

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

**Animal Disease Traceability Meeting,
Omaha, NE, July 18, 2017**

[START RECORDING MORNING_1]

MS. KATHY SELEGA: Good morning, can you hear me? Everybody good? That was easy. I usually have to tell people to get in their seats more than once, and a very compliant group this morning. Thank you all for being here. Welcome to the, I believe, eighth session, public listening session, on Animal Disease Traceability. My name is Kathy Selega. I am not an animal health specialist, I am not a veterinarian. I do work for the Animal and Plant Health Inspection Service in Minneapolis, Minnesota, and I am serving as your host today, so welcome, again. More importantly though, you all in the room, we have you all here, we have people from APHIS Veterinary Services, we have folks from the state of Nebraska, and other groups that you'll be hearing from throughout the day, who have a lot of background and recognize how important this is to all of you. So I'd like to take a quick moment to introduce you Dr. Dennis Hughes, who's the State Veterinarian here in Nebraska, and then Dr. Brian McCluskey, who is with APHIS

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Veterinarian Services, he's the Associate Deputy Administrator for Surveillance, Preparedness and Response Services. And then as well, we have Dr. Aaron Scott, who is a senior epidemiologist, in the back there, and who is a manager with ADT. And they'll all be providing some opening remarks here in just a moment. Please keep in mind that the overall goal for today is to listen to you all and learn from you. We're interested in learning about what has worked well and why, what still is a challenge regarding ADT, how we might address some of those challenges. We've heard a lot of great things in these listening sessions that we've had across the country, and no doubt today's session will also provide some good discussion. We thank you for sharing in the meeting today and being with us, and spending your day with us. I'm going to briefly outline today's agenda, it is in your packets. So you have the agenda, you have the presentations, so if you want to just take out your agenda, I'll go through that quickly. But I do want to mention that today's session is being recorded, solely

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for the purposes of transcription to augment the notes that we're taking. The small-group breakout sessions that we have this afternoon are not recorded, but this general discussion will be, so I just want you to know that. So the agenda today, some introductory remarks, which I had mentioned, and then we're going to have a presentation on the basic principles in ADT assessment, kind of, share with you what we've accomplished so far in the past few years, what we see as some of our traceability gaps and shortfalls. We'll move into a panel discussion, with six panel members we have today. They'll be sharing their personal experiences with ADT and then you all will have an opportunity to ask questions of them. Then we're going to have a small-group breakout session--no, after that, we're going to have a break, then we'll do an open-microphone session for all of you to ask any questions that you might have, and then we'll do lunch. And after lunch we'll have small-group breakout sessions, where you each will go with a facilitator and a moderator and have specific topics that you'll discuss. And

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then after that, you'll come back in and then give a brief output of what your discussions entailed. So that's, kind of, the agenda for the day, gives you a high-level overview, but before we start I have some housekeeping items, of course. So handouts, which I mentioned are in your packets. Restrooms are located just right out the doors here. Please turn your cell-phones on vibrate or silent. There is food on site, and, of course, across the street there's lots of little restaurants for lunch, if you're interested in that. Coffee is in the back of the room, water is on the table. Wi-Fi password, there's a placard on your tables, if you need that, that's available for you. Please know that there are two scheduled breaks, one this morning and one this afternoon, but please self-break as you need be. And then the index cards on the table are there for you to jot down any questions you might have, that you want to keep in the mind when you have a chance to talk to the panel members, or open-mic discussion, or just questions that, if you're not comfortable asking them, write them down, give them to

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myself or leave them on the table out back and we'll make sure that we address those as well. So those are my housekeeping items, without further ado I'm going to ask Dr. Hughes to come up and say a few words, and then after that, Dr. McCluskey and then Dr. Scott. So thank you very much.

DR. DENNIS HUGHES: Good morning, I'm presuming you hear me, I hope? Okay. I'd like to welcome you to Omaha for this listening session. We hope that when you're in Omaha, if you have the time, you have the opportunity to take in some of the sights here in Omaha as well as upstate Nebraska, and especially for those who have attended from out of state. Again, my name is Dennis Hughes, I'm the Nebraska State Veterinarian, I've been a state veterinarian for over 12 years. I was preceded by 10 years in private animal practice in Northeast Nebraska, and 14 years as a field veterinarian, Nebraska Department of Agriculture. Born and raised in Northeast Nebraska, I'm a Nebraska boy all my life, except for four years in veterinary school at Iowa State. So those of you who are in the

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audience know that Nebraska is a large livestock and poultry diversified state. We also have significant production of corn, soya beans, and other grains. Nebraska is the number one red-meat producing state in the Union, due to our combined ranking for both beef and pork production. What you may not know is that the poultry industry is expanding greatly in Nebraska, in a few years we'll be in the top of the United States for egg and poultry-meat production. We know that the reputation of Nebraska beef is untarnished, and that became even more evident when China purchased beef from Nebraska, just a few weeks ago. The first beef imported from the United States into China since BSE, mad cow disease, hit Washington State in December 2003. Future population experts predict that the world's population is growing so fast that by the year 2050, the population we have today will be doubled. Imagine that, having to feed twice as many mouths in the world in 33 years from now. Nebraska and all food-producing states will be tasked with producing even more, much more than we do today.

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Therefore, prevention of diseases and proof of freedom of regulated diseases will be key to movement and export of Nebraska meat and livestock products, for the rest of the United States, and the world. The duties of the Nebraska State Veterinarian are very prescriptive in statute, the wording is, typical legal jargon, "To protect the health of livestock in Nebraska by determining and employing the most efficient and practical means of prevention, suppression, control and eradication of diseases transmissible among livestock." Statutorial language for the role of the Nebraska State Veterinarian and staff. Protecting the health of livestock in Nebraska, often involves regulatory intervention. That might mean enforcing import laws and regulations, that might mean quarantining herds that are infected or exposed to dangerous, and transmissible diseases, that might mean testing animals or herds exposed to dangerous diseases, and it might mean that infected animal or herd has to be depopulated, to protect the rest of the state's herds. When it comes to protecting

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our state's herds from dangerous diseases, one of the biggest tools in the State Veterinarian's toolbox is traceability. Traceability is the ability to do and find the origin of disease, and where it's possible spread to, we call it trace-ins and trace-outs. Epidemiological investigations are key to helping us stop the spread of disease. To perform these epidemiological investigations, traces can only be done when adequate, official identification is documented, and that identification is still in place on the animal or animals. That identification must be permanent, but also unique to each animal. Here in Nebraska we've had a lot of disease issue that required in depth epidemiological investigations. For several months now, our office and field staff, and USDA personnel, have been entrenched in trace-out work from a South Dakota tuberculosis infected beef herd. The epidemiology is still ongoing, but has already revealed that cattle move from the infected herd in South Dakota to several surrounding states, including Nebraska. Tracing those animals and trying to find

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individual animals has been an arduous task. Our hope and our goal is to find these animals that originated from the South Dakota herd, quarantine them and test them for tuberculosis. In some cases, animals are identified and condemned for necropsy; we've had that happen a few times already. As of today, we still haven't found all those animals, and that is because current traceability protocols and means of identification is inadequate. Some of you may remember our own little battle with tuberculosis, here in Nebraska, from 2009 to 2011. As luck would have it, we got punched in the gut with three different TB-infected herds. The movement of animals, in and out of those herds with epidemiological investigations were enormous, with trace-in and trace-outs all across Nebraska and several surrounding states. It was a monumental task to find infected or exposed animals in a herd, then test that herd for tuberculosis. If you're not familiar with TB testing, it involves running the herd through a chute, at least twice, three days apart. Our herds basically involve beef herds, they're not

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like dairy herds who are used to running through a stall twice a day, these herds are usually run through a chute, maybe once a year.

Unfortunately, traceability deficits at that time caused our staff and USDA to require herds to be quarantined and tested that may not have had to. If traceability had been better, we could've eliminated or reduced the number of herds that actually had to be tested, but we had to take all precautions to make sure that TB wasn't spreading in the state. Here in Nebraska, 95 herds from 26 counties had to be quarantined, and nearly 50,000 head of cattle had to be tested for TB. This is another example where a lack of traceability placed a heavy burden on producers, regulatory health officials, and tax-payers of Nebraska and the United States. We have to get better at tracing animals involved in a major disease problem, whether it be tuberculosis, brucellosis, trichomoniasis or, God forbid, an outbreak of foot and mouth disease, or some other foreign animal disease. All State and Federal animal health officials need your help in doing what we

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can to prevent the spread of these dangerous diseases. Some of the problems and gaps will be discussed today. Please offer your experiences and insights during the various breakout groups. The solutions and methods have to be compatible with current industry standards, able to keep up with the speed of commerce, and reasonable in cost and work-time for the livestock producers. Reasonable costs and work-time will be a major factor for producers in making decisions for applying official ID devices. We live in a world with new, emerging diseases, and old disease continues to plague the livestock industry, while animals are moving from coast-to-coast and across international borders. As I stated earlier, the duties of the regulatory officials in the room is to protect the health of livestock, in the state of Nebraska, by employing the most efficient means to prevent, suppress, control or eradicate those diseases. Our goal is to protect the herds of Nebraska and to enhance movement and export of our products, but we need to find the gaps in our current system of traceability to make the

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changes and improvements, and make traceability faster and easier. Again, I thank you for attending today, we hope that the meeting and discussions give you the opportunity to air your concerns, but also to offer advice and insight in how we can make traceability a better tool in the future. Thank you.

MS. SELEGA: Dr. McCluskey [off mic]. Thank you.

DR. BRIAN MCCLUSKEY: Good morning everybody. Great to be here in Nebraska, I came over from Fort Collins yesterday afternoon. First, I just want to thank you all for being here. As you've already heard, a couple of times, it's just really important for us to hear from you all on how things are going. Is it-- what's working, and then, as Dennis just identified, what those gaps are? I also want to thank our Veterinary Services staff, both the ADT staff and others within APHIS, for getting this together. And, of course, their heavy lifting comes after all these public meetings, on, kind of, putting that together and finding a way that we can get moving forward. You know,

we're very fortunate to have such a wide variety of producers in the United States, differing sizes, differing production and management practices, supporting all kinds of different consumer demands from organic to those that do a lot of exporting. We're also fortunate to have a variety of markets, processors, retailers, and consumers, and all of that variety provides a lot of opportunity for all of you. Our job as APHIS Veterinary Services is to protect the health and marketability of animals to ensure the prosperity of that wide variety of producers and allied industries. And so I really want to emphasize that, yes, Veterinary Services is about the health of those animals, but it's about the health of our farmers and ranchers, not just cattle, that's swine, that's poultry, equine, all of it. And so, that is at the top of our list, and our new Secretary will say that repeatedly, that we're really about the health of the industry and the animals. So, of course, with such a wide variety of producers and others, comes a wide variety of thoughts, opinions, ideas on how Animal Disease

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Traceability needs to work. In the previous seven public meetings, like this one, we've certainly heard a lot of common themes, and you'll hear about that, but we've also heard quite diametrically opposed opinions about things; throw the metal tags into the ocean and require RFID, don't require any of that kind of ID and use brands, these are really opposite opinions. Support ID, allow ID to support trade, it should have nothing to do with trade, it's all about disease. So we do have differences of opinion. I told some of the staff last night, if you've seen that movie Apollo 13, where they're up in the capsule and their CO2 scrubber's not working, and so the engineer in Houston has this big box of stuff, and he says, "This is what they have in that capsule" and he throws it out on a table. And all the engineers in Houston have to figure out how to build a CO2 scrubber with the stuff that they've got up in the capsule. That kind of feels a little bit like what we need to do to make a functioning ADT program, with all these different opinions, because there's a lot of

different opinions. You know, if you, I've been told that if you really want to make everybody happy, don't become a civil servant, sell ice-cream. So, you know, that's, we're not going to, there's no possibility of making everybody happy, but we obviously, all are in this for the same reason; the health of the animals and to ensure that we are profitable and prosperous. And we are here to help you do that too. Again, I just really want to thank everybody for being here, we are very eager to hear your thoughts. Please participate this afternoon in the breakout sessions. You have an opportunity for an open-mic session, when we really want to hear what your thinking is. We'll capture all that, it goes into the big hopper of all the other things that we've heard and we'll be working with that when we're finished with these public sessions. So, thanks again. I appreciate the time.

MS. SELEGA: Now, Dr. Scott [off mic].

DR. AARON SCOTT: Welcome guys, and thank you Dr. Hughes and McCluskey. I really liked the part about selling ice-cream, that's

appealing, I love ice-cream, sounds great,
everybody's happy. Fantastic opportunity, but
damn, got to have cows to make ice-cream.

[Laughter]

DR. SCOTT: Got to have you guys to make
ice-cream, so I can't change professions. I'm
Aaron Scott, I, my, I think of myself as being a
Jack-of-all-trades, I wear a lot of hats. I,
first part of my career was cow-calf producer,
practicing veterinarian for a number of years
after that then USDA Veterinarian Services. I
have been involved in a number of disease
investigation, most recently the swine industry
PEDV and the poultry industry bird flu.
Currently I oversee the ADT program as well as
the Accredited Veterinarians. A few things that
I want to emphasize before we roll up our
sleeves and get to work. Number one, we're here
to listen. We want to hear, I was really
impressed, Dr. Hughes, by your description of
issues, and I think you very eloquently put the
problems that we all face on the table. We're
here to listen to concerns, but also to
solutions of how we, as an industry, and when I

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say, we as an industry, I don't mean government officials or state officials or producers or markets, I mean, we, I mean, all of us. We have some challenges in front of us and we really need to face those sooner rather than later. I think TB, Bangs, trich, those are things that are part of our everyday lives. Foot and mouth disease we hear about that over and over, and it's that kind of nightmare that you pretend like will never happen, except that there's 100-and-some countries in the world that have FMD, and if you wanted to destroy our industry pretty quick, it wouldn't be that hard to do, I won't go into details on that, but as an epidemiologist it really wouldn't be that tough to do. We, besides listening, the second point I want to make is that we are not writing a rule, I know in some of the meetings it seemed like there were people that were, believed that we were, as federal officials, were back in the back-room writing a regulation somewhere that nobody wanted or that nobody was expecting, and that just isn't true. We're not writing a rule. If there are regulatory changes that need to

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happen, then they'll happen for sure, but that will happen at some later date, after we've heard from people, and whatever people, whatever direction people want to go and how we want to do it. As Dr. McCluskey said, we sure have heard a lot of different opinions, there's some common themes, but we've heard very, very diverse thoughts on how to move forward or what gaps there are. Some of those folks are going to be unhappy and some are going to be happy, I suppose, if there are changes. Why are we talking about ADT? ADT, Dr. Hughes had talked about it as being a fundamental of disease control, and it really is. World Animal Health has written a chapter in the Terrestrial Code. Chapter 4 of the Terrestrial Code is about animal traceability. Terrestrial Code is the foundation of a lot of the trade, it's the, kind of, book that we go by when we do risk assessments on other countries. So one of the jobs that I've done in my past is doing risk assessments on our trading partners. One of the things that we do, and that they try to emphasize, is whether they're able to trace

disease to animals and control outbreaks. I'll tell you right now, some of our trading partners, some of our big trading partners, can do a better job than we can, but we're not going to let that stay, I hope. We learn as we go forward and hope to catch up. One of the key points on trade is that back in 1994, I think it was, the World Trade Organization met and came to a number of agreements. One of those that affect us was called the Sanitary and Phytosanitary Agreement. The SPS Agreement sets out the criteria of where you can set trade barriers for products moving between countries. Animal disease is pretty much the only non-tariff trade barrier that there is for our industry, and being able to control animal disease then becomes a big bargaining chip, when we negotiate with other countries to open markets. So that puts ADT traceability very high on the priority list of our APHIS Administrator, but also high on the priority list of his counterparts in other countries. Our next steps in this meeting, we will, very shortly, have a short background on traceability

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and its current status. We'll move into a panel discussion with some of you folks, then we'll have an open-mic for you to step forward and talk, discuss. I hope that this is pretty informal, I hope you step up, and whatever opinion you have is valuable, whether you agree with the guy next to you, let's hear what everybody has to say because that's important. As we move forward, we have another meeting similar to this in Texas in Fort Worth on Thursday, so most of us, or several of us, will be flying to Texas later on. After that, there is a state and federal group that's come together to compile notes and recordings from this meeting, so there's lots and lots of information, they'll try to compile that and narrow it down into some key points and information. That will be presented in Denver in September, the dates on those, I believe, are September 26th and 27th. If you look on the National Institute of Animal Agriculture website, you can get the information on that, on that meeting. We will present results of these outreach sessions, there's a number of other

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topics that'll be discussed, and a forum there for discussions. After that, some of these common themes may or may not go into regulatory changes, but if that happens, then, as with any new regulation, there will be ample opportunity for comments and discussion and input on those as well. So re-emphasize the first point I make, we're here to listen, we're here to hear solutions to problems. Dr. Hughes spelled them out very well, so I won't repeat any of that, I would almost love to have a transcript of what you had to say, because it was very, very well put. And, so, let's, I think I've said enough, let's go forward now. I would encourage you all to roll up your sleeves and bring forth your thoughts, especially if you've got solutions to problems, those are even more wonderful thoughts than anything else. Next couple people that will be up here will be Dr. Sunny Geiser-Novotny and Neil Hammerschmidt, they will give a background on our program, where we're at with it, some gaps that we have in it, some issues that we face, and some of the things that we've heard at some of our meetings. And then we'll

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go straight into our discussions. Neil are you, want to...? So welcome Mr. Neil Hammerschmidt, folks, thanks.

MR. NEIL HAMMERSCHMIDT: I lost the connection to the monitor. My computer's on, but the monitor's not.

[Pause]

MR. HAMMERSCHMIDT: In your packet, you do have a handout of the PowerPoint slides that I'd like to review. As Aaron said, for the most part we'll be looking at a brief review of what ADT is. I think many of you know it quite well, there might be some in the crowd that haven't had the opportunity to become very well acquainted with it, so I don't want to spend a lot of time but I'll try to cover some of the highlights. Why don't I go ahead and talk through some of the slides, and you can follow along in the handout until the projector comes up? Well, the regulation on slide three of your handout, indicates we're talking about the 9 CFR Part 86, Traceability for Livestock, Moving Interstate. Today's focus is primarily on cattle and bison. We did that intentionally

because sometimes we lose focus if we try to cover too much at one time, but certainly the other species need to be part of the discussion further down the road. So, indicated, Sonny's going to give an assessment report on how well we've done, what we've found and I'll review the program from a staff perspective over the last three years. The key principles of ADT, on slide four, again, we want to expand the, we wanted to expand the infrastructure when we started ADT. You know, animal ID traceability is not new, we've had it through disease-specific programs for many, many years. We wanted to build upon that infrastructure and continue to make improvement. We did look at it as the opportunity to have some more flexibility by allowing the states and tribal nations to have more authority in how they administer the program, and I think that's been well received at the local level. We're certainly always, placed cost as a priority, so we wanted to emphasize getting the job done with low-cost technology, if at all possible. But, probably as much as anything, a key factor, or a key

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attribute of ADT was, to quote, what we refer to as the "Basic book end system". I always try to reflect traceability is about yay big, and we're working with a sliver of it, with the understanding that, as we do this foundation piece better, or more accurately and successfully, we know there's room to expand, opportunities to do even more in traceability. Dr. Hughes acknowledges that there's still room for improvement, but we wanted to, early on, focus. And that's what we've tried to do over the first several years, is focus on those foundation systems, and we want to emphasize those efforts today to reflect how well we're doing and what improvement can be made. Again, the rule was published back in early 2013. We focused on cattle moving interstate, we exclude movements of livestock if they move within a tribal nation that does cross multiple state boundaries, and we also did not cover animals that were moved to custom slaughter facilities. We look at traceability very simplistically from two categories, official ID and interstate movement documentation, and we use ICVIs,

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Interstate Certificate of Veterinary Inspection, as our main document to aid the movement documentation. Official ID is defined by species, what works for cattle obviously doesn't work for horses. Very key to uniformity, consistency, across the entire country, if a producer in New York identifies a calf, young calf, today with an official ear-tag, that calf is good to go any place in the country, regarding official ID requirement. I think that's very important, that we have uniformity, national standards, all on official identification. Also acknowledge that the receiving state cannot require a specific method. We do have multiple methods, whether we think that's good or bad, we can have those discussions later, but Michigan, because of some TB issues, they've put in place an identification system entirely based on electronic ear-tags. Well, they can do that at the state level, they couldn't require you all to electronically ID cattle to get them into Michigan, once they're in Michigan, their state can impose those requirements. That was one of

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the stipulations that was made, again, to make sure that if a producer tags a calf with an official ear-tag today, that critter is good to go anyplace its entire life, across the entire country. So in regards to, my computer's acting up again Sonny, it just froze, I can't move it.

