

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

Animal Disease Traceability Meeting

Denver, CO

May 4, 2017

[START 01_TRACK_01.MP3]

MS. DEBORAH MILLIS: It's quiet like a church. Good morning. Welcome to Denver, to one of many Animal Disease traceability meetings that we're hosting throughout the nation in the months past and in the weeks to come. Our goal in this meeting is to learn from you, the producers and ranchers and market managers and animal health officials, about how animal disease traceability is working for you at the field level. We're interested in learning about what has worked well and why that might be as well as what might be a challenge for you in animal disease traceability and how we might address some of those challenges.

First, let me take this opportunity to introduce myself. I'm Deborah Millis, and I'm with the Animal Plant Health Inspection Service. And I'll be acting as your host today for the meeting and taking us through today's agenda. And while I'm not an animal health individual, there are folks from APHIS who are. And we have several guests with us today who are animal health officials that you may

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

1 know from previous public meetings on this topic
2 or from your everyday dealings with those
3 folks. And there are others too from USDA and
4 many of the other groups represented here today
5 that you will be hearing from throughout the
6 course of today's meeting. We all recognize how
7 important this issue is to you, and we are here
8 today to listen as well as learn from you and
9 figure out ways that we can improve the
10 entire animal disease traceability. So I want
11 to extend a thank you to all of the agricultural
12 officials that are giving their time and
13 attention to this important topic.

15 So a couple housekeeping things that I want
16 to point out to you. The doors right out here,
17 through this doorway are the quickest exit in
18 case something like a fire alarm or such should
19 go on and will exit to the parking lot. As we
20 go out this door and to the right are the
21 necessary rooms down the hall there, and that's
22 an important thing. And I want you to feel
23 comfortable to get up at any time and go and
24 take care of your needs in that way. We have
25 coffee and water over here along the wall, and

across from the restrooms down that hall is where we'll be having some of our breakout sessions a little bit later, which we'll talk to you more about as that comes up.

Now I want to also talk about the fact that we are recording this meeting today. And it will be recorded and then later transcribed. And the reason that we're doing now is because we are having many of these meetings, and the conversations here today will augment or enhance our notes that we may take today. And because several are being hosted, we want to make sure that we capture the thoughts of the community in as much detail as possible, so I want to just briefly go over the agenda and what's in your packet.

So in your packet you'll see you have the agenda there, and it talks about how it'll move through. Behind that is some notes on the presentation, some slides that you'll see a little bit later today, and an article on federal animal disease traceability rule requirements for cattle. And finally some information about the assessment that's gone on

to see how well we're doing with this and the questions for breakout groups. So if you don't have these in your document check with the folks outside at the desk or in your folder. Check with them.

And then just to briefly go over what's on the agenda for today, after I'm done introducing this we'll hear from a couple of folks with some introductory remarks. We'll hear about the basic principles of animal disease traceability, and we'll also hear about that assessment report that I was talking about. We're going to have a panel today of folks sharing with us their experiences with animal disease traceability and from their perspective some of the challenges that they've discovered and how they have dealt with those. And then after a brief break, we'll have an open mic session.

So on the tables before you, you'll see some note cards there as questions arise for you today. You might want to jot those down if you can't already remember them. If that was me I'd have to jot them down, definitely. And then we'll have an open mic session following the

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006
Phone: 212-346-6666 * Fax: 888-412-3655

panel. So in this afternoon we're going to break out into small groups and hear from you about what your thoughts or some ideas for how to improve them or disease traceability.

So with no further ado I want to introduce first of all, Dr. Keith Roehr, who is the state animal health official in the state of Colorado. And following him we'll hear from Dr. Aaron Scott who's from APHIS. And each of them will greet you with our opening remarks today. So Keith, the floor is yours.

DR. KEITH ROEHR: Thank you, Deborah. Good morning, everyone. For those of you outside of Colorado welcome to Colorado. For those of you in the state, welcome to the Denver metropolitan area. Fortunately we didn't have a snow storm. We had one of those just a few days ago that would have made travel getting here a little bit more challenging.

So beautiful day, very much appreciate your time. Everybody here very busy and this is a very important topic. I think everyone in this room probably similar to our livestock producers here in the state of Colorado 70%, 75% of our

1 agriculture is livestock, and Colorado 70% of
2 livestock is beef. We're a beef state, and the
3 animal disease traceability issues and changes
4 that were beget in 2010 and 2011 as far as
5 discussions and then a rule being developed and
6 that became active in 2013 primarily affects
7 beef cattle, adult beef cattle. So the fact
8 that this federal program that's administered
9 primarily through states, state departments of
10 agriculture or state animal health boards, has
11 been in operation for four years.

13 This is a timely opportunity to assess where
14 are we at, what works, what doesn't work. What
15 are the gaps? What can we do? What do we need
16 to continue to do? Where are there
17 opportunities to improve? I think that's
18 important. We have a new administration. A lot
19 of this effort obviously was beget before
20 Secretary Perdue took office, but I'm sure this
21 is something that he's probably very
22 interested in. Our Commissioner of Agriculture
23 Don Brown is on the western slope today.
24 Otherwise he would be here on my behalf. But I
25 know this is very important to our department

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

of ag in Colorado and exceedingly important to livestock producers and those who are part of our livestock and cattle industry. So I think this is a great opportunity to come together, have an open microphone at times and opportunity for people to share and network together in what we all understand is important.

So Deborah, thank you. And again, welcome to Denver, Colorado

MS. MILLIS: We don't have Wi-Fi available in this room for the meeting. I apologize for that. So no, I do not have an access code. So next up and also since you brought up the issue of technology, I wanted to remind folks about cell phones and so forth, if you could turn yours to silent, that would be helpful too. And next up, we'll hear from Dr. Aaron Scott, and he is from the Animal Plant Health Inspection Service and Veterinary Services.

DR. AARON SCOTT: Thank you, Deb, and welcome everybody to Denver. I think I saw some of you all parked on I-70 this morning when I was parked out there on my way coming down. I hadn't been to downtown Denver for a while, so

it's a bit hectic traffic from the last time I was here at rush hour in the morning. I am Aaron Scott; I'm an epidemiologist by training.

My day job is overseeing a couple of the programs in Veterinary Services the two most pertinent ones. One of them is animal disease traceability; the other one is our accredited veterinarian program. Deb asked me what my title was, and I had to think about that a little bit and I thought well you know really when I was a jack of all trades. I go where we need things done. As an epidemiologist, I've been involved in a lot of disease issues. So when the swine industry was hit with porcine epidemic diarrhea, they thought they were ready but they weren't. When we had high path AI, I was involved pretty heavily on that.

And I guess maybe the most important thing in my history is that my folks, my family came here about 150 years ago and have been running cattle in Western Colorado ever since. So cattle, beef industry is pretty important to me. It's something that's of a concern, and I wear a lot of hats. I wear a lot of hats in the cattle

Ubiquis

1 industry. I was a practicing veterinarian for
2 many years here in Colorado and now I work
3 for USDA.

4 I was visiting with some folks in the back
5 room, Les and Cork, and you guys back
6 there. And I stopped by to introduce myself and
7 I told them that the people in the back
8 room were really important because I always
9 heard some good insight from folks in the back
10 of the room. And I heard something from Les. He
11 said well this is our livelihood, we're really
12 passionate about it. And I said yeah, I can
13 really relate to that. And then he said a lot
14 of my neighbors don't think that what they have
15 to say is important, that whatever is happening
16 is a done deal, and so they're at home
17 working. They're not speaking up.

18 Well, I want to tell you it is important.
19 We're here to hear what you have to say, and it
20 doesn't matter which side of issues you're
21 on. We're hearing lots of different sides on
22 issues. But we want to hear them, and we will
23 hear every word, and hopefully the recording
24 system is here today to hear what you have to
25

say.

A few key points. One, there are no rules being written in the back room. We're not writing any regulations right now. We're listening; we want to hear what people have to say. If there are rules that need to be written, we will hear from folks over the coming months and decide what meets best needs of the most people. But right now there are no rules where we want to hear. Why is traceability important? Well traceability is one of our APHIS administrator's top ten priorities. It's also a top priority for many of his counterparts in other countries, other countries that look at traceability, and as a way to manage diseases, because it is. We discovered that in a number of different outbreaks, and you'll see some data from Dr. Geiser here in a few minutes. Traceability is a trade issue. It's in chapter four of the international code. So the question isn't whether or not traceability affects trade. It's whether the United States can make individual agreements with countries to facilitate trade or a national

Ubiquis

program or what's going to be the demand. So that's the issue that we have there. As far as managing diseases, as an epidemiologist I of course look at things, really scary things like foot and mouth disease that would wipe out our industry if it if it hit it and whatever tools that we might use to manage that and contain it.

But it's not just foot and mouth disease. We have a lot of everyday diseases that we see and deal with all of the time and see a lot of you folks out there that are probably pretty familiar with bangs and TB and a few other diseases. Those are ones that we spend a lot of effort on in our states and in our veterinary services to address and try to find the animals and get rid of the source of them. Some cases we can do that; some cases we can't. I think one of the slides that Sunny has to show that made the most impact on me was one on TB traces. With TB traces on the figure that she will show you if animals had official ID, we found them. We found them fast. We bought herd of cattle. We tested; we eliminated the disease in them. On herds that didn't have official ID,

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006
Phone: 212-346-6666 * Fax: 888-412-3655

we still found some of them. There's a handful that we didn't find those animals, and those hurdles are probably still out there somewhere. They may be your cattle. They may be my folks. They may be anywhere, not able to trace them.

So I'm going to close out right now and turn back to you, Deb. I especially want to welcome you, and I look forward to some good discussions today. I'll be sitting back here visiting with folks, so if you have anything that you want to visit about, whether it's traceability or anything else, probably traceability would be a better topic than disease control, but certainly anything, I'll be back here and taking notes and trying to keep track of what everyone has to say. So welcome and thank you all for making the trek here, and we'll see what we can get done, see if we can come to solutions to problems and move ahead. So thank you all, and back to you, Deb.

MS. MILLIS: Thank you, Dr. Scott. So next step, I'd like to introduce Neil

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006
Phone: 212-346-6666 * Fax: 888-412-3655

Hammerschmidt. He is the Animal Plant Health Inspection Service animal disease traceability program manager, and he's going to give us an overview of what ADT is all about.

DR. NEIL HAMMERSCHMIDT: Good morning, everybody. Glad you're here, appreciate it very much. I'm not going to spend a whole lot of time in this part of the program because we want to make sure we have significant time for the discussions, but I thought early on it would be good to do a quick review of ADT. Hopefully it's pretty familiar with you, but some of the requirements, protocols we established early on in ADT as we brought it forward in collaboration, a lot of the same discussions we've had to get us to this point with industry producer groups, market managers, and so forth. So I'm sure a lot of this is familiar with many of you. But a quick review today, we are focused primarily on cattle and bison. Certainly other species are covered in ADT, but we're focused today on cattle and bison. The sheep and goat industry is pretty much covered through the - - regulation, doing

Ubiquis

an adequate job for traceability from that perspective. But as we brought ADT forward, the initial focus, primary focus was on beef and cattle. We don't want to exclude the other species, but I think we want to stay more focused on these species today. Of course the Code of Federal Regulation Part 86 focused on livestock moving interstate. And we also want to cover the assessment report that Aaron made reference to that Sunny will provide some updates on as we've been implementing ADT over four years at this point in time. I think there's some interesting data to share back with you all. Some of the key principles that we established early on when we did ADT, certainly recognizing that the traceability, the identification of animals isn't new. We've been doing it in disease programs for many, many years, so we wanted to maintain and keep the infrastructure that are already in place from many, many years of work on disease programs and animal ID and traceability and so forth. We wanted to put more emphasis, delegation of responsibility for

Ubiquis

the day-to-day administration of traceability at the state level, tribal level so it's more localized. We're always concerned about not only a practical system, but one that's cost-effective. Cost has always been a big concern and will continue to be so. We made reference to our initial system is a basic bookend system. Traceability is probably this big. And we recognized, to cover traceability as we go forward let's look at some priority issues that are more important today, build a basic foundation, realizing that if we do the basics well, maybe there is opportunity to expand what we initially developed. So we intentionally developed this system from a basic program perspective, realizing that it's not full traceability. We make reference to it as a bookend system, so we know where the animal was first tagged. We call it a bookend system, but one might debate is it really a true booking system from what we or other countries expect from a bookend system. We know where the animal was tagged and we call that the first bookend, but there's certainly other aspects of

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006
Phone: 212-346-6666 * Fax: 888-412-3655

traceability that need to be considered in the equation to get us back to, for example the birth premises, and a lot of times people think the first bookend is the birth premises in our basic framework. Many times it is not. So we refer to it as a bookend system, but maybe it's not really meeting that criteria from an overall perspective. Keith made reference to the rule that was published in 2013 and we'll go over some of the concepts of that rule, for review. Certainly if tribal lands cover more than one state, then movement across state lines is not considered an interstate movement. Folks that take their own animals into a custom slaughter facility and happen to cross a state line, that's not considered an interstate movement. In this regards they're basically exempt or not covered in the criteria, because those animals certainly would be highly traceable back to that person's farm. Two key factors when you look at traceability from an ADT framework, and I think these are the essential pieces that we want to continue to build upon over time, official ID is required,

Ubiquis

and the ICVI, interstate certificate of inspection or other movement document. So when we analyze or study our program, it's more than just a tag in an animal's ear. Do we have the ability to know to find the records, retrieve the records that associates that number with the location for that animal? So we've worked very hard on the basics of making sure that if we're asking you all to tag cattle, that we have records that supplement that ear tag that provides the information necessary for traceability. Same for ICVIs, and we've had a lot of discussion about movement documents over time, and I think we came up with a good solution. And let's not develop a brand new document or solution when we have something that's very usable, workable with an ICVI. ICVIs have obviously been in place for many, many years before ADT. But we're trying to do a better job administering ICVIs, so they give us better traceability information. And I think Sunny's got some information to share that really reflects our ability to take advantage of these two basic components to give us the

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

traceability that we can work from. Official ID of course is defined by species. What works for cattle and bison might not work for equine, for example. So we look at it individually. Regulation requires that all states accept all methods of official ID. So if a producer tags a calf in New York with an official ID device, that ID device is official for California. So there is some standardization across the country that helps ensure that the official identification methods are accepted across the entire country. However, a receiving state cannot require a specific method. I don't like to pick on Michigan, but since they have a requirement for radio frequency ID, I use that as an example, because cattle that move within Michigan are identified with an RFID tag. But they cannot require cattle going into Michigan to be tagged with electronic ID. Once they're in Michigan, their state regulation takes effect, but it doesn't cover the interstate movement to that state. Real quick, official ear tags is one method of official ID for cattle. It's probably

Ubiquis

the most highly used, but when the ship state or the shipping state and the receiving state agree on other methods such as a registered brand with an official brand inspection certificate, that's considered official, if both the shipping and receiving state elect to accept that as official. Tattoos and other methods of ID accepted by breed registries, again for interstate movements if both states agree that that's official, that's fine. It's up to them. Group line identification is recognized, but certainly more applicable to the poultry industry, the swine industry, and so forth. Official ear tags since we use those, probably more so than other methods of ID They are tamper-evident, indicating they're not easily removed from one animal to the other without noticing that the tag's been tampered with. We worked real hard on making it more clear on what tags are official. So the official ear tag shield imprinted on every tank. So if there's tags with numbering systems out there that no longer have the U.S. shield, and it's a two-year-old heifer, for example, we know

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006
Phone: 212-346-6666 * Fax: 888-412-3655

that's not an official tag. It's an older cow that ear tag might have been recognized as official, so we set up a transition process that the younger animals would all have the U.S. shield on the official ear tag shield. If they were older animals tagged before 2015, that US shield might not be on some of those tags yet. Two numbering systems, the traditional one is referred to as the national uniform ear tagging system, - - tags the type of numbering system used for vaccination tags. On silver bright tags, the first two letters represent the state. Then also the animal identification number, the 840 number per se, is the standard for whether that numbering system is by the International Standards Organization, most commonly used in electronic; low frequency tags for compatibility. While most of our tags with 840 are electronic, it's not a requirement that they're electronic, but a significant percentage, 90 plus percent of 840 tags would be on electronic devices.

So when is official ID needed? All sexually

Ubiquis

61 Broadway - Suite 1400 - New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

intact animals and bison 18 months of age and over, all dairy at this point in time, and then cattle and bison of any age used for rodeos, recreation events, and show exhibitions require official ID. So the bottom line is we exempted based on the feedback from you all earlier on beef cattle under 18 months are not covered in the regulation. There are a significant number of exemptions that we get feedback on. Movements, even if they're interstate that move from one state through another to get to a segment of my operation, but I have to travel through a state obviously, even though I traveled through a state, I bring the animals back to the state that they were shipped from to get to my other premises. That's not categorized as an interstate movement or it's an interstate movement, but official ID is not required. Directly to an approved tagging site, they're officially identified there, so producers that can't tag their own animals can move across the state line, with the understanding, acknowledgement that their cattle will be

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006
Phone: 212-346-6666 * Fax: 888-412-3655

identified at offloading or before they're comingled with other animals. Again, we make the opportunity for the shipping and receiving state to use other methods. Maybe there's circumstances for a load of cattle where they didn't get tagged with an official tag, and they still have good traceability. The state officials, state veterinarians have the prerogative of accepting other methods of identification, whether it's straight across the board for those types of movements on an individual recognized situation and then directly to a recognized slaughter establishment or directly through no more than one approved livestock market, to a recognized slaughter establishment. So if I'm selling some Kohl [phonetic] dairy cows and they're going through my local market, those dairy cows that are going to slaughter do not need official identification. They would be individually identified with a USDA-approved back tag.

So that covers the comments that we wanted to make on official identification regarding the

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006
Phone: 212-346-6666 * Fax: 888-412-3655

certificates of veterinary inspection. Cattle that move directly to slaughter and also through one accepted market can be moved on - statement, directly to an approved livestock facility, are the two main categories that I think are most commonly practiced. Then of course if you have some animals you move into a vet clinic and you bring them back home, you don't need an ICVI that type of movement. And then with documentation, again the flexibility that we intentionally build into the regulation was that the states could agree on something other than an ICVI. So in the brand states, brand states if you accept the brand certificate in lieu of ICVI, you have the prerogative to do that as well. We more clearly defined what's needed on the ICVI, so it would end up giving us more traceability information. Won't go through all that list, but we do work very closely with accredited veterinarians trying to get those completed accurately and completely when they are used for interstate movements to give us good traceability information, and then we

Ubiquis

61 Broadway - Suite 1400 - New York, NY 10006
Phone: 212-346-6666 * Fax: 888-412-3655

also, very important in the regulation mirrored or duplicated, the regulation that FSIS has, Food Safety Inspection Service. Let me cover this, the collection of - - slaughters, the next slide, but we worked real hard on wanting to make sure that recording the IDs pertains primarily to the breeding animals that move interstate. So the IDs, official numbers on, ICVIs on certificates do not need to be written on the ICVIs for cattle and bison moving to slaughter, steers, or spayed heifers or sexually intact bison and beef cattle under 18 months of age. So if I have feeders for example, being moved interstate while an ICVI is still required, the official ID is not required. So there's no recording of the IDs obviously on those certificates. The slide I was referring to earlier is in regards to the collection ID at slaughter. FSIS has the same criteria. We wanted to emphasize that in our traceability regulation because it's kind of the end point for traceability, making sure that the official ID tags and all man-made ID is collected at slaughter, and more importantly

Ubiquis

61 Broadway - Suite 1400 - New York, NY 10006
Phone: 212-346-6666 * Fax: 888-412-3655

1 that we maintain the ID, that
2
3 tag correctly correlated to the
4 carcass so at final inspection, if there is a
5 sample taken that we're making sure that we got
6 the correct ID on that carcass.

