments, yeah. All right. Thank you so far, for the lively discussion. We're going to continue with the open microphone session for all of you. Comments, questions, what have you. So just raise your hand; continue with what we were doing. We'll get the microphone to you. If you're uncomfortable asking a question, you can certainly use the index cards on the table. Write it down. We can ask the question or have a comment on your behalf. So with that, we'll continue the open microphone, and I'm sure doing break, you had a lot of thoughts, so now is your opportunity. Thank you. And I'm not going to release you for lunch yet, so just going to say...

DR. THOMPSON: So you may as well talk.

MR. CURT ZIMMERMAN: Curt Zimmerman with the Minnesota Department of Ag. I think sometimes the best way to look at an issue is to ask yourself as far as the importance is, what would happen if we just refused to act and just go about our business? Just don't do anything.

What would happen with our livestock industry if we just decide it's not important, we've done it this way forever, let's just all go home and do things the way we've done? The industry, whether it's livestock, any type of livestock, it could be grain operations, we're dealing with smaller farmers, a smaller number of farmers who are larger, who are doing business outside of the local communities and outside the boundaries of our states, our cattle operations, as Don mentioned, doing business in multiple states, our dairies are getting large enough where they're shipping their calves out not only in other states, but across the country to be raised and then shipped back. Identification I think and being able to trace our livestock is something that we're going to have to deal with. The industry is changing. We can act as an industry and make our own plan to do things in a uniform way. We can allow the US government to make our plans for us, and that can change. I think the recent example we had with the Environmental Protection Agency, and how that whole segment of protecting our environment went

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down, we saw just a small glimpse of what can happen when a certain movement gets in and makes our decisions for us. I think as the cattle industry, we do need to come together and find some middle ground and make our own decisions and our own plans on how we identify, and that's just a comment from myself personally.

DR. PAUL MCGRAW: Paul McGraw, I'm the state veterinarian in Wisconsin. Just make a couple of comments here. I know one of the things that was mentioned earlier was all the exemptions written into the traceability rule and how that didn't help us. I've written a few rules with the state, and sometimes we have people on different sides of the issue. And sometimes we have to put some flexibility in to get something passed. Anybody can contact their legislators and believe me, they listen. So what I saw with that rule was it gave us a baseline, and it also wrote in there that the state of origin and the state of destination had to agree to most of these exemptions. Now in Wisconsin, I didn't make any agreements with anybody. So you can't use breed registration tattoos. You can't use

brands. We don't have commuter herd agreements. So what we did was we said this is a federal law, and we put into our administrative code. So I would challenge other states have that same opportunity, if you have agreements, get rid of them. Those exemptions are gone. USDA wrote that as an opportunity for flexibility, but they didn't mandate that states had to make that agreement. And I know it's challenging, and it's challenging for the industry to know who has an agreement with what? And it's simple for Wisconsin. Put a tag in it. And there's two tags that are official, noose tag and 840 tag. That's not very confusing. Need a CVI and a tag. Period, we're done. So I know there's a lot of challenges out here, and there's a lot of issues we have about tagging feeder cattle and everything else. I think we want to look at this as let's make some progress. And maybe we have an opportunity here to, let's just talk about what are the holes we have with program cattle that are being tagged today? So we got 18 month and older. A lot of those animals are being tagged in the markets. Why don't we push

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that back? Why don't we change our definition of in commerce as to leaving the farm of origin? If USDA could put leaving farm of origin as moving into commerce, push that tagging back to the farms, so that we know when they go to the market, they've already got a tag, that helps me a tremendous amount in my recordkeeping. If it's an 840 tag or it's a noose tag assigned to that farm, assigned to that premises, I know that instantly. And that saves me a whole lot searching. I don't have to go down to Bloomington Livestock Exchange and ask them for all of their records, because I need to know where this tag was applied, 'cause they're going to have it. It's going to be the farm of origin. That also covers our private treaty sales. So if you've got a farm auction, they don't have a tag in them, they're exempt. Somebody might prefer to do that than to go to the market. So I think that we could move something forward here, and maybe that's one opportunity. Let's push some of this ID back to farm of origin, see how it helps.

MR. CODY SCHABEN: I'm Cody Schaben with the

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Dunlap Livestock Auction in Dunlap, Iowa. And I just wanted to address the farm of origin issue a little bit. Our average producer is probably a 40 to 50-head cow-calf producer, and the cow-calf deal is probably their third income. If you require them to tag a calf leaving their farm, they will give it up. When they do that, we will go out of business. There will not be, there won't be a livestock auction in the state of Iowa to market cattle at. And true price discovery will disappear.

MR. FREY: I just want to be very clear; I wasn't talking calves. I was talking about 18 months and older cattle that are moving. Most of those animals are either going for breeding or going for slaughter. They're already required to be identified, and it could be put in that they could be identified at the first tagging site. They're being tagged right now in the markets today. They're already being tagged at the first comingling, for moving interstate. What I'm doing is saying change the identification to commerce to the farm of origin or the first location of comingling. That

market's going to do it today. So I don't think it would eliminate those--

MR. SCHABEN: It will have the exact same effect, because they are still going to be required to do that whether it be a bred cow or a slaughter animal. It will have the exact same effect as pushing it to the feeder cattle.

MS. BARNES: Any more comments?

MR. JASON LEKIN: I'm Jason Lakin from Tama Livestock in Tama, Iowa, and I just want to reiterate, and this is my personal feeling, I do appreciate that you folks, and I can understand the whole idea of animal traceability, and I really agree with you folks that we need it, and we need it in a timely fashion, and I agree that the electronic tagging would help that, getting that into a computer system that can analyze that data in seconds instead of days. The thing I ask is in the past, when we've had programs like this, as far as like the scrapies eradication thing, as a livestock market operator, I felt like the USDA had a problem, and they put that burden of the problem on those markets. And I just ask that please don't put

the burden of the program of going out and educating all of our customers and also enforcement of that, because unfortunately when you folks come to our facility - - we're trying to do the right thing. And you folks have the ability to make our life very miserable. And rightfully so. But the problem is, is we're trying to do the right thing in the first place. And sometimes we get stuck in the middle with our producers, and we lose customers. Like I said, I go back to the scrapies example. Shortly after that happened, Tama Livestock didn't sell sheep anymore, because the commission was at that time, lambs were cheaper, things like that. It wasn't worth us fighting and beating our head against the wall anymore to service those livestock producers. In Tama County now, I can probably count, there's probably three flocks of sheep left just because those markets are closed now. And like I said, I agree, and I appreciate that. I just, I hope that you guys, we can come to some sort of terms, and I would like to be at the table because I don't want to see that burden be put

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on the livestock market solely, because we don't want to have problems with the USDA. We don't want to have to explain to our producer hey, I can't sell your livestock because you're not following the rules. Because they don't care if the USDA comes to their farm, honestly. We do care. We don't want to be stuck in the middle. So like I said, I can appreciate what you folks are trying to do, and I appreciate it, and I agree with you. The problem is, is we need to figure out a way to come together and not put the burden all on one person. So I guess that's my 2 cents.