MS. SELEGA: Can I-? If there's anyone who has a black dodge van, with the license plate,
[off mic]

MALE VOICE: That's me.

[Off mic, multiple voices and laughter]

DR. SONNY GIESER-NOVOTNY: Here's power, that's mine.

[Pause]

MR. HAMMERSCHMIDT: Oh, okay. Okay.
Thanks, Sonny. So when we look at official ID methods for cattle, of course, we're looking at official ear-tags, that's probably the main method of identification used across the entire country. However, when the ship-from and ship-to state, state animal health officials agree registered brands, with an official brand certificate, is considered official. If two brand states want to work with brands, that's

certainly their prerogative to do so, and it's considered official. The same is true for breed registry tattoos and so forth. Certificates of Registration can be utilized, again, that's up to the local states to consider those, again, it's both the shipping and receiving state. Group-wide ID is primarily used for poultry swine and so forth. Real quick on the tamper, or on the official ear-tags, tamper-evident, yeah, they can be moved from one animal to another, but in most cases that tag would look like it was worked over to make that possible, so we call it tamper-evident. Most importantly it's imprinted with the US ear-tag shield. The US in the design of the, example there, what that gives us the opportunity, because we, in the past more so than now, we get a lot of calls on, "Is this tag official?" And we'd have to look at it and ask a lot of questions, today we say, "Does it have the US shield on it? If it does, it's official." That's really helped simplify the acknowledgement that it's an official ear-tag. We've tried to minimize the numbering systems to two different numbering

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systems, what we call NUES, National Uniform Ear-tagging System, the tagging system that's been around for many, many years, that starts with the state code, three alpha characters and four digits, primarily used for metal clip-tags. There are some plastic tags that use that numbering system, but there, it's not an electronic numbering system, it's visual only. Animal Identification Number, referred to as the 840, it's a long number but it meets the International Standard for Electronic Identification of Animals. The majority of the 840-tags are electronic tags, doesn't have to be but that's where it primarily used in the industry for electronic tags. Our distribution of tags that we look at, at the program level, there's about as many NUES tags, there's silver, Brite-tags, distributed today as there are electronic 840-tags, so about 50/50 is what's being distributed at this point in time. So what's covered with official identification? All sexually intact cattle, bison, 18 months of age and over, all dairy animals, and animals, cattle, used for rodeo, recreation event shows,

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exhibition and so forth. So what's missing, what's left out? Of course, we decided to exempt the official identification requirement of beef cattle under 18 months of age. We have a lot of exemptions, which provide us a lot of flexibility early on, and there's still exemptions. We can have discussions later today, what your thoughts are on some of these, but I'll go through a couple of them that I think are more significant than others. The second one, "Animals move directly to an approved tagging site", so if a producer's unable to tag their own animals, they can move them across the state line and those animals are tagged at offloading or at a proper time by that facility on behalf of the person responsible for those animals. That's an exemption. We'd like your opinions on that today, is it working well, is it problematic? Something to keep as we go forward or re-examine? The states also have the option to use a different method of identification if a certain load of cattle or whatever they agree to provides the official identification of those animals for

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traceability. I don't think it's widely used straight across the board, but they have the prerogative of doing that. Another area that's exemption, "Animals moving directly to a recognized slaughter establishment or directly to one approved livestock facility and then to a recognized slaughter plant." So animals that are in those slaughter channels are exempt from official identification. The intent was to make, to avoid having to work a cull-cow, for example, through a chute, to put a tag on it, that's going to a slaughter plant. And that's good, I think we still need to consider that. What we're saying is, an issue of concern that there's a lot of cattle, not a lot, but more and more cattle, presented as, for slaughter, that don't make it to slaughter within the next few days, they get diverted. And we want to have discussions on that issue with you all, as we go forward. On the movement side, you know, early on in our efforts, this could be a nasty critter in itself, by developing another process to use for documenting cattle movements. I think it's very critical that we have movement

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documentation. But again, considering all the complexity, the cost, the burden issues, we tried to take advantage of the Interstate Certificate of Veterinary Inspection, the health certificate, as a way to obtain a lot of the movement information. It's not really a movement document, that document doesn't assure you that those animals moved, they were health examined to make that movement, but because there's a high correlation between the animals listed on the health certificate, and what does actually get moved, we use that, take advantage of that document that's been in place for many, many years, and use that as a source of where animals moved from and where they are moving to. Again, animals moving direct to slaughter, or through one approved market, can move on an owner-shipper statement, I won't go through all of those, but there are cases where animals are able to move without a health exam by an accredited veterinarian. That's one of the discussion breakouts on animal movement documentation. We're certainly eager to solicit input from you all again, on movement

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documentation. Within the regulation, for the first time, we specifically define what needed to be on the Interstate Certificate of Veterinary Inspection. So as we try to capitalize on it for its value to traceability, what we want to make sure that the accredited veterinarians are properly completing that certificate. A big issue is the listing of ID numbers on ICVIs, they do not need to be listed on the ICVI if the animals are moving direct to slaughter. If their animals are steer or spayed heifers, and if they're sexually intact bison and beef cattle under 18 months of age, of course they would be exempt from official ID, so there wouldn't be any official numbers to record. Another important part of the regulation we wanted to prioritize and emphasize the need for in-plant personal to collect all ID and the ID must be cross-referenced to the carcass through final inspection. This is very important, so if we're asking you all to tag the animals up front, we certainly want to make sure we collect the ID at slaughter and do proper correlation to the carcass through final

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inspection. There's another handout with more details, but we can certainly talk more about any questions you have throughout the day, but we want to move on to the assessment report by Sonny.

DR. GEISER-NOVOTNY: Good morning everyone and thanks for joining us today. As Neil mentioned, I'm going to cover some of the details of our assessment report that we published a few months ago. Get myself in order here. When the final rule was published, back in 2013, APHIS indicated that we would perform an assessment after a few years to evaluate our tracing capabilities, and to determine if Part 86 enhanced our tracing capabilities. And so over the next couple of slides I'll go through some of the parameters that we utilized in conducting that assessment. One, utilizing what we, call trace performance measures, and I'll go through what those are. Information related to actual traces, specifically tuberculosis traces from slaughter. And then also feedback from not only state animal health officials, also our own personnel and from

industry, on how traceability has been working for them over the past few years. So from the beginning, Traceability was set up as a performance-based program, and what that means is the state-federal working group, back in 2010, established some measures with the idea that it would focus on identifying gaps and weaknesses in a traceability system so that we could identify actions to take to improve that traceability system. And, as Neil mentioned, the two primary components of the rule include, official identification and movement documentation, and so those trace performance measures focus on the administration of both of those. There's two key factors that we measure for trace performance measures, or TPMs, the first one is the elapsed time it takes to answer four specific questions defined by the Trace Performance Measure. These four parameters were set up regardless of the complexity of the trace, so you could be tracing tons of animals or just a few animals, but these four questions are basic to every trace. So 1) In what state was an imported animal officially identified?

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This actually measures the distribution system for those 840-tags that Neil mentioned, those AIN tags, and so you get an 840-tag, you find out that that animal was imported into Nebraska from Kansas, that gives you the answer to question number one. 2) Where, in your state, was the animal officially identified? So this is for NUES or AIN tags, it's a Nebraska animal, where was that tag put in? In Nebraska? 3) From what state was an animal shipped? Again, this applies to imported animals, so maybe that animal was tagged in Kansas, but it didn't move into Nebraska from Kansas or another location. And 4) From what location, in your state, was an exported animal shipped? So tagged in Nebraska, moved out of state from a livestock market or an owner's premises, that gives you the answer to question number four. And then the second parameter that we evaluate is the percent of successfully completed Trace Performance Measures. So how, what's the percentage of time you're able to find the information you're looking for? So if you consider those two parameters and what we're trying to measure, you

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can see that the key to successful traceability is the timely retrieval of complete and accurate information. And if we've made any progress over the last few years, since the implementation of 9CFR Part 86, it's the fact that we've moved from what you see on the left, is sorting through boxes looking for one ID for the animal you're trying to trace, to incorporating that information into a database, where you can plug in the number and find that information in seconds versus hours of pawing through boxes. For the Traceability Performance Measures we had to have a national baseline. So we went ahead and did some exercises on official identification and movement documents back when the rule was published, to give us, kind of, a baseline parameter for how long it would take and how frequently we can find that information we were looking for. Since then, we've had two comparison years that we've evaluated to date, so 2014 provided the first and then 2015 provided the second. We just finished up our 2016 cooperative agreement period back in April and so those results are being tallied, and

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we'll have numbers for the third comparison year shortly. And I know that this slide is a little bit busy, so we won't go over it in tremendous detail, but basically, this shows the results of the national baseline year, and then the first and second comparison years. And so if you look at the first column, it shows you the question, one through four, the second column is then the national baseline results, first comparison and second comparison. The first column under each is the percent successfully completed and then the second is the elapsed time that it took to complete those. So the important thing to notice is, when you look under the national baseline column, you can see that we averaged between 58% and 76% on the percent of time we were successful at finding that information, and we averaged between 4-11 days on elapsed time it took to find that information. And between the first and second year, in comparison, we jumped up to high 80s for percent successfully completed and dropped down to 1-2 days of elapsed time, to find that information. So substantial improvement from the national

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baseline year to the first and second year comparisons, we'll see what the third year comparison brings. This slide reflects the TB traces from slaughters. As Neil mentioned, FSIS does a final inspection of carcasses, if they see any lesions that are suspicious of tuberculosis or any disease, they'll collect samples. All ID is collected at the beginning of the slaughter process, so if a sample is submitted down the line, that ID gets submitted with the lesion that's submitted for diagnostic testing. So these cases reflect, or this table reflects cases from 2010 through September of 2016, fiscal year '16. We had 38 cases, total, in that time period. The first column, you'll see what type of identification they came into the plant with, and then across the top you'll see that each column reflects whether that animal was successfully traced, or it wasn't able to be traced. Traced indirectly, generally means that that animal came in with another animal in a group and we were able to find it either because of movement documentation or ID that was on another animal it came in with. So

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out of the official, or out of the identification types, there were 12 that had unofficial identification, so a management tag, 14 that had no identification and 12 that had official identification. And what's important to see here is that even with unofficial identification, or no identification, we were successful at tracing them some of the time, and generally that's because of really good movement records or records in general, the plant and livestock market has excellent record keeping. But what you'll notice about the official identification is that all 12 of those animals were able to be successfully traced. What you'll notice too on the, Unable to Trace, that represents six herds out there that we didn't find that are likely infected with tuberculosis. So what's the cost of that over time? So in looking at these, and then talking to our counterparts in industry, we thought, how are we doing? And if you consider, in the context of which the rule was drafted, so official identification and movement documentation for livestock moving interstate, we're doing the

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basics pretty well. We've had a very well, or very good improvement in the percent of time we're able to find that information and a substantial decrease in the amount of time it takes us to find that information, but I don't think anybody in this room would argue that there aren't significant gaps within the system, and we can do a lot better than we are. So, in our discussions with stakeholders and also state animal health officials, we identified some of the most, or some of the biggest gaps that we have within the current system. The first of which is that official identification requirement is limited to interstate movement and so when you consider then an animal can move many times, or potentially never move interstate, there's a lot of chance for disease transmission, where that animal is never required to be officially identified. So records may not exist. If you don't have a tag in an animal, how do you know if that animal moved interstate or not? There's no movement documentation, there's no tag, you don't know where it's been. And we always joke about, how

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do you trace a black cow with no identification?

It's pretty difficult. The other thing we've heard is, we've talked about the exemptions or flexibilities that were built into the rule intentionally to allow for, you know, current practices and things like that, have made it really confusing to try to explain what's required by producers or livestock markets or accredited vets at a livestock market. If an animal moved interstate, where is it going? Is it going to slaughter? Then it doesn't need official ID, it can move on a back-tag. Does it need a movement document? And those concerns, so, or is it just moving intrastate, and it needs none of those things? So it can be very hard for people to do the right thing, figure out what they're supposed to do. And then, when you consider it's hard for you guys to figure out what needs to be done, try thinking of how compliance and monitoring that is. Again, if there's no tag, if there's no movement documentation, how do we know what doesn't exist? The second challenge, reliance on low-cost technology or visual-only tags, no one

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would argue that NUES-tags have been very successful in our disease programs, on purely brucellosis, they've been a tremendous asset. But, as I get older and I need reading glasses now, I appreciate the concept of trying to read those small tags, when they're filthy or they've been beat up over time, and doing that at the speed of commerce. So, and then if you consider you need to put that number down on a movement document, you might need to catch that animal up several times to be able to do that. The bottom right-hand picture is of an ICVI that an accredited vet filled out, very appropriately, with the IDs of the animals moving, but I feel for the guy because I can only imagine the amount of time that it took to do that. And I always joke, I can't tell if he was mad or that's just his handwriting. But, you know, you consider he's trying to do that at the speed of commerce, so did he transpose numbers and then if I'm trying to read it I'm not finding the ID that I'm looking for because it's recorded incorrectly. So I know we've mentioned it, and when we started these listening sessions, I

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think everybody was expecting we were going to come out and say, "Okay, it's time to include feeder cattle, let's go and figure out how we're going to do this", and while we consider beef feeder cattle to be an important component of a full traceability system, they're certainly not the biggest gap that we have at this time, so, but they are included here as a challenge. So feeder cattle aren't isolated from disease, out of the 38 cases of tuberculosis in that time period, 18 of those, or 20 of those were in feeder cattle, and so they're not immune from disease, so that's an important consideration. As has been mentioned, there's trade implications of that, and even though, as we know, China came through with an export verified program, and AMS program, to meet their requirements, we're constantly being audited by these countries on our traceability programs. I had a Korean one not that long ago, I go back to a Taiwan audit on Monday, and their two biggest topics are BSE and traceability. So we're constantly defending what we do in those efforts for our domestic programs. But, as I mentioned,

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you know, even though we consider feeder cattle to be an important component long-term, there's definitely other priorities and gaps that we need to address first. The final challenge that we identified is the requirement for collection of all ID devices and correlation to the carcass through final disposition. That goes back to that FSIS requirement for that collection and correlation to the carcass, and what we find is that this can be inconsistently applied, and that's due to a few reasons. Sometimes collecting all the ID at the speed of commerce can be really difficult, so at the speed of line. If the animals come in with a bunch of NUES-tags, sometimes they're hard to see, but if they're coming in with a lot, trying to collect them all and make sure that those have been recorded on, for when we go back and do traces, if one ID out of five was recorded, you might not necessarily have that tracing capability to give you that link. Sometimes there's just procedural issues at plants and where the collection occurs, and that sort of thing, and then turnover, not only plant personnel but also

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veterinary services and FSIS personnel, where that education component just isn't coming through, that it's a priority to collect that ID and make sure it's correlated appropriately. So we started this effort after conducting the assessment, of doing outreach and education, or soliciting feedback, with not only industry, but also state animal health officials and our own personnel. We started that back in fall of last year with some conference calls. Then we also charged, not only our personnel, but also state individuals with going back to local level and finding out what's working well for their industry or not working well, and to get that feedback at those levels. The regional stakeholder meetings started in April of this year, as was mentioned by Kathy, this is our eighth one, and so making sure we get that feedback, again, from that local level, or as much of the local level as possible, to make sure we're hearing all concerns and what's going well. The state-federal working group was also started at the beginning of those meetings, so that the individuals can participate in any

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regional meetings that occurred, and also consider the feedback that we're getting at each of those meetings. And, as Aaron mentioned, that'll culminate in a national ADT forum in September of this year. And so our two remaining meetings, well, one remaining meeting now, we're in Omaha, so on Thursday we've got Fort Worth, Dallas Fort Worth, for our last and again the NIAA USAHA hosted traceability forum will be in September 26th and 27th. The working group will be responsible for collating the comments and feedback we get from this working group and tie in some recommendations for how to move forward. So that'll be published at the forum in September. So our goals for today, what do we want from all of you? You've heard it multiple times, we really want to get your feedback on what's going well and what's not working for you. With really good ideas or consideration or comments on how we can move forward, what some of the biggest issues are that we need to address, holes that need to be filled, and just your feedback on how this could work for you. So very important to make sure

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you speak. If you're not comfortable getting up to the microphone or saying things out loud, we do have cards on the table so you can write down any questions or comments that you have on those notes if you're shy. In addition to that, we also accept written comments related to the assessment and how things are going. So there's, in your packet you'll see information on the online submission of those comments and then also the address that you can send any written comments to. And what's important is, we know people, not everybody can leave their jobs, or take the time to come to one of these meetings, so as you go back out to your local areas, make sure you have these discussions with your counterparts. There's plenty of time for them to offer comments still, and all the information in you packet is also contained on our website, so they can go see the presentations, all the discussion points that we're going to bring up this afternoon, so there's plenty of time for people to comment yet, on how they feel traceability is working for them. And with that, I'll take any

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questions.

MS. SELEGA: Any questions for Neil either?
All right, we'll work the room into-

DR. GEISER-NOVOTNY: Panel?

MS. SELEGA: Good. And move into the panel discussions. And while I ask the panel members to come forward, why don't you all just take a quick stretch break, get your places. So the panel, the six panel members, if you want to take your seats here at the table.

[Off mic conversation, multiple speakers]

[END RECORDING MORNING_1]

[START RECORDING MORNING_2]

[Off mic conversation, multiple speakers]

MS. SELEGA: I'll get folks to come back in the room. There we go.

[Pause]

MS. SELEGA: Okay, great. We're going to get back to, get back to the business at hand. So we have six panel members, I will let you all introduce yourselves because I don't know what order you're sitting in. But I do want to let you all know that, again, as Sonny mentioned, there are notecards available at your table, if

you'd like to jot down some questions. You are also more than welcome to ask questions of any of the panel members, at any point in time during their presentations or afterwards, however you want to do that, and we will have some microphones roving around for you all. I do ask that when you do ask a question, indicate who the question is for and also please let us know who you are, and that's for the purposes of the notes and the transcription. So I'm going to just go far end, to this end, so just tell us who you are, who you're representing and then tell us a little bit about your experiences with animal disease traceability. Thank you.

DR. DAVID BALTZELL: I'm David Baltzell, I'm the Auction Market Veterinarian at the Ogallala Livestock. I've been Auction Market Veterinarian since graduating from Iowa State University in 1985, where I entered practice with my father, who had been Auction Market Veterinarian at Ogallala Livestock since 1962. So, as you might guess, I spent a lot of time around a livestock market. It's one of the largest cattle markets in the state, we process

a large number of stock cows at that market, and we have a lot of first-hand experience with the challenges of animal identification.