7 And Sunny will talk more about efforts that
8 are being undertaken with this part of the
9 regulation, to again just reference the handout
10 in your packet with more details, but wanted to
11 give a quick review on the requirements that we
12 work with you all in establishing the
13 ADT framework, initially back in 2010,
14 '12, published in '13. Sunny is going to give
15 kind of a report on the assessment that has been
16 done on the program to show what we've
17 achieved. Maybe some gaps that are still
18 pertinent to animal health officials that are
19 directly involved in traceability that she
20 wanted to report on this morning, Sunny.

21 DR. SUNNY GEISER-NOVOTNY: Thanks,
22 Neil. Good morning, everybody. Thanks for
23 joining us here today. We really appreciate
24 your time. As he mentioned, I'll be going over
25 some of the findings we found in our assessment

of the rule to date. And so back when the rule was published in 2013, APHIS indicated we would do an assessment to see how part 86 helps us or enhances our tracing capabilities, sorry guys. And so we just recently undertook this. We published our results a couple weeks ago. Over the next couple slides, I'll go over some of the parameters that we used in conducting this assessment, including what we refer to as performance measures, and I'll explain what those are. Data related to actual traces, specifically tuberculosis, and then also feedback that we received from not only industry but also state animal health official. So from the beginning, ADT was set up as a performance-based program. And what that means is the working group who provided input into the rule developed a set of measures that focused on the two key factors in the rule, so official identification and movement documentation for animals for livestock moving interstate. And the purpose of that, to those measures is to document progress and identify gaps so we can actually make improvements in our tracing

Ubiquis

capabilities within the state, so what actions can we take that will fill in those gaps.

For each trace performance measure, we measured two key factors. The first is the elapsed time it takes to answer four specific questions, define them by a trace performance measure. And so that elapsed time starts when the state receives the official identification for the animal we're looking to trace and ends when they find the information that we're looking for, where was it identified or where did it move from. And so the first measure actually tests our animal identification numbering system distribution records, so those 840 tags that Neil mentioned, number one only covers those because if you think about noose tags, you can look at a noose tag and know where the animal is tagged. So for number one, in what state was an imported animal officially identified, so we're in Colorado. We have an 840 number. We look it up in our system; it was identified in Kansas. That's the answer to the question. Two, where in your state was an animal officially was the animal officially

identified, so that would test Colorado's recordkeeping and distribution records for noose or animal identification number tags ,and then also the records of tags applied by accredited veterinarians and/or producers.

Three, from what state was an animal shipped, so again even though the animal might have been tagged in Kansas, did it move directly from Kansas into Colorado or did it ship to another state before entering Colorado. And then four, from what location in your state was an exported animal shipped. The second factor that we measure when we look at these traced performance measures is the percent of successfully completed TPMs and so basically how often do we find the information we're looking for. So when you think about what we're trying to look at for these measures and when you think about traceability overall it's important to note that the key to successful traceability is timely retrieval of complete and accurate information, and we have stolen and used this slide repeatedly from the state of Colorado. It's one of our favorites for the

program. If you looked on the left-hand side of the slide that is one year of import and export CVIs for the state of Colorado. So when you think about trying to find one animal listed on a CVI, that's what it would take to find that animal and where it moved from, versus being able to plug the number into a database and have it come up within seconds. That's really important. And so one of the biggest improvements that we've seen since the rule was published is just our record keeping, and the movement of documentation from paper-based formats into electronic format where they're more easily searched. When the rule was published, we set up some baselines to be able to compare additional years to so we call those the national baselines. Those were set up in fiscal year 2013. Each cooperative agreement period after that sets up another comparison year to those baselines. So we had, the first comparison year was in 2014 ,second comparison was in 2015, and we're just wrapping up our third comparison year, so we'll have that data available shortly. And I know the slide's a

Ubiquis

little bit busy, but we'll walk through it. So on the left-hand side, the first column you'll see the activities that I went through and what state was an animal officially identified on the left-hand column, one through four. First bigger column is the national baseline we talked about, first comparison in second comparison. And then underneath those percent successfully completed and that elapsed time that it took to find that information. And without going through each one, I think what's important to notice is that we've made significant improvement from the national baseline through the first and second year comparisons. And so when you look at the percent successfully completed, we average between 70, or 60 almost, and 76%, for percent successfully completed to high eighties and even at low nineties for percent of the time that we were able to find that information we were looking for, so substantial improvement. We also reduced the elapsed time it took to find that information from national baseline years from 4 to 11 days depending

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006
Phone: 212-346-6666 * Fax: 888-412-3655

on the parameter, to one to two days. So significant improvement in not only being able to find that information, but also the time it takes to find that information.

This slide represents data from TB traces that were identified at slaughter and so FSI performs inspection on animals coming in for slaughter. If there is a lesion that's suspicious for tuberculosis, they take samples. As Neil mentioned all of the identification is collected, correlated with that carcass through final disposition, and sent to the lab if samples are taken. And so what you'll see here on the left-hand column is the type of identification, if any, that was present on these traces, and then across the top, the total number of cases and whether or not those animals were successfully traced. Traced indirectly means that we found those animals because of cohorts that they came in with, so their buddy basically had official ID or had sufficient records for us to be able to find those individual animals as well. So total cases, so the data that we looked at we did the

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

same period of time pre-rule versus post rule, so our records were from 2010 through the end of fiscal year 2016, to give us a nice distribution of records. We had 38 total cases. 20 of those were in feeder cattle. 18 were in n adults. And what's important to see is the types of official, or the types of identification that are provided under the first column. So 12 animals presented with unofficial identification, 14 had no identification, and 12 had official identification. And the importance of this slide is that every animal that came in with official identification was able to be successfully traced. That's statistically significant. We could still find some the animals with unofficial identification and even those without identification. But when you look at the inability to trace four animals without identification, that's four herds that we haven't found infected with tuberculosis, and what's the cost of that over time? So how are we doing with ADT? So if you look at the context, or the rule in the context of which it was set up, so official identification, movement

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006
Phone: 212-346-6666 * Fax: 888-412-3655

documentation for livestock moving interstate, we're pretty successful with what we set up. However nobody would argue that there are significant gaps in that framework that need to be addressed.

Through our feedback from not only industry but also state animal health officials, we've identified some gaps within the assessment, the first being that official identification requirements are limited to interstate movements. So when you consider that an animal can move multiple times before it ever cross state lines, if it ever cross state lines, that's something we don't have record of. And how do you know what you don't have? So if there's no movement document, how do you know if one was needed or if there's no official ID, how do you know if it was needed. And so there is potential for disease spread within the state before that animal ever crosses state lines and needs official ID. Also means that records really on a lot of those cases don't exist. An ICVI is not required or a movement document isn't required. And we've all heard that how do

you trace a black animal with no identification? It's pretty challenging. When you look at the flexibility that we built into the rule, we have a lot of exemptions. That was probably one of the busiest slides that Neil presented. And this is probably most notably felt at the markets. Exemptions are confusing, so when you have an animal commended that animal move interstate? Is it over 18 months, is it moving interstate for the first time out of the market? Is it going direct to slaughter? Does it need an ICVI; does it not need an ICVI? Does it need official ID? Does it need a back tag? It's confusing. I mean if industry doesn't understand it, how can we expect for there to be good compliance? It also makes it impossible, as I said, for us to monitor compliance, is how do we know what was needed if something doesn't exist? We don't have a record that the animal moved interstate. How do we know that it moved interstate the market and needed official ID? The second challenge we identified was reliance on low-cost technology or visual-only

Ubiquis

tags. I don't think anybody in the room would argue that noose tags, right tags and the OCB tags served their purpose. They have worked very, very well for our disease programs. However, when you consider what our requirements are for traceability and the inability to read those tags at the speed of commerce without catching the animal at multiple times makes it really challenging. I like the top one because I need reading glasses now for most things. And so appreciating how hard it is to decipher what the numbers are on the tag, to be able to write them down and do that at the speed of commerce, is difficult. We also love the bottom picture. As a veterinarian I feel this guy's pain. I mean I can't tell if he was really mad or if that's just his handwriting. But either way he did his job. But when you consider that A, he had to write down all of those numbers, what's the error rate for writing those numbers down? And so issues with legibility, I might not read it the way he wrote it down. It might be the wrong number, and transcription errors in general make

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006
Phone: 212-346-6666 * Fax: 888-412-3655

it really difficult when you're looking to trace an animal. I think most people have come into these listening sessions expecting that we are wanting to move forward with phase two, which was when the rule was first published, was meant to be the inclusion of feeder cattle and the official identification requirements and movement documentation requirements. And while we can argue that feeder cattle are part of the equation, if you look back at the TB traces, 20 of those were in feeders. They're not exempt from disease, but we will fully admit, everyone will admit that there are way bigger gaps that we have in the system than feeder cattle at this point in time. So while we list them as a gap, we certainly don't feel that they're our significant challenge at this point. We've also heard a little bit about trade implications. Some countries may require full domestic traceability, not just the programs that have been successful through AMS export verification programs, but a full domestic traceability program for our program diseases. So those parameters haven't been set

1 yet by any stretch of the imagination, but it's
2 been hinted at, that that would be important to
3 these countries. Neil mentioned the
4 requirements for collection of all ID devices
5 and correlation to the carcass through final
6 disposition. This is another important gap that
7 we've identified. It's inconsistently
8 applied. That's due to a variety of
9 reasons. We've heard that sometimes the speed
10 along the line is such that it's impossible to
11 collect all the identification that's
12 present. Maybe the location of the back tag is
13 such that you can't collect it without slowing
14 down the line. So again we impact speed of
15 commerce. There are some procedural issues at
16 plants just with the way their line moves or the
17 way they have the process set up that probably
18 need to be addressed as well. And then turnover
19 not only of plant personnel but FSIS and
20 VS personnel. So we're not getting that message
21 through consistently or often enough to make it
22 known why this is important, why we're looking
23 for that identification, and why it needs to be
24 correlated properly so we know we're tracing the
25

right animal, we didn't pick somebody else's ID and get back to the wrong herd. And so that brings us to where we are today. So we started outreach and feedback after conducting the assessment. At the beginning of conducting the assessment, we started off with conference calls with our own personnel and then state animal health officials to say what are the biggest challenges you see in your daily jobs. And the feedback that you've gotten from industry officials, related to the current framework. We charged those personnel with then going back out to their local areas and saying talk to industry and find out how it's working for them, realizing we can't hold meetings in every state, or even if we could, that not everybody can get to them on a particular day, that feedback is really important to us. We've had five, this will be our fifth regional meeting. We've got five more so we're halfway through, and then the feedback from those regional meetings will be wrapped up by a state/federal working group who is basically going to summarize the feedback or

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

comments that we've heard, any consistency or differences of opinion and, that'll be presented at a national ADT forum in September of this year. So our goals for today, I think you've heard it quite a bit, but just to address it again, we want to hear your feedback. That's why we're all here. We're here to listen. We want to know what works well for you, what doesn't work well, do you think there needs to be revisions to the current framework? Are we fine with the traceability level that we have today? Where do we need to go or don't we need to go anywhere? So it's really, really important for you guys to be vocal. We've got a lot of opportunities today to provide feedback. In addition, I'm going to charge you guys with the same thing we charged our personnel with. I know a lot of your colleagues couldn't make it here today. They have ample opportunity to provide comments outside of this room. There's a federal register notice that has instructions of how they can provide comments. They can take them to Keith. They can take them to the local VS office and provide

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

1 them; they can mail them in. So today is not
2 the only opportunity. If you guys think of
3 something later, absolutely bring it to our
4 attention. So appreciate you guys being here
5 today and look forward to our discussions. And
6 we'll address any questions you might have.

7 MS. MILLIS: So pardon me, we do want to
8 give you the opportunity for any questions that
9 you might have for Sunny or Neil. And as we do
10 that we're going to pass the microphone to
11 you. My colleague Anne [phonetic] is at the
12 back of the room, and we'd ask you to identify
13 yourself and your affiliation as we pass the
14 mic. So are there any questions on what you
15 heard in the presentation here just now? Up
16 here? And give us just a second to get
17 there. So we've got here in the front of the
18 room and then a little bit further back.

19 MR. TRACY HUNT: Thank you. Tracy Hunt from
20 Newcastle, Wyoming. I'm a cow/calf producer. I
21 understand that there's been some discussion
22 about holding some additional meetings, perhaps
23 one in Omaha, based on a decision that has or
24 has yet to be made. Would you like to talk

about that?

DR. GEISER-NOVOTNY: Yeah, absolutely. And just got the dates confirmed, so that's why we were holding off on announcing those. So Neil, correct me if I'm wrong, we have we have three that have been added, one that's being hosted by Kansas. That's going to be their own meeting. Omaha is on the 18th of July. Correct? And Texas is, Fort Worth is on the 20th of July.

MR. HUNT: I also understand that there's always an opportunity to attend the meeting in Maryland by online or on phone attendance. That was not well-publicized, wasn't made apparent. Would be good for these folks out here, regular people to have known about that. Can you tell us why that wasn't done?

DR. GEISER-NOVOTNY: Yeah, so we did set it up for via webinar and via the phone line and given the regional distribution, we wanted to make sure that we had enough lines for the region to be able to call in for that. We are looking at offering that for one of these western meetings. We just have to have it set

up and provide that information.

MR. HUNT: My question is why wasn't provided for the Maryland meeting?

DR. GEISER-NOVOTNY: It was provided to that region, to the states of that region.

MR. HUNT: Okay, and here's one other question that I have, and that is that the burden of animal identification falls specifically on and without exception, on the cow/calf producer, according to how you have proposed initially in your NAIS program. Now the producers are in states where you are not contemplating having meetings but you are contemplating having them again, Texas, Kansas, Nebraska, places where there are packing plants, places where there are, where the choke point of the supply chain is dominant. Why would you not take those meetings out to the cow/calf producers that are significantly impacted by your regulation?

DR. GEISER-NOVOTNY: Two additional locations other than those?

MR. HUNT: Or the ones, or you could have scheduled one of the other seven in

those states.

DR. GEISER-NOVOTNY: Well we have, we've added them on due to the interest and the fact that we've had such a good response, so we're having meetings in those states I just mentioned in addition to Kansas, but they're looking to host their own.

MR. HUNT: Montana, Wyoming, South Dakota, North Dakota--

DR. GEISER-NOVOTNY: [Interposing] We have one in Billings.

MR. HUNT: Thank you.

MS. MILLIS: And then we had a question back here somewhere, if you could raise your hand again, thank you.

MR. KEVIN MILLER: I'm Kevin Miller from Colorado. In your performance measures...

DR. GEISER-NOVOTNY: Yeah?

MR. MILLER: The improvement that you saw, do you think a big chunk of that is through the electronic age of CVIs, beyond just the official ID?

DR. HAMMERSCHMIDT: Without question, the timeliness of retrieving that information is the

1 result of more of the records being put on
2 electronic data and certainly emphasis on
3 electronic ICVIs to begin with is improving, but
4 I think some of the things we still want to
5 put a priority on, we key a lot of those paper
6 forms into the systems. It would be certainly
7 more ideal if those forms were initiated
8 electronically to begin with. So we still have
9 a lot of room for improvement, but moving that
10 data to electronic storage devices I'd say is
11 the greatest result we've had to date by having
12 more timely information that we can retrieve.

14 MS. DONNA HUNT: Donna Hunt, Newcastle,
15 Wyoming. I was wondering is this when you guys
16 put all this information together and then you
17 propose rules, will there be more public
18 meetings on the new proposed rules if you come
19 up with some and a comment period like we're
20 having now? Or is this the information you're
21 going to use as your comment?

22 DR. HAMMERSCHMIDT: That's a great question,
23 and certainly if there is a rulemaking process,
24 we'll certainly duplicate the process we did
25 when ADT was developed. Having meetings like

1 this on the proposed content of the proposed
2 rule, a comment period, a proposed rule would be
3 published and certainly open for comment. Not a
4 timely process, but a great process to go
5 through to make sure it's well-publicized by all
6 means.

7
8 MR. JOHN CAMPBELL: Hi, my name's John
9 Campbell with Winter Livestock in La
10 Junta. On your documentation here, you state
11 that a brand is considered identification. You
12 will recognize a brand in, in like here in
13 Colorado we are brand state. And that
14 accompanies the cattle where they go in in the
15 buyers purchase sheet. Every brand, on
16 every animal is documented and the number that
17 they have. But yet is it because the other
18 states won't recognize that, that we're still
19 having to run all these cows through
20 individually, and ID tag them after the fact, to
21 send them to a feed yard in Texas or a feed yard
22 in Kansas?

23 DR. HAMMERSCHMIDT: Well certainly from a
24 federal perspective, we couldn't designate
25 brands as official across the entire country

1 because there is a significant part of the
2 country that is not covered. And so that's why
3 we've really left that option up to the states
4 themselves have brands, that if they want to
5 recognize those as official for that movement,
6 they certainly have the prerogative to do so.
7

8 MR. CAMPBELL: So evidently Kansas,
9 Texas, Oklahoma will not recognize Colorado's
10 brands. So therefore they require that an
11 individual tag be put in the animal's ear if
12 they're going to a feeding facility there. Is
13 that where the hang up is, or are you aware of
14 that or...

15 DR. HAMMERSCHMIDT: There are certainly,
16 states have the prerogative to have state rules,
17 state import rules, and they can require
18 official ID on animals that are not covered by
19 the federal rule. They can have more stringent
20 requirements. Certainly Keith and others might
21 want to comment on the recognition of brands
22 from other states. They actually work with
23 brand records more so than I do.

24 DR. ROEHR: The comment I have, brands are
25 a tool, and I guess real life today,

we're tracing tuberculosis from a beef facility in South Dakota. And we've had a number of cattle that we know four years of calf hoof vaccination tags that we're looking for, those tags fall out. And occasionally they're not recorded. And when we are in herds of interest where we know there is movement we take our clippers with us. And we've had cases where we find, and we know the brands of that initial herd and some other brands that are of livestock of interest. So it's a tool that we use. The other limitation is in slaughter traces where they may find a lesion, enlarged lymph node at slaughter. The hide's separate and gone, and certainly that's a gap from our perspective because we do see soft traces today where either there was no official ID, or it wasn't collected or in cases we find that the DNA that we can pull off of blood or tissue that's with the tag doesn't match the carcass. So there's a number of problems in that. I think those are areas of growth or areas where we could do better. I think notably too, not a direct correlation but indirect, the

Ubiquis

states that are brand states that are accustomed to identification and change of ownership in cattle, I don't think it's an accident, those states are in many cases leaders in animal disease traceability in what we do. So our brand inspectors in Colorado are invaluable as a resource. While their job is ownership and theft, we work together and use brands as a tool in Colorado, and in many cases they're very helpful.

DR. HAMMERSCHMIDT: So Keith, at the slaughter level if you've got a tag, then that tag is transferred to the carcass? And it accompanies the carcass throughout the post-mortem inspection?

DR. ROEHR: And Neil, correct me if I'm wrong, but the way I understand FSIS requirement is that they collect all man-made and correlate that with the carcass until such time that that carcass is cleared, and those are primarily for brucellosis/tuberculosis reasons. But you at know one time we had a market cattle identification program in the United States where 95% of age-eligible cattle were bled for

1 brucellosis. And at that time the
2 officials ID cattle, was at a higher level than
3 it is today. And today we only 11 slaughter
4 plants that are collecting blood
5 for brucellosis purposes. So some of those
6 disease programs were helpful in the day to do
7 their purpose. And because there's less need of
8 those specific disease control programs we're
9 kind of in a transition period where we're using
10 the same tools, but probably some gaps in where
11 we'd like to be using those tools
12 in animal disease traceability overall.