MR. CODY KIRSCHBAUM: I'm Cody Kirschbaum from Bloomington Livestock Exchange. And going off of what you said is a great point. The markets - - when the cattle come in. We could have sets of cattle that might come in weighing 300 lbs. - - from instate, they might weigh 900 lbs. coming from instate. And those cattle will travel out of state. If they travel out of state 900 lbs., and before that they never went to market once, there's nothing in their ear, there's no traceability to them, they're

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literally ghosts. So right now the way it would stand is we would miss the priors, 899 lbs. of that calf's life for any traceability reasons. If something were to happen after the sale of those cattle, when we put a metal tag in the ear, is what we put in, we put that metal tag in, and something happens from there to slaughter, it would trace back to our market. Anything prior to that, there'd be nothing, and there'd be no way to really go about it, because we're just like everybody else that was saying. I mean 50-head guys, producers down 1 head, we see them all. And we say whether you have a 1 head or a 500-head, you're all the same to us, and that's something that we've got to always remember. And when those guys bring those cattle in, the buyers could put together 30 head and take them home, but they might be from 30 different guys. And that would make that traceability really, really, I don't want to say impossible, but impossible. So just something to think about in the process of whatever is implemented.

DR. MCGRAW: I just want to highlight a

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couple of other things, again Paul McGraw from Wisconsin, that maybe we can help sort out as we're moving forward. I think CVIs are a big issue. We deal with a lot of paper CVIs in Wisconsin. We deal with a lot of scanned paper CVIs that are sent to me in an email. So when you talk about searching, I have to open up each one of those PDFs and see if that ID is on there. We also have some good solutions for electronic CVIs that are being used. And I would encourage anybody, especially farm of origin, your markets, if you haven't looked at using electronic CVIs, I think that's something we can get better at. And I think we need to move there so that we can search for these guys, 'cause we don't have staff to go through those boxes of paper like everybody was showing pictures of.

The other thing that needs to be sorted out is the technology. 100%, it doesn't matter if we have 98% if that one animal that's a TB positive that I can't trace her. So I care about 100% too. But we need to figure out is it going to be the UHF, the low frequency, what's

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going to be the best ID? What's going to work the best for these cattle going through the market? And I'll guarantee you if we can find a solution that saves you money on recordkeeping, and we can actually get close to that 100% on ID, and then drop it onto an electronic CVI to move interstate, now we're talking about a solution that's making money instead of just a cost. And I think that we need to look at more of those opportunities that we can find something that will work. And I spent 16 years in mixed animal practice. I read a lot of ear tags, a lot of those noose tags. I put a lot of them in, wrote a lot of health papers that were not legible. Now at the other end of the page, I understand what kind of an issue that is, and I try to wonder what the heck that vet was writing. So we need to continue to figure out those answers.

MALE VOICE 4: I'm going to throw Joe under the bus too, because we do, and he brought this to my attention, but you were talking about official ID exemptions. Now you're saying that there's no exemptions, and maybe I'm looking at

1 this wrong, but there's no exemptions for the ID
2 for stuff that's 18 months of age in Wisconsin.
3 Is that correct? Okay. And we were just
4 looking over, and Joe brought this to my
5 attention, that directly to a recognized
6 slaughter establishment or directly to no more
7 than one approved livestock facility. Okay,
8 okay. It's a different exemption. So can you
9 clarify for me that if there's an exemption, so
10 any livestock that's over 18 months of age,
11 let's just say a fat heifer, because I know
12 she's still intact, because we have an exemption
13 for steers, if I understand correctly. So
14 currently we have an exemption, because we'd be
15 an approved livestock facility whether it's
16 Tama, Iowa or Lanesboro, Minnesota. So what
17 you're saying is we have a current exemption for
18 any of these things on 18 months of age. Is
19 that correct?

21 MR. FREY: So we don't allow, I don't have
22 any agreements with other states that would, so
23 the one exemption there, between shipping and
24 receiving state, with another form of ID, as
25 agreed upon, I don't allow that. I don't have

any agreement that you can use a breed registration or tattoo or brand, okay. But everything else, directly to a slaughtering establishment, we don't have any requirements. Wisconsin does require an official ID in any female. So a beef feeder heifer coming from out west needs to be officially identified to come into Wisconsin. Now not the market. They could come to an approved market, and then they would have to be identified there. But we have a fair amount of those feeder heifers in other states end up being breeder heifers in Wisconsin.

MALE VOICE 4: Correct, yeah. So can somebody clarify for me then, is this official ID exemption on a 19-month-old fat market heifer? Do those have to be ID'd currently in our market to go to slaughter?

DR. THOMPSON: If they're going direct to slaughter, they can move on a back tag.

MALE VOICE 4: Okay, but they would have to have an individual...

DR. THOMPSON: Back tag.

MALE VOICE 4: Back tag, okay.

MALE VOICE 5: What if they're under 18

1 months of age? This is where it gets really
2 complicated for a seed stock guy like us, who
3 we're selling all bulls under 18 months of age,
4 and they go to the varying states, and to try to
5 get a true answer out of them is nearly
6 impossible. So what we have had to do is just
7 default to put an ID in every one of them and
8 nobody can say anything. Because they don't
9 know how to answer the question.

11 MALE VOICE 6: Wisconsin is all sexually
12 intact, regardless of breed, needs an official
13 ID. So the only exemption, any age, sexually
14 intact, that's the federal flow chart. For
15 Wisconsin, we are more restrictive than the USDA
16 traceability. All sexually intact cattle, any
17 age need official ID.

18 MALE VOICE 5: So we need a flow chart for
19 every state - -. Thus the problem.

20 MS. BARNES: Hope our note takers heard
21 that.

22 MALE VOICE 7: This is for Dr. McGraw 'cause
23 I dealt with this when I worked for Equity.
24 When beef heifers in the state of Wisconsin
25 going to feed do not have to be identified, if

they're signed off as going to feed, 'cause we had that whole paragraph, actually I was on the phone with you, I think I got wrote up that day.

MALE VOICE 6: If they're within the state. If they're being moved interstate into Wisconsin...if feeder heifers cross the state line into Wisconsin, and they're going for feeding, they would need official ID and a CVI. If it's a feeder heifer within Wisconsin staying in Wisconsin, then they don't need to be a CVI or official ID.