MR. JACK HUNTER: I'm Jack Hunter from Crawford, Nebraska. Owner of the Crawford Livestock Market, with my wife. We've owned it for 37 years, we're in a situation where we're right in the northwest corner of the state. Our trade area is Wyoming and South Dakota, Nebraska, probably half of our cattle that come through our market come from out of state. So we have a lot of issues coming from individual states and individual state veterinarians and their insights of what needs to be done. So, I guess we'll be talking about that as we go.

MR. RYAN ALGINO: I'm Ryan Algino, I'm the Animal Welfare Manager for the nine US beef class for JBS. I've been in this position for about one year now, prior to that, I was Food Safety Superintendent at our Greeley, Colorado facility for six years. Prior to that at University of Wisconsin, Madison in Food Safety Microbiology.

MR. TODD GEIKEN: I'm Todd Geiken, cow-calf

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producer from Gothenburg, Nebraska. I guess we've raised cattle, probably for close to 100 years in our family business, took maybe a break for five years when I went to college, but have been back into it since early '90s. We have, I'd say we do backgrounds on our own cattle, usually - - through livestock - - barns or video from different parts. We have been, had electronic IDs for a number of years, probably around 15 cows and calves, I guess and I'll, just, situation.

MR. MIKE DRINNIN: I'm Mike Drinnin. We have a feedlot operation that's family owned and run. I'm also Vice President of Nebraska Cattlemen. It's been in our family since my father returned from the Navy in 1954, and we've built upon that. We've used EID systems and Source and Age Verified programs and we're fully computerized and, in our operations, so that's where I'm at.

DR. HUGHES: I think I gave my history a little earlier, but I'm Dennis Hughes, Nebraska State Veterinarian. Born and raised in Nebraska, farm ranch kid, Northeast of Nebraska,

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grew up in Neligh. Went on to veterinary school, Iowa State, came back to Northeast Nebraska and practiced large animal in Northeast Nebraska, then became a field veterinarian during the pseudorabies heydays. Cleaned up the last of brucellosis and TB at that time, and then became State Veterinarian a little over 12 years ago.

MS. SELEGA: Great, thank you. Now, if I can ask each of you, thank you for your introductions, just to give a little bit of history on your experiences with ADT and then we can have the audience ask any questions of you so, I think we'll - - , thank you.

DR. BALTZELL: Can you hear me all right? I guess, I've been around this long enough to have quite a little of history with identification issues and you know, back in the days, we used to brucellosis test all the cows going back to the country out of the auction market, we did lots of silly things. At one point, I remember that we pulled back-tags off the animals and clipped them in their ear, with a new silver ID tag. Looking back, I cannot imagine what the

logic was in that, but that was what we were supposed to do at one point, years ago. We are not using electronic IDs at the auction market. I have proposed that several times and, with an expletive, I was told, no. But I think that that may be the way they're going to need to go. Identification is a real challenge when you have large numbers of livestock, I don't think that's any big surprise to anybody. We had one instance where we sold something like 3,400-3,500 stock cows on a special stock cow sale, and ended up reprocessing 2,000 head of those cattle after the sale to record their individual ID for CVIs. And that is quite a detriment to commerce, it's an expense to the buyers of the cattle, and it's also, as anybody who's handled livestock know, you put a thousand head of cattle through a processing facility, there's going to be a certain statistical occurrence of injury and so forth, and that's a problem. You know, we've had good cooperation from the market as far as facilitating what we need to do, but those things are a challenge and it doesn't address at all the need to be able to trace back

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animals that are not breeding stock, they're not covered by the traceability requirements. And having studied a little bit about epidemiology, both within and outside of my profession, it scares me to death, the possibility that we could have a foreign animal disease introduced, either by happenstance or bioterrorism in this country. And, you know, at any given Thursday, we might send feeder cattle to eight different states or more, out of the Ogallala Livestock Market, and if intentionally a disease was brought into that facility and those animals were exposed, the implications of that are catastrophic beyond imagining. So, we all do need to, kind of, think about what we would do and how we might move forward with a practical and 21st century solution to this problem, so that we can protect our industry.

MS. SELEGA: Are you going to take questions or wait until the end? Move on down the line then?

MR. HUNTER: That's a good idea. Again, I'm Jack Hunter from Crawford Livestock Market. We also ranch, my son's fifth grandkids are sixth

generation on a ranch that's been, that borders the Nebraska line. We're in South Dakota and we've been, owned the market at Crawford for 37 years, also had a market in Edgemont, South Dakota, in the southwest part of South Dakota, so I've dealt with different states and their requirements. We, as Dr. said here, that I mean, we bled about every cow that went through the barn for years, and years.

Brucellosis program, kind of, we're brucellosis free, so they say. So a lot of people are not Bangsing anymore, so we're not being able to, a lot of them are coming in with no tags, or when we read we need to have an official tattoo, some point in time, either the USDA ink isn't any good, or the vets have put it in isn't any good. That is a big issue that we have that cattle come in from out of Wyoming, they've got an official Bangs-tag but no tattoo, so they cannot go back into Wyoming. Those are some of the issues that we have had, I guess. When we bring in cattle to our markets, bred-stock, like they do in Ogallala, we back-tag them and read the tags, and that's corresponded together, and that

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has worked very, very well in being able to ID the cattle for the ICVIs going out of state. I guess the reason I'm on the panel, I went to Sonny's presentation in Billings, and I was worried of what the blueprint of the USDA actually was on feeder cattle. It looks like maybe, as of right now anyway, that they're putting that on hold, but that was one of my concerns, and so then Roy Barter [phonetic] said, "You're on the panel in Omaha." So, it's 490 miles from Crawford up to, up here to, and our trade area's in the corner of the state, where we do. And, I guess, for the most part, I think that we've been doing everything really correct as far as—and getting along with the vets at our market. I know that probably we do it 100% but then you get, what is the trade, the country trade do? What does, you know, Doc, at the Ogallala does everything right, but what about somebody down the road, right, and the individual health? Are they doing things the way that the markets are required to do? Sometimes I think that's not quite true. That's just a short deal of what we do, if you have any

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questions on how we handle—we do, we back-tag all our out-of-state cattle with a yellow back-tag, in-state get a white one, and so that way we can put the tags, if we have to retag going out of state or out-of-state cattle in state that we have their—individually tagged. But my main concern, I guess, in all the Animal Disease Traceability is that we need to keep the feeder cattle just with the ICVIs and the not have to do an individually ID because there's just no way that we can handle that many cattle. And speed of commerce and then being able to get them so they don't get hurt. Individuals, if they want to do it, like the other guys on the panel, I think it's very, probably a good program. We say a lot of that 6-8 years ago, a lot of my customers did it, but there has not been any benefit in age and source to them, since COOL was taken out and some of the other programs. Now we've got a new buyer in, maybe we'll see. If it comes to the point that there's money for the producers to do it, I'm sure they will, and that will probably help some of our problems down the road. Anything else?

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Any questions or, want to wait?

[Pause]

MR. ALGINO: So I'm Ryan Algino, JBS Animal Welfare Manager. Just put together a few slides on how we deal with traceability at our harvest facilities.

[Pause]

DR. GEISER-NOVOTNY: Should just be that forward arrow on the - - .

[Pause]

MR ALGINO: It's moving on this screen but not on that screen.

DR. GEISER-NOVOTNY: It's not, isn't that interesting? Right, technology. It's moving here but not-

[Off mic]

[Pause]

MALE VOICE: Might have to close and reopen. Is it this one?

MR. ALGINO: Yes.

[Pause]

DR. GEISER-NOVOTNY: There you go.

MR. ALGINO: There we go. So at our harvest facilities, we've nine across the US, we

typically don't find diseased animals at the facilities, generally healthy animals. But we do operate under FSIS Inspections, we have to comply with their directives. I've just listed some of them up there as reference for tuberculosis and foreign animal diseases. And then all of our animals go through ante-mortem inspection and then post-mortem inspection, by FSIS. A large percentage of the cattle that we do harvest are sourced from within the same state. We don't want to incur those large shipping costs to transport our animals long distances, so as an example, one month this year, our Greeley, Colorado facility, which harvests roughly 5,200 head a day and 71% of the head they killed from in state. So, you know, with being interstate shipment, not a lot of the animals are getting to that, to our facilities, are going across state lines. And then, like was previously mentioned, there are a number of slaughter exemptions, so that we don't have to deal with the official identifications, ICVIs or official ID numbers. So due to these exemptions and interstate movement, you know, I talked to

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our cow procurement team before this, and they have had little to no involvement with ADT implementation. So one thing that we do have to comply with is 9CFR 310.2, which is, collection of identification at slaughter. So that's all ear-tags, bangles, back-tags, they have to be removed from the carcass, by an establishment employee and placed in clear plastic bag and fixed to the carcass. The bag must be removed from the carcass by an establishment employee and presented with the viscera to inspection personnel. And there's an alternative method you can use, you can develop your own method, get approval from FSIS and do that. And that's what, currently, most of our plants do, is we have an alternative method to identify those carcasses, we come back to the tags that they came in with. Now, one thing I'd like to note is that right in the CFR it says that "Plastic bags used by the establishment for collecting identifying devices, will be furnished by the Department." That's not happening. And that, you know, I was reading through the assessment report, prior to this, and thought, well, maybe

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that's why you're not seeing the compliance, is that the establishments have to furnish the bags themselves, and 1.2 million bags for one plant, that's an expense and, you know, just like any producer we're, you know, at the packer level, we're trying to minimize our expenses. But, for JBS, we do furnish our own bags, and we collect all the tags, and maintain those through final inspection. So in some plants it's through final inspection, some plants they may keep them until there's a clean break in cattle, so, like, at first break or lunch break, they'll clean out all the tags they have and throw them away. Some plants they, they'll keep them for a week, and they'll save all of Monday's together, all Tuesday's together, all Wednesday's together, and then next Monday, when they go to put those tags away, they take last Monday's and they throw them out. So, you know, each plant has their own protocol, but at least at JBS, we are saving the tags, at least, through final inspection of the carcass. So for an example of how we tag, maintain traceability of the carcass through final inspection. You can see we have

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these little white paper tags that are on the carcass themselves, with a barcode, and there's one stuck to the piece of hide that's sticking out, with a bungee-cord, those are what we call GAIN [phonetic] tags, they have a basic carcass ID number that will then follow that carcass throughout the whole process, all the way through fabrication. So we take that tag, and we have an employee cutting off ear-tags, he takes the tag off the hide, and he takes all the ear-tags or back-tags, whatever tags that animal has, and he puts them all together. And we're able to keep all those together, they're in a plastic bag, as long as we need to, through final inspection at least, and present that with any viscera or the carcass, for any out rails. So something that is identified on the viscera table, or on the head-chain, that has some kind of, a sign of disease by the online inspectors, the USDA online inspectors, that'll get railed out, it'll be for veterinary disposition and we'll present those tags at that time, with that carcass. For RFIDs our experience is limited with RFIDs. We have used them for

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1 identification of individual animals and
2 specific groups of cattle, mainly for process
3 verified conformance, or supplier requests for
4 carcass performance data. So we have specific
5 agreements with producers, that they want to
6 know how this carcass, this individual animal
7 graded, or, you know, so they can trace it back
8 throughout their own process. So we've done
9 that. Roughly, at this time, about 30% of the
10 cattle we harvest have RFID tags, and even if we
11 want to appear RFID system, we would still need
12 to collect those, and hold those for USDA, or
13 FSIS, to stay in compliance with 9CFR 310.2.
14 Some of our observations from RFIDs are that
15 some read better than others. The all, ones
16 that have all copper wiring inside, they read
17 better than the ones with aluminum wiring or
18 copper-clad aluminum. Just anecdotally, they
19 seem to fall out more than the visual tags. For
20 portable tag readers, we've used both portable
21 tag readers, and my next slide is on stationary
22 tag readers that are online. For the portable
23 tag readers, if we had to scan every single
24 animal at our plant, just the labor alone would
25

be about half a million dollars a year, for all nine plants. They're a manual download, you don't know if you missed any at the, you think you scanned it, but you may have missed one, they're all in order that they came to you, but you don't know where the gap is for the one's that didn't have them. You can't link them to, we can't link them to our in-house carcass identification system that we have in place, but you can ensure that every RFID tag is read, or if an animal doesn't have a tag, you can mark that animal to identify it later on. For our stationary tag readers, six of our nine plants have stationary tag readers, they are linked, or can be linked directly to our in-house carcass identification system. But we found that placement on the ear is real critical, just with the way that the head hangs, with the carcass on the chain, that we found that, if you see the pink dot on the third picture from the left, we found that that's the best placement of the tag. That way, the tag is vertical, or, you know, flush with the reader, has the best chance of being read, so you get the largest cross-section

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presented to that reader, versus, you know, this, you know, quarter-inch wide cross-section being presented to the reader and you'll probably miss it. Even so, we still don't read all tags. Even with, we have a person that worked on it for many months, in a bunch of our plants, and, you know, I talked to him about what his recommendations were and he said, all copper tags and placement on the ear, those are the two things that we really need to work with. As far as what we see for the future traceability, you know, we're always looking to increase the value of the products we produce, so we're looking at export markets and consumer marketing programs. So that could be, you know, depending on what our customer requirements are, agent sourced verification, you know, Saudi Arabia opened up their market and now China, grass-fed or, you know, NHTC cattle programs. So whatever, we see a demand for market customer base, if we see we can, we can then make some money on that, we see value there, we'll work with our suppliers to push in that direction. Now, I also did talk with

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Nathan Meyer, who's our staff nutritionist and veterinarian, at our Five Rivers Cattle Feeding. Before this, I presented him the same topics that I was sent before this, just to get his opinion from the live side of our operation. For implementation at Five Rivers, they haven't had any major issues. They've had, you know, little push-back and good compliance from their calf suppliers. They have had some issue with multiple official ear-tags being applied by producers and by vets, and they've seen a lot of ear infections from improperly applied metal tags. His thoughts were that moving to electronic systems would help minimize the issues, but the cost is where the problem lies. For RFID, great technology, lots of possibilities, but like I said, cost is the issue. And what he sees for traceability future is that for market access increases, there's likely to be a demand for traceability, and timely disease traceability is critical to minimize market closures. His opinion for the level of traceability that we should achieve in the US is that disease traceability should be

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1 mandatory but production programs should be
2 voluntary. And, you know, how do we advance
3 traceability in that direction? His thoughts
4 were a step-wise program is the best approach,
5 with getting, increasing our traceability
6 capabilities by receiving key stakeholder input
7 and adjusting the program where we need to as we
8 move forward. I don't know how to get back to
9 your-

10
11 MS. SELEGA: Thank you.

12 MR. GEIKEN: Like I said, we're a cow-calf
13 operation around Gothenburg, Nebraska. I guess,
14 the reason why I started with an EID system and
15 stuff was, Dr. Roger Dudley was our local vet,
16 before he moved down here, was record keeping
17 for myself, was, sent all the paperwork and
18 just, like, Sonny showed that one slide of all
19 your paperwork and try to hand redo everything
20 and we were trying to get them in and so that's
21 why we, kind of, went to a computer system.
22 Entering the weights [phonetic] with our cows,
23 we probably check them and just enter them in
24 there. You know, with the feeder cattle, like I
25 said, we get the birth weights and our sire

groups and 205s, adjust the weights for everything, and then the where I can put the MPPA cows, so it's just the, it was more of a benefit for me, for record keeping, for that way, that's why I started. Beyond that, obviously, some things opened up with NHTC [phonetic], I mean, we really haven't done gap, one year we tried it with agent source, it was there before, and, obviously, like I said, it's, kind of, phased out until just recently again a little bit. But we stuck with the whole time, all the way through, basically just for record keeping and other things for us, for simplicity, I guess. We obviously have our Bangs tag for our cows, for our heifers, for the year of age, and so they get all applied. We have purchased a few cows over the years, we're not totally a closed herd, I would say about 85%, we have had a couple of dispersions we bought. You know, beyond that, and we have the calf, obviously we tag, all our cows are obviously get a visual tag to it also, beyond that, the identification, then we do, we have applied the EIDs, we actually have three sources for identification.

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So I know it's a little overkill but it's just for what we have and stuff. Our calf matches up at birth, we tag it to the mom's cow, and then at branding, we do apply our EIDs at that time, just for where I can enter into a PalmPilot or an iPad for the system stuff. So, if I need to look it up or put anything, shot records or anything that far, it's just easy for me to go look up on a computer instead of having to try to go through hundreds of pages to try to find it. Obviously, everything is written in for the, sire-group to the birth weight so again, can cross-reference there. We get to the weaning, then we, I just have to scan it and we just get our weaner weights down and then I can call the computer where we need to go. So we have been part of a system for probably 10 years real soon, for, like I said, for an agent source or NHTC, a couple different programs. I think it has benefited us, definitely for some price, on majority years, I think we did that with a couple two, three-year gap there, I agree with Jack. I guess, otherwise, mainly, you know, for, looking at other people around our area,

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there's some I think would easily do it but there's some that are definitely not ready. I mean, they don't even tag their calves or anything else too and, but they're the same farmers that'll go and have a GPS system and go for a \$2,500 update on each card we're always [phonetic] doing, and every year we're always doing, but they can't do a tag, so... They'll have all the records down for everything but, there's both, there's all scenarios, like we said, so... It'd be very hard; I can't imagine what the sale barn to implement it, or else doing it would be tough. For me, for us doing it, I guess, if it's a, it benefits my program - - and stuff. For me to get some extra dollars out of it, I'm willing to take advantage of it also. I guess I... Have a lot of other questions if you have, how things are, but that's kind of my overview.

MS. SELEGA: Mike?

MR. DRINNIN: I don't know how this is going to work. I like to talk with my hands. If I can't use them both, I might become mute so, but we'll give it a try here but... In the feedlot

things that've changed in the last number of years here, is everything has gone electronic, you know, it's to the point where we used to take paper into the feed trucks, and now there's computers in the feed trucks. Here's our chute side and they talk to our server and it's all live data, whatever happens during the day, like, right now, I could log in now and tell you where the feed truck is. So, you know, that information's there and it's quick and it's easy and it helps us disseminate, if we have any problems or any things that we could do to improve ourselves. When you talk about the ID part of it, we're, in the feed yard we use, ID and then we individually give them a unique number on everything that comes in. If a lot of 300 head comes in, they each have an individual number that's unique to them, and that is put into our computer system. And so anytime that animal is handled, i.e. if it's processed or pulled as a sick animal, that number is entered into our system, and then we, that number is with it forever, and we can pull that information from a couple, three years from now.