13 MS. MILLIS: Any other questions? We're on
14 our way.

15 MR. CORK MEYER: Yeah, Cork Meyer,
16 Rawlins, Wyoming. I'd like to know how many
17 cattle - - ID come out of brand states, I can't
18 see where that would be hard to track back.

19 DR. GEISER-NOVOTNY: Where's Aaron?

20 I don't think we have, I think we had record
21 of that, because at slaughter we wouldn't have
22 been able to correlate it back based on the
23 brand, 'cause the hide is already gone. So we
24 wouldn't have had that information collected at
25

slaughter versus the tags. So if tissues were submitted, the tags go with the tissues if they're present. But by that time the brand is long gone with the hide, so that's never correlated at slaughter, or not that I'm aware of.

MR. MEYER: It looks like you got a packing house problem, not a producer problem then.

MR. CAMPBELL: I can comment. I'm directly involved with the TB situation.

MS. MILLIS: John Campbell, here's the mic.

MR. CAMPBELL: Okay, I'm directly involved with the TB situation out of South Dakota. And it was two or three years prior, and Keith knows more about it than I do. But we merchandise over 1,250 cattle from one individual. And through our records and through the brand, we found where every one of them went. But then you get to that point, and they're comingled, and then trying to read the brand. And I take a little exception with killing all of those cattle, and they have yet to find one. I don't think - - rather than test them, but I'm sure

there's another side of the story I don't understand. But I think on something pre-slaughter, the brand deal is very useful. But I understand your point at postmortem. I mean the brand's gone, so how do you how do you correlate the two unless you've got your brand and a carcass or something to match up with the hot-iron brand on the animal. I don't know how they make that correlation.

DR. GEISER-NOVOTNY: And it's all about speed of commerce for that...

MR. CAMPBELL: Yeah, I'm real concerned about speed of commerce. When have to run every through the chute and read these tags, and you have a health certificate like that, and the shrink and the wear and tear and damage involved in in the cattle. And in Colorado, talk about a gap, it's done after the cattle are comingled and go into a feed yard. The only place you'll bring them back to is Winter Livestock in La Junta, and that's the end of the story. They came out of 1,200 butchered cows that came out of La Junta on May the 4th. That's all we can tell you. We can't, no way tracking back to

Keith Roehr because he's got an individual ID tag, 'cause they were tagged after the fact.

DR. ROEHR: And John, one common practice, and this is true with both the La Junta markets and many, many other markets across the United States, commonly for bred cow or bred heifer sales or pairs, the veterinarian will back tag and then correlate with an ear tag in preparation for writing official certificates of veterinary inspection if they do move interstate. The thing we found is even when those bred cattle don't move interstate, they still keep those records. They're kept in a variety of fashions, and they're in a very basic format, but...that is correct, yes. That's true.

MS. MILLIS: We will welcome other comments and questions of this nature, but next up we want to hear from our panel. So I'm going to invite all of you participants while the panel comes to the front to get set up, to stand, stretch your legs, circulate, get some oxygen if you need to. On our panel today we'll have Kevin Miller, who is a cow, beef, and cattle

producer, or beef, cow, and cattle producer, Dr. Juan Valez, who is the head veterinarian for Aurora Organic Dairy, Jim Santomaso, who is an owner out of Sterling Livestock, in Sterling, Colorado, Dr. Keith Roehr, who we've heard from this morning, who's the Colorado State veterinarian, and Dr. Sina Parsaye, an accredited veterinarian and market vet for Centennial Livestock up in Fort Collins. So I'm going to ask them to join us up here in the front, and we'll hear from each of these folks. And at the end of that, we'll open it up to the whole group having an opportunity to ask them questions. So you've got little note cards there at your table if some ideas or thoughts come up as they're speaking. I'll invite you to kind of jot them down so at the end we can hear from each of these folks. And you guys have these microphones that I'll ask you to use when you're talking. And I'll take those.

DR. ROEHR: We'll go ahead and get our session here. We'll ask Kevin to lead off. Production begins with the producer, in this case the cow calf and seed stock producer

in Colorado. So Kevin, pleased to hear your perspectives.

MR. KEVIN MILLER: So I'm Kevin Miller from Croissant Red Angus in Briggsdale, Colorado. We're a seed stock operation, and we also have a small feed yard. As we've gone through the animal disease and traceability aspects of our operation, it's been about a three-year learning curve. We work very closely with our veterinarian in designing a system that does not slow the speed of commerce. And I think that's important in each one of these aspects, from our operation to the sale barn to even the processing plants. And so we started off utilizing the bright tags which are basically the banks tags. And we found that I always had to input that send it off to the vet clinics so I could get CVI so I could get across state lines, and that created some just down times for getting CVIs in a timely manner. This year we moved to RFID systems. That worked a whole lot better because as they were - - bulls, we were putting IEDs, and they had that big long nasty

number already built into their system. So whenever I called in, I said okay, lot one is going to this guy in Kansas, get them to me. The other thing that is probably the most important thing is our vet uses Vet Link which is an electronic CVI system that they use, and they just email them to me, so I get them on my phone, sometimes while I'm on the road, and we're good to go. And so as things have progressed and each stage has learned, I think it's gotten better. But at the end of the day when I deal with my customers, they realistically don't even know it happens because they send their cows to La Junta Livestock or to Sterling, and it's all taken care of there. And so as we look from a producer standpoint, they don't know it's happening until they get them their check back from each one of the livestock barns, and now there's a deduction of 3 to \$5 or whatever it is for running the cows through the chute and putting the EIDs in so they can go to wherever else in the country. So I think as we move forward, education is still a key component. I don't think the system that we're

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006
Phone: 212-346-6666 * Fax: 888-412-3655

at right now in the cow/calf phase is to the level that it needs to be. And that's my personal perspective as what I see through our business and dealing with some of our customers.

DR. SINA PARSAYE: Hi, I'm Sina Parsaye, a veterinarian at Centennial Livestock as well as just a beef veterinarian there in Laporte, Colorado. Graduated in 2015 from CSU, and kind of got thrown into Centennial. And it was interesting as a young vet coming in, and you sort of just sort of just get thrown into it, and trying to incorporate electronic health certificates and to really fully understand how the ID-ing works and how to implement it correctly. The first couple of months I was talking to Dr. Turner quite a bit in trying to get it set up to where I was compliant to the other states receiving the cattle. In Centennial we see sheep, goats, or sheep and goats cells are quite big, the scrapie identification there and as it correlates back to back to the cattle. And as Keith was saying, so at the chutes, we're - - checking cows. If they have an ID clip, we

record that, and they get a back tag. And that's married to that to that back tag, 'cause I need to be able to write a health certificate if we don't know if these cattle are going to leave the state until they're purchased. And I need to be able to list those numbers individually on the health certificate. That's the part that gets a little bit, it's just somewhat cumbersome, but we're trying to learn and figure out how to do it better. I think there's a future in RFID use at livestock markets, but implementing it, its implementation has to be either complete, whole or that part I haven't quite figured out how to make it how I can work there, and make it work. But trying to be compliant is sort of issue that I face every day and sort of the speed of commerce as well. Somebody, if they buy 300 head of Holstein steers going, some states require that it be listed on the CVI, that they are ID'd, but some states require that the IDs be listed. And so all of a sudden I can walk through the pen and check does everybody seem ID'd, are they compliant, good? It doesn't

Ubiquis

61 Broadway - Suite 1400 - New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

1 take very long to get them on the road, get
2 them loaded. But if I got to run 400 head of
3 Holstein steers through the chute, that starts
4 to slow things down. And who pays for that in
5 the end is the costs get, where does the cost
6 get put onto? The producer, to the
7 purchaser. Right now it goes to the
8 purchaser. So just some things to think about
9 as far as how we can, but if there was sort of
10 an overall ID program put in there to where
11 every cattle that sold was electronically ID'd,
12 that way the paperwork could be streamlined,
13 so your health certificates could be generated,
14 so that you were compliant for the receiving
15 states. And I guess on a daily basis trying to
16 figure out how to be compliant so I don't get in
17 trouble in that everybody's happy. That's kind
18 of what I saw seem to deal with on a daily basis
19 and trying to do the right thing as far as
20 working the cattle through the chute, what is
21 the stress, how much, and just being compliant
22 with the ADT rule.

24 DR. JUAN VALEZ: Good morning, my name is
25 Juan Valez. I'm a veterinarian by training from

Ubiquis

61 Broadway - Suite 1400 - New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

Colombia, South America. I was raised and the purebred Brahman cow/calf operation and a cow/calf commercial operation in the tropics. Came to the United States and practice veterinary medicine for the company that I work for today for many years. But today I play the role of management. I'm responsible for all the agricultural side of Aurora Organic Dairy. If you were not familiar with our company, perhaps today you are based on the bad news, the attacks were put onto us. The Washington Post a couple of days ago, very false accusations against the way that we practice our grazing. One of the things that has always demonstrated our records and our ability is the way that we trace absolutely everything. That traceability is what keeps us out of trouble with the activities they want to pit small business versus large business against each other. I mention that because it's one of the key parameters of our vertically integrated business, is traceability, even though that doesn't make us very popular. The beef folks are not very fond of dairy men. In many

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006
Phone: 212-346-6666 * Fax: 888-412-3655

aspects, the organic folks like us because we're large. The conventional dairy men don't like us because we're organic. But we're very, very proud of what we do. And you guys, many of you may not like me because I am very, very much for electronic identification at birth. It has saved us a tremendous amount of time and money. We ended up with cattle from another producer in Texas. They found some bull calves out of his herd that were infected. Traced back and we got some of them with, they trace it back to us, that we had received come from them that could have been exposed to tuberculosis, and we have tested our Colorado herd and our Texas herd. 8,500 cows in Texas, and close to 14,000 14000 dairy cows in Colorado, we've been having to test them for tuberculosis I believe three or four times by now. The electronic identification has made that testing so much easier by electronically reading the tag of the cow and going back to a system where at the end of the day, they can tell us we're missing these two cows. We go back to the computer, we know exactly where they

Ubiquis

are. I cannot believe how difficult that process would have been without having the electronic ID in place which we established. We started putting it in every newborn calf approximately I believe six or seven years ago.

I believe that again, I'm not in the day-to-day activity of the herd and the herdsman and the processing. However, our practicing veterinarians that we work, Dr. Nick Schneider, is here today. He will be a lot better telling you on the real world having to deal with these kind of problems, how much electronic RFID helps. On a side note, on the day-to-day activities that we do at the farm, it has saved us a tremendous amount of time, finding a cow that the milk are identified with mastitis, and being able to go back to the pen and reading it - - and finding that cow instead of having to read a lot of ear tags. There's a lot of employees that actually don't realize, this is an anecdote, but it's interesting, don't realize that they have some vision issues, and they have

a lot of transposing of numbers--

[END 01_Track_01.mp3]

[START 02_Track_01.mp3]

DR. PARSAYE: And we - - instead of having to read a lot of ear tags, that there's a lot of employees that actually don't realize, and we didn't with, this is an anecdote that is interesting, don't realize that they have some vision issues and they have a lot of transposing of numbers when they're reading flap ear tags, and this completely avoids that. So that's a side benefit of having the electronic RFIDS. Anyway, that's a little bit of our story.

MR. JIM SANTOMASO: Man, I got three pages wrote down my big Chief tablet here and you guys take five minutes. I'm Jim Santomaso. I'm from Sterling Colorado. Our family has owned and operated the auction market there since 1958. Of course, I may look like I've been there that long, but I haven't. The phase one through our operation, you've heard the marrying of the bright tags or the brucellosis tags to the back tag for bred

Ubiquis

61 Broadway - Suite 1400 - New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

1 cows going interstate. We don't deal with very
2 many Holsteins in our country, and in fact
3 practically nil, so I have no experience at
4 that. But that has worked fairly well. I
5 understand electronic could be a lot faster.
6

7 But you're getting paid for it, Doc, so get
8 tough. We have Caviness Pack, is one of
9 our cow buyers and of course they feed cows
10 in Hereford, Texas. After those cows are
11 purchased, they have to go through the chute to
12 get that bright tag or whatever tag you may be
13 using put in their ear recorded, the ICVI filled
14 out. And our veterinarian that we have now, Dr.
15 Roehr, is probably very appreciative, does
16 it electronically instead of like our former vet
17 that wrote it down and it looked like that slide
18 you saw up there. But there's still, I'm not
19 degrading Caviness, but they don't buy the big
20 fleshy cows. They buy the thinner cows. Those
21 cows will be more susceptible to injury going
22 through that chute, and so there's drawbacks to
23 that. As far as enforcement, and I'm going to
24 take some time here, I'm sorry, but consistency
25 of enforcement in the market owners' eyes is

Ubiquis

61 Broadway - Suite 1400 - New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

1 lacking, and severely lacking. We get
2 inspected, USDA. State of Colorado comes
3 in, makes sure we're doing everything right. I
4 have yet to hear of a country buyer that
5 trades them in the country, being inspected and
6 make sure his records are there. I'm not real
7 sure, but I don't think the video markets or the
8 video companies are inspected to make sure that
9 they're doing the interstate deals,
10 right. We're kind of the low-hanging fruit. I
11 mean we get we get inspected for that. We have
12 to collect the check-off dollar. We have to
13 check for the liens on the cattle. The
14 responsibilities of running a market are a lot
15 more than probably some of you out there
16 know. We're responsible for all that. If we
17 miss a lien, we're responsible. We get to pay
18 twice. And so there's a lot of integral parts
19 of running a market that maybe some of you out
20 there don't know. And this field from here
21 on has got to be leveled up. If you're going to
22 check us, check everybody. Make sure
23 everybody's doing it right, not just us that run
24 markets. State import rules, all over the

Ubiquis

61 Broadway - Suite 1400 - New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

place. You heard Sina say some require all numbers on; some don't. Some require how many spots they have on them. It's a real headache for these, especially these guys shipping Holsteins, to comply or figure out how to comply and what they have to do to get into different states. And I realize that every state health official, excuse me Doc, thinks that their system is greatest on Earth. But there's got to be some marrying of things where it's simpler, it's easier. Instead of having to run them all back through the chute, and read every tag individually, you're getting into some costs there that nobody can define. You've got your - - shrink on the cattle. You've got injuries on the cattle. Our expenses at the markets go up. We have insurance increases, both human and livestock. There will be claims. Any time you work cattle, there's a chance that cattle or humans are going to be injured, and so our expenses go up there. You get to the end of the sale, and you have 200 stock cows that need to be run through and branded. You have trucks sitting there waiting

Ubiquis

61 Broadway - Suite 1400 - New York, NY 10006
Phone: 212-346-6666 * Fax: 888-412-3655

for the other 100 head of Holsteins that got to go out of state to be read. You're holding up the entire process. That's got to be somehow figured out. And then you're going to start running into the new trucking regulations. What happens there if, and I'm talking if we go to phase two, what happens when they're unloaded from Colorado and they're and loaded in Timbuktu waiting to go to state X, Y, Z? There are some complications out there that I don't know that anybody has really thought of. And I'm old, so I got to keep looking at my notes. Currently we can do trace backs, especially slaughter cattle, pretty easily back tag to owner, seller. It's been done. We eradicated brucellosis with back tags and orange tags, right? So you've got a partial system there to work on. We supply animal health people with information all the time. Joe Blow sold this cow. That back was 8709. Went to Give and Pack [phonetic]. Of course they know the problems at Give and Pack. They come back here. That went to Joe Blow. In seconds, we can tell him, we can tell

Ubiquis

61 Broadway - Suite 1400 - New York, NY 10006
Phone: 212-346-6666 * Fax: 888-412-3655

anybody within seconds where a consignor that sold a thousand head of cattle where every one of them ended up at. So there's ways there. Now I realize that the individual ID, I realize there's there is advantages. But there's also some setbacks if we don't do it right. And in moving, I know Neil you said there's no, we're not talking phase two, but I think we are. So I'm going to address that somewhat. If, and we you have the book-in system, so if we're going to make mandatory ID, let's not make the markets read them. Let's not make the markets put the tags in. Once again, expenses and mostly speed of commerce. Now I am by no means a large market. In the fall we'll have 3,000, 3,500 Ballen [phonetic] calves on sale day. I would say out of 3,000, 2,500 of them will come in sale day morning starting at, time they get them sorted off the cows and go through whatever they need to go through, they won't start arriving to my place until 9:00, 9:30. We start the auction at 11: 30, and I would say 2,500 would be extremely close out of 3000 for us, how are we

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006
Phone: 212-346-6666 * Fax: 888-412-3655

possibly going to ear-tag 2,500 head of cattle, and I'm ready to hit the ring and go through when they're supposed to, it's impossible. It cannot happen. So if we're going to have--uh-huh? That's exactly right, and I'm getting to that. If we're going to have that, let's make it, I hate to make this statement, but let's make the producer where that animal is birthed at, put that tag in, and that tag's read at the slaughterhouse, or collected. If there is a problem in between those two points, that tag is still referenced back to the birth place. Okay, if those calves have been sold at one of our markets in the fall, we have that information, and it's instant. Most all of us are computerized. Some aren't, but most of us are. My wife can punch in whatever, can sign her name, date, whatever, and tell you where all of those went, which I stated before. So I cannot see a need for a read in between birth and slaughter. If we have to read them the cost is going to be astronomical to the industry, not just to us, but to the industry. If all the

Ubiquis

61 Broadway - Suite 1400 - New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

markets have to retrofit for readers, that have to be in, and I might be wrong, they have to be run through there one at a time, or staggered at least. There's no way, the way to read them is after they purchased. And if you're going to have to slow the flow down out of the ring to make them go through one at a time, there you go. You've stopped a sale again. You've got some more shrink for that. That buyer, or if you do it ahead of time for the producer, you're into that the health problems again, the stress on the cattle, the shrink, the holding up of the sale, the holding up of the load-out part. To me, and this is just my personal opinion, I don't I'm not meaning to speak for all the market owners that are here, but put the tag and when it's born, collect it when it's gone. If there's a problem in between, you know who that tag is assigned to. So I don't think that slows your trace down a whole lot, maybe a tiny, not much. And like I say, the cost would be astronomical in my eyes, if the markets have got to retrofit all the all the things that will happen to the animals and the

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006
Phone: 212-346-6666 * Fax: 888-412-3655

humans that are working those animals, the shrink, I'd like USDA to do a study on what it would cost and the benefits, if any. Neil has said, I'm picking on you Neil, 90% compliance is acceptable. Well, in our business if we do 90% of the job, it is not acceptable. Do we tell the other 10% that are not identified or not traceable you can't get a disease, we don't have you in the system, so you stay healthy? I don't know how you can have a true--there you are Neil, sorry, I don't know how you can have a true traceability system with 90%. If it's not a 100%, or that's in a perfect world, but 99% at least, how do you have a traceability system? If one of those 10% are the infected one, you're exactly where we were ten years ago, nowheres. So I don't think that that 90% is acceptable. I don't think USDA should accept 90%. Like I say it's got to be crowding 100, or else your traceability system as far as I am concerned, is not a traceability system. It's a guess. Technology-wise, we're not there. You just heard me say the readers. You have to single-file or at least stagger. There's no way

Ubiquis

1 that works in a market. There's no way that
2 works at the speed of commerce. Weather
3 conditions, tags might work, might not
4 work. You have to keep in mind, I know in in
5 the Midwest, but this is an effect of the entire
6 United States. You take, Larry Schnell is here
7 from North Dakota. It's 40 below, the
8 wind's blowing 50 miles an hour, and he's got 6
9 ft. of snow on the ground. Are those tags and
10 those readers going to work? Probably not. And
11 Neil I've questioned you, and I'm picking on
12 you again, you say you cannot dictate the
13 technology. If we're going to have to read
14 these tags at the markets, that technology has
15 got to be something on the wall in the
16 ring. Bang, they're read, they're out the door,
17 it's in the computer system, you're done. And
18 you know, I realize the low frequency they say
19 can't be done that way. I got a phone I can do
20 dang near anything on. Don't tell me the
21 technology isn't out there if somebody doesn't
22 push to get it done. You've got to be able to
23 bang, they're read and ring. They're gone; it's
24 over with. No stress, no more nothing. It's

Ubiquis

61 Broadway - Suite 1400 - New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

all done, it's all in the computer system. And USDA's database doc, I'm going to pick on you now, will you tell us how easy that is to access?