DR. HEIDI VESTERINEN: Hello, I'm Heidi Vesterinen. I'm a bit of an outsider here. I'm working at the University of Minnesota as a public health resident. But my background is a mixed animal practitioner from Finland, in Europe. I used to work with a lot dairy and a lot of beef cattle, as veterinarian. This conversation has been eye-opening to me to see how your animal ID system works. It's very different from ours. Ours is you tag an animal when it's born, and that's it. You get two tags on both of the ears for all, whether it's beef or dairy. I understand our system is very

different from yours. We have very small cattle compared to yours, so a lot of the people will actually have just a couple of animals even. And then those are sold to feedlots, just like you. I don't know, I really don't believe our farmers are more educated or less educated than yours. But there's still, all of those do that. So I think maybe there's something that can be done. This system sounds awfully complex and very difficult to navigate for me. And maybe because of that, it might actually be even more expensive than having a simple system for everyone to follow. Just my thoughts, you don't have to think the same of them.

MS. BARNES: Thank you.

DR. TIM GOLDSMITH: My name is Tim Goldsmith. I'm veterinarian with the University of Minnesota. I'm also a cattle producer in southeast Minnesota along with my family. One of the things I do get to do each fall is take a group of veterinary students to Canada to appreciate or learn the North American beef production system and spend some time in Canadian feed lots. So I'm going to just kind

1 of give you my impression of the Canadian system
2 of what I've observed over the last seven to
3 eight years I've seen it progress up there.
4 From my perspective, they have a truly bookend
5 system right now, and other people may have more
6 expertise in the details of that. But every
7 calf goes to market when it leaves its premise
8 of origin, has an ID. Up there I believe they
9 required an RFID. The larger feed lots up there
10 have incorporated those IDs into their
11 management. They were putting them in anyway.
12 Now calves come with them, and they're able to
13 use it as their management on a day-to-day
14 system. I've also had a chance to stand in a
15 Canadian packing house and watch those cattle
16 come to market, some of the challenges of
17 collecting them at the end of the day, right.
18 Because they all have it, and it's all the same
19 type of thing, it's a very simple process, an
20 additional station in the process where they're
21 all read, recorded, and then they're able to go
22 with the carcass age, if available, if it was
23 collected, the age and months is able to stick
24 with the carcass and go with that. That's a

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value perspective from the marketer there if they hit those markets. But it's very simple. A few years ago they were doing a pilot where they were trying to catch these IDs all at the market, as they were coming through. They're not doing that anymore, because it was very complicated. It added a step. And from my perspective, they have a true bookend. Where did it come from; where does it end up? And that raises the question, if I look at the goals of the program here, it does state bookend system. We're having a lot of discussion on capturing it and impact on markets. And where you capture that data, different steps, I do believe the markets for a lot of these calves, if you're going to do calves, is going to be where some of that gets applied, like we're seeing currently whether that's sheep or things like that, and the market is where those IDs are getting putting in, and for scrapies and things like that. The question becomes is a bookend enough? Then maybe that's a question for USDA if you look at the goals for traceability. There's a lot of things that happen between

1 birth and death. And what do you really want?
2 What are our goals here? Or is it a step-wise
3 process? Do we want birth and death? How do we
4 do that first and then go from there? I'm a
5 personal believer that's it too complicated
6 right now. There's too many ways to capture
7 these IDs. And if you're going to do it at a
8 speed of commerce, you can't have multiple
9 options. You need to have one so you can focus
10 on that. Transcription errors and human error
11 is a real thing. If you're going to really get
12 back 98% for every three letters you read,
13 there's a 3% error rate in transcription. Look
14 it up. That's science. So as you start getting
15 down in these details, how accurate you want to
16 get, technology becomes part of the equation,
17 and how we're going to grasp that, I'm not
18 saying what technology is right. I'm just
19 telling you what I've seen to do that through
20 the system.

21
22 The other comment that I would like to make
23 is I think as cattle producers, we need to watch
24 what the other species are doing. Swine
25 producers, this has not become mandatory, but

1 it's become necessary to sell your animal to a
2 major packer to have a prem ID for those animals
3 that are coming there. Now those are going in
4 groups and things like that. We haven't talked
5 much about prem ID. That's a part of this
6 puzzle as well. Everything has to come from or
7 go to somewhere. And how you're capturing that
8 is part of the discussion as well, as we do
9 that, to come in as we do that. Cost is a real
10 thing. I recognize that coming back, as we
11 start talking about our smaller producers. I
12 think that the labor, my personal belief, the
13 labor of getting tags in and getting those
14 things in is bigger than the financial cost of
15 purchasing tags. 2 to \$3, \$5 is not a big deal.
16 It's the labor and the handling of where that's
17 going to happen. Markets are probably a place
18 where that can happen. If we look at how sheep
19 are marketed now, they don't come with a scrapie
20 tag. The markets are the ones that are doing
21 that or the vets in those, whatever those are,
22 right, and that comes with a cost as they do
23 that. And we have to think about the realities
24 of where those all hit. But first and foremost,
25

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2 you've got to have something consistent and easy
3 and repeatable to do that, so those are my
4 thoughts - -.

5 DR. THOMPSON: Just a couple quick comments
6 to some of the things you brought up. So we did
7 try tag retirement at the slaughter plant for
8 visual-only tags. It cost a buck a tag to type
9 those numbers into an Excel spreadsheet to
10 retire them. So that project was scrapped
11 because it's not cost-effective. So RFID
12 obviously helps with that, in that regard. In
13 terms of movements along the way and things like
14 that, we do track, we have official IDs listed
15 on TB test charts and brucellosis test charts,
16 so we consider those sightings. So it might be
17 the first time the tag was applied, but it might
18 not be. So if those are in our system, we can
19 type the number in, into the database and get
20 any record associated with that tag number. I
21 don't think any animal health official in the
22 room would say we want anything less than full
23 traceability, because it helps us do our job.
24 And speaking of Canada, had the benefit of going
25 up to a traceability meeting up there. And

1 granted, all the countries that were represented
2 there have way different industries than ours.
3 But one of the things that I thought was really
4 intriguing is that they have owner input of
5 movements. And so I sell an animal, I report
6 that I sold it, you report you received it. And
7 when we looked at a demo of a traceability
8 software system from Quebec, it was really
9 interesting to me because the compliance aspect
10 was just you type in that tag number, and you
11 can see every premises that animal moved to, and
12 if it had a red stop sign, somebody didn't
13 report that moving, and there's your compliance
14 issues that you have with that particular
15 individual.