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And so that's the abilities that we have at the feed yard, and with using some source and age programs in the back, you know, in the last few years, they come in with an EID tag. And with these programs it's very easy that with the rancher, that if he has that number, that EID number, and as you talked [phonetic], and if it's traced back to their cow tag number or that calf tag, it's easy for us to go ahead and upload that EID number and then match that number to our unique number that we use in our feed yard. So that way, all that traceability can come all the way back. If there's anything that needs to be researched or found or anything like that, the information goes back and forth between us and the producer on both sides. So the ease of that is, it really helps a lot, I guess, the main thing is that if they come in with an EID number, and that number is matched to their calf number, it's much easier for us to be able to enter that information. If they come in with a tag, that has ranch tag and then we apply an EID number, it takes a little more time. We may not record that calf number

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exactly how it's supposed to be and leaving that tag in there, I mean the animal starts to look like Minnie Pearl after a while, so we try to go ahead and minimize this. So we have certain visual parts of this whole thing. And really, you know, part of the biggest thing is, with the electronic part of it, you got to understand the people that work in our feed yard are second to none amongst many other yards across the state and the country as well. I mean, you've got feeders that can just load a truck, pinpoint accuracy and feed it off to cattle, and you've got a pen rider that can notice a sick animal a mile away, guys that groom pens are like landscapers and it just goes downhill, but you put a computer in front of them and you'd swear they'd got the Nuclear Football right in front of them. I mean, these guys just totally freeze. But these programs do work well. And I explain it that way because a lot of these guys have no experience at all in a computer, I mean, they're use a flip-phones and it just, it's easy to run and it's easy to follow that information. So that if you make that easier, with an EID

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1 system, and it just, it traces that much easier
2 for us and then for our employees. One thing
3 that, you know, we haven't really talked about
4 yet here too, is the information that's compiled
5 in that. I think, and we truly believe, that
6 it's absolutely essential that is strongly
7 protected, that information that's in there, and
8 it's held by private industry. And then the
9 only way to get that information out is, if
10 there is some form of a disease traceability, is
11 with, by court order that comes in and then
12 that's all they're looking for, is for that ID
13 number to try to trace back that animal. That's
14 highly essential and something very important
15 for us to have. And then also continue with
16 the, it just doesn't make any changes to the
17 brand systems or any tattoo systems that are out
18 in the country. It's, there is, it is
19 problematic in a lot of areas, and we understand
20 that and we see that in the sale barn, where
21 you're running animals through in the least
22 amount of time, it was mentioned that you can
23 run an animal through a chute, the better off
24 you are as far as injury, shrink, or any other

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things that can happen to that animal, or even to people handling them. But it's, you know, and I know I've been on part of some discussions when we looked at FMD and maybe possibly setting up different bio-security measures in feed yards and operations across the state, the cow-calf whatever, sale barns and things like that. And I've been in some of these meetings with Dr. Hughes, and one of the things that's come forward, and not stealing any of his thunder, but just to, in a recent case of TB, I mean, it cost a tremendous amount of money to trace that animal. And then not only just that it's handling that animal multiple times in heat like this or things like that and trying to get through, which causes stress to both the animal themselves and, not to mention, just the producers themselves. So, if we can follow that animal a lot easier, and reduce that cost that comes off to the USDA or our state vets in trying to achieve this. Is it possible if we reduce those costs, that there is some cost sharing for some of these readers that we have to give with sale barns and auction markets and

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1 producers and things like that, maybe there's
2 some possibilities of that. So, I'll go ahead
3 and leave it at that, and if there's any
4 questions, I'll be darn sure happy to answer
5 them.
6

7 MS. SELEGA: Why don't you go ahead
8 Dr. Hughes, and then we'll do questions for all
9 of the candidates.

10 DR. HUGHES: Okay, thank you. I presume you
11 can hear me. I'd like to address, and maybe add
12 on to what Dr. Baltzell stated, particularly in
13 what he deals with in the livestock market
14 arena. You know, he touched on the fear of
15 foreign animal disease and how fast it can
16 spread, particularly if it went through a
17 livestock market or concentration point. This
18 is the fear that keeps State Veterinarians awake
19 at night. It's one of those things that you
20 hope that it doesn't happen in your career, much
21 less your lifetime. Probably most of you in
22 this audience, maybe you remember what we went
23 through here in 2015 with an outbreak of
24 high-path avian influenza in the poultry
25 industry. That was devastating to that industry

for over a year, and that really hammered the economics of the poultry industry still yet, and it's still recovering. In the last two years, in particularly in Nebraska in the last six weeks, we've had a disease in swine that has kept us very busy, it's called Seneca Valley Virus. It looks just like foot and mouth disease, and between June 6th and about July 6th, we had 158 different consigners of slaughter swine that moved pigs to a slaughter facility that had lesions that looked just like foot and mouth disease. When you see that and realize how fast animals move across the state, and across state borders, it's a real fear that if we'd have foreign animal disease, we have to respond quickly within hours. Hours is critical, we can't be waiting days. You know, I appreciate what Dave spoke here about keeping traceability information confidential, but state and federal animal health officials need that information immediately, particularly if we're going to have to stop moving animals. You know, one of the things that we deal with, if we plan for foot and mouth diseases, we would stop

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1 movement of animal transportation vehicles into
2 the state of Nebraska. We've worked with
3 surrounding states to, you know, try to get law
4 enforcement in place to stop movement as quickly
5 as possible. You've got to put that in place,
6 at least for a few days until the industry calms
7 down and realizes, we've got to police this
8 problem now for some time. Traceability is
9 involved in my job almost every day. We've
10 mentioned what's gone on recently with the
11 tuberculosis traces out of South Dakota. We
12 deal with trichomoniasis situations where
13 animals did not meet their import requirements
14 for trich. Nebraska cattlemen and other
15 stakeholders are upfront in making sure that we
16 do our job in preventing trich-infected animals
17 from coming into our state. Really critical.
18 You may know that we monitor import animals
19 stringently. We have three investigators, who
20 carry badges and guns, who stop trucks crossing
21 the border into Nebraska and they're checking
22 for CVIs, ICVIs and our import requirements.
23 Three out of, how many roads that cross
24 Nebraska, is very miniscule, but at least it

puts a word of warning out there that Nebraska's serious about monitoring what animals come into our state for import requirements. Also, some of the things that we've dealt with in the past, we've seen cattle with multiple steel tags, I can remember, I think, one particular group of cattle we dealt with in our tuberculosis venture in 2009-2011, where we had cows that had been moved from state to state to state to state and I'm thinking, we have pictures of animals with four, five different steel tags, the Minnie Pearls. Where, you know, right now, that's a huge problem when you're trying to do paperwork, is document all those tags and where the movement's originated from. Speed of commerce is critical, as Dr. Baltzell mentioned. You know, he's got a big job in trying to record all those identifications, all Livestock Market Veterinarians, when you're dealing with trying to record IDs for cattle coming in and out of a market, speed of commerce is, got to be considered. And in that light, I think, maybe a little premature mentioning this, but I'm on the Animal Disease Traceability Working Group. We

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1 have conference calls every month, I guess,
2 don't we Neil? It seems like it.

3 Mr. HAMMERSCHMIDT: Every two weeks.

4 DR. HUGHES: Every two weeks? I haven't
5 made them all. But, you know, one thing that's
6 been discussed, and I think price is going to be
7 the main thing here, you know, we talk about
8 RFID tags, but now there is the
9 ultra-high-frequency RFID tags. I think that's
10 a really exciting possibility, is the ability to
11 come up to a group of cattle with a scanner and
12 read all of in the group in just seconds. Not
13 having to run through an alleyway, and you could
14 read the whole group. I think that's something
15 that, you know, gives us another way to keep up
16 with the speed of commerce. Otherwise,
17 appreciate what JBS is doing also there, and we
18 continue to encourage our slaughter facilities
19 to do their best to obtain all identification
20 that is applied to these animals. I guess
21 that's everything I have for now.

22 MS. SELEGA: Any questions for our panel
23 members?

24 DR. BALTZELL: Going first is a bit of a

disadvantage, so I'd like to say a few more things. For those of you who may not be familiar with how the ADT works through an auction market. The Ogallala Market is a border market, we get a lot of cattle from Colorado, fewer probably from Kansas and Wyoming, but a significant number nevertheless. And we use the yellow back tagging system for those cattle that come in as well, and those yellow back-tags are applied by the market. In order to comply with ADT, we do not record the individual identification or the silver ear-tag information on the cattle before they sell. If the cattle go directly to slaughter then we don't collect that information at the market, that's correlated at the slaughter plant. So the cattle then, that come from out of state that don't go directly to slaughter, we do process those after the sale and correlate a metal tag number with those back-tags. And so that's how we've done it in a practical sense at our market to eliminate handling fat animals that are going to go to slaughter anyway, animals that are particularly susceptible to injury and loss from

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handling. The breeding stock, which is really a bigger issue at our market, those are all processed prior to sale. And we still use the same format that we used in the days that we were doing brucellosis testing, although we're not required, necessarily, to collect all that information, we have a cattle processing sheet that's basically identical to the brucellosis test forms that we used to use. So we collect identifying information, the ear-tag number, the back-tag number that's applied, as well as the cattle's breed and age, so that we have those records to correlate. We often get questions, well why do you have to reprocess those cows after the sale and put them on a CVI? And the answer to that is that you really don't, I think at Crawford you just correlate those with the back-tag numbers?

MR. HUNTER: We do a good job the first time.

DR. BALTZELL: Yeah.

[Laughter]

DR. BALTZELL: And I appreciate that. Well we have found from a practical standpoint, when

somebody buys a load of stock cows and there's 40 head in a pen, it's pretty hard to record those back-tag numbers, because once those cattle are processed, they're sorted and oftentimes bought in small quantities, or for more than one consignment. So those numbers are randomized and it takes more time, and sometimes you end up running the cattle around more than you would if you just put them through the chute. And so, with the exception of cow-calf pairs, which we often just get off the back-tags, and they tend to be in smaller groups anyway, we do reprocess most of those cows through the chute to record that ID. And, as you can imagine, if you've been around an auction market very much, every time that those cattle are moved it creates some kind of a traffic problem. Cattle are being brought up to sell, they're being penned back afterwards, and then the vets out there in the middle of everything, shuffling cattle around and not making himself very popular with the auction market employees. But we've got a fairly good system in place, we're able to get those cattle

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1 out, in a, relatively soon after they've been
2 purchased. There are still, you know, issues,
3 people having to wait and interfering with
4 commerce, and that's something we're sensitive
5 to, it's a public relations thing that's
6 important for the market. But I think, all in
7 all, it doesn't work too bad. You know, you ask
8 what's working well. Well, keeping track of
9 animals that are coming in from out of state,
10 getting that information recorded and properly
11 correlating ear-tag numbers with those
12 back-tags, that's all going all right. The,
13 putting the tag numbers on a CVI, we've got
14 that, kind of, nailed. We do it a little
15 different than a lot of places, we have a, once
16 again, another form that my chute-crew uses to
17 record that identification, and then I photocopy
18 that to the back of all the copies of the CVI.
19 I don't think all the states love that too much
20 because if they scan those electronically,
21 they're having to scan both sides of the sheet.
22 But, I got to tell you, you know, if you're
23 going to put 2,000 ear-tag numbers on CVIs in
24 one night, you don't want to have to
25

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re-transcribe those onto the paperwork. In the old days we did, before we started using electronic CVIs, I would just send the actual health book out to the chute, or take it out myself, depending on what our labor situation was, and record those numbers directly on the CVI. And I got lots of, what we call, nasty-grams back from various government agencies about the contamination that was on the CVIs. So that didn't work out to be all that good. Once again, it's a volume thing. You know, if you're selling a few hundred stock cows it's one thing, when it's a few thousand, it's another. But, those things, all in all aren't working all that bad. One thing we do have a problem with, that I see, is inconsistency with issues with tagging stations and so forth. We have an example where there are two tagging stations in two different states that we do a lot of business with. And in one state we work it out that, well the exemption is, if you go directly to a tagging station, you don't have to have those cattle individually identified, the first time. Well, the way that's read, kind of

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depends on how you look at that. So, there are some of those out of state tagging stations that don't feel like they have to be, that the animals have to be individually identified at the market before they go to that station. And according to the letter of the regulation, and my various discussions with federal authorities, is that the first point of collection is where those identifications need to be collected and recorded. But we have two different states that look at that in two different ways, and we have two different sets of rules. And, to my way of thinking, one of the states is out of compliance. We don't seem to be able to get everybody on the same board, and I know states like to exercise their own rules and don't like to be told what to do, but interstate commerce is one of those places where the more uniformity there is in regulations, I think, the better off we'll all be. We don't like giving up some of that authority, I understand that, by the same token, when the rules are different from one place to another, it causes a lot of confusion and a lot of hard feelings, and overall the

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system does not work as well as it should. Any questions about-?

MS. SELEGA: Anyone have any questions?
Thank you.

MR. RICK VANDERWEY: My name is Rick Vanderwey, I'm from the Ballantyne area, I live in South Dakota but we own land in both South Dakota and Nebraska. My question would be to Dr. Hughes. When you were talking about the TB event, I believe that was, what, in 2009 or somewhere around there.

DR. HUGHES: '09, '10 '11.

MR VANDERWEY: Okay. How many cattle initially tested positive for TB?

DR. HUGHES: Well, we had three different incidents. First of all we had an incident in Northeast Nebraska, with an elk herd that was really unrelated to cattle at the time. And then we had our herd in Rock County, and a herd of about 800 some head, I believe then it was only two positives, if I remember right. And then we had another incident in Northeast Nebraska, it was close to the elk herd, cattle were infected with the same strain

as the elk herd, and we had, I'm searching here for help, remember how many animals? One? One infected?

MALE VOICE: Yeah, one that was traced to the herd was found to be infected.

DR. HUGHES: Right.

[Off mic]

DR. HUGHES: Yeah.

MR. VANDERWEY: So then my, another question there. How contagious is TB?

DR. HUGHES: Well, that depends. You know, we've considered tuberculosis a transmissible, contagious disease, but a lot of it has to do with how close the contact animals have with each other, you know, we were fortunate that at least in beef herds, it doesn't seem to be as contagious as in dairy situations. You know, Texas, California, other states have had, New Mexico had large dairies, where the incidence of infection is a lot higher in dairies because they're closer in confinement. Beef herds, you know, it runs the gambit. Now, South Dakota's current TB-infected herd, I believe is run at about 7-8% of the animals are

infected.

MR. VANDERWEY: Okay. So then there was approximately, what, three cows that tested positive in Nebraska?

DR. HUGHES: Two from the Rock County and one in Knox County, yeah.

MR. VANDERWEY: And then you, earlier, said that you tested approximately 50,000—

DR. HUGHES: [Interposing] Right.

MR. VANDERWEY: —cattle—

DR. HUGHES: [Interposing] Right.

MR. VANDERWEY: —for TB. Of those 50,000 how many of those tested positive?

DR. HUGHES: None, fortunately.

MR. VANDERWEY: All right. Thank you.

DR. HUGHES: Yeah.

MS. SELEGA: More questions?

FEMALE VOICE 1: Just a quick question for Ryan. So for your readers that you have in the facility, are those all low-frequency I assume, RFID?

MR. ALGINO: I assume so. I'm not exactly sure, but I'm guessing, from what I heard about the ultra-high-frequency, that if they can read

a whole group of cattle at once, and when we'd been trying to scan one, we'd be scanning everything else that's on the line as well.

FEMALE VOICE 1: And that's, you're able to adjust that so you can dial it back, so it has a shorter read-rate, but the beauty of those is you can have quite a large read distance with UHF. And then, so what benefit, I know you, I think you said 30%, do you guys derive a benefit from animals coming in with RFID? For your purposes if it ties into your-?

MR. ALGINO: For our purposes, no. Unless there's a specific program they're under, like NHTC, or an Age and Source Verification Program. Otherwise, the only other thing we get out of it is working with our suppliers, if they choose to.

FEMALE VOICE 1: Thanks.

MALE VOICE: Dave, wasn't clear on your use of electronic ICVIs. Are you utilizing electronic certificates or just paper-based?

DR. BALTZELL: At our market?

MALE VOICE: Yeah.

DR. BALTZELL: We use the electronic system

1 where there's a template on the computer that
2 you can fill out. It eliminates a lot of
3 illegibility problems that have plagued CVIs
4 over the years. So we do that. For reasons
5 that aren't quite clear to me, we're not
6 transmitting that information electronically.
7 I'm making a copy of that and sending it to the
8 state office in the old-fashioned way. And to
9 me, there would, I cannot imagine typing in
10 individual identifications on those CVIs for a
11 large number of animals. If I have a
12 half-dozen, I do that, I type them in on the
13 front rather than copy them on the back. But,
14 you know, maybe people that are better at typing
15 than me can do that, but when you're doing
16 numbers and letters and numbers, and doing those
17 over and over and over, it would take me,
18 probably, five times as long to type that
19 information onto the paper rather than putting
20 it on the back like we're doing. If there was a
21 way to link that information electronically to
22 that program, that would be pretty slick. And
23 obviously, I advocate using electronic IDs
24 simply because it would eliminate the handling
25

of those cattle and, conceivably, you could link that information. If those cattle that went through the market could be scanned off the scale, those numbers would be on the buyers invoice, and it would already be recorded, and that those animals would not have to be handled again. Although I do have to say, Ogallala Market was burned on EIDs several years ago, because they were part of a pilot program, they spent a bunch of money to set things up so they could do the scanning, and the whole thing, kind of, collapsed, and they tore some of that stuff out, some of it's still there. That's part of why they're not, you know, not, not very much in favor of that kind of a thing. Now maybe this ultra-high-frequency thing could be a different deal, but I know that it's unpopular. But from an animal disease traceability standpoint, I don't see any other answer than to implement EIDs. And, I guess what I would kind of like to see, is that in breeding stock, we start there, and that we only issue electronic Bangs vaccination tags and that we, at a market like this, when those cattle are changing hands, that

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we do apply an EID, if they don't already have them, and see how that works. It just seems like that's the place to start. I know that's where ADT really started, and I think, I think that would be helpful to us. There isn't that much data stored on those tags, it isn't like, you know, there's secrets are going to be told, but if we can keep from handling those animals, and we can speed that system up and we can reduce ears—because you and I both know that if I got somebody transcribing tag numbers at the chute, and then somebody's doing that at the state office when they enter those in a database, there is an error rate that cannot be overcome. And you wouldn't have that with electronics, especially if we can approve that to a point where we don't have misread or missed tags in the reading process. And if we can link some of that information electronically, I mean, at the very least, if those cattle could be scanned off the scale at the market in a practical way, then all you'd have to do is attach that invoice to the CVI, either directly or electronically, and all that information

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would be on there and there's a lot of information on those. So I think there's better ways to do it than what we're doing. It's hard to bring this industry into the 21st century, with notable exceptions, but there's not going to be a practical way, I don't think, that we're going to be able to trace animals satisfactorily as our, as our standards are, continue to raise for traceability.

MALE VOICE: So it's safe to say that if we are working with visual only tags, the metal clip tag, there's a big barrier to move forward very much with electronic ICVIs? Where, if we had electronic tags, going with electronic ICVIs would be almost automatic?

DR. BALTZELL: I think so. I don't think that my situation is unique and the difficulty of transcribing those, typing those into the electronic CVI. There have been a lot of, I mean, that's a huge improvement, just what we're doing, which is a baby-step, just having the CVI on an electronic database. And for those who are not familiar, all the auction market veterinarians in Nebraska were issued a laptop

1 with the software to do this, and in my case, I
2 purchased a desk-top machine because of the
3 volume that we do and so forth, and had that
4 software installed on that so that at the
5 auction market we have a dedicated computer to
6 do that sort of stuff with, and it's full size.
7 Anybody who's used a compact laptop and tried to
8 type on it would know that that is not the
9 easiest thing in the world. But, that's working
10 great as far as I'm concerned. I have an
11 associate, we each have unique numbers, the
12 information that's on that electronic health
13 certificate is, even in the individual number on
14 the health certificate, and as you know, each
15 one has a unique number, with this system you
16 have the state that the certificate was issued,
17 the accreditation number, the veterinarian
18 issuing the health certificate and the date it
19 was issued, and the number on that date. And,
20 you know, in our market, there's times that
21 we'll write 25 or 30 health certificates in a
22 day, and so it has streamlined that process for
23 us quite a bit. And, of course, my handwriting
24 is as bad as any other veterinarians, so it has

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made those so that the next person has a chance of being able to read the information.

MALE VOICE: Neil, can I say something?

MR. HAMMERSCHMIDT: Please.

MALE VOICE: I think consistency needs to be the number one thing in any of this ADT. I shipped some cattle out of Wyoming the other day, headed to Nebraska, headed to Iowa, excuse me. And all the cows had an 840-Banks-tag in their ear. The vet put a Brite-tag in their ear, he wouldn't read those 15 digits. He says, this takes too long, they got them in the chute and he tagged it, looked for the tattoo and he tagged it, and out the door it went, out the gate it went. So, you know, not every vet does everything the same way, you know? I mean, and so, consistency would need to be either make them all electronic or make them all Brites, you know? So, is what it looks like in my view anyway.