MALE VOICE 1: There are some barriers there and Jim, since you've opened that door, I'll include that in my comments when I get to that section. I'll go into a little bit more detail.

MR. SANTOMASO: Chicken. You'll touch on it, okay. So I've taken mine and everybody else's time, but let's get the bugs out of what we have now. Let's make this work and work at 100% before we ever even consider phase two. And there's lots of hurdles out there. And when we do get that corrected, let's take some baby steps, okay. And my thoughts would be let's put this electronic tag in all the Bangs-vaccinated heifers and stop there. Make that work. And then we can maybe think about moving onto the feeder steers and the feeder heifers. And let's figure out the real cost, and let's not do something where it's so cost-prohibitive that the small producer and the small auction markets have to

fold. You can, and I've heard people say well they don't do it right, they don't need to be in the business anyway. Well, bull crap. Their choice, this is still America. If they want to raise a calf and never give it a shot and never cut it and never see it and go gather them out of trees once a year in portable panels, and market them, that's their prerogative. They're going to get plenty of deductions at the market anyway. And if you've got a little market that sells 15, 18,000 cattle a year, and they have to tags, without somebody's assistance put in those readers, they're going to fold the tent, because they cannot afford it. So that's the end of my soapbox. I'm done.

DR. ROEHR: I'm Keith Roehr. I'm the Colorado State veterinarian. Graduated from veterinary school in 1981, and I spent 14 years in private practice, and then came to the Colorado Department of Agriculture in 1995. For the last ten years I've either been acting or in the position of state veterinarian. So I've witnessed the prior years of

Ubiquis

1 the national animal identification system that
2 went through a number of federal
3 administrations. And probably had some good
4 ideas, and then perhaps I think evidently, some
5 decisions that looking back could have been done
6 differently. That said in the years 2010 and
7 '11 I worked with Neil Hammerschmidt on the
8 traceability task force. And I don't think
9 it's a perfect rule by any means, but I will say
10 this. I've been through a number of USDA rule-
11 making procedures. That one's the gold standard
12 for including states' participation. And when
13 that rule was drafted, there were no
14 surprises. We knew exactly what was
15 there. We've had other rules that have been in
16 the process, I'm not exaggerating,
17 for eight to ten years and they still, we've
18 seen drafts, but they're stuck in the
19 process, and I think that's, I'm hoping perhaps
20 in this administration rule-making procedures
21 can be revisited to, if you cannot do it in a
22 timely process, - - rule and Colorado Department
23 of Agriculture took ten years, that just won't
24 work, and the system is stymied. It's the not
25

Ubiquis

61 Broadway - Suite 1400 - New York, NY 10006
Phone: 212-346-6666 * Fax: 888-412-3655

the fault of any of the people that are in the process with USDA. I think that's an administrative, perhaps at the secretary or above. But the rule that we have, in 2013 clearly when we saw that adult cattle had to be officially ID'd and listed on certificates of veterinary inspection, it was it was a change in the game. And we understood what that meant, and what our role as state health officials would be. And then we've tried to collaborate with our producers and USDA to try to move forward in that regard. So with that, that rule changed the way we do business in the Colorado Department of Agriculture. You saw the picture that Dr. Geiser-Novotny showed of the people looking through certificates boxes. That's real life. That was looking for horses from six counties in Texas that had equine piroplasmosis. And we had a number of boxes that are 18 in. thick of paper, and we went through every individual paper. We weren't looking at the whole - -. We're looking for two things: were they from those counties in Texas, and if they were, then we pulled them out

Ubiquis

61 Broadway - Suite 1400 - New York, NY 10006
Phone: 212-346-6666 * Fax: 888-412-3655

and said are they horses? If they were cattle, we'd put them back in. That's not what we were looking for, but I will tell you this. We figured out very quickly had that been cattle that we were looking for from six counties, we would have gone from eight boxes down to three and then we'd have been sitting in front of piles of paper, still looking for the same information. What I quickly realized is the system doesn't work. It worked well for brucellosis in the day where you're looking for individual animals, and you had some history and a date set that you could go back to. And even then it was a time-consuming process, and it might have taken weeks or months to find that piece of paper to locate the animal of interest. So, and then as I said before, there's not as many cattle ID'd in the world that we live in today, as in the heart of the brucellosis eradication effort. So one fundamental change that we just experienced in Colorado was we had an import requirement for Bangs testing of all non-OCV age-eligible cattle in the state of Colorado. So if you were

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006
Phone: 212-346-6666 * Fax: 888-412-3655

shipping in from Kansas and they weren't OCVs, had to be tested. And there was really a motivation for producers, vaccinate your cattle. And at the time it was for immunity, and in time it became also a tool for traceability.

But what occurred is USDA came to us and said why are you doing first point testing in your markets? And the answer as well it's really not first point testing. It's an import requirement to protect the health of our herds and to augment traceability. And they said well you can't use the test in that regard. So we were using the Bangs test for cattle imported that were non-vaccinates. We could no longer do that. So what did we do? We dropped our test requirement. We had to, because the speed of commerce would have been affected because we could not meet through our livestock auction markets that testing requirement. And it was a day and an age where the risk of disease had passed. But the number of cattle that are ID'd by Bangs vaccination has changed. So if they weren't tested, they didn't

Ubiquis

get another tag put in or they didn't get recorded, and the way veterinarians got paid in markets changed very rapidly. So there were a number of challenges with that.

So again with the requirement of adult cattle being officially ID's and listed on certificates of veterinary inspection, change what we did, and we went to our commissioner at the time, John Salazar. And we said we've got to have a database to be able to keep this information. We can't store what we do paper. And we were fortunate that the timing was right. We had some funding, and we bought USAHerds' database. There are 18 states in the United States that use that, talk about that a little bit later. I think when the dust settles, there'll probably be half the states using that software system within state animal health officials offices. That every document that we get and all that paper that you saw that picture, those pictures we have a person who first looks at the certificate to see if it's got all the testing requirements, and it's complete. Then it goes to data entry

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

people. And if they can't read it, and they can't enter a data field that's required, they pick up the phone, and they call the veterinary clinic say in Oklahoma and they say I've got a certificate here from Dr. Smith, and I can't read it. He's not here; I can patch you through to his cellphone. And what's been amazing over, didn't take very long, year and a half, two years of time, veterinarians learned if you send something to Colorado, if I don't write legibly or if I do not fill in the information and I do not include a physical address that's a true location, they're going to call me. So the accuracy of our certificates in the data that they contain improved markedly. And it's just a communication, and you know what we found out is veterinarians got, you got three responses from an incomplete certificate in the past. Could you to stamp it with a red stamp, send in the mail? They threw out the trash and ignored you and ticked. Or they'd pick up the phone and call you, and they were ticked. Or occasionally get a veterinarian say how can I do better? What'll I do in the

Ubiquis

future? It was a bad customer service system. When we picked up the phone, we had a friendly voice saying I need some information, they develop personal relationships, and that conversation begat a change in the way we do business. They weren't resentful when we needed the information. They understood why we needed it. So the next step of tools that came about, we were sitting in our office one day, and we said can't there be a better tool than the paper certificate that we used? We had a person in our office who was pretty savvy with Adobe documents, PDF files, fillable forms. We created a form in Colorado that was a fillable PDF that could live on a laptop that looked just like a certificate and had required fields, and they could type in information into it. Kansas took that system collaboratively and put it on steroids and made it interactive so that the data, and I think is a key point, the data that was on that laptop system, when we received it into USAHerds, our database, the data automatically flowed to, in our database, cosigner, consignee, species, age, breed, sex,

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

1 in those required fields. We're not doing
2 keystrokes to enter that information. And
3 folks, you order a widget off of Amazon, and
4 they'll tell you where it is. And I think our
5 public and our food supply would expect that we
6 could do the same with cattle and other
7 livestock. So that document changed the way we
8 did business. A short period of time later,
9 Texas A&M, who we did some collaborative work
10 with, this came to us and said we've got a
11 system where we're asking equine veterinarians
12 to use an iPad device to give some real-time
13 surveillance information. What did you see
14 today, respiratory problems, abortions, what
15 have you. And in that system they said they're
16 not using this very much. What could we do that
17 would make them use it more? We said could you
18 do a mobile certificate veterinary
19 inspection? And somebody joked and said there
20 ought to be an app for that. And six months
21 later there was an application. That's
22 the MCVI that lives on Apple devices, but now
23 it's Droid devices as well. And when a
24 veterinarian and the field fills out that
25

document it's very friendly. And they hit send whether they're in coverage or not. They don't need a cell phone signal; they don't need a wireless signal. It's truly mobile. They hit send, and it goes to my state if it's a Colorado veterinarian. And it's going to Kansas, it sends real-time to the state of destination. Again, it's not moving an image. An image is no different than paper. You have to enter every data field. It's moving data that goes into those fields. The other point with both of those devices is that the data standards are not apples and oranges. They are United States Animal Health Association data standards-specific so that if a veterinarian in Maryland uses this device and fills in that information, it's the same data standard as what is used in Oklahoma or Texas or Colorado. So the tools are in place and have advanced what we do tremendously. The veterinarians that use this, we have a veterinarian in our office who was in a private equine practice. Before he even knew us, he was using the ECVI, the tablet

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006
Phone: 212-346-6666 * Fax: 888-412-3655

1 device to do certificates for horses. He
2 estimated it saved him about two
3 to five minutes of time per certificate that he
4 filled out. He just found it as a cost-
5 effective business plus for him to use that
6 tool. He added that up at the end of the
7 year, and it may not mean much. It meant
8 something to him. It saved him two days
9 of time. How many of us would like to get back
10 two days of life? I think our families would
11 appreciate that.
12

13 So these tools are interesting. Further
14 we've just released a device for equine
15 testing. Every horse that crosses a state
16 border in the United States has to have an
17 equine infectious anemia test. About a month
18 ago we released an application. Again we worked
19 with a private company this time,
20 Computer Aid Incorporated. They're company that
21 developed USAHerds. That equine infectious
22 anemia application will take a picture using a
23 device imported onto that document, and it fills
24 in all the other fields. And again it's not a
25 static image. It moves data. Within a month of

that being released in our laboratory in Colorado, our Colorado Department of Ag lab, we have over 100 veterinarians that are users. They've done over 300 of the tests submissions. That number sales probably closer to 500 now in a month. In one day just recently, 36 of 57 tests that came in, used the device. Yesterday 14 out of 14 used the device. I think the point is, this is some of it's generational. Some of it's young people who use electronics, and they prefer that. My son just graduated from Colorado State University, never took a paper test in his life at school. They're not going to be asking for paper applications to do business. But the reality too is just to see if we could do it, we worked with veterinarians that are a generation north of me in age. They use these. Took some coaching, but you know what? They found that they work, and they found again that they saved them time, so we're excited about the future. So what's the benefit of this? 55% of the certificates of veterinary inspection that leave Colorado today are electronic. So 55% of

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006
Phone: 212-346-6666 * Fax: 888-412-3655

the data that comes into our system is automatically integrated into our database. We do no keystrokes, and we have that information. It's a standard format, and it's retrievable. We're not going to boxes of paper anymore. As a matter of fact we shredded the last paper document that we have. We have no more paper. We did that last fall. Unfortunately, 7% of our important certificates are electronic, the move data. So I'm putting out 55% because we've trained our accredited veterinarians in that regard. But only receiving 7, so I'm a little bit frustrated. I'd like to see some advancement in that area and I'll talk about that just a bit. In that same period of time in the last few years when we've gone from paper to an electronic system for 55% of our certificates, we didn't sit idle. So in a time set in the beginning of that process and where we're at today, and one point we looked and we said well how many individual animal identifications official ear tags, how much of that data did we put in? And we found we put in

about 10,000 head in a three-month time span. We went back just recently and said what are we doing now, and it was 30,000. So we've have tripled that. Some of those are small numbers. If it's five, ten head or less we'll key punch those numbers in. We've also found when we contact veterinarians in states of origin, and our people are savvy at this, they kind of get an uncton that that information might live electronically. And they'll call the veterinarian in another state. You know what they find? It's on a thumb drive. It's in an XML format. They didn't have to scribble all those numbers down. Sometimes the producers have that information. More and more it's going to exist that way, but they send us a data set, and we'll flush 150 tags into a system. And every one is as accurate as it exists on here. And if they're read, they're accurate. So we're getting more data in, and we can pull more out. And we're finding in this TB trace we're in today, it's pretty amazing what we can find when we query that fast, that before was virtually impossible. Interstate movement

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

of adult cattle, we've had great advances in two areas that required no regulation changes. Commuter cattle, I had a past president of the Colorado Livestock Association come to me at a meeting one time. And he said Doc, I just got billed for a CVI certificate of veterinary inspection. I got hit, this \$350 dollars. He said before cost 30; what's wrong? Well, they were springers coming back from stocks in Nebraska. We don't have a commuter agreement with them. The veterinarian had to run those cattle through the chute and read their IDs. And I said do you know the cattle's ID numbers? Do you have that? And he, what do you mean? And I said are they OCVs? Are they vaccinates? Yeah they're vaccinates. I said do you have someplace data, their numbers? He says my wife does. I said how is it? And he said it's a spreadsheet. He could have put, this is a knife, could have put it on a thumb drive, and he could have sent it to us. And there was no need to run those cattle through the chute. We would have been elated to receive

Ubiquis

1 that information electronically where it's
2 accurate rather than having a veterinarian run
3 cattle through a chute and write numbers
4 down. So there's other ways of doing business
5 that work today where we need to think outside
6 the box. Approve feed lots, Colorado worked
7 with our livestock associations in the state
8 about ten, eight, ten years ago Bill, to receive
9 cattle from downgraded states. Montana lost
10 their brucellosis free status, and they needed
11 to move off of grass to La Junta. And they had
12 no ID. And we figured out a system where we
13 could either move them to market as a tagging
14 station, or they could be moved to feed in
15 a feed lot and be tagged upon arrival. And
16 they'd just cross-reference whatever ID or brand
17 they had and know where they came from and then
18 officially ID them on arrival.

20 I was chastised by another state animal
21 health official in 2013 when the traceability
22 rule came in. How'd do you guys do this? You
23 guys, you can't have a system that's fully
24 developed. I said yeah, we do. We developed it
25 a number of years ago, and we did it for

downgraded states. But it works today for traceability, and we found the feed lots who consign the feed keep pretty darn good records. So do livestock auction markets. So there's other ways of doing business that can preclude the need of writing individual cattle through chutes to get the information we need.

Data security, everybody's worried about what we have in data, and every state is different. I will tell you in Colorado the bane of my existence is the Colorado Open Records Act request. It's like a FOIA, freedom of information act. I hate them, but I'm elated when I get one about livestock. You know why? Because we are not required to release information on specific producers, and by the time we redact the information out that is protected, there's nothing left.

So your data is secure. We use it for animal health purposes and nothing else. And when it's been requested by media or whatever means where somebody is just wondering what the state's got, I'm elated to tell them here's the information, and there's nothing there. The

Ubiquis

other benefit that we're finding, and I've got a little picture of, do you know what a Venn diagram is? It's the three overlapping circles. We found that for years our role as a state animal health official was to deal with program disease, brucellosis and tuberculosis, and eradicate those diseases. They're not eradicated, but their economic risk has been much reduced. Not always true with TB, but certainly brucellosis. Program disease is what we did. That was our main role. We protected our state borders with import requirements. To the world we live in today, for business continuity foreign animal disease is a real risk. USDA has done a lot to posture to where we understand more clearly what are our requirements as states in the event of a disease outbreak? We learned a lot with avian influenza. It may not apply specifically to cattle, but a lot of it may, or a lot of it will. So we have to manage program disease. We have to manage emergency management or foreign animal or new and emerging diseases.

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006
Phone: 212-346-6666 * Fax: 888-412-3655

We've even found with all hazards events, blizzards, fires, tornadoes, that the data that we have is of value. And we've worked with our state emergency operations center. When cattlemen called us and they said the roads are closed, I can get into my cattle, what's wrong, we knew the people in the emergency operations center. And we were able to work with them and take it and map a fire perimeter and then use our data that we keep to ourselves and work with cattlemen, that we created a hall pass system with the state emergency operations center where cattlemen could get a hall pass, go in and take care of their livestock, and work in an organized manner with local law enforcement.

So we never dreamed that we'd use the information that we have while it's protected to the benefit of normal pressures in emergencies like fires. So with that I think that, in a nutshell, and I can't speak for other states. I don't feel that we need new regulations. I'm certainly open to changes or differences in ID. And any time you make a

rule, I know that from our state rules, they're living documents. They always benefit from tweaks and changes and reviews. But I think today where are we at and what could change to the benefit?

Producers today that individually identify their cattle for production purposes in the west is very common. And I've been told that guesstimates in Colorado are probably somewhere around 75% at least use a ranch tag just to ID their cattle so they know what age they are and individual keeping of records. The point today, if you use a ranch tag that's not official ID, to upgrade to a USDA official tag, just a visual tag, is 3 to 7 cents per tag. And it depends on how much data you print on the tags. You can put your brand on there and you can put your logo on there, whatever. But if it's an official ID, 15-digit tag, you can have them printed whatever color, whatever size, electronic, just visual, whatever it is, there is a benefit in those being. 'Cause as Jim Santomaso said, if they'd ID someplace close to their birth that has value for breeding

cattle. So if every placement heifer in the United States was officially ID'd, we got our bookend.

And if you ID your cattle for production reasons, there's a tag that works for you today. Your tag distributors and manufacturers can plug that in. So are our Colorado Cattlemen's Association came to us early on, and they got it. And you know what they said? We want one tag for all purposes. And those systems are there today. So for producers, ID your cattle. I think there's a there's a market benefit for that today. There is a disease prevention benefit for that today. Veterinarians, using the tools that are available, if you're me, I'd struggle to do this, but I try to learn because I think it's probably like eating oatmeal. It's right thing to do.

But the other point is don't do some things that subvert the system. Don't uniformly reapply another official ID on top of existing ID. Real situation, South Dakota cattle go to Wyoming, are sold

Ubiquis

61 Broadway - Suite 1400 - New York, NY 10006
Phone: 212-346-6666 * Fax: 888-412-3655

1 at Torrington. And 15 head of animals of
2 interest that are from the index herd, hey got
3 grouped mix. That's what markets do. There's
4 nothing wrong with that. But the whole group
5 got re-identified. And instead of marrying up a
6 back tag with their official ID, then they got
7 sold out to five producers.

8
9 So guess what? We got five ranches to go
10 to, and probably only one of them is the one we
11 need to go to. So four ranchers are going to
12 have their herds inventoried. When we really
13 don't need to bother them, we shouldn't have to
14 do that. State animal health officials, improve
15 the processes that you have. Colorado isn't
16 perfect, but we've had some people that are
17 smarter than I am that can do the business part
18 of this. And we've had a software system that
19 worked for us. We're not the only state
20 that's moved in the right direction. A number
21 of states are, and most of them are Western
22 states.