17 The other thing that was really intriguing
18 to me as an animal health official is that I
19 could put in that tag number, and it told me
20 every contact premises within the timeframe I
21 delineated. So if you're talking about an
22 outbreak, and you want to go back five years,
23 you type in that number, and in seconds, you
24 have every premises that animal was on. And
25 then every contact animal on each of those

premises in seconds.

MR. JOE NELSON: I'm Joe Nelson from Lanesboro Sales Commission and Decorah Sales Commission at Decorah, Iowa. We talked a lot about today feeder cattle and breeding cattle and everything, but one thing that you got to keep in mind on just, on our point, is we run a fat cattle auction every Wednesday at Lanesboro and we run one on Monday in Decorah. And just for instance, last Wednesday, we had 1,400 fat cattle. 226 consignors. Could you imagine if I had to run fat cattle through the chute, bruise them up, and get them ready for the auction? They start coming in on probably during the night on Monday night, and they still keep coming 'til Wednesday afternoon for the sale. And then packers are standing there with their trucks, and they're loaded, and they go. How would you expect us to actually keep track of those? I mean who's going to be there to tag them, and then who's going to take the phone call from Tyson or JBS when these cattle are all bruised up from going through the chutes? I'd just like you to think about that a bit.

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MS. BARNES: Any more comments in the room?
Good stuff. Okay. Back here.

MR. RYAN JEPSEN: Ryan Jepsen, cattle
producer, Decorah, Iowa. I guess my question is
how did the sales barns get denoted to have to
do all this? I guess, how did we pick them out
of the hat as they're the point to do it, when
in Finland there are a lot of other places.
It's really not that hard for the cow-calf
producer, whether you got 4 calves or 40. I
started with 3 cows, and you can tag them, and
that's simple. So I'm just kind of curious how
they got singled out.

DR. HAMMERSCHMIDT: I'm not sure they got
singled out. When we did the ADT framework, it
was recognized in certain parts of the country
that folks don't have ways of tagging their own
cattle, so we made it an option for those
animals to move interstate and if they were
being moved to an approved tagging site. So
that's one of the flexibilities that we put in,
knowing that there are certain cases where the
producers are more agreeable to pay somebody to
tag their own animals instead of doing it

1 themselves. A tagging site doesn't have to be a
2 market, but I think a heightened majority or a
3 percentage of the approved tagging sites are
4 markets. That was, actually it's the
5 prerogative of a market to request approval to
6 be an approved tagging site. It's not a
7 requirement. It's their option to do so. If
8 they're not an approved tagging site, it really
9 restricts their ability to receive untagged
10 cattle that have moved interstate. I think the
11 big issue of course is the higher volumes when
12 we start looking at the feeder cattle issue. I
13 would encourage you all to look at a stepwise
14 transition to ADT and consider the current gaps
15 that we have in our current animals that are
16 covered, all dairy and beef cattle over 18
17 months of age. And 'cause I think the tagging
18 of those, the current cattle that are covered,
19 I've heard market managers say well don't do
20 away with approved tagging sites 'cause for me
21 it's working well. It's a different critter
22 when we start talking about tagging feeder
23 cattle at sales, I believe. So make sure when
24 you have these discussions, that you try to

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split those two cattle groups off because we might be more receptive to making progress with our current framework as it's covered today, by age groups and classification. And we don't have to solve the feeder cattle issue today. I think there's a lot of animal health officials that agree that we have bigger problems to solve today. So in your breakout groups, make sure we talk about the current cattle that are covered in the current framework and what we can consider when we revise the framework further down the road, 'cause we might end up doing nothing if we try to do it altogether at one time.

MALE VOICE 8: Neil, I just want to make sure that I can get this out there, but when we talk about, you made a reference to the producers that'd rather pay a market to tag the cattle than do it myself, but that is a completely voluntary action on behalf of each market. Us for example, we cannot charge our customers to tag cattle if they bring them from out of state. Reason being we could, and some people do, and there's no right or wrong answer.

1 But the reason we can't and won't is because
2 we're right on the border of three states. And
3 if we start implementing a charge for a tag,
4 they're going to say well heck with you guys,
5 I'm going to keep them in my state and sell them
6 there. We'd lose a pile of customers. So we
7 eat the expense fully. I mean the facility that
8 we had built, the labor, every part of it, we do
9 absorb. And we have no increase of any kind of
10 commission rate or anything to absorb it. So
11 that's a cost that we're fighting with every
12 day.
13

14 MR. JEFF REED: Jeff Reed with Central
15 Livestock. We market livestock for about 14,000
16 producers every year. This is obviously a very
17 important issue to everybody in this room. But
18 the one thing I'm not getting clear is does the
19 back tagging process, if we move forward with an
20 ID program, does the back tagging process go
21 away or get modified in some way? 'Cause it
22 seems like today that is a fairly cumbersome
23 process. There are some processes that are
24 approved for when an animal has been back tagged
25 and when it can be removed. We're back tagging

1 fed heifers in a number of the markets. Does
2 this fit in this discussion or not?

3
4 DR. HAMMERSCHMIDT: It certainly does. We
5 want to I think have discussions about
6 increasing the volume of cattle tagged
7 officially. There's concern about the number of
8 exemptions we have. I think the one that I
9 heard most frequently from state animal health
10 officials are the exemption for cattle going
11 directly to slaughter, including those through
12 one market. Maybe they're represented as going
13 directly to slaughter, but then they go back to
14 the country. So I think in some of our gap
15 discussions or filling the gaps, we need to have
16 a discussion. When is it justifiable to have an
17 exemption to official ID, if any? And what
18 cases might be appropriate for a back tag? If
19 I'm a closed dairy manager, run a closed dairy
20 herd, I don't buy cattle, and I take my - -
21 cattle directly to slaughter, what's the value
22 of an official ear tag versus a back tag? Those
23 are the discussions. I'm not saying one way or
24 the other, but those are the kind of discussions
25 you all need to have in some of those cases

1 where there might be a justified exemption,
2 'cause I don't think we want to just say well
3 they're too confusing, get rid of all of them.
4 Have a discussion, if we want to minimize, I
5 think that's an opportunity, but that's part of
6 why we're wanting to have these breakout groups
7 and discuss those kind of things.

9 MALE VOICE 9: Neil, I don't pick on you,
10 but you're old enough to remember when the Bangs
11 vaccination program came into effect, basically
12 eradicated Bangs in the United States with a
13 simple orange tag. Consistent in 50 states.
14 You can read that ear tag, you got to - -, you
15 got a suspect. Three hours' time you can trace
16 that back. Can you not today? You still can
17 today. The problem I have is the consistency.
18 Wisconsin's got - -. North Dakota, South
19 Dakota. You're giving everybody a different set
20 of rules to live by. And I think you're going
21 to have to, that's going to be one of the big
22 hurdles, that not only us as auction markets,
23 but I'd say the seed stock producers, everybody
24 in the country if they had one set of rules to
25 live by. And then you can go right back to the

Bangs deal. I think it's a simple solution. I think it could be a whole lot simpler than what we're trying to make it.