MS. JARA SETTLES: Brian, Jara Settles from LMA, quick question for you all. In terms of the collection of the tags at harvest, are you all then reporting and retiring those 840

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official IDs with the agency?

DR. MCCLUSKEY: I can't speak for all the plants, but I know at some of our plants we are not. I know that, you know, with the volume that we process, roughly, say, 6.5 million head a year, actually recording the numbers down by hand, even if they don't have, if they don't have any ID, you have about nine seconds per animal, and that's just not something that's feasible.

MS. SELEGA: Any more questions?

MR. JOHN HANSEN: Dr. Baltzell, could you detail, this is John Hansen with Nebraska Farmers Union. Could you detail the pilot project at Ogallala? What were the particulars of why that pilot project was not successful? Was it missing readings or was it inaccurate readings or, what was the problem with that pilot project?

DR. BALTZELL: My involvement with that was somewhat indirect, the market took part in that on their own. The problem, basically, was money. There was money to set it up and get it started and then there wasn't money to keep it

going. And I, my observation of this over the years, and I've sat in on USDA programs on identification for 20 years, and it's a, I understand it's a difficult and politically, touchy subject, but I think part of our problem is that if we had, if we just had the institutional fortitude to make a rule and stick to it, we would not be sitting around talking about this now, the problem would be solved. But I know anytime that there's resistance, and I understand there's resistance to electronic IDs, it's politically difficult to move forward with it. But I think that's what happened there, is that there was a pilot project, there wasn't follow through on, from up above. The market was not seeing a benefit to them, financially or otherwise, on their end and they just quit doing it. So, unless we, unless we establish something that will work for everybody, and maybe as technology improves, that may become more, more possible. I know that concern about the security of the information is a legitimate concern, and perhaps as we get better at being able to ensure that,

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more people will come on board with the concept. We talked about money and, you know, money is an important thing, and time is money too, as I think, you know, you've gotten from our discussion at the slaughter plant. You look at the time that's spent collecting and recollecting that identification through the course of life of a beef cow, as she, particularly if she changes very many times, and I don't know what percentage of our beef cow population does that, but let me tell you, it looks like a lot of them, to me, from where I'm standing. And every time that animal's handled, there's time, there's wear and tear, there's stress, there's all kinds of costs that aren't necessarily easy to quantify. And the cost of a tag up front, I think might be much less expense in the long run. It's just, who has to shoulder that expense, and that too is another problem we need to address. Does that answer your question sufficiently? I wish I knew more about it. That mostly occurred when I was still in school, so, not quite sure what to-

MR. HANSEN: We just heard different

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accounts of what was, but we never fully knew for sure.

MR. HUNTER: I think John, the number one problem with that was it did not read 100%—

MR. HANSEN: [Interposing] That's right.

MR. HUNTER: —and when Al Davies would bring cows to Crawford, he wanted payment for 100% of his cows that he brought in, and that was one of the big issues of that, wasn't that what you saw, Greg?

MR GREG ARENDT: Yeah, yeah.

MR. HUNTER: Our business, you got to have, know everyone.

MR. ARENDT: It would be nice to get paid for all your cattle.

MR. HUNTER: Yeah.

MR. ARENDT: I've always expected it.

MR. HUNTER: Yeah.

DR. GEISER-NOVOTNY: And I can tell you, so I think those were probably low-frequency pilots, so, a couple of years ago. The technology has improved dramatically, and I think one of the things that we did, though, find with our ultra-high-frequency projects, a

1 couple of years ago, is that, you know, if you
2 just put a tag in an ear and you read it one
3 time, it's just an expensive tag and it doesn't
4 have any benefit. So the markets that saw the
5 greatest benefit from utilizing it were the ones
6 that had it tied into their market software.
7 So, you know, they had it for invoicing and then
8 also the accredited vet was also able to use it
9 for eCVIs on the back and then it saved them
10 hours and hours after the sale for doing those
11 CVIs. But they had to have the full
12 infrastructure in the market to realize the
13 benefit of it.

15 MR. DUANE GANGWISH: I'm Duane Gangwish, I'm
16 Administrator of the Verified Beef VBP program.
17 So I have a little bit of experience with,
18 although I'm feeder cattle only, this
19 discussion's about traceability, but I just want
20 to play in that, you know, we do
21 tens-of-thousands, hundreds-of-thousands of tags
22 a year, and our inquiry rate at the packing
23 plant is four or five a year. I got a question
24 just on Tuesday of last week, there was one tag
25 at a plant here in Omaha, and there was an issue

1 that it had been issued in one year and the guy
2 kept the tags and put them in the next year, and
3 so the calf was too old. And once we identified
4 that we were able to trace it back. But, to
5 Mr. Drennin's point of confidentiality, our
6 agreement with state animal health officials is
7 anybody that enquires of our private database,
8 we can identify that ranch of birth, and that's
9 the only information that we have. And it's
10 just on a trace-back situation. In terms of
11 feeder cattle through the movement and to the
12 age and source, or other export verification
13 programs, all the packing plants and USDA have
14 the ability to tap in and just say, "Is this tag
15 approved?" It doesn't say who it's from, it's
16 just, "Is this tag approved under one of those
17 programs" so, those mechanisms are in place
18 today in private industry and could be adapted
19 in a broader sense, I think. But we're seeing
20 extraordinary interest now because of some of
21 the export programs that have come on board of
22 recent.

24 MALE VOICE 1: Apologize for my voice.

25 There's been a lot of comments about the

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marketing side of this, and unless I'm not familiar with why we're here, Animal Disease Traceability and marketing don't go hand in hand. And I would ask that to, do they? I mean, if the market, if we're going to have mandatory ID, from a marketing standpoint, the market will drive that, nothing else. Not any bureaucrats, not any veterinarians, not anybody else, the market will drive that. So I don't think that that should be a part of this conversation at all, because that's not why we're here, at least I don't think so. We're here about animal disease traceability. It was stated that we don't see how we can have animal disease traceability without a mandatory program, and I would say that we've had it. You've told me a thousand examples all ready of how you've traced animals and we haven't had a mandatory program in place. So, so, then I'd ask, to the pilot project that we've started already, what have you learned from it? What, what, what, knowledge have we gained from an animal disease traceability standpoint, in the last year because we have started this program

1 in place? I ask that. I ask, and I found it a
2 little disturbing, I was going to say amusing,
3 that our target audience is the cattle and bison
4 producers. The pork and poultry producers,
5 unless I don't understand the rules, will be
6 exempt from individually mandatory ID,
7 individual mandatory ID. The two biggest
8 disease outbreaks we've seen in this country in
9 the last year were in the poultry and the swine
10 industry. So I would ask, why will they not be
11 subject to individually mandatory ID, the same
12 way our beef producers are? Final thing, as an
13 auction market owner/operator, I don't think
14 it's without a doubt that this is kind of what
15 this whole thing comes down to, and the reason
16 it does is because our producers are going to
17 not only bear the ultimate cost of the program
18 but also all the challenges that come with this
19 being forced down upon them. They seem to be
20 unfairly treated through this whole process.
21 So, I think, which I'm going to go back, we talk
22 about a speed of commerce, and I've heard that
23 mentioned a bunch. There has to be practicality
24 within that commerce. When you, when a

1 mandatory program is forced upon our producers,
2 that gives people the opportunity to put undue
3 regulation on those producers because now they
4 have an ability to track them. For example,
5 your trichomoniasis requirements that are not
6 workable for an out-of-state border market,
7 which most markets are border anymore, I mean,
8 Jack's bordered to seven states, I mean, they
9 become not workable. And they were forced upon
10 us because they could be because of the process
11 of the mandatory identification. The one thing
12 I want to, and I'll close here pretty quick,
13 because I questioned this program, I'm always
14 questioned about, you're not in favor of the
15 health of our nations cattle herd. Well, of
16 course I am. And when we talk about laying
17 awake at night, my biggest fear is a disease
18 outbreak, well of course it's mine. It's the
19 only way I make a living. When you quarantine
20 me, I cease to make a living anymore, you still
21 will. So I have that great fear too, all the
22 time, but I also have a fear of being regulated
23 out of business. This, this, this program has
24 an unbelievable opportunity to regulate the
25

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1 auction markets across the United States of
2 America out of business. And it will. It will
3 sure regulate some of the smaller ones that
4 can't come into compliance because of the cost
5 and the undue burdens about it. So, I'm going
6 to go back and sum up real quick. If it's going
7 to be market-driven, because of, of, you know,
8 of export markets etc., etc., etc., the market
9 will drive that. The market will take care of
10 that. We will end up with, if they tell my
11 producers they're going to get \$20 a head more
12 to spend \$7 for a tag, trust me, they all will.
13 There's no doubt. But that's not what this is
14 about, this is about how we're going to find
15 traceability in a disease programs that affect
16 our nation's cattle herds, swine herds, poultry
17 herds and all down through the list. I would
18 demand that they're all treated the same. I
19 would all demand that they're all treated fairly
20 because, if they're not then the producers that,
21 the vertically integrated producers in this
22 country, are at cost advantage to the ones that
23 aren't. And I don't think government's job is
24 to perpetuate that process. I think

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government's job is to keep it on a level playing field, and there's nothing level about this program as it's progressed. I'm going to ask one more time to the people that are in - - , what have you learned in the last year about your program and relationship to how it's helped the safety of the health of the herds across the country?

MS. SELEGA: Thank you for your comments. Do you want...? Thank you.

MR. HAMMERSCHMIDT: Yeah. Appreciate your comments. Certainly as Aaron indicated this morning, we're not here to rush into any regulatory rule making, that's not our objective today. We're still wanting to talk about traceability from a disease perspective. Three years ago when we published the rule, we said we wanted to build a basic foundation system. We focused on official ID of the breeding herd, for the most part. We talk cattle today, not because the other species are taken off the chart, but because we wanted to focus on those, the other species are certainly covered in the rule and actually, some degree of traceability

1 is required as well, but a lot of those are done
2 through specific disease programs, sheep and
3 goats, for example, scrapie eradication. But
4 you've asked specifically what we've learned the
5 past three years, since we started ADT. I think
6 we knew, but I think we've also documented we
7 have better traceability because of more
8 advanced record keeping systems. You know, we
9 could put tags on every animal across the
10 country, but if we didn't have the records to
11 provide animal health officials where that tag
12 went, as far as a location, to associate that
13 animal number with a location, we'd be pretty
14 hard-pressed to suggest we tag more cattle. So
15 I think we've learned and documented that our
16 record-keeping systems, the boxes being moved
17 into an electronic systems, gives us information
18 that we can more successfully retrieve, a higher
19 percentage of the time, in less time. That was
20 one of our key objectives. We know we've got
21 certain gaps in traceability. There's a lot of
22 cattle that move interstate, are exempt from
23 official identification, that do not have
24 official ID, and we're trying to discuss with
25

1 you all how we can get more cattle officially
2 identified because I think our records and
3 information, certainly shows good justification
4 that official ID improves traceability. And
5 there's still a large number of animals not
6 tagged. What can we do to get more animals
7 tagged appropriately so we have a higher
8 percentage of the cattle with official tags,
9 traceability? I don't know if that helps answer
10 anything specific, but-

12 MALE VOICE 2: I did speak with a friend of
13 mine in Canada this morning, and of course they
14 have a national ID system and a simple-, if
15 you're a market owner, the simple thing is, what
16 are we going to do with the animals that show up
17 and aren't tagged? And of course, how do we
18 even determine which are and which aren't, you
19 know, this market hires a full-time person just
20 to look at tags, when they come into market,
21 inform me that when their compliance figure
22 doesn't match the target point, which he didn't
23 tell me what that was, they're fine, you know,
24 when, if they are, you know, I don't know, - - -

25 MR. HAMMERSCHMIDT: [Interposing] Sure.

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MALE VOICE 2: They're supposed to get 90%, and they only get 87% then they're fined, he told me this morning, based on, you know, their compliance figures and how they come in. And I thought it was kind of cute when you mentioned about the age of them, you mentioned a story, this is the market side of it, that a four-age calf went to market and got a \$250 discount because it was listed as a four and a half year old animal based on the tag. And I thought that was kind of cute. The, sure, for the four-age kid, and the, it just, we have, from the market standpoint, I mean, I just, I have nightmares about the concept we have to run every cow through the chute because we - - the examiner and all those kinds of things. I used to have nightmares about the cost that our producers are going to burden when they have to come and all be tagged and everything else. And the problem as a market owner, why that scares us, is because if there is a system, somewhere through this process that allows that person to bypass that cost, by not going through the market, by not coming through that market channel, to sell

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1 direct to JPS feed yard, to see direct to his
2 feed yard, whatever that may be, that makes it
3 not cost effective, or a more cost advantage to
4 the person who bypasses the marketing system of
5 the livestock market, is we have helped
6 perpetuate our demise. Now I would hope, as
7 market owner, we would feel really stupid about
8 that. And, you know what? We did it when you
9 all ran around, and I'm talking about the
10 veterinarians, in our pseudorabies outbreak in -
11 - . We followed those protocols only to realize
12 that quickly we got regulated out of business of
13 selling swine, which basically, we don't do
14 anymore. So that's, as a market owner, and I'm
15 here, I call a spade a spade and I'm here form
16 my financial livelihood, okay? Which is the
17 livelihood of my producers, if I don't have any
18 then I don't have a business. As I see it, most
19 everyone who doesn't have the burden of cost of
20 this program thinks it's fine, and everybody who
21 has the burden of cost of the program doesn't
22 like it. Now that makes pretty good sense to
23 me. And that's what scares me about it. If, I
24 mean, I think it's going to be horribly

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unworkable for a lot of markets across the United States of America, if feeder cattle have to carry an individual—I mean, we're talking before you get tons of producers don't even tag a calf. I mean our, and you're talking about the, you know, they have \$250,000 GPS things, that's every producer I ask, everyone here is like that. And so, I mean, I'm sickeningly fearful of my livelihood and I see this program as a just faster demise to get out of it. And back to Ogallala saying they had a chance to talk with Dwayne [phonetic], that, when they went into that - - project, that was like \$100,000 investment, that this was what we're going to have to do, and have to do and have to do, that's absolutely worthless today. And, so with markets, I mean, if you're a market owner of my age and you're selling 10-15,000 cattle a year and they tell you you're going to need \$100,000 to come into compliance, it's going to happen just like our feed yard industry, you get bigger or you get out. And you have an option to society, get bigger or get out, a market owner really doesn't have that option. I mean,

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1 they can see that. And so, you know,
2 representing my market and a whole lot of
3 markets across the United States, I mean, I
4 can't believe how any of them would or could
5 support the program, and yet herd health, I
6 mean, is absolutely the most important thing we
7 could do, that we deal with. I mean, so it's
8 not that I'm against, I'm not against that, I'm
9 not against tracing disease, it's how that's
10 forged and how it's going to regulate most of
11 us, or a lot of us out of business.

13 MALE VOICE 3: So I think the big question
14 here is we talked a lot about what has to be
15 identified. So, you have to read these tags,
16 and if they have to have the official ID etc.
17 The question is - - have to have visual ID tag,
18 when they go through an auction market, how are
19 you going to trace those animals? So your
20 person that bought that feeder cow back to the
21 feed yard, and 14 days later there's an animal
22 disease, and he bought from seven different
23 auction markets in that - - , he's not sure
24 which one it came from. How are you, as an
25 auction market, going to be able to trace that

animal back to where it was sold to you from?

MALE VOICE 2: My question is, to you it's-

MALE VOICE 3: [Interposing] I just wanted
to-

MALE VOICE 2: -outbreak, I think, you bring
up a very good topic that our livelihood's at
stake, okay, there's 2,4,6 panelists up there
and I compliment you all for being here today
and all sitting up there. Mike, you have a
complete ID program in your feedlot, is that
correct?

MR. DRINNIN: Yeah.

MALE VOICE 2: And is all the feedlots in
the state of Nebraska in the same compliance?
Duane, are they?

MR. GANGWISH: Not all of them have the same
- - .

MALE VOICE 2: So almost all of the feed
yards in the state of Nebraska, and there's a
lot of cattle fed in the state of Nebraska, it's
one of the top feedlot states in the United
States, right? So these people are here to
gather information, all right? They're here to
gather information. Aaron, you were charged

with what? Finding out what? What was your operation focus?

DR. SCOTT: In coming here today?

MALE VOICE 2: Yeah. So, three years ago, or four years ago what was, Animal Disease Traceability, what, under that umbrella, this man's going to have feed yard cattle from seven different auctions, do you own a feed yard? ?

MALE VOICE 3: No.

MALE VOICE 2: No. So—

MALE VOICE: [Interposing] That was my question.

MALE VOICE 2: What do you think was the feed yards responsibility to trace those cattle?

MALE VOICE 3: They have to go back to the ranch of origin. That's my question, what's the process?

MALE VOICE 2: What's the process?

DR. SCOTT: It depends on what kind of records the feed yard has and what they recorded. If it's a system where they have identified some of the things that we've heard, and they can look in a computer or something and find those sources, then going back to those

source herds is fairly easy. If not then it's possible, at least, to go shoe-leather epidemiology, to start talking to people and asking questions. That's okay if the disease is slow and you have enough money to do it. If it's something that's moving pretty fast then that begins to affect everyone. That begins to spread faster than you can keep track on it.

MALE VOICE 2: I'll bet the interface that we have in our system, today's system, correct?

MALE VOICE 3: I'm sorry, what?

MALE VOICE 2: How good an interface do we have?

MALE VOICE: Well I, with ours-

MALE VOICE 2: [Interposing] It's pretty good isn't it?

MR. DRINNIN: We never delete tags out of our system, we know back, you know, customers that have been in one of those export programs, again, that's only feeder cattle. With all due respect, this conversation's about 18 months and older. But for those, we can track it back to 15 years.

MR. HUNTER: In our area we used a brand.

100% of our cattle all have a brand on them, coming up out of Wyoming and South Dakota, and Western Nebraska. That's how we can identify them and we can identify them a lot faster with that brand than a lot of these guys with EIDs and all that stuff.

MALE VOICE 5: I have one question about - - now. So a symptomatic animal, because that's the big elephant in the room here, right? A symptomatic animal, is that, can we detect - - by blood?

DR. SCOTT: The fastest way is a tissue sample that goes to a diagnostic lab and then what we call PCR, it's a DNA test for the organism.

MALE VOICE 5: If, so if this group of seven different origin market, comingled cattle into a feed yard, that seems kind of out of line, so I'm going to use seven different owners from one auction market, and one - - feed yard. If that's the, if that's the disease outbreak, okay, and we have this group of cattle, we're going to be able to pick the one out there that caused it?

DR. SCOTT: It won't be just one animal. FMD is so contagious it'll be spread very quickly, I mean, to a group and-

MALE VOICE 5: [Interposing] So we're going back, we're repeatedly going back to everyone in that group, correct? Right?

DR. SCOTT: Yes.

MALE VOICE 5: Absolutely. Okay. So we are, and we are going to know, I mean, that, we're going to know that group because we went back to that market and... And now let's just put the, you know, get a little funkier, and it's three markets, okay, and seven producers, sorry, there's 21 producers. So we're all going to go back to that anyway, correct?

DR. SCOTT: Yes.

MALE VOICE 5: Right. So individual, mandatory ID on them did not, because you went back, we went back to all those producers anyway. We didn't go pick the one out of the 300 head feed yard pen, we went to the one, or we went to the group, excuse me, right?

DR. SCOTT: Well we're-

MALE VOICE 5: [Interposing] So my point

being, just like if we're going to go to a group here or a group there or, the individual ID in this system, I mean—

DR. GEISER-NOVOTNY: [Interposing] It's going to snowball from there.

DR. SCOTT: Yeah.

DR. GEISER-NOVOTNY: Not only do you go back to that market, those seven individuals that brought them in, you're going to go back to every animal that—

MALE VOICE 5: [Interposing] Absolutely.