23 We need to be able to accept data that's a
24 common standard that's approved USHA,
25 United States Animal Health Association's

Ubiquis

61 Broadway - Suite 1400 - New York, NY 10006
Phone: 212-346-6666 * Fax: 888-412-3655

1 approved it. It needs a few tweaks, but it's
2 pretty good. That's the data set that we need
3 to use, and the tools are there. We just need
4 to not be an impediment to send and receive that
5 data. We need to train our veterinarians in our
6 states to use these tools. That's where the
7 business happens out in the field. Then last,
8 USDA. Jim, you spoke to this, so I added
9 it in. We need to improve the ability to
10 receive data.
11

12 About a third of the states today are
13 USAHerds databases. About a third of them are
14 home-built databases, and I'll stop on that just
15 a minute. Washington, Oregon state animal health
16 officials called us one day, and we said we've
17 heard about your MCVI. We think we want to
18 bridge that data into our private system. And
19 they said do you see a problem with us doing
20 that? That's like say sic him to a bulldog.

21 I said do it and they are, so the MCVI data
22 is flowing into states who built their own
23 systems. But today, and Neil, I understand, and
24 you're not you're not the IT guy, I get
25 that. Firewalls and data security are huge. We

all understand the manifest when something goes wrong, when Target loses your credit card information and it gets sold to hackers. There's no data that's 100% secure. But we've got to have the ability, and about a third of the states use a system that USDA provided and USDA uses. It's called SES. And Jim, I'm not sure if that's what you're referring to, but they've got to be able to receive the same data into those systems because I have a feeling that's why I'm receiving 7% of my import certificates electronically, as opposed to 55% that we put out in export certificates.

I think if other states were receiving that data and they saw it populate their system automatically, they'd probably have more of a motivation to train their private practicing veterinarians in the field to use the new tools. I know it's coming, and we've had the conversations. And actually, I'm hearing some positive reports. Sooner would be better. And maybe some communication in the interim about where is that process and what are

Ubiquis

the impediments and if there's a way we or producers can help grease the skids, we'd be pleased to do that.

So in a nutshell, that's kind of my view; this is one of my passions. We want to be effective as states to protect our livestock industries. I feel better about where we're at today, but we've got a long ways to move in the future, and I believe the future is bright. Thank you.

MS. MILLIS: I want to thank all of those on the panel.

MALE VOICE 2: I was able to get some Wi-Fi for the room. I'm just going to put up there, the call letters are USDA2017. USDA is in all caps.

MS. MILLIS: Thank you. So I have distributed that to many of you as you've have been talking, and it's up here, and I have a copy of it to if you need it close up. So I want to thank all of our panel members for sharing today but give you an opportunity to ask questions of them that may have come up for you. So if you have any questions for the

panel let us know. Yes, right in the back there, Anne.

MALE VOICE 3: I respect the old deal and respect what the sale barns are saying and all that, but you're talking about that technology can read these tags? Who all can read them tags? I mean you don't have to have a password or anything to read those tags, do you?

MALE VOICE 4: I speak to some. The low frequency tags every read distance a few feet, maybe 3 ft. max. And all it really says in the end, if you go to an official tag, is who the tag was issued to. But that data is not, and help me Neil, that data is not viewable. If it's an official tag, it's in the AIN database. And when you, if you as a producer order those tags, all you do is give a premise ID number. And USDA looks in the system and all they see, they don't see any data behind it. They say yep, that's an official number. And they'll send tags to that producer. But there's no data that anybody can see behind that tag, so premise, location, address, none of that's there. Just says the

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006
Phone: 212-346-6666 * Fax: 888-412-3655

1 animal's ID. And then if a state animal health
2 official, or a USDA animal health official finds
3 that as an animal of interest, then they can
4 query through you all the data. Am I correct in
5 that, Neil?

7 DR. HAMMERSCHMIDT: Yeah, and I understand
8 maybe the first question was reading the tag
9 itself. And so the tag for our purposes only
10 has one piece of information, and that's the
11 animal's ID number. There's no information
12 about the producer, the premises stored on that
13 tag unless you buy that type of tag
14 yourself. But for the tags, they're basically
15 the equivalent of a visual tag, but it can be
16 read electronically. But the information is the
17 same, an individual animal number.

18 MALE VOICE 3: Yeah, but is not the US
19 Forest Service part of USDA? BLM's a bunch of
20 bureaucrats too. I just don't believe that you
21 need a national animal ID whenever you run. I
22 can respect everybody over here in
23 Eastern Colorado that don't have to run on
24 BML and Forest Service land. But the intrusion
25 on them people are something. And they look for

anything to kick you off of anything. So that's another thing that needs to be thought about, is any government program can come back to bite you pretty hard. That's basically what all the bureaucracies involve.

MS. MILLIS: Thank you, sir. Any other questions for the panel?

MALE VOICE 4: There's one back there. If I could intervene one second before that, since there are no questions why don't we open it up for comments also?

MS. MILLIS: Well, we're going to take a break here in a little bit, and then we will have an open mic session afterwards.

MALE VOICE 4: Super, 'cause there's a lot of smart ones--

MS. MILLIS: [Interposing] We just want to make sure if any folks have questions for all of you.

MALE VOICE 4: --out there than me.

MS. MILLIS: Great, great suggestion. Back here? Okay. Any other questions for the panel, before we break? Yes, ma'am? Let me pass you

my mic.

MALE VOICE 5: What are you doing as far as enforcement in the country to track, or cattle moving across state lines that don't go through one of our auction markets? Any thoughts on that?

DR. ROEHR: From a state perspective...we're a brand state, so any cattle that move across and change ownership brands connects with, and our brand inspectors have been helpful to check for requirements of certificates of veterinary inspection, I don't know what level of commerce crosses without, not naive, there's probably a significant number of cattle coming into the state without, when we find it happens and if there is a disease risk, we have civil fining authority that's streamlined and we use, if we know someone who's been disingenuous. We have a tremendous amount of patience with people who don't know, and we see those as teachable moments. Veterinarians that re-tag or do other things that are problematic, if it was just something we discovered, but it didn't really create an issue, we see that as a teachable

moment, and we just talk. It's part of education. In this situation recently where somebody's got to go out do extra work that hassles other producers, leave that to USDA. USDA you has enforcement services. I don't know. Sometimes there's a teachable moment; sometimes there's a Dutch rub. And then sometimes there's a higher scale of enforcement that's appropriate.

MS. MILLIS: Yes sir, over here.

MR. LARRY KENDIG: I have a question for the gentleman here. Larry Kendig from Kansas, producer, cow/calf. The guy at the - - here, what kind of frequency are you running high frequency or low frequency tags?

DR. VALEZ: High frequency.

MR. KENDIG: How much do those cost you per...

DR. VALEZ: Could you repeat the question?

MR. KENDIG: You low frequency tags or high frequency?

DR. VALEZ: The low frequency tag.

MR. KENDIG: Okay. So how much does that amount to per head when you use that?

DR. VALEZ: About \$2.50.

MR. KENDIG: Okay. Have you ever tried high frequencies or problems with that?

DR. VALEZ: No sir, I haven't.

MR. KENDIG: Okay.

MS. MILLIS: Thank you, sir. Any other questions for the panel?

MALE VOICE 6: USDA and APHIS have been providing RFID ear tags to the country of Columbia, for the traceability efforts. Could you please illustrate or explain how that's been working?

DR. PARSAYE: I don't have a lot of knowledge other than our ranch was one of the test ranches, where the government was providing them for free, and I'm sure that's where the money is coming from. And he's working very well so far for us. We have to do, similar to the traceability problems here, but for food and mouth vaccination it's regulated. You have to buy the vaccine and document that you're getting it done. Also if you want to be a TB-free herd or a brucellosis-free herd, the government does the testing. And it has been extremely helpful to have those RFIDs. Also for

transportation of cattle, it has been very easy now to get the license for transportation for us, but we are one of the testing herds.

MS. MILLIS: Let me get a mic for you, Mr. Hunt.

MR. HUNT: Thank you, a clarification of the question would be why USDA and APHIS is providing tags to the country of Colombia for traceability.

DR. PARSAYE: Oh, I would have no idea. But I will tell you there could be a connection that I could tell you. Speculation, in the Brahman cattle purebred business, you hear a lot of, it may not be related to it, but I give you something that worries me a lot. You hear a lot of rumors about people smuggling embryos into Central America, pure Brahman embryos into Central America. You don't know, I don't know what kind of methodology is being used to watch the embryos them - - or all the methodology that is...

MS. MILLIS: Welcome back. We'll get started here in just a couple of minutes. Welcome back, folks. And while she's up here. I wanted to

1 thank Mildred Bundy for getting us the Wi-Fi
2 password. So if you folks don't have that I
3 have another copy of it up here. All
4 righty. So Sunny, I have a few questions as
5 you're coming up.

7 For either one of you, a couple of questions
8 have come up during the break. And one is if
9 you could repeat the date of the Omaha meeting
10 once again? July 18th. And where will that be
11 will announced? Will that be on the
12 website? Okay, an additional federal knows will
13 come out about that one. And about the Texas
14 meaning as well.

15 MALE VOICE 4: We will be extending the
16 comment period beyond those two meeting dates to
17 make sure that we keep the opportunity open for
18 comments, through July.

19 MS. MILLIS: Thank you. And this next
20 session is an open mic session, and we'll show
21 the time between now and up 'til lunch. We'd
22 like to hear from folks. We'll do it rather
23 informally. Just kind of catch my attention or
24 my colleague's attention in the back of the
25 room. We'll bring the mike to you, and we'd

love to hear what your ideas are and ways that we can improve this. So anybody want to start? Yes sir, right back there. And could you tell us who you are just so we know?

MR. LES BARKHURST: Yes, it's Les and Tammy Barkhurst from Saratoga, Wyoming. Thank you for the opportunity to be here. I appreciate all the comments I've heard today, the problems that exist and so on. US beef is the best in the world, and it's not because we were told that we have to do it. We do it because we have pride in our work, and it's a survival issue. We're here today because we hear all these things that don't make sense. I'll take me just a minute; I appreciate your time.

Keith had mentioned that this is about the end product safety for the consumers. That's why we have the best beef. I also hear that it will also help in aiding in exports of our beef. Over the years, I have seen more problems with imports than with exports. I'm concerned about where the IDs for the imports are. And once they're slaughtered, if we do have a mandatory ID, and that tag of US is gone, we

also have no country of origin labeling. So our beef is important enough to identify them from birth until the packer gets a hold of it. And then we have no identification as to where it was originated. Because money is the issue here, I have a hard time believing that this is about APHIS and diseases. We had packers that put pressure on the USDA. Vilsack opened up the borders for Brazilian and Argentina beef, for fresh beef that have foot and mouth disease problems. This is the same USDA that's here today to hear our comments. Within a few months we lost country of origin labeling, and a record drop in calf prices. We have to be sustainable. We have to keep making a living. My family's been in it since 1887, and our grandkids wanted to be here today. I am concerned that this is more about money, of imports coming in that are cheaper. We all know the story. I'll get to the point. I would prefer this animal ID to be labeled what it really is, rather than coming through under the table. And it's my opinion and I have lots of data. 2003 we had a BSE problem in

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

Canada. The import borders closed. Our market price went up. It's there; it's there to look at. Our exports were shut off too, but that did not affect as much as the imports being shut off.

The sale barn fellows I respect highly. I appreciate their comments and concerns. We're all in this together, until we get to the packers, who used to give us discounts for having knots on the neck, from a seven-way vaccine so they discount us. Then they got abscesses in the meat because the shots were given intramuscularly. And then they discounted that.

The point I'm trying to get at is this tends to look like it's about discounts. And we're concerned about what will happen if there is discount issues, not necessarily about tuberculosis or Bangs. You guys know this better than I do how we've eradicated it in taking care of it. And it takes a lot of work. But that's our concern. I don't think that the packers care that we survive, only to a floor place where we have a base herd for them

1 to keep working. I respect you guys listening
2 to my comments, but that's bluntly how I
3 feel. Thank you.
4

5 MS. MILLIS: Thank you, sir. Anyone else
6 have a comment?

7 MR. HUNT: Thank you, Tracy Hunt
8 from Newcastle Wyoming. I'm a cow/calf
9 producer. You know that the cart here is way,
10 way before the horse. The problem is not a
11 resistance to the notion of animal disease
12 traceability. I don't know producers that don't
13 want to have animal disease traceability. The
14 problem is trust in the agency that's promoting
15 it when - - National Animal Identification
16 System, premises identification is still fresh
17 in our mind. And it's knowing APHIS will say on
18 their website now, animal identification is
19 about knowing when and where that animal is at a
20 given point in time, and if that isn't full
21 chain traceability, then I don't understand the
22 concept.

23 Now, the problem that happened with
24 the NAIS was that the agency tried to bite off
25 more than it could chew. It wanted, and this

1 is almost as serious, they wanted to ear
2 tag chickens individually, unless you were
3 Tyson. They wanted to animal ID grandma's goat,
4 the donkey in the back yard, the horses. They
5 wanted to animals ID everything.
6

7 And naturally they met with a wall of
8 resistance. Now they've come back and are doing
9 this piecemeal. And it's an issue
10 of trust. And if they would just tell us where
11 they ultimately want to end up, we could then
12 deal with the facts of that proposition. But
13 that's not what they're doing. Now you don't
14 have very far to prove what I just
15 said. Now here's the real issue, vertical
16 integration. And I don't know if you guys know
17 all of what happened to the poultry business,
18 happened to the pork business, but vertical
19 integration crushed the producers in those
20 particular industries. And now there is a
21 movement to crush the beef industry by vertical
22 integration. Those of you who may be familiar
23 with the global roundtable for sustainable beef
24 is a blood compact between Cargill, JVS, Tyson,
25 McDonald's, Walmart, and who's driving the bus,

Ubiquis

61 Broadway - Suite 1400 - New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

1 ANIMAL DISEASE TRACEABILITY MEETING 112
2 remarkably, to me, is the World Wildlife
3 Fund. Now, what these people have in mind is
4 full chain traceability, RFID ear tags, premises
5 registration, reporting movements, and attaching
6 then what I think are radical environmental and
7 social conditions to the producer's operation,
8 all of which then will be required to be
9 verified by a third party contractor that the
10 producer has to hire. And the third-party
11 contractor will come out with a checklist and
12 verify that each of these conditions are
13 met. And if that all happens according
14 to the third-party contractor, then that
15 animal ear tag, that RFID ear tag, he will be
16 cleared for marketing. And if it's not cleared
17 for marketing, that animal is not marketable.

18 Now, Cargill, JVS, Tyson actively lobbied
19 the USDA, and they are forcing the issue. And
20 so what happens when they actively market or
21 lobby the USDA is it would be great to have
22 animal ID, and I would love to avail myself of
23 the great technology that's available with
24 animal ID. We could make better marketing
25 decisions; we could make better management

1 decisions. It's a great technology and it's
2 coming. However nice it is right now it's going
3 to be five times nicer in five
4 years. It's going to be better and better and
5 better.

6
7 So the question is how do we avail ourselves
8 of this great technology without sticking our
9 neck in the noose that's coming from the
10 packers, from the massive retailers, and the
11 World Wildlife Fund? Now the World Wildlife
12 Fund wants to evacuate cattle from the Northern
13 Great Plains. They'll tell you so on their
14 website, if you'll look. They want to trade
15 that out for bison. Now it just so happens that
16 in this particular proposal
17 of tracking feeder cattle that the great
18 Northern Plains, none of those, or all of those
19 animals will run up against this regulation
20 because there's no packing plants in
21 those states. So they're going to necessarily
22 have to take animal identification case. Once
23 they take that animal identification, now they
24 are free to exploit by the packers. And you
25 take other states where there are packing

plants, Texas, Kansas, Nebraska, California, 51% of the cattle, the feeder cattle, are in states where they have packing plants. Those are not going to be affected if it's a prohibition on interstate movement without the tagging.

So who does that benefit? It benefits the packers. And you're back to you got to ear tag your chicken unless you're Tyson. So, two things. One of them is this agency needs to decide how it is that they're going to allow us to avail ourselves of this remarkable technology without sticking our neck in the noose. And they can tell us that that information is going to be confidential - -. It's not going to be confidential. And about marketing to China or whatever, if you're going to be in the marketing business, just don't sell me out. And what you're doing by selling me out, what I mean is you're going to take, you're crushing the intermediate price signals that happen in a free market when you allow collusion at the packer level up. And so what you end up with is vertical integration. If the packers can control all aspects of your production, which is

1 what they propose, then you will take whatever
2 price you get, and that they're doing that now
3 in Australia. They're doing that now in
4 Ireland, and those producers are begging for
5 some relief from the retail level - - in Canada
6 - - big pilot program, not by chance anybody
7 from Cargill here, is there? Don't everybody
8 raise their hand same time. You know, go to
9 YouTube and watch Nicole Johnson Hoffman
10 from Cargill. And these people are like,
11 this is Colorado, - - smoke pot here in
12 Colorado. You know the kids have got their
13 bongs out, and they take bong hits, and then
14 they take movies of themselves, and they put it
15 on YouTube. Not that shrewd. Meat packers and
16 World Wildlife Fund admit what they're doing to
17 their own groups of people, and they put it on
18 YouTube. Now if you want to go look up some
19 information, go look up Dr. Jason Clay from the
20 World Wildlife Fund. And he will tell you what
21 we need collusion at every level. Go look up
22 Nicole Johnson Hoffman from Cargill, and she'll
23 tell you the same thing. And what she'll say is
24 we fought this for a long time because it was
25

Ubiquis

61 Broadway - Suite 1400 - New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

1 the NGOs doing it. But the sustainability
2 movement, we're leading the way now. We're
3 going to take up that space. And they have now
4 got their first checklist. And they have not
5 made it a prohibition of marketing. They've
6 just dangled a little carrot. You can get
7 some carcass data you fill out the
8 checklist. They intend to accelerate that. So
9 now tell me USDA, APHIS, how it is that you
10 are separating yourself from this cartel. Tell
11 us, USDA and APHIS, how it is you're going to
12 protect these producers against the vertical
13 integration. And don't come back with another
14 proposal on how you're going to force us to
15 accept animal identification that is only going
16 to be useful to those people, without telling us
17 how it is you're going to keep us from
18 sticking our neck in the noose. And - -
19 antitrust legislation, whatever happened to
20 that? Whatever happened to antitrust
21 enforcement? And that would drop this in
22 its tracks. You wouldn't have to fight trying
23 to get me to take an ear tag. I'd do it
24 voluntarily, if only, if only there were a free-

market protected in the United States at the intermediate price level.

Well the packers have had record profits over the last few years. This whole thing would be easy to implement if the packers would pay for it. And they, they can bid that out there right now. What's to keep them from doing it? And you livestock people, the first one to go in the whole sustainability movement - - dictionary definition. I just got a report from a sale barn owner where two buyers, packer - - Cargill, JVS, they took turns. They bought every single lot of yearling cattle in that sale. Now what the hell do they need a sale barn? So please, please understand that we appreciate the work, I love veterinarians, I love that they're scientists. I love that scientists love data, and I love that the traceability give them lots and lots of data points. I love that, and I love that about them. But what they need to understand and it's like law enforcement, wouldn't it be great if law enforcement didn't have to get a search warrant, and wouldn't it be great if

Ubiquis

61 Broadway - Suite 1400 - New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

nobody carried arms because wouldn't that make their job a lot quicker so it might save them a couple of days in their whole life. Well, you know, some things are just not worth the cost to the society, to the country, and to our freedoms. And traceability as it stands now is not worth the cost of crushing the free market.

MS. MILLIS: Thank you, Mr. Hunt, for your views. And this is our opportunity for others to be heard as well. That was not criticism. That was me opening the floor to everyone in the room.