DR. HAMMERSCHMIDT: No, and we've heard those discussions, comments quite a bit. Earlier comments about how we certainly wanted to appease everybody years ago, and we certainly put in a lot of flexibility and a lot of options, and now we're hearing discussions that maybe we overshot the flexibility and accommodating everybody's preferences and have created a very confusing process. So again, I encourage us to have those. If standardization is more along the lines today than flexibility, we need to hear those things, and we need to be able to take it forward to our folks that this is really the feedback that we're hearing from stakeholders, producers, market managers, and so forth as we go forward. 'Cause one of the, if we did anything well with ADT, and I'm biased, I'm sure, but I think most of you would agree we took the first step in collaboration with industry. And we want to take the second and third and fourth in collaboration with the

industry also.

MALE VOICE 10: I think there's a lot of people in the room that remember where we were at maybe ten years ago Neil, when we were talking about wanding cattle into and out of a fairgrounds, wanding cattle into and out of a six-month pasture, some of those kinds of things. And then moved a long ways off of that to the system we've got today, which I think, Don described it as broken, and that may be accurate, but it's a lot better than what we had 15 years ago, or at the time of the BSE situation. But the whole, the bookending that's been discussed, so at least you've got the original site where the animal was born and then where the animal is dead. That would seem to be a pretty logical place to at least start and move forward. Just to reiterate some of the other market managers' thoughts, there's a lot of small producers out there. There's a lot of producers who do not have facilities to tag. I don't think it's a 4 or 5 or \$6 tag cost issue as much as it is just the process of getting the tags in the ears before they leave home. I

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1 don't see any other way that the markets would
2 always be probably the remedial step. The sheep
3 thing is a good example where if we've got a
4 sheep sale on a Tuesday, sure shooting there's
5 some sheep that have come in overnight that are
6 dropped off, and none of us as market managers
7 feel good telling a customer you haven't got
8 them tagged, so you're going to have to take
9 them back home. That discussion's just not
10 going to occur. And so we need to have
11 provisions in place to do that remedial action
12 if they got there without tags. But it's a lot
13 of producer education and buy-in that we're
14 talking about here.

16 MR. GOLDSMITH: Tim Goldsmith again. I
17 think Joe Nelson brought up a really good point,
18 as we think about these things, is the value
19 proposition, right. What is the example, what
20 would be the value of ID'ing fat cattle through
21 a sales barn that are going directly to
22 slaughter that it's probably a much easier
23 place, provided they have the ID to capture that
24 at slaughter? And there's probably other cases
25 to do that. So I think as this goes forward and

1 you think about it, it's like what points are
2 valuable, and what animals it's valuable on?
3 'Cause that's a very good point, that we are
4 actually creating a negative value proposition
5 in the point that Joe brought up, in those fat
6 cattle I would argue from a consumer product
7 perspective. And I'm not saying I have the
8 answer to that, but consideration of what point
9 you need that, and what steps create value,
10 right, and which ones are either par or negative
11 or not adding value at those steps.
12

13 DR. HAMMERSCHMIDT: I'm sorry; I was just
14 going to talk to Kathy about how we want to work
15 with the breakout groups, but if anybody's got
16 questions or comments, this has been one of the
17 greatest discussions we've had to date on
18 traceability. So if anybody's got additional
19 comments or questions that you want to share
20 with us, don't hesitate. I think there might be
21 a preference on our breakout groups, if we break
22 early for lunch and gets started back early for
23 the breakout groups, might be more workable.
24 Again, what's the preference of you all? I
25 think some energy intake would be good. Go

ahead, and then explain the breakout groups.

MS. KATHY SLAGA: Okay, what we're going to do--

DR. HAMMERSCHMIDT: [Interposing] If you guys are all set on questions or comments.

MALE VOICE 11: I just had a quick one, that regardless of what you put in that ear, some of them get lost or whatever, fall out, get hooked on a brush or something. And he was mentioning 98% he could read. And so do you have any experience with any better tags other than the button or anything that would guarantee you 100%?

DR. HAMMERSCHMIDT: If anybody can guarantee me 100% retention rate on an ear tag, I think the guys will stand in line waiting to buy them. I think we'll have to accept the fact that ear tags are going to have a loss rate. I do think from our experience with RFID button tags, the retention rate has been really good. And again, we talked a lot about comments on education. I think we still need to encourage proper placement of any tag you put in the ear, because that affects retention very significantly.

Granted, environment, tags can be caught and torn out.

MALE VOICE 10: I say if you've got 2%, you're not getting with those tags. If you also either tattooed them or branded them, you'd have another means of identification for traceability.

MR. HAMMERSCHMIDT: I'll accept that as your comment. No, I'm not going to agree or disagree. That's not my job today.

MS. BARNES: All right, a little levity to end this session. We're going to do a little quick prep for the afternoon, and then I'll get you out of here for lunch. We're going to have four breakout sessions. And can I have my four facilitators raise their hands? Two, three, four. Okay, very good. You're each going to start with a topic and then move through other topics as well. So I'm going to have you all number off one through four. Write down your number, remember your number, and then after lunch, you'll go right into the breakout rooms. So once I have everybody number off one through four, then I'll have the facilitator let you

know where those breakout sessions are. So we'll start with you sir, here.

[Crosstalk]

MS. BARNES: You are one. You sir in the back, three. Anyone else? Anyone else need a number? We're good. Facilitator one, and where is your breakout room? We have two in here, right. You have all four in here? Oh, three and four. So groups one and two towards the lobby area, group three and four in here. And one other thing, if you have any other comments, questions that you want addressed, please write them down and put them at the registration table. Who's group two? Who's group three? You. Who's group four? I did not mention that. Discussion topics for your breakout sessions are in your packets. You'll work through these as best you can. It's 11:10. Did I miss anything else? How about we start at 12:15? Or do you want to give them an hour plus? 12:30? Okay, breakout sessions, come back 12:30. Go to your rooms. You'll each have a facilitator and a note taker. And one of the first, I can't let you go until I give you all an assignment within

your breakout session, you have to identify a spokesperson, because that person is going to report out on your discussions, so that's the first task at hand when you get to your breakout sessions, all right. 12:30, enjoy your lunch. That's all I got.