DR. GEISER-NOVOTNY: —on that chain.

MALE VOICE 5: No. Yeah.

DR. GEISER-NOVOTNY: So, that would mean every animal that left that market with individual ID to know that you weren't just, you know, you're not looking for the one black animal that happens to not have an ID.

MALE VOICE 5: We would go, would we not go back to every truck? Would we not go back to every truck that came into that market that day?

DR. GEISER-NOVOTNY: Sure, but then when an animal gets to its destination, if it doesn't have a tag you don't know it's that animal or

what lot it went into per se.

MALE VOICE 5: I mean, if you're going to, in that horrific elephant in the room that we're talking about, everyone's going to get affected. And my point being, that individual animal ID, in that instance, there was not, there was not, there was not a, there was not anything to be solved, that didn't solve, that didn't solve the problem.

DR. GEISER-NOVOTNY: So not from, I would say not from the feedlot back to the market, but all the corresponding trace-outs, yes, from that market.

MALE VOICE 5: You, you can subpoena, you can ask for our records, and you're going to get that immediately.

DR. GEISER-NOVOTNY: But if the-

MALE VOICE 5: [Interposing] And so-

DR. GEISER-NOVOTNY: [Interposing] My point being, is, at their destination from your market, if they don't have official ID, we wouldn't know we had the right animal leaving that market. If they scatter to the four winds, you wouldn't know unless it had an official ID.

MALE VOICE 5: Um, I, that theory could be shot holes in pretty quick. I mean, at, I'm just saying, in that particular instance the individual animal, I mean, it isn't likely we went in and grabbed that one there and said, "This is not the one. This is the problem child."

DR. GEISER-NOVOTNY: It doesn't matter, it's not, and we don't need to get, it doesn't matter for the one, it's everything that came in contact. So we're not looking at, yes, we want to know the source but at that point, it's wildfire.

MALE VOICE 5: In, in-

DR. HUGHES: [Interposing] Can-

MALE VOICE 5: -most respectful terms, when you said we don't want to get into a debate, the fairness of that is for you, because that's, at least that's why I'm here, to debate the livelihood of me, basically, and being regulated out of business. So I am here to debate that fact, because I'm sickeningly scared of-

DR. HUGHES: [Interposing] Individual ID is involved in more than just FMD. I'll give you

1 an example, South Dakota, the only reason we
2 know about South Dakota's TB-infected herds,
3 because two animals were found in one Nebraska
4 plant, and another animal at another Nebraska
5 plant. There were other animals from
6 South Dakota consigned to that same slaughter
7 plant, but those individual IDs were traced back
8 to one herd in South Dakota. That is why we
9 have, we know we have an infected TB herd in
10 South Dakota. Now we're doing the trace-out
11 work and all that, it gets complicated, some of
12 those animals are individually ID'd, some are
13 not. That's what creates the problem. So, you
14 know, some of these things that we deal with are
15 not all explosively contagious like FMD, but you
16 have diseases that, like TB, where you need the
17 individual ID to find out which way that animal
18 went. Your statement earlier, I'm going to
19 address some of the things you addressed
20 earlier. You know, poultry and swine are not
21 individually ID'd because those industries move
22 in lots, in groups. They don't move a few
23 chicken here, a few chickens there, unless
24 you're backyard, but, you know, our, it's a very

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1 heavily integrated industry where we're talking
2 about hundreds-of-thousands of animals move in
3 groups. You know, swine industry is that way.
4 You know, when we have breeding swine sold
5 individually, they have to have the individual
6 ID, but not in the way that groups are, in the -
7 - industry. Trichomoniasis, you mentioned that.
8 Trichomoniasis was brought to the, to this
9 office by the industry, and said, "Dr. Hughes,
10 you need to stop the influx of trichomoniasis
11 infected animals in the state of Nebraska",
12 because we were a dumping ground. We were one
13 of the last states around to have trich
14 requirements, bar Kansas-

16 MALE VOICE 5: [Interposing] Have
17 [crosstalk].

18 DR. HUGHES: -but, so let me finish, please.

19 MALE VOICE 5: -dumping ground. I'm just
20 asking you to clarify.

21 DR. HUGHES: We had cows from-that were
22 trich infected from other states dumped in our
23 livestock markets. And those individuals bought
24 those cows and took them home, to add to the
25 breeding herd and added trichomoniasis to the

herd.

MALE VOICE 5: For clarification, so someone who knows, knew they had trich, a diseased herd, could sell them in an unsuspecting market in Nebraska—

DR. HUGHES: [Interposing] Exactly right.

MALE VOICE: —because—yeah.

DR. HUGHES: Right. So that's why we put trichomoniasis import requirements in place. 1) to stop the movement of bulls that might be trich infected, and 2) to stop the influx of females that were trich infected.

FEMALE VOICE 1: I think the example that you gave about the TB-infected herds in South Dakota, that it was—

MS SELEGA: [Interposing] - - .

FEMALE VOICE 1: That it's caught once they left state boundaries and were harvested in Nebraska. I know the current plan, or the current program, if those animals were harvested in - - , they never left South Dakota, they were born in South Dakota, infected in South Dakota, fed in South Dakota, harvested in South Dakota, how would we trace them?

DR. HUGHES: Well, these animals, fortunately, had individual ID that were put in, they placed in the South Dakota herd. So, if those animals had gone through simple yanking, then they'd have been caught too. Presumably FSIS had the same protocol so... We were fortunate those animals that were caught did have individual ID applied from South Dakota infected herd.

FEMALE VOICE 1: But under the current program, they weren't required to, correct?

DR. HUGHES: I believe they're, the individuals also involved in the rodeo industry. And so, they move animals accordingly with the rodeo industry too, and that's why, also, they had to have individual ID.

FEMALE VOICE 1: So, if they were, if they were industry standard, you get what I'm-

DR. HUGHES: [Interposing] Yeah.

FEMALE VOICE 1: -getting at, right?

DR. HUGHES: Yeah, the possibility that they might not have been tagged if they didn't have to meet the requirements for either moving inter-state or involved in the rodeo industry.

DR. GEISER-NOVOTNY: Is there—

MR. HUNTER: [Interposing] So what you say, Dr. Hughes, that the current system is very effective in traceability?

DR. HUGHES: It has gaps. We're better than we were.

MR. HUNTER: No, no, just say yes or no. Is the current system good at traceability?

[Laughter]

DR. HUGHES: There is no, yes or no. There's, there's no yes or no.

MR. HUNTER: Because, I mean—

DR. HUGHES: [Interposing] It's better than it was.

MR. HUNTER: —that's why, we're having a good lively discussion here, and I, and here's what's really interesting to me, my commentary. I really appreciate your slide, what's your first name?

MR. ALGINO: Ryan.

MR. HUNTER: Yes, Ryan, from JBS? They obviously have gaps on retention of traceable animals. It's a very difficult system isn't it? To take 5,000 head a day, in a plant, and keep

track of every one of them, clear down to the tissue, clear down to the, spread all this beef product and then, and have ID. Whether or not that system is perfect, it's never going to be perfect. And this system, right, today is never going to be perfect, but, yeah, it works. South Dakota had a TB scare and they got on top of it, they traced animals, they're still brucellosis free and they still go on.

DR. HUGHES: Did you see Sonny's slide earlier though, of six animals with TB that could not be traced? That's a good indication that we've got six TB-infected herds out there somewhere that could not be traced. That could be your neighbor, that could be—

MR HUNTER: [Interposing] Absolutely.

DR. HUGHES: —anywhere. Yeah.

MR. HUNTER: That's true. It's never going to be—

DR. HUGHES: [Interposing] That's what I mean by gaps.

MR. HUNTER: —perfect. You're asking perfect. Not going to happen.

DR. HUGHES: I'm asking for improvement.

MR. HUNTER: Not going to happen. I refer back to the man from JBS, they do everything. It's going to be driven by economics, number one, it's got to be driven by economics, doesn't it? If you thought that economics would solve your problem, you would ID every animal.

DR. SCOTT: Economics or regulations that we have to abide by?

MR. HUNTER: Yeah, all, you could be over-regulated too, couldn't you? Absolutely. Totally agree. Yeah. I think that's what we come down to Aaron.

DR. SCOTT: Yeah, let me add just a couple of things. One, I wanted to re-emphasize what I said earlier today, is that we are not writing any regulation, we're listening. We want to hear what issues people have or what, what we need to do next. If a regulation comes, then it'll come, and certainly can have debates and discussions at that time too. Right now, the focus that we've been having today is about diseases and we can talk about lots of theoretical things, as far as controlling diseases and I do that too, is, what if, what if

1 what if? But I think there's another
2
3 bottom-line, and Dr. Hughes has talked about it.
4 I know Nebraska has put a lot of work in trying
5 to find TB cattle, but I've talked to other
6 state officials as well. The South Dakota herd,
7 one cattle herd, with TB has impacted, and I
8 can't even tell you how many states, but I know
9 there is—

10 MALE VOICE: [Interposing] 12.

11 DR. SCOTT: —bunch—is it 12? A bunch of
12 different states. And I know that some of those
13 cattle have been able to be traced back to
14 wherever they came from, a lot of them have not.
15 We've talked about different things, like
16 brands, RFID versus metal tags, and each of
17 those have some utility, and maybe combinations
18 of them have more utility. The bottom-line is
19 our industry and certainly for you with fears of
20 being regulated out of business, I have those
21 too and not necessarily in this particular
22 field, but everything that we do. Every day we
23 get up in the morning, there's a concern about
24 regulations. So when you think about
25 regulations and Federal Government or State

Government, take a step back and think of good regulations versus bad ones. And if doing whatever we may, whatever may come about, as far as regulation is a bad one, then that's something to consider. If it's one that saves your industry from demise, which this may or may not be the case, but then that's one that you need to think about. So, I guess, I would encourage you, rather than being opposed to any kind of regulation that ever may exist anywhere at any time, maybe think about what regulations are to your benefit, what will be of value to you and what won't. And also to think about managing disease, because we have the evidence with the TB herds. We have one herd of cattle that spread TB in a dozen different states. Those, if it doesn't affect you or it's not your neighbor or doesn't impact you directly, it could, but there are a lot of them that we don't even know where they're at. So, thanks.

MS. SELEGA: Any, is this-? Thank you for that, for all this discussion. We kind of blew past the morning break. So I know that's in order, for sure. I'm going to let the panel

members go. I think we'll take a break. Do you want to come back in for more discussion? So let's take a 15-minute break. What time is it? It's 11, so 11:15, come back in. We'll have some more discussion then we'll get you in groups before lunch, and then... Thanks. A round of applause. See you in 15.

[END RECORDING MORNING_2]

[START RECORDING MORNING_3]

MS. SELEGA: All right, I see lots of laughter, smiling faces; let's continue that into this open mic discussion. We started that a little bit before break, so feel free to raise your hand if you have a comment, or question, or anything on your mind that you want to discuss today, here's a good open forum for your opportunity to do so. We'll just continue to entertain that, and then head into lunch, before we break for lunch, I'll break into small groups for this afternoon's session, but right now is really more open discussion comments forum segment.

MR. VANDERWEY: Is it on? Once again, my name is Rick Vanderwey, I'm from the Valentine

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1 area. I'm a fourth-generation rancher, I live
2 in South Dakota, we also own land in Nebraska
3 that's been in our family since 1909. I'd just
4 like to say that I travelled here at my expense,
5 I should be home putting up some feed for my
6 cattle. But my opinions are kind of scattered
7 here, I've got a lot of notes, but in my opinion
8 here we're playing Russian roulette with our
9 livestock industry and we're putting our
10 livestock herds and our U.S. citizens at risk of
11 contracting a serious disease, hoof and mouth
12 disease.
13

14 My opinion is we need, as the United States
15 of America, we need to strengthen its import
16 regulations, not relax them and turn the U.S.
17 into a dumping ground for the world's diseased
18 livestock. We talk about identifying every
19 individual animal and having reportable events
20 when we move these cattle, to me the number one
21 thing that we should be doing, that's the U.S.
22 DA, is preventing these foreign animal diseases
23 from entering this country.

24 We opened up our borders to accept Brazilian
25 fresh and frozen beef, Zambia, Africa, another

country with endemic problems with hoof and mouth disease. Why, why do we want to expose the producers and our cattle to that kind of awful disease?

Our food supply is a national security issue, we should do everything we can to protect that, not expose us to more risks. I already said this, but the U.S. DA is supposed to protect our livestock herds in the United States from foreign animal disease, not expose us to more risk. The U.S. needs to renegotiate all free trade agreements, we talked about the World Trade Organization and the OIE I believe, or the World Health Organization, we've got foreigners trying to dictate to us how we identify our animals? It shouldn't be that way. We produce the best product in the world, let's keep it that way.

Yes, with the free trade agreements, I agree with President Bush, we need to renegotiate those, like businessmen would renegotiate them. We need to put America first. President Trump stated let's put the USA first, let's put our citizens in this country to work, let's buy USA

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products, let's bring back country of origin labelling, that's my opinion.

Then when we have a country like Brazil that wants to import or export their rotten product to this country, our consumers would have the right to know where it's coming from. They could act on that knowledge. It took USDA how many months before they stopped the importation of possible rotten meat into this country, thanks to our new secretary of Ag, he has stopped part of that.

The United States of America survived for nearly 250 years without a national animal identification system. It's not broke, once again if we keep the foreign animal disease out of this country then we don't have near as many problems to work with.

We've experienced and battled and eradicated the world's worst animal disease, foot and mouth disease and we kept it out of this country I believe since 1929. Another disease that we've talked about today, tuberculosis, they tell me 75% of all of the cases in animals in the United States have been traced back to Mexican origin.

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We tested 50,000 head of cattle in Nebraska, and I just talked to Dr. Hughes, and the two cases that caused most of those investigations and tests were traced back to Mexican origin. Why not keep it out of here? That's our number one defense. That would solve the majority of our problems.

The ground [phonetic] inspection program and the ICVI certificates have worked well in the past, I've talked to people in South Dakota and when they have an event it takes them a few hours with a brand inspection certificate and they can trace them animals back to the ranch of origin, it's not a problem, it works.

If we have a foot and mouth disease outbreak, livestock will be depopulated, burned and buried, you're not going to have time to read their identification numbers, it's going to stop the movement of cattle probably throughout the United States. It's not going to be isolated to a small area.

We talked about livestock options when an animal comes through there, just one of those animals comes up positive with foot and mouth

disease, how many animals would that encompass when they go in all directions, and they do.

Another thought I have is we really only need individual ID if an event occurs, and that's when testing occurs, and that's when you can put your individual IDs in place. We don't need to put more burden on our resident herds with expensive equipment, specialized tags, loss of tags, with all the reportable events that go along with that, and more work. It's unnecessary.

We have voluntary programs that meet our export requirements already, I'm not opposed to identifying animals. I'm a rancher, that's all I've done all my life, and we identify our animals. For my purpose, it's my management decision to do that. I happen to use the red Angus tag, it's a USDA approved age and source verification program. We have those—if you want to export to a foreign country, we have those things in place, we don't need mandatory ID. If feed yards want that, maybe there's a cost or a sale incentive, if they want to pay more, if it's mandatory all of those things will go out

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the window.

Here in the United States of America we don't produce enough beef to supply the earth's consumer demand, so exports are by our own decisions. If somebody can sell that for more money that's their prerogative, but we don't have to have exports in this country for beef.

I already said it once before, but in my opinion we need to re-implement country of origin labelling, and expand it to all meat.

MS. SELEGA: Great, I think—

MR. VANDERWEY: [Interposing] Another issue, why do we have open borders to countries with foot and mouth disease. Here we have—we're moving plough mile [phonetic] and facilities to where, Manhattan, Kansas, why? That puts us at more risk. We should keep these foreign animal diseases out of this country, and with that I'll quit. Thank you.

MS. SELEGA: Thank you. This gentleman back here.

MALE VOICE: Yes, I manage a plant here in Omaha, so I just wanted to give a different perspective to a couple of comments over here

earlier.

Just from a cost - - , when I got three people involved in pulling the tags off a carcass, washing the IDs all up, and one person keying it all into a computer there, do it every single day of the week, and they're very good at what they're doing. I don't need 10 IDs on a carcass. I heard the name Minnie Pearl, I kind of like that because we call them American teenagers in our plant, because that's what they look like. They've got more crap hanging off than you know what to do with. But when you see that, you've got to look at one thing, everybody has got a source of ID at a carcass, everybody seems to have one. But the problem is they started over every time they acquire the carcass, instead of using the existing information on the carcass, we put a whole other supply on there, and life goes on. Because what I do know is we get most of our cattle from the sale barn, so what I do know is what I call the sale barn because we've got a problem with that animal, I need to know where it came from, and I need to know it fairly quick. I don't need

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someone to tell me I have no idea.

Well you're going to pay someone for the animal, I know that, you have to have some format where it came from. And you'd be surprised how hard that is to get once in a while. It was a lot harder five or six years ago, it's a lot easier now because I think everybody has gotten better at tracing their cattle and where they come from, that's a good step for us. But I can tell you in the plant what I need to know, I need to know, because I've got the Government standing right next to me. It's not a game of shirts and skins, we're all on the same team. If there's a problem with the animal, we need to know where it come from, I want to know where it come from, and I want to know as fast as I can.

Is there a market advantage to that? I don't know, but I'd hate to tell someone buying our product, we can't tell you where it came from beyond our plant. That would take me out of the market real quick. That much I can tell you, all right. Thank you.

MS. SELEGA: Thank you.

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MALE VOICE: Do you process Canadian cattle?

MALE VOICE: No, I do not. I used to when I was owned by two guys in Canada. But we don't do it now; we have other plants that do it.

MR. MARK SMITH: Hi, Mark Smith, I'm representing some ranch friends of mine, and I sold cattle for 18 years for the Gottsch Company.

I spent a lot of time in Brazil when I was with Cargill's, and I will say one thing, when I was in Brazil they would feed cattle or run cattle on grass in a foot and mouth disease area, and then when it got closer to marketing them, they'd move the cattle into a foot and mouth free disease area to sell them, okay. So that's how they get around that.

There's no way you can make Brazil foot and mouth disease free because cattle run wild in the swamps and everything else, you're never going to get them inject.

The other thing is we want to be a world market, I've been very involved in selling meat and I know you're for cool [phonetic], but your average consumer doesn't look at country of

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1 origin on that piece of meat when they buy it,
2 they look at the price, whether it's from
3 Mexico, whether it's from Canada, or the US,
4 that's what they look at. They don't look at US
5 cattle. You go into Walmart and you see all
6 that product comes from Sukana, which is a
7 Mexican plant, they don't differentiate it. It
8 doesn't say product of Mexico, so I think we
9 need to be a world market, but we need to be
10 very, very observant on foot and mouth and what
11 we're letting into this country from other
12 countries. That's all I've got.

13
14 MS. SELEGA: Great, thank you.

15 MALE VOICE 3: Just a quick comment, Mark,
16 with all due respect, you're right the average
17 Walmart meat consumer doesn't care where that
18 comes from, but that's changing and more and
19 more consumers are wanting to know where that
20 meat comes from, I guarantee you they do. That
21 country of origin labelling that the one
22 gentleman said you need to bring back, for
23 goodness sake, that's a no-brainer, more and
24 more people do want to know where their food
25 comes from.

MR. SMITH: I've got a brother in the meat business who sells a ton of meat all to the United States. When you talk to him and you ask him about country of origin, he said it makes no difference, it's whatever's cheapest, okay. They just don't, maybe it will change, but right now we don't see it.