MS. TAMMY BARKHURST: I'm Tammy Barkhurst. He drug me along, and I have a very pointed question to Dr. Hammerschmidt and Dr. Geyser-Novotny. What are the USDA requirements today for animal ID and traceability for Canadian cattle and Mexican cattle pouring over our borders every second of every day?

DR. GEISER-NOVOTNY: So Bob can maybe help me a little bit with this, but Mexican cattle coming in have to be tagged with an official Mexican tag to the state of origin for imported

cattle, and Canadian cattle coming in have RFID tags coming in when they are imported into the US as well. So they all have to have official ID coming in. Yes, it's part of our import requirements for them to enter the country. What'd you say, I'm sorry?

MS. BARKHURST: The tags are put in the country of origin.

DR. GEISER-NOVOTNY: Correct.

MS. BARKHURST: They're not put in after they come across a border.

DR. GEISER-NOVOTNY: No, none are put in in the US.

MS. BARKHURST: So are they in your system when they do that?

DR. GEISER-NOVOTNY: When they're collected at slaughter, yes.

MS. BARKHURST: Thank you.

DR. GEISER-NOVOTNY: And on the import certificates that we receive as well.

MR. LARRY SCHNELL: My name is Larry Schnell. I'm from Dickinson, North Dakota. Run an auction market up there and also run some cows. My point would be this. Up

until this point, and even when I heard about the listening sessions, what's the first question that came into my mind and that is--

[END 02_Track_01.mp3]

[START 03_Track_01.mp3]

MR. LARRY SCHNELL: ...why, why are we doing this? We have been through it a number of times. And I don't think I'm the only one asking that question. I think a lot of producers are; we heard it today, that this has been tried before. Why are we doing it again? Now you may think you have some great reasons why it's being done, but I don't think the producers are convinced are convinced of that, whatever that reason. If it's for animal disease traceability, it'd be interesting to know how many producers really believe that's the reason for it. We've heard some comments toward that right now. So one of my points would be that again, the cart is already way in front of the horse, as was said. Let's stop for a minute, and really if you want this to be done in an easy fashion, convince the producers that there is value to

1 them, and that it's clear that that information
2 will be protected. Not just say it, show how
3 it's going to be done rather than institute the
4 program and then let's see how we can work it
5 out. That hasn't worked very well in almost
6 anything that's been done that comes from
7 Washington. It just hasn't worked. Let's have
8 the plan first of how it's going to be
9 done. Convince the producers that there is
10 value to them, 'cause that's really what it's
11 supposed to be all about, them and the
12 consumers. But there really, it's got to work
13 for both ends of that. So that's point number
14 one is show the producers that there is value;
15 convince them of that.

17 And if you can do that, one thing you're
18 going to find out is if there is value in this
19 program it's going to benefit every segment from
20 one end to the other, the book ends, all the way
21 from the producer to the consumer. So the
22 second point is if there's value in the program
23 then split the cost. Why should the producer
24 pay for the whole thing? They always do.
25 They're always responsible for that entire cost,

1 and that's the way it's going to be with
2 this. Of course other than you can say that
3 well the feeder and the packer are all going to
4 have the electronics. To them it's a cost of
5 pennies per head, if that. For a producer. It's
6 5 to \$10 a head, minimum, and you got to take
7 into account the fact that in rural America
8 today it's really hard to find help. A lot of
9 these people, it's going to cost them a lot just
10 to put that tag in the ear. I know you might
11 not believe that, but the average herd size in
12 the United States of America is 40 head. I
13 believe I saw that yesterday. That means that
14 half of those herds are less than 40 head. And
15 imagine the cost of having to put in the
16 facilities to be able to run cattle through a
17 chute that they don't do now?

19 So they're going to have to start from
20 square one and put a lot of money into
21 it. So that would be point number two. And
22 point number three is, as Jim said and others,
23 keep it simple, start, do baby steps. If
24 there's agreement that there's value to it, if
25 we find a way to reimburse or to pay the

1 producer for doing it, if he sees the value then
2 do a little at a time. We don't even have to
3 start with Bang's vaccinated heifers. We're
4 already talking about, we're already doing the
5 ID on females. Just take them, and if you're
6 going to institute at some point if there's
7 agreement that we should do it, start with just
8 them and when you got the whole technology
9 system all based and working as it should, then
10 you can move onto others. But there's no reason
11 to jump in with both feet when you really don't
12 know how it's going to be done. And I say that
13 from experience, is that our business, this is
14 our 80th year of business at our auction market
15 and I've been there for 40 years. And in that
16 time we have offered ourselves up as a guinea
17 pig for a lot of the ID systems that have come
18 about. North Dakota State has been at the
19 forefront of it.

21 So we've offered our place to do it. So
22 we've tested probably upwards of a dozen
23 different types of tags, readers, all the rest
24 of it. To this point none of them has
25 worked. They worked on a perfect day. High

Ubiquis

61 Broadway - Suite 1400 - New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

frequency is really good if it works on a perfect day, but once you get manure and mud and water and cold and all of those things involved, then everything goes down the pot. So that's my points. I appreciate you listening to me, thank you.

MS. MILLIS: And who else, thank you, sir. Who else would like a chance? Right here sir. Oh, I'm sorry. We got one over there, and then we'll go to you, sir.

DR. NICK SCHNEIDER: My name is Dr. Nick Schneider. I am a veterinarian here in Colorado. My family owns a livestock auction, has for 30 years in southwest Minnesota. I grew up working at the sale barn. We also raised replacement heifers, and I have some cattle and Colorado, so I really hit every spectrum of being involved in this particular topic. Weighing in on RFIDs, I work primarily with dairy cattle, about 30,000 dairy cattle or so. And RFID have been probably one of the biggest tools that have revolutionized the way that we're able to analyze data on dairy farms, and we think okay, it's dairy, it's a

whole different animal.

A lot of the major feed lots in Canada are 100% RFID-based on the way they sort, the way they do everything. And they've actually been able to replace a lot of labor as well as get an extraordinary amount of data they're using and then relaying that actually to the cattlemen themselves. Now I'm going to jump to the other side of the spectrum and look at it from a livestock auction standpoint. And so great, let's say we throw it in and everybody has to do whatever. Not saying we should do that, but how do we level the playing field for everyone? The online auctions, which I work some calf ranches and sell a lot on online, nobody knows they exist. Nobody knows where those cattle are coming from or going outside of we do write health papers and things like that. But who is sitting there policing them versus the state officials policing and sitting in my dad's livestock auction every Tuesday, having a technician there, whatever they're called that's there every single week? Well, there needs to be accountability for everybody

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

because if the playing field is not level,
then what's the point?

MS. MILLIS: Thank you, sir. And we'll go
over to you.

MR. GERALD SCHREIBER: Gerald
Schreiber, cow/calf producer from Last
Chance, Colorado. I have appreciated the
comments to date. I had one question for Dr.
Roehr and for USDA, APHIS. From a property
rights issue I found out I have a premise
ID number. I never signed up for a premise ID,
and I checked with my local brand inspectors,
and I checked with my local veterinarian. We
market cattle both through the auction and
through Superior. And nobody, I didn't ever
sign up for premise ID. I guess specifically to
Dr. Roehr and maybe USDA, that's the first
question.

DR. ROEHR: I can speak from Colorado. I
can't speak for other states. If you if you
either export or import livestock into our
state, we'll make sure that the location is a
valid location for our records. And we make
sure it's compliant and it's called a LID. It's

1 a location ID that Colorado has. It's very
2 different than the USDA PIN. The PIN, the
3 USDA number you would need if you were
4 interested in ordering A40 tags or visual or
5 electronic official IDs to use in your
6 livestock. And that goes into an AIN
7 database, and all it says is that it's a valid
8 number. There's no data behind it, unless an
9 animal that's tagged that goes back to that
10 number is of interest in a disease
11 investigation. But in the state of Colorado,
12 you really, if you ship livestock or if you have
13 a brand inspection, you have a location
14 ID. It's one that we issue; it's compliant as
15 far as the same information with the USDA
16 tag. So I guess in reality you don't have to
17 ask for it, but if you participate, and we just
18 make sure that we keep them in a consistent
19 manner.
20

21 MR. SCHREIBER: So one year I did do the
22 third party. Are you saying that could have
23 originated going through IMI Global to get the
24 premise ID, because of those tags?

25 DR. ROEHR: No, probably not. They may use

your tags as a method to verify source or different verification programs, but, and I know for a while they were using 900 series tags. If they use A40 tags and they sell those to you, they are the tag purchaser. And if it was an animal of interest, then whoever would go to IMI Global and say we've got this tag, can you tell us the producer, and John and Leann have worked with us in the past, but it's been a very, very low number of times when we've needed information, but they keep good records. So in the end, we're not issuing premises just for the sake of issuing ID numbers. On a state level if you move livestock, that's important to us, and we want to keep the data in a manner that's meaningful. If you want to order tags, that goes into the AIN, which is, essentially it's an anonymous system. If you want to order tags and you give a PIN, all the tag distributor sees is it's a valid number. There's no data behind it. You could ship those to a very different address; they don't care. It just says that the information

Ubiquis

61 Broadway - Suite 1400 - New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

1 is within their data base in the event that they
2 need to trace back. Neil, did I...

4 DR. HAMMERSCHMIDT: No I think was very good
5 Keith, thanks. Just to follow up a little bit
6 and I think it's one of the solutions or
7 alternatives that we work through with you all
8 when we had these discussions back in 2010 and
9 2011, when there was considerable concern about
10 premises ID, so the term that Keith used,
11 location ID, it's a location number. But that's
12 managed entirely at the state level. So
13 states that wanted to make options available
14 where they didn't use the federal PIN, the
15 location ID, the LID is basically a state-
16 administered entirely location identifier which
17 certainly is the option of the state if they so
18 desire to use that instead of PINs.

19 MR. SCHREIBER: Okay, I'm still a little
20 fuzzy on how I got a premise ID, but moving
21 on, we try to do everything on our place using
22 the best BQA and using protocols, and the best
23 health and safety. So I don't have any problems
24 from a traceability standpoint. I'm not
25 paranoid, but this globalistic idea that has

1 surfaced here today and the multinationals, we
2 deal with. I think this is what bothers us about
3 this program. I'm a sovereign US citizen, and
4 I'm not a globalist, and I don't like this idea
5 of liability coming back on the United
6 States producer when we can't even label our own
7 product. Thank you.

9 DR. ROEHR: So one other comment to
10 clarify, previously in Colorado, if you had a
11 brand inspection, the brand inspectors knew your
12 location. They keep that information. We work
13 collaboratively with brands all the time with
14 our veterinarians and other people. The only
15 difference is we didn't wake up one day say
16 gee, everybody needs a LID. We just said we're
17 keeping data that needs to be in a uniform
18 manner. We had the information before. Really
19 nothing's changed. So in tune 99.9% of the
20 information we keep never sees the light of day
21 unless there's an animal of interest,
22 an unhealthy one. And I'll guarantee you it's
23 secure. If it's ours. I don't, important
24 point, if USDA requests information from us just
25 because, we don't give them anything. If it's a

specific animal of interest, yes, we work together to control the disease. But that is the only situation that that data is reviewed or shared. So in Colorado, your data's secure; there's no question.

MR. THOR ROSETH: Yes, I'm Thor Roseth. I'm from South Dakota; I own and operate two livestock auctions. And one of the main questions that I bring with me from some of the people I do business with, is we all have this understanding that there's maybe some different phases of this ADT rule. And I'd like to know where we're at. I mean obviously the first was intact animals 18 months and older, dairy cattle, on and on. It was in the presentation. Are there rules in place in phase two and three of this rule? And where are we at with the implementation of those rules that would expand into individual ID of feeder cattle and actually all animals as a whole?

DR. HAMMERSCHMIDT: So there are no rules for phase two, if that's the appropriate way of putting it. Early on when we had this discussion in the initial framework, there

1 was obviously a lot of discussions about the
2 feeder cattle. And we agreed to a separate rule
3 making. This is not to come to these meetings
4 and say this is the rule. It's really to have
5 input from you all, what are the things that are
6 working well? What needs to be fixed? There's
7 been I think a lot of speculation if you will,
8 that we're ready, USDA might be proposing feeder
9 cattle. We're not. I think they need to be
10 considered in the cards at some point time down
11 the road. But as we've tried to point out
12 earlier, there's bigger issues to fix
13 first. And that's why we want to have some
14 discussions more specifically about some of
15 those items. You all tell us how, when,
16 if feeder cattle need to be part of the
17 equation, and we'll take that back to the
18 drawing board and act accordingly. What we're
19 hearing so far across most of the meetings to
20 date is we're definitely not ready now. There
21 has been some discussions that maybe it should
22 be considered further down the road, and if you
23 do, so let's have a timeline established to
24 transition into that type of plan. But I can

1 honestly say that we came here with no proposed
2 rule on inclusion of feeder cattle into
3 the ADT framework. We sincerely want to have
4 those discussions with you all on your thoughts
5 and opinions at this point in time.
6

7 MR. ROSETH: Very good. So if you do move
8 forward and would make rules, we'd go through
9 this whole process, have listening
10 sessions. We'd have feedback. It would be a
11 totally new and separate process, correct?

12 DR. HAMMERSCHMIDT: Definitely.

13 MR. ROSETH: Very good.

14 DR. HAMMERSCHMIDT: We're wanting to look
15 at the current framework and take feeder
16 cattle off the equation. I think there's some
17 gaps in traceability today that with some
18 tweaks, I mentioned earlier we tried to
19 establish a bookend system. And today we have a
20 part of a bookend system because we're not
21 really at that first end and we'd like to get
22 to, so we want to have discussions on how can we
23 maybe fix that little part of it to give us
24 better traceability to that true bookend, as an
25 example.

MR. ROSETH: Very good, thank you for that clarification.

MS. MILLIS: Thank you, and we have one comment over here, and then we'll go over to you, sir.

MR. SHANE KACZOR: I'm Shane Kaczor. I'm one of the owners of Bassett Livestock Auction. I'm also a rancher there. With talking to producers in my part of the world, they're not convinced that there's any value in this for them. They're worried that the packer will use this, the number of cattle out there against them again, and they want to know why is the USDA worried so much about this when they don't even care what country our beef comes from, by kicking out - - . From the sales side of it, I want to know who is going to pay for, what your thoughts, who's going to pay for this. And also looking forward, if you were to do this with feeder cattle, who is going to enforce this in the country, the country deals that are done? What's your thoughts on that?

DR. HAMMERSCHMIDT: If we had all the

Ubiquis

61 Broadway - Suite 1400 - New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

1 answers we be upfront telling them to you. Cost
2 has always been an issue. There certainly has
3 to be opportunities or ideas considered to
4 spread the cost. I think we realized the need
5 for that. The federal government obviously
6 doesn't have a big budget to cover all of those
7 costs and I'm not sure we can honestly say that
8 we will in the future. I think that it be
9 misleading to do that. So we have
10 an ADT framework today that is working at a
11 certain level. I think we have a better system
12 than we did ten years ago. Keith, how
13 much would it cost to tweak some of the things
14 that we're talking about? So we already covered
15 some animals that need tags when they
16 move interstate. What would be the additional
17 cost to put those tags at a little bit earlier
18 time in their lifetime? Might save us some
19 money, handling cattle at an earlier age if we
20 tag them, so I think there's opportunities that
21 we can consider that don't have a big cost to
22 them. Just again, focus on the current
23 framework that we have in place since 2013, and
24 identify some alternatives that maybe producers
25

1 would consider. The dairy example, I know
2 there's not very many dairy folks here today but
3 there are some. We covered all dairy. And we
4 thought early on the dairy producers would take
5 calves at their dairy, before they sold the
6 bull calves. We're not getting back to that
7 bookend dairy. We're getting back to where the
8 calf was tagged. And that might be two or three
9 points later in its life. So we
10 had got traceability gaps. But wouldn't it be
11 more economical, I'm asking you, to tag that
12 bull calf when it's will being loaded on the
13 truck, on a weekly pickup, for example. So I
14 think there's discussions to be had that improve
15 traceability, maintaining the current framework
16 that we have. And if we call it phase two or
17 whatever, phase three, I think we want to have
18 some of those discussions as well.

20 The understanding that if it's two years
21 or five years down the road and feeder cattle
22 are transitioned in, what do we need to do
23 between now and then. And you guys have helped
24 us identify some issues on compliance that need
25 to be more uniformly put in place and things

1 like that. But again what I'd be looking at
2 some of the breakout groups this afternoon, we
3 want to improve compliance, even the playing
4 field across the marketplace. Give us some
5 ideas on how to do that. I don't think we're
6 going to hire an army of people to go out and do
7 it. There might be some options that we can
8 plug in that allow us to self-police the
9 compliance issues themselves if we have those
10 types of discussions. So I hope I'm helping
11 respond to some of your concerns and questions
12 but if, not I'll try again.

14 MS. MILLIS: Could you tell us who you
15 are?

16 MR. KENNY ROGERS: Kenny Rogers, I'm
17 from Yuma, Colorado, cow/calf producer. I think
18 one of the things I wanted to mention, bring up,
19 we're kind of getting in my opinion,
20 we're getting off track here on some different
21 topics, and we need to get back to, I've had the
22 opportunity to go on trade missions to Mexico
23 and Canada. I've had visitors to our ranch from
24 Australia and New Zealand, South America,
25 Mexico, and Europe. And usually as we get into

our discussions we'll talk about the industry, -
- happenings, whatnot. And without a doubt,
everyone has said we cannot believe that you
don't have a disease surveillance and tracking
program in your country. And I said it just
hasn't come about yet. A few years ago I went
to a seminar at CSU at Fort Collins. It was a
foreign cause animal disease outbreaks seminar,
and we listened to some people from Africa there
speak about what they had gone through by not
having a system to trace and the severe
repercussions of that. So what I would strongly
urge this group to do, let's get back to the
things that are important here. There are
people out there, nefarious individuals who do
not like us, who would love nothing better than
to torpedo our economy. And by one of the means
that they had discussed at some of this is
somebody could very easily come into this
country and bring a disease and infect a herd, a
feed lot, a dairy, whatever and then just let it
go at that. We need some way to track and trace
the animals. And to see that we can isolate it
and prevent severe economic harm coming to us

Ubiquis

61 Broadway - Suite 1400 - New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

because of that. So as I said, I think what we need to do is to get back to the world realities right now of how the world outside our borders thinks, not the way we think within our own borders, and what the severe outcomes could be if we cannot trace with 100% reliability a single individual animal. So it comes down to diseases and traceability, and I'd like to see us work towards that.

MS. MILLIS: Thank you so much, sir. I'm going to draw this session to a close. There are other opportunities to make comments yet today. We'll be working in small groups when we come back. Yes Neil, did you have a question? Were 11:30 right now, so we thought we would break for lunch, and then...

DR. HAMMERSCHMIDT: There's other comments. I'd certainly make time for some. I think we're in the middle of some good discussions.

MS. MILLIS: Okay, all right.

DR. HAMMERSCHMIDT: So unless there's an urgent need to break for lunch, I think maybe there's some additional comments and questions.

MS. MILLIS: Okay?

DR. HAMMERSCHMIDT: If there's not, that's great, but I don't want to cut anybody off.

MS. MILLIS: We've got one back here. We'll get to you in a second, sir.

MR. MEYER: I'm Cork Meyer. I've been making comments for myself, but now I'm going to make them for the independent cattlemen in Wyoming. Our entire membership opposes any national animal ID. And that's all I've got to say, but we do, and I told him I would tell you.

MS. MILLIS: Thank you, sir. Anyone else?