[END Morning_Session_MONO-003.mp3]

[START Afternoon_Session_MONO-004.mp3]

MS. BARNES: Okay, I think we are ready to begin the last portion of our agenda today. All right, great. Thank you, everybody. We have one last piece, the small group report outs within your groups. So your spokesperson will go one at a time. Just kind of give highlights of what your group talked about, maybe about a ten-minute output report out so that each group gets some time to report out on their group's discussions within the allotted timeframe. So we'll do the group report outs, and then we will have the wrap-up and closing remarks by Dr. Scott, and then you all can get on your merry way today. So thank you again for all of the great discussions that you've had. So I'm going to ask for a group volunteer. Who wants to be

the first group reporter-outer? Up the fore.
All right, thank you. Wherever you're most comfortable. The - - charts are group one, two, three, and four. We have portable mics, so maybe - -.

MALE VOICE 12: We were group number one, and we had a very good discussion, I sure think. And what we talked about was right now in this, where we're at currently is we have the Holstein part of ADT, which is already in place and already effective. The beef part is what we talked about in great detail this morning. But what we thought and talked about, and we think makes great sense is we have the Holstein program, which right now has a lot of work to be done. And the feeder deal, if you compound that with that, we have a whole lot of things that are going to be almost impossible to deal with. So why not take our Holstein animal disease traceability that we have in effect and fix it and make it concrete and do it 100% the right way and start there.

And what we talked about going through that would be like right now with the Holstein part

1 of it, with the inconsistencies that we face
2 state to state, even market to market, what to
3 tag, when to tag it, or moving interstate from
4 whether it be Florida to Texas to Wisconsin,
5 it's all got a little different rule. But if we
6 can standardize and make it consistent across
7 the whole US, then we have one form, one tag.
8 Just like the Iowa green tag certificate or
9 brucellosis tag, it's orange. When you see the
10 tag, you know exactly what it means. It means a
11 Holstein calf that has an ADT tag in its ear.

12 And in our discussions, like right now a
13 Holstein that's not tagged come into market at
14 900 lbs. Anything prior to that weight, we have
15 no recorded traceability of it. But with the
16 dairy cattle, as calves, now that it's in place,
17 a baby calf's in a hutch. They get the milk;
18 then they go to the grain. They're very easy to
19 handle. They're quiet. And what a better time
20 to put a tag in and standardize at that point as
21 a calf on the farm. The Holstein traceability
22 is mandatory right now, whichever the rule is by
23 state. But if we can take that and make it
24 standardized and consistent across the whole US,
25

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we can tag these calves as babies, we have them from birth until they go to slaughter, and we take away all the inconsistencies, we take away the stress management of the cattle, which going through the market they face a lot of stressors. They go through the chute. When they through the chute, they can fall down; they can break a leg. They shrink at least 5 lbs. in shrink. And you take that times the market price of the cattle. I mean that's at least \$5 a head for the producer. \$5 a head times a pot load of cattle, that could be 300 to 4, \$500 just in one sale of those cattle for one producer. Take that times all the markets in the US, times 52 weeks in the year, there's a lot of dollars involved. And this, we're trying to bypass all that and do it the most efficient, best way possible from start to finish. So the main concept of what we talked about was forget the beef feeders, because that is way too big of a fish to talk about right now. Let's start with the dairy cattle. Let's make the dairy cattle 100% correct, which actually this would help everybody because the dairy cattle part of it,

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it would fix it and make it the best for all of us, including the animals. And the beef cattle, they could be on the back burner, and we'd put this into play first.

And then with that, the Holstein market that's been lagging behind the beef cattle, this might offer some incentive to the Holstein market in general. If we have a traceability tag in an ear, it might say hey, exports, they might want some Holstein beef, because of the traceability, the source of origin. There might be some boost in the price. And the beef guys down the line, if that ever does come with the beef feeders, the beef guys might say hey, the Holstein price is here. The beef price is here. We're going to catch up; let's do what they're doing. So I think this gives us a great baseline to start and to fix what we currently have and fix it in a good way, and it's best for everybody. So that's the main purpose of what we talked about. Anything else, group?

MS. BARNES: Any clarifying comments? Next, next victim.

MALE VOICE 13: I'm representing group four.

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We had the task of tackling feeder cattle under 18 months of age. So a lot of our discussion today was based on educating each other about the different segments of the industry and how some of these things worked. And it was a good discussion; I learned quite a bit from some of my group members about how things work out there.

When we look at what might happen if we're actually told or regulated that we need to tag feeder cattle under 18 months of age, the question came up well is that something that we see going forward? And I think the general consensus of the group, and even from some of the group members were that we may not like it necessarily, but it's something that, whether it be consumers or an export market or whatever the case might be, inevitably on down the road, that's something that we're looking at happening. So we need to take some steps to have a good, pragmatic discussion about what that might look like on down the road.

Some of the things that we think need to be possibly looked at before moving forward into

1 feeder cattle could be to fix phase one. And
2 what I mean by fix phase one as a group, we
3 talked about some of the things that, the
4 country trade that goes on without those animals
5 over 18 months of age, sexually intact animals
6 being traded, being tagged. And what kind of
7 enforcement and regulation is out there in the
8 country trade? And the point was brought up
9 that why are we always looking to the markets
10 without the markets making sure those animals
11 were tagged? It's my belief personally that we
12 wouldn't have a phase one, because there's no
13 way to enforce that country trade and those
14 cattle moving about right now currently. So
15 that's something we need to look at.

17 We need to make it an even playing field.
18 No matter where that animal is marketed, the
19 same rules need to apply. They need to be
20 enforced. And we need to make it simple. We
21 need to make it to where everybody can
22 understand what they're doing, what they're
23 looking at. If we've got to look at a flow
24 chart and go through too many boxes, that was
25 brought up earlier this morning, that might be

too complex.