MALE VOICE 4: I would add onto one thing though, because I went to a sales meeting here a couple of months ago, and the question asked, and my answer was I can't answer because I'm lying on the floor having a heart attack over your question, they wanted to say, they want to pick up a package in a grocery store and know exactly, exactly what farm that came from, that would give them a market advantage in their retail stores that they had. I told them, ironically, I was Europe a few months ago, and that's exactly what I saw on a lot of their packages that the picture of the farm, picture of the cow, and I'm sure it wasn't the cow in that package, but holy crap, it was like what are you doing here. That's what they were asking of me, they said could you do that. I

get pretty close to it but I'm not saying I would do it yet. Changing world.

MALE VOICE 5: Okay, I agree with that. Let me ask you, you keep hearing about grass-fed beef, all everybody wants grass-fed beef. How much grass-fed beef do you sell?

MALE VOICE 4: - - . For me, from my plant, I process about 350 head a week, plus another 120 for - - .

MALE VOICE 5: Okay. Now when they talk about grass-fed, do you realize that grass-fed beef can be fed on silage, because silage is actually a grass, so we're not talking about just feed these cattle on pasture, or feed them a grain grass.

MALE VOICE 4: So you're talking to a guy that, when we process those cattle, he's in the - - room looking inside the bellies to see what's really in there. I mean we've got a hell of a verification on those cattle, we've got a hell of a price that we pay on them, it's a great market. It's not a big market, it never will be, it's just a little market and that's what we're doing.

MALE VOICE 5: That was my point. It's a niche market.

MALE VOICE 4: It's a niche market, absolutely.

MS. SELEGA: Great, thank you.

MALE VOICE 6: Just a couple of comments back to the—I tried to take a few notes as I picked up on somebody said before that our trading partners do a better job than we do, I don't remember who said it. I assume it has to do with the traceability of their livestock, and I thought that was kind of an ironic statement considering that we looked up I assume we're looked on as the world leader in livestock production and how we're doing it. So I think as a country we must be doing something right that way.

Another point that I heard was a lack of traceability, and I think this might have had to do with the TB outbreak, the lack of traceability placed a heavy burden, financial burden on our producers. It's that very same financial burden that we're concerned about that an additional regulations with ADT could propose

on our producers. I think it could be
cataclysmic to markets.

In relationship was brought up about
compliance on the TB and - - they never found.
I would ask that is possible they're dead, I
would say a pretty good possibility, and if we
had mandatory individual ID those six still
would be dead, and it's very possible that we
could not track them unless they would have been
dismissed out of the system, and that probably
lots of times isn't going to happen.

So I don't know that changed how we fought
the battle, and that was my point earlier, I
don't know that individual ID and this amount of
burdensome responsibility that's going to be put
on producers and the markets, and then readily
goes all back to the producers, because I think,
and I can't speak for, but I guess I could ask
Jack, to come into compliance, if it's going to
cost \$6 per head more for a market to come in
compliance, and I'm talking about hiring people
to check tags, hire people to tag, pay for
animals that are injured in the process of
tagging, etc., etc. So that comes up to an

1 aggregated cost \$6 per head a year, we're not
2 going to assume that burden, we're going to farm
3 that off on our producers, I assume. Jack,
4 right? Greg, because you can, and so that
5 becomes an undue burdensome task that our
6 producers have to face.

8 Now what scares us is, and it was brought up
9 before, that the heavily integrated industries
10 are somewhat exempt from this, because we're
11 grouped, we are--the poultry industry, the swine
12 industry, are grouped and they're going to go
13 there. So they have a cost advantage of, which
14 our customers are not going to be able to
15 accept.

16 Now if there becomes a thing in our industry
17 that makes it easier to bypass that process,
18 whatever that is, then that puts the markets at
19 jeopardy. Maybe I'm wrong, but I would have to
20 think that if the cattle industry was integrated
21 today, like the pork and like the poultry, if it
22 was a carbon copy industry, we would not be
23 having this meeting right now. This meeting is
24 being held because of livestock auction markets,
25 and how they derive commerce.

When we're here, and pardon my expression, when we're here for the debate, we're here for the debate, at least I am, and I assume the market owners that are in here are. We understand that if our producer goes, we go, but if we go, our producer goes, now maybe not all of them, but I will promise you if my market ceases to exist, and I service 20,000 customers a year, I would think 10,000 of those producers would go away.

Now they would get absorbed by larger operations that would become more integrated, etc., etc. So I just--so as I was brought up before, because I question this does not mean I'm against regulation, we have all kinds of regulations, I think there's some really good ones. People in my state have gotten crazy over water quality regulations, I'm not, I drink the water out of the well that comes out of my farm so I'm very concerned about that. I'm a common-sense regulation person. But when I brought up before they have to be regulated not only to the cost to our producers, the burden to the producers who bears it, how the markets are

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going to do it, and where this comes.

As of today ADT, and any markets jump up and tell me if I'm wrong, ADT has now caused us in the marketing, oh it's caused us a little headache, and it usually goes back to a veterinarian saying this isn't quite the requirement going here and here and here. But that's not a big deal, but we're okay with that, one of the reasons we're okay with that is because feeder cattle got exempted out of the marketing process—excess me, out of the process of mandatory ID through ADT. Had they not, it—so as a marketer, I beg and implore, and I read here with much nervousness, scared, whatever word you want to use, next steps to advanced traceability, that's your mantra here today.

I say as a market owner, those next steps, if they're not carefully chosen can be over the cliff for us. You'll ask us to step over the cliff. And so that's why I'm here, I have an auction today, I skipped it, my brother is covering for me, I thought enough to be here because I know the wellbeing of me, the financial wellbeing and how we can conduct our

1 market so for the financial wellbeing of our
2 producers. And without me a bunch of them cease
3 to exist, obviously without them I cease to
4 exist. So that's my comment.

5
6 I beg that we don't, and I plead from the
7 marketing standpoint, that we don't change. I
8 mean I'm not that naïve, this was fed down to
9 the breeding stock, because it was already done,
10 so it's no big deal, so we said okay. It was
11 fed down the dairy cattle, it's pretty
12 integrated industry, pretty large-scale dairy
13 operations, pretty managed, probably don't have
14 17 different tags, they get that one, down they
15 go, they were able, even though they hated it,
16 they were able to handle it. I'm just telling
17 you, I don't think our producers are going to
18 handle it very well, and I don't think the
19 markets will.

20 I don't know what it costs to come in
21 compliance, but it would be in the thousands,
22 and thousands, and thousands of dollars for a
23 market to come into compliance. If you're a
24 market in Nebraska, if you sell 10,000 cattle a
25 year, you're going to stand there and go, I

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1 can't afford to come into this compliance, I'm
2 going out of business, which only turns our deal
3 into a smaller more integrated industry that I
4 don't think will support, it's certainly not
5 going to support mainstream rural America that
6 the auction markets do all over. I beg you not
7 to take those steps forward on the feeder
8 cattle, that's where I'm coming from.

10 MR. JOHN HANSEN: John Hansen, with Nebraska
11 Farmer's Union. We have been in the middle of
12 this issue and the issues that are tied to it at
13 the State and the national level, and so we have
14 multiple sets of considerations and concerns.
15 We start out by saying what kind of system do we
16 want for livestock production in this country,
17 and our starting point is what we want is a
18 system of fully functioning markets, and by
19 functioning, markets are by their structure they
20 have to be accessible, they have to transparent,
21 they have to competitive, and they have to be
22 accessible.

23 You look at all of those components and if
24 they function as they should they give us price
25 discovery, which is what we want, which is what

the function of a market is, is price discovery.
Then that gives us value allocation.

There's a fundamental difference between that kind of healthy marketing system, and a raw material procurement system. A raw material procurement system wants control, and wants low price, and wants uniformity, and wants dependability, and that's what's left in the poultry industry. We don't have a broiler market, do we? There is no broiler market, it's all vertically integrated. In the case of beef, this is the last major hold out that we have in livestock production. Anything that is done from a regulatory standpoint, which is similar to what we've done in other sectors, which is to use the power of regulation to use it to help get rid of competition in systems by the big drivers, causes us a lot of heartburn.

So the livestock marketing system that we have left is one of the last vestiges of actual competition in the meat sector, so we come to the defense of our livestock marketing system because it actually has those basic elements of market that we think are essential.

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I hosted a delegation of farmer Soviet Union officials several years ago, and they came—these were the guys who were running their Soviet farms, they were the managers of that system. So they came to Lincoln as a part of the State Department program which we participate in through the Mayor's friendship program, and so these are smart guys, they understand all the agronomic stuff, we host them in Celine County, we take them to different kinds of grain and livestock operations, and we met with the farmer chair of the Nebraskan legislator Ag committee. And so here's the Dean of their delegation who is now in the Russian Duma, and the question was, what we don't understand is why in this competition that our Government had with your country, when your country was obviously more efficient at producing food and fiber, actually better, more efficient, more publicly acceptable, provided more economic benefits, more social benefits, why is that that your Government seems so intent on replacing your obviously successful system with a corporate version of our failed Soviet model? And Senator

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- - looked at me and he said, "Well John, what do you think", I said, "I think you're the chairman of the Ag committee and he asked you the question". So finally Cap thought about it for a while, and finally he just went like this, and the head of the Russian Duma who was one of our guests said, "Yes, we have a lot of corruption in our country as well".

But that little vignette, we talk about not appreciating water until the wells go dry, we also don't appreciate the well until the water has gone. So where we have the system of food and fiber production that has been the envy of the world and yet here we are eroding that structure and replace it, replacing it with a vertically integrated industrialized model that doesn't have any of the inherent characteristics of our previous traditional successful model.

We have heartburn on issues like this that reduce competition. If we want, as a public, and public policy, to say, we want to have traceability, then the Government has to accept the cost of that public benefits and pay for it. If they're not then we're not interested,

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1 because at that point it becomes a financial
2 burden. If it becomes an impediment to the sale
3 and marketing of livestock, and erodes that
4 system, we're not interested. It has to
5 complement with an E, the system that we have
6 that still works. So that's our perspective,
7 and we thank you SDA, for being here, and we
8 have a lot of really shy un-opinionated folks
9 here in the Midwest, in Nebraska, you've heard
10 from them here today. This conversation that
11 we've had this morning mirrors the conversation
12 that's within the sector but at the end of the
13 day country of origin labelling is a good
14 example. We continue to do things as a country
15 that makes no sense based on our national food
16 security interests.

18 We're the world's largest food producer,
19 we're the world's largest food consumer, we're
20 the world's largest cash driven market, and
21 thanks to our friends in the cartel, in their
22 efforts in the WTO we have now put the US in a
23 non-competitive position because we're the only
24 major food producer in the world who doesn't
25 have domestic country of origin labelling

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provisions in place. We are at a competitive disadvantage because all the major markets we sell into have those provisions. We're the only one that doesn't. And consumers, do they want it? Well when you do the polling, they say overwhelming, yes, we do. We do want it. So this puts us in a non-competitive position.

The last thing I'll say is that we also had major heartburn over the way things worked out with Brazil, and those import regulations, they were in our view, as an organization, not driven primarily by domestic herd health considerations.

MS. SELEGA: Thank you. We're going to go back here and then back up here.

MR. PETER MUNDSCHENK: I'm Peter Mundschenk, State Veterinarian from Arizona. A lot of issues have come up today about traceability, our counterparts. I'm going to say for a fact that Mexico has better traceability than we do by a whole heck of a lot. I can call a cattleman down in Senora, give him a Senora tag, and within two hours I can know where that animal originated from, who's owned that animal,

1 and where it should be located if it crossed the
2 border. I know where it crossed the border. It
3 takes USDA three days when I give the border
4 that information to tell me who purchased that
5 animal on the US side.
6

7 But I do know exactly when it crossed in
8 Nogales, I know it's somewhere, but I don't know
9 where it went. That's a problem we have at the
10 borders on both sides, Canadian and Mexican
11 side. We're working on that really hard, but
12 USDA can't trace them once they cross the
13 borders. I would challenge Neil and them to
14 trace an animal that came across the border and
15 tell me where it went. They're destined for
16 Texas, they end up in Arizona, they end up in
17 California, they end up in Nebraska for all that
18 matters.

19 But to stop movement of animals from the
20 border would be ludicrous, you guys can't raise
21 enough roping steers here to keep the roping
22 community happy. Just put that one on the back
23 burner and think about that one for a while.
24 But all those roping steers end up at one of
25 your feed lots, end up in a slaughter plant. So

we have to consider that.

One of the things to consider is this, and I've always been a big advocate for this, whether I've been in private industry or not, is to privatize and do a governmental private industry type of cooperation and maybe take EDT like Mexico has, and put it in with your cattlemen's or in with your beef groups, and get them all together and actually do ADT from the cattlemen's point of view. You can have everything from your feeders, to your cattleman, to your growers, it's all under one umbrella, it's all under your cattlemen's group that you guys should be part of anyway. Then they can have the database, they keep track of all the tags, and the State Veterinarians, all we have to do is call the cattlemen's group and say, who was this tag issued to, animals are issued tags to the farmer or origin, they're tagged before they get to move to anywhere else. If that's done from the cattlemen's point of view, it'll be accepted.

Our State has actually pulled us out of the ADT this year because of as of August 1, I'll no

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longer be receiving ADT money, because they felt that all it was was performance standards. We weren't doing anything to trace animals, and so they wanted it to be more of a disease traceability, so they gave me extra money for another veterinary to trace diseases not spend time doing performance standards.

With that said, that's kind of all I have to say, I think it should go into a private industry type of thing, and a public private partnership.

MR. AL DAVIS: Al Davis with the Independent Cattlemen of Nebraska, rancher from the Hyannis area, former State Senator. I'd like to make a few comments, and the first one I'm going to do is just answer directly a question we just heard from the veterinarian from Arizona who said let's involve the cattlemen's organizations in this and it will solve a lot of problems.

If you haven't looked at the beef check off and understand the kind of controversy that that has caused in this country, you only have to consider that because that is not an approach that I think would work very well.

1 The President when he ran in November he
2
3 said we need to do away with regulations and
4 rules, but it looks to me like what we're doing
5 here is we're going to impose further rules,
6 more regulations and more hardship on an
7 industry that is doing very well policing itself
8 already.

9 As a producer at one time who was working a
10 lot with a lot of the NHTC programs and those
11 kind of things, I recognize the value to that,
12 and I saw how it worked, it was a tremendous
13 amount of work for us at the ranch, but we did
14 it anyway and it was a useful tool for us. I
15 don't think it's something we need to impose on
16 everyone else in this industry. If they want to
17 do it, great, if they don't want to do it, fine.
18 But what I see this whole plan has been driven
19 by marketers who want the ability to use the
20 information without compensating the rancher at
21 the ranch, or the sale barn, for the work that
22 they have to do. It's just not the way it
23 should be done.

24 As to foot and mouth disease, which is
25 obviously the big elephant in every room,

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whenever you talk to cattle people, you all know as well as I do that if we had a foot and mouth disease outbreak in Nebraska, animal ID of every kind would not solve any of the problems that would take place.

What we would see is we would see a shutdown of trade and animals would be quarantined for a lengthy period of time. I'm not sure we could ever solve it. Dr. Hughes and I have a lot of discussion about this issue over the years, I introduced a bill some years ago on the Brazilian issue itself to keep Brazilian out of the State. We had a person testify on FMD, I might submit that testimony that took place at the legislature as part of this discussion later. But Nebraska is a state with a lot of cattle in it, and these cattle move rapidly and often. The disease moves often and rapidly. You're not going to solve any kind of a food and mouth disease issue with animal disease traceability. It's just not going to happen.

TB is a serious concern, yes, we have—
Dr. Hughes talked about testing 50,000 animals, I know that was a lot of work for them and it

1 took a lot of time and effort. But think about
2 the few number of animals in this country that
3 are infected with TB in the beef cattle
4 industry, as opposed to what you're doing and
5 trying to impose some rules and regulations on
6 feeder cattle and the other kind of things.
7

8 I guess when I see a representative from JBS
9 on the panel today, and no disrespect to him as
10 an individual, but JBS as a corporate entity has
11 proved what a counterfeit entity it is in the
12 first place. I think anything that JBS people
13 have to say I would certainly take with a grain
14 of salt.

15 Last thing I'm going to say it, contrary to
16 what some people think, there are people in this
17 country who do want country of origin labelling
18 on their beef. I spoke to Jane Ribald who is
19 one of the executives with the Lincoln
20 Supermarket Chain the other day and I asked her
21 about it. She said, "We're getting more and
22 more people in our store everyday who are asking
23 about it, it's all about drawing attention to
24 the need, people want to know where their
25 animals come from".

Years and years ago I remember seeing a piece from a Japanese newspaper but it was done through the Tyson entity, it had zeroed in on specific ranchers in the Lexicon area and so those cattle were identified over there. It comes down to paying for it. Our sale barn shouldn't have to pay for it, and the cattlemen shouldn't have to pay for it, and its proprietary information. I know darn good and well if we end up with feeder cattle on some sort of a disease traceability issue with EIDs, those EIDs are going to be used to mine information. I'm concerned about that. Thank you.

MS. SELEGA: Thank you. Just John, then right here.

MR. HANSEN: When we talk about with all feeder cattle and things like that, and I know this is 18 months, and over. I think part of the reason like Todd and I was part of this, as we talk about it is how we in our operations how we can track those tags in a timely manner. And if you look at a feed yard it's not uncommon, and Mark, you've seen it as well, but you get 18

loads of feeder cattle in in the weekend, and you don't have a lot of time to sit and manually read each one of these tags.

So the programs that have been developed, as far as reading these tags have greatly reduced our time, and hopefully that those—also now with the high frequency would help as well with any other kind of an auction market where they don't have to bring that animal through individually. In a feed yard, as you all know, that nearly 100% of these cattle are all handled individually at one point in time while they hit the feed yard. That part makes it pretty easy, it's putting that information together, and that's what our example is, is how we can put this information together and hopefully that helps with 18 month and over, and how we can try to streamline this information.

One other thing that would be happy, and it's why we mentioned some of these, and I shouldn't say happy, but why we mention some of these programs like Dwayne here with verified beef, and some of these other source and age programs is the ability that there's minimum

standards that that system is already in place,
it's a private system that minimum standards as
part of that they can handle for ADT as well.
Because it's already there, we don't have to
reinvent the wheel, so if that's a possibility
as we can go through with that whole program.

But I just wanted to clarify that on the
feeder cattle, and feed yard, rarely do we
handle anything 18 months and over, we have had
customers that developed heifers, and come in
with ID tags and we follow that same protocol.
Thank you.

MS. SELEGA: Thank you. Anyone else in the
room? No. Maybe it's lunchtime. All right,
thank you everybody, I appreciate your candid
feedback, open honesty. Don't go away yet, a
little assignment before we break for lunch.
I'm going to get you ready for the small group.
Can you hear me? Okay. I'm going to get you
ready for small group sessions this afternoon,
we're going to break for lunch, take an hour for
lunch, and then go right into the small groups.
So it's a very scientific method that we have in
determining what group you're on. So let's just

go around the room one through four for everybody who is going to be participating, so we're start up here and remember your number and I'll let you know who is in charge your group, and where you will be. So we'll start with you.

[Audience calling out numbers]

Okay, everybody. Group one is with Sonny I believe, and you are in B, which is out the hall, to the left, to the left, as referred to big blue.

Group two is with Ross Baker back there, and it is in this room. Group three is with Don Evans, there, and it's in room C, which is out to the left and to the left. Group four is with Roger Dudley, right back there, and will be in this room as well.

So remember your number, come back in an hour and go right to your small groups, and there'll be a facilitator discuss, also take a break and we'll reconvene back in this room at 2:15. Great.

[END RECORDING MORNING_3]

[START RECORDING AFTERNOON]

MS. KATHY SELEGA: ...volunteer from each

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group, and we'll start with group 1, which is information, here. Group 2, 3, and 4.

MALE VOICE 1: I guess I got the short-straw.