MR. HUNT: Tracy Hunt again from Newcastle, Wyoming. Dr. Hammerschmidt, I was watching a YouTube video, and I think what I heard you say was that a LIDS is a state premises identification. A PIN is a federal premises identification, but there is an algorithm on the computers that your agency installed in all of the participating member, tribes, and states that converts that, and I think your expression was behind the scenes, that it converts a LIDS to a PIN so that

they're basically interchangeable commodities. Am I wrong about that?

DR. HAMMERSCHMIDT: No, I'm sorry you misunderstood. I wasn't clear, so I apologize. So a LID is totally administered at the state level. There is a standard. Keith, your LIDS are eight characters ? Yeah, so we did say if a state is going to use a LIDS, use it in a standard format so that there is commonality. But all that information pertaining to that LID is kept at the local level. A PIN is still administered at the state level in most cases, unless there is a disease outbreak, and we're on locations that are involved in that trace back that need a location identifier, our system automatically works through the process to get a PIN so in that case it's administered by our federal folks working that investigation on those premises. But a PIN, even though it is a quote, referred to as a federal PIN, it's federal because it calls the algorithm, the premises allocator is what we call it, to release the next available number. The state still supplies the

information on their local systems on the address, the name of the producer, and that type of information is maintained locally by the state. The only information that we keep on a premises ID is the address. And we do that specifically to avoid, the system that generates the premises to not issue a second, third, fourth premises ID to the same address. So if you tried to get a PIN for a location that already had one, the system would tell the state that we already have a premises ID assigned to that address, here it is again.

MR. HUNT: I guess just a clarification that I'd like is that if you had, if a person had a LID, but not a PIN, a person that was using the PIN system could easily identify through an algorithm that address with using a LID. Is that true?

DR. HAMMERSCHMIDT: Ourselves?

MR. HUNT: Whoever else is using your data.

DR. HAMMERSCHMIDT: So who's got, I'm still not following your question.

MR. HUNT: And perhaps I did just totally misunderstand you. But it sounded to me like

the LID was generated by the state, correct?

DR. HAMMERSCHMIDT: Entirely, yes. State level.

MR. HUNT: And kept by the state, but that that computer worked reasonably seamlessly with the federal computer so that the PIN and the LIDS were basically interchangeable commodities.

DR. HAMMERSCHMIDT: No.

MR. HUNT: And what's wrong with what I just said?

DR. HAMMERSCHMIDT: We don't have an interface with Keith's system that generates LIDS.

MR. HUNT: Do you have a federal computer in that in the state? Did you install a federal computer in Colorado?

DR. HAMMERSCHMIDT: Not to the best of my knowledge.

MR. HUNT: Maybe I'll show you the video, and you can clear that up for me.

DR. HAMMERSCHMIDT: Okay, be glad to see it, sure.

MR. HUNT: Okay, thank you.

MS. MILLIS: Thank you, sir. Anyone else? Yes, back here.

MALE VOICE 7: Hi again, I guess kind of a little bit different subject though, but what I've noticed too with the ADT rule is that different states have different requirements. I'm kind of wondering, at some point do we try to normalize everything and say okay, across the board, if you're going to go to Nebraska or you're going to go to Texas, 18 months or older, this is the rule. This is what this is what you'll need, I guess it's always up, it's left to the states, and I understand that. But it gets difficult where if you've got different rules of 50 different rules to import cattle into their state, it gets really difficult for a veterinarian, especially livestock veterinarians, to at a livestock market say okay this is what we need to do, so that mostly cattle could be, so that we can have commerce and move, because at the current state you're not able to do that. You just have sell cattle, figure out where they're going, and then figure out what your requirements are.

DR. HAMMERSCHMIDT: I appreciate the comments. When we had again the discussions on the initial framework, we really heard a lot of emphasis placed on flexibility, and maybe we over shot some of the flexibility. So again if there's things that we need to standardize in the next update or iteration, let's identify those and see what we can get the states to buy into. And Keith, maybe you have comments as well. But I think part of the, to take that further, 'cause we've heard it just about at every meeting, a need for more standardization for the movement of cattle across state lines, let's be more specific today if we can, and identify three, four things that really are the greatest problem. I say that because I think part of it is related to ID requirements. I know recording the ID number on dairy steers is different from one state to another. Why that is, I'm not really sure, but that's an issue that I think we need to take forward in our discussions. There might be animal health requirements that are specific to a state that I'm not sure we're going to standardize some of

those requirements nearly as easily. And I'm not sure ADT caused any of those variabilities. But we might have caused some of ID requirements to be more variable than they were in the past because we allowed for that flexibility. We wanted that flexibility early on, and now I hear it's a little bit confusing and problematic. So maybe that's an opportunity to correct?

MR. SCOTT STUART: I'm Scott Stuart with the National Institute for Animal Agriculture and also National Livestock Producers Association, two organizations that have been involved in this discussion for many, many years. And to your question Doc, very, very good question on knowing what all the regulations are. The two organizations, NIAA and US Animal Health Association a couple of years ago had these discussions and - - we need a tool be able to put in your hands so you know what those regulations are. And so there's a website that was developed over the last 18 months. It's in place now, real-time, InterstateLivestock.com. You put in the

class of livestock, the state it's coming from, the state it's going to. It tells you exactly what those requirements are. So it's something that hopefully is one of the solutions to an issue you brought up.

MS. MILLIS: And then I think we had another comment over here. No, yes? We'll go over here, and then we'll come back here.

MALE VOICE 8: Neil, I'm kind of ignorant on government works. But if after you've heard all the comments, you're going to get written comments later on, when you go back and try and compile all them, there a chance you could have representatives from the different segments of the industry, the markets, producers, the cattlemen's associations, whatever they may be, sit down with you, before you post them and say, yeah, good, no, you're still not getting how things work in the real world with this one? And maybe do that now; I have no clue. But if you don't why don't you, and would you?

DR. HAMMERSCHMIDT: And I don't know our plan is close enough to what you're

commenting on. I certainly support the concept of continuing that collaborative effort that we established in ADT from the very beginning. So what we're doing with all of these meetings is compiling that information, and based on what we're hearing the feedback on, we'd have a proposed list of, I don't want to say action items but maybe recommendations to consider for the next release of ADT, if you will. And have another discussion on what you just said, is here's what we heard, this is what we think we heard, and hopefully by that time after listening to your feedback and input, we have some possible solutions. And we would want to share those solutions with all the stakeholders across the industry sectors before even considering anything beyond that. So I'm thinking, we're doing what we plan to do what you ask for. I'll let you speak. We're compiling this information; we want to bring it back to you all. But instead of just listening to the problems, hopefully you're telling us along the way, what are some possible solutions, but share those, what we hear from across the

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

country. I mean if we can adjust one part of the current framework to plug this gap, here is a solution for that gap, we want to have that re-discussed with the industry stakeholders that you - - that support it as a solution, because we don't want to go down a road, and have a proposed rule that isn't well-supported by you all.

MS. MILLIS: Thank you, we're going to here, back there, and over here.

FEMALE VOICE: Well I would just like to say that I understand all the problems the veterinarians and the sale barns are facing, and I see that you have a concern for their problem with what's going on now. You do call your meetings, for the advancement of disease traceability. And it seems to me that you say you don't have anything in mind, that you're not talking about feeder cattle yet. But what your main goal is, is to advance traceability. And it looks like you're responding to everybody's needs, other than the producers, that are concerned about their private property rights, their freedom to market their animals without

vertical integration, and the problems that go along with your traceability efforts. And I think that will have to be, I mean I think you should address that as well, because we're the ones on the bottom line that will be losing our freedoms to exactly what Tracy talked about. And I think you're aware of all this. I think these people have lobbied you. And I think you understand that situation, but I'd like to know what you might do to address those issues as well as just advancing, I mean it seems to me like all the discussion is toward advancement, advancement, advancement. And now that you full well know what that could do to our private property rights and to our ability to market our cattle, if we don't if we don't provide information to the top or the bottom of the supply chain on environmental, social issues, I think you're aware of that situation, and I'd like to at least hear you admit that you understand the problem or have some way to address that in a manner that helps producers as well as, 'cause without the producers those sale barns, they

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

1 don't need their businesses. And it's going
2 more and more to individual contracts
3 and two or three buyers on yearling cattle. And
4 I think, this guy back here said that we're
5 getting away from the topic, but it's all
6 related. I mean disease traceability is one
7 thing; marketing other countries as another
8 thing. And but if we can't market within our
9 own country because we haven't succumbed to
10 environmental and social pressures from the
11 top three packers, then our market isn't going
12 to be there anyway. So I don't care if you're
13 selling to effort to Africa, China, Korea,
14 whoever. We aren't going to have a market
15 to enter anyway unless we succumb to those
16 environmental and social pressures.

18 DR. HAMMERSCHMIDT: I'd like to say I have
19 an answer to all of those issues, and certainly
20 some of them I think maybe I don't fully
21 understand. Maybe we don't fully understand, so
22 I think we all appreciate the comments that you
23 had in those regards. And there might be some
24 issues that we need to dig into a little bit
25 further, so I appreciate your concerns. We

don't want to overlook any, thank you.

MR. BOB MEYER: My name is Bob Meyer. I'm assistant state veterinarian with the Wyoming Livestock Board in Cheyenne, Wyoming. My comments are basically from me and really don't necessarily reflect the feelings of the Wyoming livestock board. But I've been in the animal disease epidemiology - - tracing business for over 40 some years, brucellosis and things. Neil had asked us specifically to help us identify gaps of the current program. And what I'd like to speak very specifically is three gaps that I see that exist in the current program today. The first gap relates to going back to the packers. So I'm going to whack on the packers just a little bit. This year we've had cases of TB still found in Mexican feeder cattle at slaughter. And today's technology, USDA has been able to look at the tags collected from those steers, most of them having Mexican ear tags, and compare the tissue taken off that tag, to the actual lesion of TB that was sent in. And we all want to think that, if

Ubiquis

61 Broadway - Suite 1400 - New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

1 this system was working perfectly in the
2 bookend, by this time, it ought to all
3 match. Well lo and behold two out of five cases
4 have not matched this year. And we'll just go
5 back further. For those of us who have been
6 involved in brucellosis, for years we had traces
7 for blood sample that would come back from a
8 packing house. We'd have to trace
9 it. We'd trace it to the ID that they gave
10 us at slaughter, go back to herd - - find no
11 disease. So I would, obviously we weren't in
12 the right herd. So this issue of getting, even
13 though it says in all the rules and regulations
14 you're supposed to correlate the ID to the
15 proper carcass until the, this is
16 meat inspection function and a function, a
17 responsibility of the packing house itself, it's
18 still we've got problems that exist. So what I
19 would suggest, a gap and we are addressing
20 it, it's being addressed some, but we need to be
21 aggressively filling that gap. Why as
22 producers. I can see here, I'm not a producer
23 but I can see their frustration very well why
24 ask them to put producer tags in to trace
25

the herd of origin when on the final bookend, it's going back to the wrong producer?

So the gap, the bookend is improve the bookend process. And the packer has to do it. Meat inspection is, - - have the responsibility to work with that packer, but still, and many packers do today. I've seen for years, you could go back from a certain plant, and you could bet your money you're in the right herd. Other plants, they give you an ID, and you say this is a crapshoot-type of thing. So first thing I think there really needs to fill the gap is improve that process of getting correlation of the right ID that is collected to the proper carcass.

Second - - thing was already mentioned I think a little bit and hinted to is Holstein steers. Holstein steers now going interstate are already in the rule. They're supposed to be ID'd. But are they being ID? I think Neil already hinted there's pretty good evidence that we've still got a lot of movement of Holstein steers between states, some going

there. There's no ID on them. Animal disease traceability is defined disease. A year and a half ago we had a case on the kill floor of a Holstein steer out of an Arizona plant. It came out of a feed lot, a lot of cattle. No ID collected. A lot of cattle came from a California feed yard, which was put together by eighty plus 80 calf raisers that could have represented 80-plus dairies. Did we find a home for that? No, there's another there's another Holstein herd somewhere. But if it's for disease traceability, we need to shore up the regs right now that we already have in place. And I think that's been mentioned. The second the third thing that I want to say is I think we need to re-examine for slaughter cattle leaving markets, what is the official ID? We had just recently in Wyoming, we were involved in the South Dakota trace also in which we were tracing 86 known exposed animals that went to a major heifer producer/developer. He took those 86 animals, and they were all, had 46 vaccination tags in their ears when they came in. Mixed them with a

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

1 thousand other heifers, rebranded them with his
2 brand which is normal. Okay, so now we start
3 our tracing on it. We were able to find all
4 that all of them except for 14. And basically
5 probably most of those went for slaughter. But
6 we can't verify for sure, because right now they
7 probably went with a back tag, but there was no
8 back take correlated to that 46. Are they dead
9 or still out there? Probably dead, probably
10 in slaughter channels.
11

12 But can we exact verification? And I know
13 that gets back to the discussion there. But my
14 point is, is there a gap, on slaughter cattle,
15 is back tag good enough? We all know they lose
16 them. I think that's a gap that needs to be
17 reexamined, and whether we need to have
18 somewhere along the line, that back tag on
19 slaughter cattle correlated to official ID. And
20 those are the three comments that I think are
21 gaps that need to be filled before we at
22 all blast forward with further identification
23 of additional animals, thank you.

24 DR. GEISER-NOVOTNY: Thanks, Bob. And I
25 just wanted to make some comments related to the

1 issues that we face for collection and
2 correlation of ID at slaughter. And as you
3 know, we are taking action. It's become more of
4 an issue. It's always been an issue but it's
5 become more of an issue I think of late, so we
6 formed a working group last November to try to
7 identify what the issues are exactly, where the
8 system fails. And is it a plan issue, is at a
9 personnel issue? What exactly is it. And
10 so we've delineated a couple different measures
11 that we're looking at, a couple of them being
12 simple training, training the
13 personnel. There's a huge amount of turnover in
14 these plants.

16 Also with - - personnel, so making sure they
17 understand what the requirements are and how to
18 do that properly. Outreach for when there is a
19 mismatch, so if it does occur, figuring out
20 exactly where the system failed and making sure
21 you take steps to ensure that it doesn't happen
22 in the future. We currently do tissue matching,
23 genetic matching on everything that is
24 histocompatible for TB, so it means it looks
25 like TB, versus just all the submissions that

Ubiquis

61 Broadway - Suite 1400 - New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

1 come in. We've now started a random sampling
2 program for all submissions, so they collect
3 every fifth and tenth sample. That was just
4 instituted last week; you don't even know about
5 it yet. And so we're spot-checking them. So
6 we'll be able to hold their feet to the fire a
7 little bit better and see where we're having
8 issues better than we have in the past. So I
9 think that we've got some really significant
10 improvements that we can initiate here in the
11 next couple of months to make improvement.

12 MS. MILLIS: Thank you, back over
13 here. Thank you for your patience.

14 MS. KATIE AMBROSE: My name is Katie
15 Ambrose, and I just want to follow up on a
16 comment that Neil made, and Sunny had in a slide
17 in her presentation this morning. I believe, is
18 it a total of ten listening sessions by the time
19 it's all said and done, where all this
20 information is being gathered and collected from
21 all the conversations. Neil had mentioned that
22 this is all going to be pulled together and
23 presented during a national forum that is taking
24 place on September 26th and 27th right here in
25

1 Denver. It will be at this sister property that
2 literally is just up the road. So I think that
3 will provide a great opportunity to hear what
4 all of the sessions have gathered and collected
5 and put back out in front of all of you for
6 further discussion.

7 MS. MILLIS: Thank you. Is there anyone that
8 hasn't had an opportunity that would like to
9 share something? Yes, sir.

10 MR. CAMERON MULRONY: Cameron Mulrony, I
11 work for the Idaho Cattle Association. And the
12 two questions that I have, or comments, it seems
13 that we need to make sure this is a secure
14 system. For instance in my
15 lifetime I've experienced three people that had
16 horses quarantined for Coggins that was a false
17 positive on every one of those animals. If that
18 would have got out in any system that could have
19 been detrimental to the business. And that was
20 from a false positive. But in today's day and
21 age, everybody's an expert with
22 the Internet. And those computers can all talk
23 to each other. So security is a big issue with
24 this system, as in any system, and also the

liability of that. If we got a bookend, is all the liability going back to the producer that put that first tag in? If Jack in the Box was to have E.coli again, would somebody want to trace that back to the producer that raised that calf? Those are the two things that I see as gaps in the system that would need to be addressed. Where does that liability fall? Where does a false positive, in the media, how does that affect a state? When there was BSC in the state of Washington, I grew up there. That's what they said, is it was in the state of Washington. And you can correct me if I'm wrong, but I believe that animal did not originate in Washington and not even in this country, but that part of it was kind of overshadowed by the initial outlet of information. So that liability and that security are two huge issues in this, when you're looking at our market and our industry.

MR. CAMPBELL: John Campbell with Winter Livestock. I have just a little follow-up on your comment. That is one thing that that tag

1 will bring that animal back to you just like a
2 brand is. You have no control over what has
3 happened to that animal in the interim between
4 when you sold him as a 400-lb. calf, and he was
5 killed at 1,250 lbs. Right here is we sit now,
6 the packers are mandating to each and every one
7 of you producers that you sign an affidavit that
8 said you have not violated and how they can get
9 away with that is beyond me, but I can tell you
10 this. If you don't sign one, and the market guy
11 is doing his job, I got to red flag you, and say
12 Mr. Packer, I don't have an affidavit on hand
13 for that gentleman right there. And they will
14 sit there and cross their arms. And if the
15 market doesn't prop your cattle up, they go for
16 nothing, 'cause they will not buy them. If you
17 have a signed affidavit, that's fine. You need
18 to keep record of that. If I cannot get this
19 man's affidavit because he unloaded the cattle
20 at 10:30 and I sold him and 11:00, after the
21 fact didn't do me any good.

22
23 So now they mandate the auction to say
24 you're responsible and you will gather all of
25 those affidavits or the liability goes back to

Ubiquis

61 Broadway - Suite 1400 - New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

1 you. And I don't mean to get off course here,
2 but that's what's happening in the
3 industry. And to back up a little bit what my
4 cohort Jim said, you need, it is paramount to
5 get information like this into you guys' hands
6 so you can make a constructive decision if this
7 is the way we're going to go. I cannot
8 emphasize enough speed of commerce.
9 You're affecting truck drivers, you're affecting
10 veterinarians, because
11 they're sitting there. And their job has just
12 quadrupled because they're running, at my
13 facility it's an every week deal. We're running
14 hundreds of cows back through the chute after
15 the fact to get a clip number. And the animal
16 is going to the feed lot and then to
17 slaughter. The only traceability you got
18 is back to Winter Livestock that that
19 animal was one of 500 that was sold on whatever
20 day, November the 5th, end of story. You can't
21 trace it back to Bill Hammerich 'cause it was
22 done after the fact, because you have made the
23 decision and legislated that I better have that
24 tag number on that health to get that and we'll
25

do a feed lot in Texas. And so we're breaking the whole deal down so we can get these so we can get these tag numbers. And you have no traceability 'cause you just bring them back to where I worked for 400 people on the course of that day.

Could be any one of 400 because the cattle were commingled after the fact, and I understand that's a state issue. And just to tell you a little bit about how these things can impact business, I used to have a horse sale, and I am not blaming the good doctor. He was very understanding and very good working with us, but I don't have a horse sale anymore because I cannot comply with the Coggins regulations that surround my horse auction. The word is out. Don't send the cattle from, or the horses from New Mexico, Oklahoma, Texas, which I'm in the southeast corner. You shut all those down because I can't write you a brand inspection' cause you don't have a Coggins test.