We need to look at the speed of commerce when we're examining tagging feeder cattle. We can't expect a livestock market or a point of comingling to fall for this program, to completely fall on the backs of those people that run, whether it be a livestock market or a buying station or whatever the fact may be. We need to look at the speed of commerce and make sure that can be done. And we need to examine technology that's out there that we can determine that technology can handle, that maybe we're not wanding every single animal. Maybe it's a load lot at a time that we're looking at. So we need to examine that. We need to, what are some of the things that are out there that we need to take a look at and consider before we look at tagging feeder cattle? We need to look at the cost of those tags. And one of the biggest complaints that we heard today, or one of the biggest issues could be that there's 48 different rules and regulations across states. And we brought up privacy and talked about privacy, and it was brought to my attention that

1 that's how there's 48 different rules and
2 regulations, is that privacy was an issue when
3 we looked at mandatory tagging. And it was a
4 lot better for folks to handle if that
5 information was kept at a state level versus a
6 national level. So we're going to look at how
7 that, need to look at how that information is
8 shared and accessed.
9

10 And then we need to have a grace period on
11 implementation. We had talked about if there
12 were something moving forward, what would that
13 look like? How long do we need? And before a
14 program can be introduced, and we talked about
15 two years being that time period. Kind of the
16 rationale behind that time period would be if
17 you've got fat cattle that are ready to go to
18 slaughter, it gives that person, that feed yard,
19 that farmer/feeder, whatever the case would be,
20 an opportunity to kill those cattle all the way
21 back to calves that haven't been born yet. And
22 educating that producer, so that those cattle
23 are tagged on the farm. Making sure I'm not
24 missing anything here. We talked about premise
25 ID and privacy. And then this kind of goes back

1 to what are some of the demands possibly for
2 disease traceability? Could be an infectious
3 disease of course. And I think that, when we
4 talk about disease traceability, we need to list
5 export market and infectious disease as two
6 different things. They may complement each
7 other, but we need to look at them differently.
8 And then consumer demand, I mean even here in
9 the United States, there's a very niche market
10 right now in providing natural or organic or
11 trendy words like traceable cattle. And there's
12 a niche market for that. So it could be that
13 consumer demand drives us to having a
14 traceability program on down the road.

16 What did I miss, group four? And we kept
17 coming back to that, tagging on the farm,
18 tagging on the farm, tagging on the farm. In an
19 ideal world, that would be absolutely fantastic.
20 And the thing that I think, we keep talking
21 about auction markets and how they fall in and
22 play into this role in tagging these feeder
23 cattle. It's not that we're necessarily looking
24 to target auction markets to place that tag.
25 Fact of the matter is, is they sell cattle on

commission. They're not going to turn cattle down that come to their facility. So if those cattle aren't tagged, and they're not going to turn them down, the monkey now falls on their back. And how do we implement this program later down the road without that burden falling on the backs of our auction markets? And how do we regulate that country trade if those cattle aren't going to an auction market? So those are all things that we discussed. I think we learned a lot. I don't know if we really got anywhere, because we've just got so many unanswered questions going forward with this.

MS. BARNES: Group two or three. Who's next? Who wants to...do you want to come up front?

FEMALE VOICE 2: So I guess ours was the overall traceability goals, and certainly after discussing it, probably ultimately in the long run, full traceability is where we want to go. And certainly, but a few things we don't want to compromise is certainly, or to get there is first of all, fill in these gaps of the framework we have now. Certainly like we said,

1 we don't want to affect the speed of commerce.
2
3 And then certainly what we do at the markets,
4 the true price discovery, and then certainly the
5 reason we're doing this is for disease
6 traceability, not for trade. But that certainly
7 is a benefit down the road, with overall
8 traceability again, standardization and
9 consistency, certainly has to be simplification.
10 And then industry and producer buy-in, and
11 certainly that's for everybody. Certainly the
12 smaller farmers, one thing is, is certainly
13 working with them, we've got the VFD now that we
14 were getting out there. Maybe with some of
15 those producers, work with the veterinarians to
16 help educate them. What other things while
17 we're putting that ear tag in can we do a value-
18 added to get them more price for their product.
19 Let's see. And again certainly support from the
20 markets and packers. That's one thing again, a
21 piece of the puzzle that maybe the packers also
22 help with the buy-in for full traceability.
23 With full traceability, certainly we'll support
24 international trade. And then work with the
25 cattle industries to make a product that works

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2 for their industry and not something that's
3 forced on them.

4 Let's see. Some of the obstacles to full
5 traceability, certainly like we talked, ear tag
6 retention. Any time where especially bigger
7 cattle, moving them through the chute, getting
8 hurt, and RFID--whoops, my computer runner isn't
9 good. RFID technology, how can we utilize it
10 for traceability? Certainly streamline the
11 system. With the RFIDs, the nice thing is, is
12 certainly electronic, that once we get it
13 uploaded, it's easy to create the CVIs and
14 health certificates. And obstacles to RFID,
15 certainly Internet access, your storage
16 database, training the producers. The younger
17 ones, as we get, and the technology improves,
18 but we've still got some of us olders that we
19 got to learn it, or at least have somebody that
20 has it, and certainly the other obstacle is the
21 price of the tags.

22 And our other question was where should we
23 start for, and this is if full traceability
24 using RFID, and I think the consensus came down
25 to if we're going to have that, everything needs

1 to be full traceability, that probably RFID is
2 the way to go. And RFID is the answer,
3 certainly the initial, start out voluntary, but
4 again, veterinary outreach and support. Again,
5 producer outreach and support. And then let
6 them know again the value of the RFID tag or
7 what that's going to benefit, the producer.

8 And some of the other things we talked
9 about, when we should make official
10 identification needed - -. And again, that's a
11 thing to discuss down the road. Do you do
12 change of ownership or certainly tagging on the
13 birth? And again, there's gaps in there where
14 things can get, you're talking the dealers, what
15 happens? The other things with full
16 traceability, like is there residues when this
17 animal gets to market, that if you put the tag
18 in at birth, but then we don't record anything
19 else, or you've got those gaps, that okay, what
20 happened to it between when it was born and now
21 it goes to market? Those are some of the, and I
22 think I'm done. Any questions?

23 MS. BARNES: All right, my group two
24 spokesperson.
25

MALE VOICE 14: Okay, our primary discussion area was movement documents, as far as what your ICVIs, what your certificates of inspection, owner/shipper statements. I think we got, we probably got off course and started talking about the same folks were talking about too, but I'm going to just go down through. I think you see a common theme, and we came up with that too, is the continuity, consistency across state borders, with our livestock markets, because a lot of our livestock markets, we're all in this together, but then at the same time we're competition too. So if we have a competitive advantage, because our state doesn't require one certain thing, that always causes problems.

So we talked about, when we would talk about movement certificates, we were talking about the state of Georgia's got one. That's not always vet-required, but at least gives us a tracking ability if we have cattle that are going to move. We don't know that they're going to move 'til midnight, and we're not sure where they're going. Instead of getting that vet back, we're able to go at least fill something out saying

1 that they're, where they're going instead of
2 just not having one or having the certificate
3 that's filled out at 3:00 in the afternoon that
4 was wrong. So we talked about maybe the idea of
5 that.
6

7 And then we moved into the official ID
8 thing. A lot of things got brought up in our
9 group about fraud and that if you don't have
10 maybe a certified technician putting those in of
11 some sort, whether it's the auction market or
12 the vet, or a private entity, that we think
13 there's a lot of room for if you're not going to
14 identify your animals, I will identify your
15 animals at a cost to you basically on a per
16 hundred weight basis or something like that. So
17 we kind of touched on that. We really said that
18 the ID system needs to be accountable. So
19 somebody that's putting those IDs in, we felt
20 that if you always let the producers do it, then
21 there's a chance for fraudulent movement, things
22 like that, when you don't have anybody
23 accountable for that. That's kind of what we
24 touched on there.