FEMALE VOICE 1: Let me hold it up for you.

MALE VOICE 1: I'm just going to stand back holding this, I think. So our group was, our primary area of discussion was, when is ID needed? And, I'm not sure we answered that question all that good. We did have a lively discussion and we did come up with some, I think, some important points. One of the things that we see as a challenge is the lack of standardization among the various state requirements, some lack of clarity about when you can use a brand and when you cannot, and that sort of thing. The burden that it creates on producers, a specific example is animals that are moved between two states for grazing purposes, the handling that those animals are required to have and the cost involved in that for that movement. Also, concerned about what the level of compliance is with private treaty sales and, I see dairies still arriving,

1 untagged for market. And so, we didn't really
2 talk specifically about tagging stations, but
3 despite the fact that in the dairy industry were
4 requiring those all be individually identified
5 to be sold. Many of them do come to be sold,
6 without being identified, which puts a burden of
7 time and money on the auction markets. Let's
8 see, there was an opinion that we should, rather
9 than inflict these additional regulations and
10 make this advance ADT further, that we should
11 concentrate on trying to keep the diseases out
12 of the country in the first place, particularly,
13 you know, the ones like TB that are oftentimes
14 found from outside the country. A pretty strong
15 feeling that we should not expand ADT
16 requirements to animals under 18 months of age,
17 and a feeling that the current system basically
18 works. What was the thing I was supposed to not
19 forget? Oh, whether or not, when ID is needed.
20 Currently it's for animals that are moving
21 across state lines. There was some discussion
22 that it would make more sense for change of
23 ownership to trigger the individual
24 identification requirement, although there are
25

problems with that, but it would make more sense, in many ways, to do that. See if there was something else. I think that's most of what we talked about, isn't it?

MS. SELEGA: Any questions for Group 1?

MALE VOICE 1: Yes.

MALE VOICE 2: If you use the change in ownership, would you also maintain a change in state, if you go across the state boundary?

MALE VOICE 1: Well I think-

MALE VOICE 2: Both?

MALE VOICE 1: Yes. That would be my thought. Of course, in the context of the meeting, we didn't determine how you would implement that, we just said, that it might make more sense if you're going to try to, you know, you can trace back animals that didn't cross state lines more effectively. I'm sure it'll be an extremely popular thing to do.

MALE VOICE 2: Yeah.

MALE VOICE 1: I think that's all for Group 1.

MS. SELEGA: Great, thank you. Spokesperson for Group 2.

MR. GREG ARENDT: My name is Greg Arendt and thanks for taking your time out of your schedule, and coming from, I assume most of you live, if you live on the east coast, right? You live in Minnesota, oh, my gosh, she's a golfer.

[Off mic]

MR. ARENDT: What?

[Off mic]

MR. ARENDT: Is it really? It backed you off and took you to Canada, didn't it? Yes, it did. So, group 2 discussions, Ross Baker led this primary discussion area, and so, movement documents. Movement documents. Well, what's the important things on movement documents? Well, headcount, sex, age, tag or ID system, that might be, that would be on the critter, the animal involved, obviously, the buyer and the seller. And some of these, in this discussion, obviously, we, in Livestock Auction Markets, we don't have necessarily, that problem because people buy the cattle and they have an invoice and, in our place, they get brand paper and they're, it's mandatory they go over there, and if they're going to go out of state they get a

health paper, and so they have market invoices. Some of our documentation discussion involved private treaty transactions, whereas they might be intrastate, and some of this information doesn't, you know, there's no recording of information. If they're in a brand area, they have to have a brand paper, and then they, that information might be imparted on an invoice or brand paper. So if part of our questionnaires were, what types of movement documents effectively support disease traceability? And, obviously, we, we would come down to the brand sheet, back-tags, CVI reports and market invoices. The name, the change of ownership, so you know, interesting, so now we already have a cross-reference with number 1, change of ownership maybe should be where this starts. And, so, and we had some of these examples of how, in South Dakota to Nebraska, there's change of ownership, but it goes across state lines, and if it's cows versus feeder cattle, and whether or not, in cows, they are 24 months of age, and we have maybe an involvement of pregnancy and a veterinarian, and then we have

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documentation. Where we have feeder cattle, we might be eight loads of feeder cattle getting transported from Winner, South Dakota to one address with, and, but yet those cattle do not actually end up there. And this private treaty sale is part of our documentation, but we don't necessarily know, we don't end up with that. Livestock auctions maybe do a very good job there, a private treaty merchandiser does not necessarily authenticate his paperwork. From the standpoint that four loads of the cattle might end up in Carroll [phonetic], Iowa, two loads of them in Nebraska and two loads of them, maybe in Kansas, but you've got a health paper that said, he's going to Springfield, Nebraska. And you have vagaries within this system. Okay, so what else did we talk about? Unknown destination, that's the conflict. And so in your animal disease traceability study, how are you going to resurrect that person does a private treaty sale? How are you going to do that? How are you going to handle that? Livestock auction markets don't usually have that problem. Commuter herd agreements,

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1 electronic ICVIs value, legibility,
2 accessibility. One thing I think, in our
3 document movement discussion though, is the fact
4 that in the last five, six years, with the fact
5 that we have computerization software
6 technology, we have more legibility as far as
7 what our documents contain, and we do have
8 better ID system on those documents, and I think
9 we have that availability. And that's going to
10 improve, I think, one of our discussion group
11 girls, she's a state vet in West Point, and she
12 was telling me that some of the programs
13 available, maybe one program versus another
14 program, there is the availability of that
15 documentation going interoffice, from one
16 department to a private business, and back and
17 forth. And so we, and those are the kind of
18 things that maybe make the animal disease, or
19 the traceability factor, with software
20 technology more available and more up-speed, to
21 maybe finding out where there's a problem with
22 that animal or that particular situation.
23 Anybody want to add anything to what I recapped,
24 that was part of this group? Ross? Okay, thank
25

you.

MS. SELEGA: Thank you. Spokesperson for Group 3.

MALE VOICE 3: All right, it's finally time for the Texan to talk. So, my Daddy always said that there's nothing common about sense, so it's a good thing I'm up here today. What we decided was that we should have mandatory national ID and all auction markets should go out of business.

[Laughter]

MALE VOICE 3: Oh, okay.

[Off mic]

[Laughter]

MALE VOICE 3: All right. So our question was, what level of traceability should ADT achieve in the long-term for disease control? We said, 90%, look, you're going to have electronic IDs fail, you're going to have ear-tags come out, you're going to have people that don't keep the right records, you're going to have loss of identification, so it's not reasonable to expect that any traceability system that we come up with is going to be 100%.

1 And, even at the plant, right? So at the plant
2 we're going to fail some part of the time. So
3 we said, 90% is an achievable goal. What should
4 be targeted the next or short-term phase?
5 Again, we said 90%. What are the primary
6 obstacles, including producer concerns,
7 associated with traceability? Obviously, the
8 first one was cost, everybody's worried about
9 cost of what it takes to get individual ID or
10 traceability. Data control security, so who has
11 access to the information, what can they do with
12 that information etc.? The third, I think, is
13 really important, record keeping. So I can have
14 this great animal ID, I've got electronic ID,
15 I've got a regular ID, whatever it is, and, as
16 we talked about earlier, we need to transpose
17 those numbers onto a written document. You may
18 transpose the wrong number. Well, how does that
19 help your traceability system? Or, you have an
20 animal, like my father-in-law, buys some cattle
21 out of Florida, brings it up to his place in
22 Wichita Falls, Texas, as a stock or
23 grower/operator, does he put in each ID and tell
24 you which premises it started at, and where it's
25

1 at now? And then he sells it to a backgrounder,
2 then that backgrounder gives it back to him and
3 then he goes to the auction market, then the
4 auction market goes to the feed yard, then the
5 feed yard to the packing plant. Are we keeping
6 track of all those premises along the way?
7 Somebody's got to do that, and if we don't do
8 that, just because we have an electronic ID,
9 that we paid \$6 or \$7, or whatever it might be
10 for it, it's worthless because we don't have the
11 information to go along with it. So I think
12 record keeping's going to be a big issue when it
13 comes to traceability. And then accuracy,
14 transfer of the data, which is what we talked
15 about. How can the United States meet future
16 international traceability demands? What should
17 the focus or objective of ADT be in regards to
18 supporting international marketing
19 opportunities? So, let's be honest, today, if
20 we had national, mandatory national animal ID
21 and we were fulfilling that goal by 95%. How
22 much more beef would we export? The same we are
23 today. The exact same amount that we are today.
24 The reason that national animal ID is important
25

1 is to continue that trade. So, if we have an
2 issue that occurs, and we can't tell our trading
3 partners where that issue occurred, or that we
4 have our hands wrapped around it, or we have it
5 controlled, that's where we lose trade. That's
6 where the issue comes in. It's not going to
7 increase export sales today because we have
8 individual animal ID. It's going to continue
9 trade if we can show we have our hands wrapped
10 around the situation. In our opinion anyway.
11 What methods of official identification are
12 necessary to achieve short and long-term ADT
13 objectives? We said it shouldn't just be
14 electronic ID, like my father-in-law, he doesn't
15 know how many cows he has. I'll say, "How many
16 cows do you have?" "Oh, somewhere between 80
17 and 100, not really sure." Because we go look
18 at the cows, I stand on the back of the truck
19 with some cake, cattle crack I call it, and he
20 turns on the siren, and I'm dumping that cattle
21 cake out of the back of the truck, and here they
22 come out on the skeet, however many come out.
23 And that's how he gathers calves to sell to sale
24 barn, or sell wherever he's going to market. So
25

there's producers like that out there. Not everybody has green pastures and knows exactly how many cows they have and they're all black and they're all beautiful. There's all kinds of different producers out there. So I think we have to have different ID methods and not just electronic. I think it has to be a common thing, like an ear-tag, or the metal tag, whatever it might be, but something that can be transferred from ownership to ownership, and be used by different people in the industry. All right. How can RFID technology be utilized most effectively to advance traceability? What does that say?

[Off mic]

MALE VOICE 3: Ah, yeah.

MALE VOICE 4: Standards and communication.

MALE VOICE 3: Yeah, so, improve profitability. There's fear of liability. There was some mention about, well, what happens if I have these RFID tags and the packing plant has an e-coli problem and now they're going to come back to my feed yard, and FDAs going to come after my feed yard, or whatever group. And

every major packer today, in the country, can tell you where, what feed yards the e-coli problem's come from. So whenever we have a positive e-coli from a sample that we've taken, we can trace that back to the feed yard, or feed yards, that those cattle came from on the kill floor, when they went to that - - floor, etc. So that happens today, so it's not really a concern in terms of liability for e-coli. Liability for other things that may occur could be an issue, but for e-coli it's not an issue. And then data standards, we want to make sure that the data standards are the same. The whole thing we want to do this traceability thing, is to get our hands wrapped around a situation. And if Nebraska's data technology and Kansas' data technology and Texas' data technology are all different, and they're all firewalled, and we can't get from one to the other, that just defeats the whole purpose of what we're trying to do. So our agencies and our states need to have the sameness in terms of their data standards. And then standardized communication, that's for the technology, if you're using

1 electronic, that you don't have five readers
2 that you have to use at a packing plant to try
3 to read these electronic IDs. Need to make sure
4 they're all the same standard, which they are
5 evidently. I think that's it.

6
7 MS. SELEGA: Thank you. Any questions for
8 Group 3? Okay, who's my Group 4 spokesperson?

9 MALE VOICE 5: Right behind you.

10 MS. SELEGA: Perfect.

11 MALE VOICE 5: So I got in a little late to
12 my meeting, and I guess the penalty is, you have
13 to be the spokesperson when that happens. So
14 I'll never do it again. So our group, primary
15 discussion topic was the official identification
16 in beef feeder cattle. First question that was
17 asked was, should beef feeder cattle be
18 officially identified in the future? And if
19 anybody on my committee would like to stand up
20 and talk to me, talk a little bit, that'd be
21 great. We don't think the technology's ready
22 for that. Identifying it at the farm level, I
23 think, is somewhat of a challenge for a lot of
24 our producers. Let's just be honest, there are
25 a lot of small producers out there and they're

not interested in another step, another process, another procedure, more record keeping. So you're really going to have to sell that to those guys on the small farm. And I don't see how you sell something unless there is a need, and we really didn't identify the fact that there was a need, and that's my editorial position, so we think it will eliminate a lot of the small producers. Our producers are going to have to have more education about the need for it, because you've got to sell the idea to the people on the ground that have to do the work, and if you can't do that, it's never going to work. The size of the operation makes a difference. So if you've got a larger operation with, maybe has labor, has more capital, has the resources available to them, and sees a benefit down the road, they're going to be much more likely to sign up to do this than a small, maybe a hobby operation or someone else. Breeding beef are not all tagged yet. We learned from one of our sale barn owners who was in our group that now that Nebraska doesn't require bangs vaccination anymore, there are a lot of cows

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1 that are out on that ranch that have never had a
2 Bangs tag, never had a tag in their ear, never
3 been ID'd. So, if we've got issues, let's deal
4 with the breeding stock first, because that's
5 where the most risk of any danger would come
6 from. Feeder cattle are a long way down the
7 road. And I think we need to justify the need,
8 which was the point, I think I made over, and
9 over. We talked about the cost of the tags, no
10 matter how much those are, and if you're in a
11 bigger operation it turns into a lot of money.
12 Those folks need to be compensated for that if
13 the government's going to impose some kind of
14 rule on them. As someone who's sat in
15 government for a long time, I know that the
16 government never compensates the way they
17 should, that the costs are always passed down to
18 people in private sector and also to other lower
19 entity public governments. So, I think that's a
20 concern. We want equity across the entire
21 industry, so that the benefits, if they're going
22 to accrue, will accrue to everyone, not just to
23 one sector. And it's got to be market-driven,
24 and if it's not market-driven, it's not going to
25

work. We talked about, are there areas of ADT that are a higher priority? And I think we did that on the next page. A question came up about when this should happen, how soon should it happen? I don't know if the people that are promoting ADT want it to happen soon, but I think the consensus in our group was, it's not going to happen with feeder cattle at least until there's a crisis of some kind that would make everybody in industry say, I think we need to get onboard with this. So, no concern, not including feeders, except for the TB traces, for an example. We need more data on what cattle feeders are doing now. Let's find out what's going on before we step forward. So, what should be considered by feeders in ADTS? The enforcement and consistency with the current participation rate, and one of the other things, and we heard about Minnie Pearl this morning, with the number of tags in an animal. So I come from a place where we raised our own heifers and so those animals, the cows would calf in February most of the time, and so, you know, you get one of those winter nights when it's cold,

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1 you don't have an ear to tag. That is a
2 problem. We need to improve the use of the
3 Electronic Certificate of Veterinary Inspection,
4 that's not universally used, apparently. And
5 the last question that came up really dealt with
6 technology, which has changed so much. So we
7 actually came back to the discussion about the
8 Brite-tags and how even though that technology
9 has been around for a long, long time and is a
10 pain in the neck for everyone, it's still, in
11 some respects, reliable and maybe more
12 dependable. So you go back to 2001, we heard
13 discussion earlier about the Palm Pilots and
14 things, and now we're moving on to newer, newer
15 technology, a lot of people don't have the
16 resources to do it. And it's not just
17 resources, it's also the technological skills,
18 when you get to my age, you're a little over the
19 technological hump, so it's a little bit more of
20 a challenge for everyone. That's pretty much
21 what we talked about, and again, I came back to
22 the question of when should we do it? And our
23 decision was there's no reason to even consider
24 doing something until, with feeder cattle, until

the need is demonstrated to the populous. Any questions? Thank you.

MS. SELEGA: Right, thank you. And, does anyone have any questions, one last chance, for any of the groups? No? Okay. Then I think we're moving into the wrap-up and closing remarks. Dr. Scott, if you'd rejoin us up front. Thank you all for your engagement today, we appreciate it very much.

DR. SCOTT: Thank you Kathy. Well we finally made it through the day, and I see lots of droopy eyelids out there. You guys did pretty good though, because everybody was pretty lively, clear up to the end. So, congratulations on that, and I really did mean it when I said, you guys numbered off before lunch better than any state we've been to yet. And I don't know why, I don't know what that says about Nebraska but it was pretty impressive, and especially back on the east coast, some of those guys couldn't get to four, they would go one, two, four, one, three, four, it was pretty bad. So you guys really, if you take anything home, that's a pat on the back.

As we closed out here, I have been taking notes throughout discussions and I'll look at those a time or two when I get home, and hopefully I can remember some of the things we've said. On some of the things that I jotted down, that I heard, and as I said before, that's what we were here to do today, is to hear what you all had to say, hear what you had to say about a problem that we have, which is disease traceability, and any kinds of solutions that there may be that we could deal with on those. Things that I bulleted here, we've heard, loud and clear, a number of times, that it's not time for ID traceability in feeder cattle, although there certainly is some of those cattle that will have TB that we've seen those. There's a number of things that need to be resolved first, particularly the logistic things. I don't think I heard anybody in here stand up and say that they didn't believe that traceability was a good thing to control disease. I think, at least, almost everyone I hear, was questioning the logistics of how could you do this, how could you pay for this, how would this benefit us, why

would we do it? So those are the kind of things I've heard there. We talked a lot about disease control and about the role of traceability and managing diseases and not just the really scary things like foot and mouth disease, but the stuff that Dr. Hughes and crew will go tomorrow and deal with, the TBs and Trich and hopefully we don't have any Bangs right now, but Bangs is still in the United States, so it's still not going away. I heard quite a bit about the cost and distributing the cost of the traceability system, not just on one sector. We've joined here today from a lot of different backgrounds, a lot of different parts of the cattle industry and, certainly, each have unique needs. I did have a note here of our discussion earlier, as far as the fear and the concern that a regulation would put some people out of business. And I guess I would reiterate what I said before, is that from, and this is my personal feeling at least, is that in government, whether it's state or federal or local organizations or whatever, if you are going to have a regulation or a rule or

1 something, that's needed and that's important,
2 that's what we live for, that's what our
3 country's based on, but make sure that it's a
4 good rule and a good regulation. And I hope
5 that we are bringing that to you through these
6 meetings to hear what everyone has to say,
7 because I hope that all of us together have
8 ideas that none of us have thought of
9 separately. I'll ask some of our staff folks,
10 Neil, anything else to add that you've heard
11 today to take home?

12
13 MR. HAMMERSCHMIDT: No, you've covered it
14 well, thanks.

15 DR. SCOTT: Sonny?

16 DR. GEISER-NOVOTNY: No, I think the groups
17 have done a great job.

18 DR. SCOTT: Okay. Well, really appreciate
19 that and I'll reiterate again from this morning,
20 we are not in the process of writing a
21 regulation. We've heard lots and lots of
22 concerns and fears and worries about
23 regulations, and we're not doing that right now.
24 If a regulatory change needs to happen, it will,
25 but not now, not right away. Our next steps,

we're going to Texas the day after tomorrow to listen to some more folks. In September the forum, the NIAA USAHA forum is in Denver, hope to see some of you all there at that forum. Hopefully all of these notes and comments we've taken, and discussions will be compiled, I'm assuming Dr. Hughes has got a start on that, on his part of that already. We'll have those compiled and presented so that we can talk about them all again. And then after that, next steps, I think there's some common themes that are coalescing from people, we'll hear those and I'll be able to look at them again. I think that's all that I have for you all today. Really appreciated you coming and I enjoyed visiting with folks that I got a chance to talk to. So, thank you very much. If there's any last, anything in closing, please speak now before we all take off again. So anything from anyone to close out? Okay guys, travel safely and see you again soon.

[Applause]

[END RECORDING AFTERNOON]

C E R T I F I C A T E

I, Lissetta Wood, certify that the foregoing transcript of Animal Disease Traceability Meeting, Omaha, NE, 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.



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