25 We talked about ten different ways where the

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RFID tags would be beneficial, even on the fact with bred cows moving through our area, that it would be easier than writing down the back tags, cross-referencing back, and making those kind of things. So talked about that.

We of course decided that if there is going to be those things, and for then to be continuity and consistency, it would have to be on every transaction. Then we got into is the technology outgrowing the enforcement. We talked about country trade. We talked about Internet auction sites that are selling bred females on an online platform, single individual animals. And I have been a purchaser of one of those. I never once got a health paper. So we kind of touched on that, that are some areas that aren't playing by the same rules as us.

Then we started talking about enforcement. Unless things are enforced under the current situation or the current program of the bred animals and the livestock that's 18 months of age or older, it's so inconsistent right now that we have a hard time finding the fact that we're ready to go into this feeder cattle area

until basically I think the same as group number one said, until we fix this program, we're not ready for the second one.

We like to reiterate that rules need to be easier. We also talked about age needs to be higher for some of these fat cattle 'cause some of the fat cattle in our markets may be 20 months of age versus 17 months of age and the inconsistency of - - those animals and knowing when to tag them and when not to.

Let's see. We even came up with a great idea that the USDA should buy us all livestock market high frequency readers, and had a lot of good excuses of how they could pay for that with their cost savings of letting us do their work for them, which I guess that, we're still out-juried, still be out on that. We'd like to reiterate the rules for interstate movement need to be standardized. And I know you guys are in your meetings of the states would be the same argument as me and Mr. Schaben would argue about how our business should be ran. And I'm not going to tell him how to run his business; he's not going to tell me how to run mine. But the

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1 thing is, if we don't have some consistency,
2 we're all confused. And we read the rules how
3 we want them to be read. And I think some of
4 our people that come audit us have the luxury of
5 being able to read that rule and decide how they
6 want to interpret it too.

7 We touched on government versus reality.
8 And some of the differences, how that is hard to
9 do. And then of course we talked about privacy
10 issues and those kind of things, about how once
11 we have this big database of all this
12 information about it's a concern of ours and a
13 concern for our producers, that those things
14 stay private unless there is an outbreak, and
15 those things need to be opened up. So any
16 questions for group number two? Or did I miss
17 anything? Okay, thank you.

18 MS. BARNES: Does anyone else have any
19 comments that you want to share from your
20 breakout sessions?

21 DR. HAMMERSCHMIDT: Not really a comment
22 myself, but as I was moving around to different
23 group discussions, Paul was explaining, Dr. Paul
24 McGraw from Wisconsin, was explaining some of
25

the issues that they deal with on a state basis, and his explanation of their rulemaking procedure was I thought interesting as we look at ways to standardize regulations across states.

DR. MCGRAW: Yeah, I wish I had a good answer. I think I made the comment that I've been the state vet four years in Wisconsin, and I think I'm about halfway through the seniority on state vets around the country. So it's not a real, we all have issues in our state. We all deal with the livestock industry. So I can't just automatically go out and make a rule. I have to have the industry support to do it. We go through our board of agriculture. We have to go with a hearing draft. We have to go through our governor's office for approval. Then we go out for public comment. Meanwhile, the industry is welcome to contact their legislature during all of this, after we come back with our final draft. Again, it has to be approved by our board of agriculture and the governor. And then it goes to the legislature for signoff. And they can hold hearings too and often do. So we

1 aren't out here making, but I know that there's
2 pressures from each industry. I've talked to,
3 we know some of the Western states with brands,
4 some of the TB testing, that's driven by some
5 industry. So we all have these different
6 regulations, and we talk about them, but it's
7 not a simple thing just to standardize. I think
8 when we're looking at the federal rule, and we
9 kind of depend on that, and we're better in some
10 areas. If we look at avian influenza on a
11 disease control, we're moving product all around
12 the country even though we've got AI in some
13 states, because we trust that state's going a
14 good job. But then sometimes on cattle we turn
15 around, and we require a TB test when a state
16 like Wisconsin hasn't had TB since 1984. And
17 we're killing a third of our dairy cows at
18 market because they're normal culls every year.
19 So we've got quite a bit of surveillance. But
20 yet 24 states require a TB test. Now that's
21 maybe, something, I can't call them up and tell
22 them to change it, because their industry wants
23 that. They want that in place. So it's not a
24 simple thing, and we look for USDA. And once

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they do put a minimum standard in there, I adopt it into rule, and then I will enforce it.

'Cause I'll make my rule too in Wisconsin, and we're consistent with the federal standards.

The best we can do. Is that what you were thinking?

MS. BARNES: Okay. Dr. Scott, join us for closing remarks?

DR. SCOTT: Sure. You guys are all looking pretty bright-eyed and bushy tailed there, so I think, I know our group was pretty feisty thanks to Billy. Billy, thank you. Kept things going. I heard a lot of really good things from folks today, and it's a lot of the ideas and thoughts that you've presented are the same ones that we've heard from your colleagues around the country. We've heard some different things, a few. We have I think four, five more of these outreach meetings, and then there will be a forum in Denver to put together what we're hearing from everyone. Comments are welcome. Is it regs.gov? Neil, is that the place where you can leave them? So you certainly can leave comments, there's not a rule on the books or

anything, so that's not closed. You're welcome to make any kind of comments that you can or contact any of us, the ADT staff, Neil or Sunny or myself. Really, really thank you for coming here. Thank you for sitting through the meeting. Thank you for the attention, and I think enthusiasm too. I see lots of enthusiasm in this group, so that's what we need. Reiterate we're all in this together, whether we're government or markets or producers or state officials. This is our industry; we all have something to gain, and we all have a lot to lose. So I really appreciate everything that you've all brought forward, and hopefully whatever comes out of this effort is something that works well for everyone. So thanks again, and have safe travels home. And probably see some of you again soon. Thanks.

[END Afternoon_Session_MONO-004.mp3]

C E R T I F I C A T E

I, Anne Edelman certify that the foregoing transcript of MORNING_SESSION_MONO-001.MP3, Morning_Session_MONO-002.mp3, Morning_Session_MONO-003.mp3, and Afternoon_Session_MONO-004.mp3 was prepared using standard electronic transcription equipment and is a true and accurate record to the best of my ability. I further certify that I am not connected by blood, marriage or employment with any of the parties herein nor interested directly or indirectly in the matter transcribed.

Signature



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