Takes three days to get a Coggins test. Then if they're going to slaughter and

going to be dead in 24 hours, you still have to have a Coggins test 'cause they're going out of state to the only slaughter facility. And that office is on a Friday, and it's after 5 :00, so it's Monday until you can get the results back from the Coggins, and who pays the feed bill, and I got a hold up your proceed check because I don't know if your horse is Coggins positive or not. And it costs 100 bucks, and your horse was only worth 40. So you say hell, don't take him La Junta. - - he'll tie your money up. You got to pay a three-day feed bill plus a Coggins test. And my point is speed of commerce and you have identified it, but there's no way you know about speed of Commerce. You don't know what goes on at my house no more than I know what goes on at your house. But please, please talk to these veterinarians, these truckers, these producers like you're doing here. How does that impact you? And have them directly involved when you're handing down the script about this is how it's going to come down, because they know a lot more about it than you people do.

Ubiquis

61 Broadway - Suite 1400 - New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

MS. MILLIS: Thank you, Mr. Campbell. Sunny was going to comment, I think.

DR. GEISER-NOVOTNY: I just wanted to make some quick comments about things to consider maybe for this afternoon and related to where animals are tagged. And when you consider where we are able to trace back to with the current system and that it might trace back to the individual who isn't responsible for whatever it might be, one of the things that comes to mind to recently are residues. So trace back from slaughter related to residues, that's going to get you back to that the prior person, but maybe not back to the person who violated the system to begin with. The other thing is there was comments earlier about movement documentations and not requiring them to be read I think at markets ore reading tags at markets and that sort of thing. We call that a citing. So if we do a TB test or a brucellosis test or we have a movement document, that is a citing of that animal. And all of that between that when that tag was put in and all those sightings along the way, help

us get back to the right individuals to find where the liability is if there is an issue and not hold people accountable for something that they weren't responsible for. So those all tie in together to get us back to the right individuals.

MS. MILLIS: Anyone else? Okay. So what we're going to do following lunch, is we're going to come back and work in some small breakout groups. And before we go I'd just kind of like to count off to four, we'll have four different groups. And when we come back, let me get my notes here, about what rooms we'll be in. So the group one is going to meet with Dr. Sunny. Group two is going to meet with Don Beckett back here. Group three will meet with Dr. Roehr or in the back of the room there, and group four with Dr. Alex Turner. He's standing up back there. So when you get back, we'll let you know which rooms we've got set up for those. But let's just go. If we could maybe start down here we'll just number off. Now if you are one of the note takers or the kind of chairperson in that room,

just kind of pass when we get to those numbers. So I think you would start, I think so. Let's go back here. I think you're three then. Four, and in the back row we're skipping you. Okay, those are all passes along the wall, okay. Pass, pass. I think you're free then. Okay, in the back of the room? There will not be a test on this. Let's come up here. You can start at one. We'll go down to the end. Three and four. Four, you're a four. One, are you a pass? Okay. So you would be a two? I think you're a two. And a three and a four. Okay.

[END 03_Track_01.mp3]

[START 04_Track_01.mp3]

S1: MS. MILLIS: Welcome back. So I'll invite you all to take your seats, and we can hear what the groups that you were not in put together. Hey, welcome back. Welcome back, everyone. We're about to start up again. I'm trying to learn how to whistle. But anyway, I want to first of all, I want to thank everyone that participated in each of the groups, and I want to thank the folks who led the groups and the folks who took the notes during that

1 time. And this is our opportunity as people
2 come to order, to hear back what the various
3 groups heard in their discussions. So let's go
4 by the numbers here. Who's going to report out
5 for group one? All right, I'm going to give you
6 this microphone. I'm glad you came up
7 here Larry because everybody came to attention.

8 MR. SCHNELL: Well, yeah. Right. In our
9 group, in group number one, I've got to give you
10 a disclaimer, first of all. Our question was
11 is, if ADT is implemented, where do you
12 start? Where is the point where the cattle
13 would need to be first identified? And the
14 disclaimer is that we did not discuss whether it
15 should be, whether ADT should be
16 implemented. We didn't talk about anything
17 other than that, other than the idea of if it
18 was implemented, where does it need to
19 start? And those who are members of our group,
20 be sure and correct me if I say anything wrong
21 as we go through this, if you would please
22

23
24 So what we talked about again it's to what is
25 the purpose of ADT for disease

traceability. So really where is the best place to start? I think after some conversation, one of the places could be the first point of comingling, might be at an auction market. It might be in a pasture where you have, different people have cattle in one pasture. But wherever that first place is, that those cattle would be comingled would be they would need to have that RFID in place. Another idea would be, it could be change of ownership. If this isn't workable maybe it's change of ownership rather than even if you comingle cattle in the pasture, but they're not changing orders, maybe when you do sell them, to somebody else that before they get on the other man's truck, that they got to be identified. But the one that really carries, looks like the right way to do it if you're going to do it, is that they're basically tagged, at their birth wherever they were born, whatever ranch or farm they were born on, that's where they would be first tagged. That's really the only place where you're going to be able to identify the place of origin. All of these

1 would assume, of course that no matter where
2 they're tagged, that the information as to who
3 the original owner was has to be part of that
4 information. Am I saying it correctly? One of
5 the other things we talked about was if it
6 is implemented, who's going pay for it? As was
7 mentioned this morning, if ADT has value,
8 it's got to have value for more than just one of
9 the segments of the industry. And so who is
10 going to pay for it, and how do you do
11 that? That's something we didn't talk
12 about. How we did that, we said that that's
13 something that needs to be taken into account,
14 because too many times the producer is the only
15 one that ever pays, and most of the time they're
16 the one that gets the least benefit from it. So
17 something to consider as we go forward. If this
18 is not workable and in some areas of the
19 country, most likely it wouldn't be because some
20 of these ranchers or farmers would not have the
21 ability to tag them, you always have to have
22 approved tagging sites that might
23 work. It might be weighing station; it might be
24 an auction market. It might be some

Ubiquis

61 Broadway - Suite 1400 - New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

entrepreneur that just would put up place where that could be done. Veterinarians is another place we talked about. So there needs to be places that they can get that done if they can't do that at home. And that's one segment of what we talked about, so I open up any questions about what we talked about. Did anybody have any questions about that? Or you think that makes sense or not or whatever?

Okay, there will be plenty time for discussion, I guess later. So I'll go, quickly move into the other thing we talked about 'cause we finished up on here was the question about back tags. Should RFID be should be used in place of back tags? And there always needs to be one. And what we came up with was the idea that the only time that the back tag for cattle are going directly to slaughter, the only time that should be exchanged for an RFID is if the information of the seller, the original sellers and is included in that. Now what we mean by that is if you if we do RFID, and you're not reading it on a regular basis as it's changing hands, you don't know who

1 the original owner was. So the back tag does
2 tell you that, that at least you can go back and
3 trace it back as it is right now. So that's an
4 important thing. We need to keep that until
5 we've got a much better system. We should stay
6 with a back tag. Am I saying that
7 correctly? Right. Right.

8
9 DR. GEISER-NOVOTNY: We talked about
10 removing the exemption of allowing back tag
11 for direct-to-slaughter, and what if we just
12 substituted in official ID for those
13 animals? And the point that we came to is
14 that we could only do that if RFID was used. It
15 couldn't be a noose tag because if it was a
16 noose tag, we would lose
17 the consignor information. So if RFID was
18 utilized and could be read, that could be
19 married in with the market software, and then
20 you would have
21 the consignor information. But we wouldn't be
22 able to achieve that with just noose tags.

23 MR. SCHNELL: Yeah, we really need to make
24 sure that before we do away with them with
25 the back tag that you got something that can

1 replace that'll do as good or better job. And
2 then finally again we had jumped onto another
3 subject, and that was just the idea that if RFID
4 or if ADT is implemented, it should be done and
5 perfected with what the regulations are now with
6 the intact females and Holstein steers. And it
7 should be 100% or nearly 100% effective
8 and at the speed of commerce before you move any
9 further than that. 'Cause that's the least
10 number of cattle you have to deal with, and
11 they're also the ones the easiest and everybody,
12 you know the rules already there, that they have
13 to be individually ID'd already. So if you're
14 going to implement RFID, that's the place to
15 start and don't even talk about any other types
16 of cattle than that until you get this
17 perfected. Everything, any questions? I'm
18 done, thank you.

19
20 MS. MILLIS: Thank you. Group number two
21 come up, please.

22 MALE VOICE 8: All right, so our questions
23 were built into movement documents that exist
24 now and how do we deal with it. So the first
25 question was what sort of information should be

on there or what is currently on there. And we looked at owner premises, basically addresses of where cattle are going to and who the new owner is. Number of head, sex, and ID. That maybe a brand or an individual ID in that system. And then we looked at types of movement documents and part of them or CVIs, OSS or brand papers, and that depends on what state will accept a bill of lading. So back tags, we just talked about. They're only eligible for three days, and direct to slaughter. And so then one of the other things that came up was we called program cattle movement, so like breed associations Angus horse tags, things like that, because you have a range of tag numbers that go to an individual producer that would allow some extra data along with those cattle being moved. And then in each case, you look at the increase in reliability and speed of traceability, making it very electronic so that way we take out the legibility issues, and it's more reliable to pass through everything. So the next question was when should cattle and bison move on an ICVI? And

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

1 basically the consensus within the group was
2 interstate movement. And then what events and
3 activities would require a CVI without being
4 moved across interstate and stock show
5 exhibition or rodeo, because you're bringing
6 lots of individuals together, comingling without
7 comingling, I guess and then dispersing
8 again. So being able to track these animals
9 that do this is probably very important,
10 and we've see that here in the state of Colorado
11 every now and again, too. When can cattle move
12 without an ICVI was the next question,
13 interstate, so internally. Commuter permits, a
14 lot of our a lot of our landowners that
15 border New Mexico, Wyoming, places like that
16 have a commuter permit that is agreed upon
17 between the two state vets that are in the
18 association. So you can go back and
19 forth across state line with having somebody
20 look at them all the time. Direct to slaughter,
21 and then the other thing as we've all seen here
22 probably this past winter is emergency
23 movements. When you think about wildfires, and
24 things like that do you want to wait for a
25

vet to show up to write you a piece of paper to move? Not it's not exactly a good point to see the vet. The next question on our list was a ship to ship to destination with a change. So cattle loaded on a truck are supposed to go here, but somewhere in the middle somebody calls the trucker and says they're supposed to go here. How do we deal with the change in CVIs? Our group decided that it was a little complex and more in-depth than what we can handle today so we punted. Yeah, yeah. So the next question was how do we increase value of owner certifications and brand papers. And so I think the consensus a little bit of the group was a little bit was make this system electronic so it's easy to transfer information. That is going to be an uphill battle, I think especially within the state of Colorado, just to get the brand inspectors on board with that because that is a totally separate job. So the next question was how can electronic ICVIs benefit the industry? They're searchable. I think every vet school has a beginning class that says how can I write really

fast and make it not legible, right? And so legibility is a big thing. Speed, because once we enter into these types of situations where the veterinary professionals need to track down a disease, speed is important, and it's important to us whenever we are one of the ones being quarantined right? And then we still need more education on everything that goes into the system as we make everything electronic. Let's make sure that everything is electronic is firewalled, because there are data geeks out there that are much smarter than us that can hack into it. Let's make sure that we're firewalled into this. So that was our, I think that's the end of my slideshow. It is.

MS. MILLIS: And any questions?

MALE VOICE 8: Going once, going twice, go.

MS. MILLIS: Thank you. Thanks for that. We'll hear from group three now.

MS. SILVIA CHRISTEN: All right. I don't think our flip chart made it in here. Oh here it is; wait a second. I don't know there was anything useful on here. I think I'm just going to talk about it. Group three was a little bit

hard to organize. We tried. This one is useful. I'll hold this up in a minute.

So group three, our assignment was overall traceability goals, objectives and obstacles. So I'm Sylvia Christen by the way from South Dakota. So we went through a number of questions. Should we maintain the bookend system or consider other approaches to traceability? We spent a little bit of time talking about exactly what a bookend approach is, because if you're talking about--delightful, this is excellent. We talked a little bit about what a bookend approach is because if you're talking about chapters in an animal's life, if you're ID'ing them from chapter six until the end or from chapter one until the end or from wherever, your bookend approach is really whatever you define the bookend to be. And so that term really was a little difficult to define, if we should keep the current book end approach. So we agreed though that we like the concept of current health certificates with the list of number of animals, the interstate commerce system or the interstate commerce event

1 being the trigger seems to be working for folks,
2 and that kind of thing. Then we talked about
3 levels of traceability and what level of
4 traceability is acceptable. And there too we
5 had a little bit of a hard time defining
6 that, 'cause if you talk about percent of
7 traceability that you want to achieve, that
8 really kind of precludes what levels
9 you're tracing. For example, if you want 100%
10 traceability, that kind of assumes that you're
11 tracing from birth to slaughter. But if you're
12 talking, so we weren't quite sure exactly what
13 comfort level everybody had with that. I think
14 generally we didn't feel that everybody was
15 ready for birth to slaughter. We weren't quite
16 at that point.

18 So the one thing--hang on. Let me double
19 check my notes here. So we did talk about this
20 Venn diagram here that Dr. Roehr made for
21 us. And the concept that the goal of
22 traceability really is to keep our industry safe
23 and healthy, and protect our industry and
24 nowhere disease is. So we kind of talked about
25 this concept that a disease traceability program

really needs to address program diseases, address your foreign animal disease, and your emergency or emerging diseases, and then also this this hazard emergency movement piece. And animal disease traceability should kind of probably encompass all of that, or r that was Dr. Roehr's explanation of what's happening here in Colorado. I think we agreed that the animal disease traceability program, our current system really needs to be, the number one priority needs to be to deal with program diseases. The disease, we know what they are, and we know what we're tracing, and we have programs in place like for TB, and brucellosis. That needs to be our number one priority for any program. The second priority would be for animal diseases and emerging diseases. That's definitely secondary but it is still very important. And there's a lot of concern about what other things USDA is doing that possibly expose us to foreign disease risks. So that was a discussion that we had around kind of what traceability should be. So our number one priority for it though

Ubiquis

61 Broadway - Suite 1400 - New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

would be to continue addressing program diseases that we know what we're doing in the layers of that ADT piece. Will help us with the rest of it. Let me go back. We were kind of hard to organize, so my notes are a little all over the place. Thank you, Tracy.

So what level of traceability is needed to support international trade opportunities, and how can the United States meet future international traceability demands? What should the focus or objective of ADT be in regards to international marketing opportunities? We kind of talked there about the fact that disease management of imports is certainly really important. But in our group there was a lot of discussion about what imports, international imports are exposing us. We have a lot of foreign trading partners who might have an ADT program in place, but they have a lot of disease problems, whereas we have a relatively healthy herd and haven't, don't have the full traceability. So there was some question there. But the other piece that that came up a couple of times too is that we don't need ADT to

1 be a marketing program. ADT needs to be a
2 disease traceability program. If somebody needs
3 to market their animals, using these
4 electronic IDs and stuff might be a part of
5 that. But really the core of what USDA needs to
6 do is an animal disease traceability
7 program. Marketability and marketing programs
8 and performance programs doesn't need to be a
9 part of that conversation.
10

11 So then the next big discussion that we
12 had, trying to make sure--oh, our long-term and
13 short-term goals of ADT, the long-term ideal
14 would be make sure we're protecting the
15 industry. The folks from APHIS they were in the
16 room said really, that's their number one goal
17 as well as to make sure we're protecting the
18 industry and that the best way to do that would
19 be full traceability. But we also need to
20 balance that with what producers want. There
21 were some, a lot of conversation about really we
22 need to know where disease is in our country,
23 who's affected by it, what your neighbors are
24 dealing with so that we can track it. We need
25 to make sure long-term state protecting the

information, that that information is right, is protected and that we're increasing the security that we have for diseases entering the country as well. Short-term goals is to probably not change the current level of regulation on the ADT program, working really hard to increase compliance with FSIS but also amongst our producers for tagging and how we're doing it. We need to do some risk-benefit analysis. And that conversation, John made the statement that we really need to be careful that we're not putting this much extra burden on people in order to gain this much extra protection. We need to really kind of have a risk-benefit analysis of what we're doing is really truly worth the effort. And then the obstacles that were identified, with all of that though was the cost. There's the cost of the ID tag, but there's also a lot of other costs that goes along with this to both producers and to processors. I mean the whole cost is much more than just the tag. That's something that is an obstacle to full expanded traceability. The speed of commerce is something we have to make

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

1 sure we're keeping track, are aware of as we're
2 implementing things. And then the data security
3 and that seems to be a theme that comes up
4 through a lot of the groups that have spoken so
5 far, data security and the concern that that
6 data could be misused or misplaced or used in
7 for unintended consequences, that could be used
8 by folks for reasons that might not be the
9 initial intent. So that was our long-term and
10 short-term goals for an overall traceability
11 program.
12

13 And then the last question we had is if
14 RFID is to be considered for a future solution,
15 how could the US cattle and bison
16 industry move towards a fully integrated system
17 and just some questions about
18 RFID technology. We had a lot of discussion
19 that RFID technology has a lot of potential, and
20 there is value for producers who have chosen to
21 use it and who use it for, maybe for ADT
22 compliance, but a lot of people are using it for
23 marketing purposes or for just their herd
24 management purposes, and that there's a lot of
25 potential there. It can be a really good

1 thing. Technology though doesn't seem to be
2 quite where we need it to be to be able to keep
3 up with speed of commerce. And so there's a lot
4 of concern about that, that we're maybe a little
5 bit ahead of ourselves and trying to
6 use RFID across the board. There really was not
7 very much consensus on actual usability for a
8 system that needed to be reliable through all
9 chains of production versus a producer who is
10 choosing to use it in whatever stage of
11 production he's in. And then again the concern
12 about data security and how RFID tags are able
13 to keep the data secure and not let it be
14 misused. So group of three, did we have anybody
15 else? I told you guys to let me know if I
16 missed anything but did I do okay? Thank you.

17 MS. MILLIS: Thank you so much. And then
18 finally, let's hear from group four.

19 MR. ALEX TURNER: So group four, we were
20 tasked with discussing official identification
21 of beef feeder cattle, not necessarily as an
22 immediate implementation of phase two or next
23 phase, if you will, but rather discuss some
24 questions on beef feeder cattle in terms of, as
25

1 they were presented here and what our thoughts
2 were on that. So the main question was how
3 should we handle the official identification of
4 this sector in the next phase of ADT, and I
5 think the overwhelming answer to that generic
6 question is we didn't feel like there should be
7 a part of the next phase of ADT. Or if it
8 is, that the next phase of ADT is not
9 necessarily something that's going to happen
10 in a timeframe five years from now or ten years
11 from now. It's just not realistic. So we
12 started off just kind of going around the circle
13 and get to know everybody, and I asked that
14 first question should beef feeder cattle be
15 officially identified in the future? And I
16 think our answers range from a couple of hard
17 nos to a couple of yes question marks. We had a
18 yes and no and no question mark, so really it
19 was a little bit all over the place.

21 Some of the nos said well whether they
22 should be identified or not, they thought that
23 eventually they would be identified. So kind of
24 get into the semantics of should versus
25 word. But that was how the group felt. Talking

1 about no, but we want to make sure that some of
2 our important feeders maintain identity,
3 especially our important neighbors from the
4 South, but also our Canadian neighbors to the
5 north. And yet eventually, but it needed
6 uniformity. So it needed to not necessarily be
7 all over the place in time in terms of which tag
8 was the official tag. No until the security
9 could exist, so data security I heard from that
10 last group, and certainly that was something we
11 talked about in ours.
12

13 And the question mark is kind of no,
14 like what would the program benefits be of
15 having the beef feeders be identified? A yes
16 and no event was pointed out that in case of a
17 disease event, then yes maybe beef cattle, beef
18 feeder should be identified. But no, because if
19 it's not streamlined, it's not going keep up
20 with the speed of commerce. So I know
21 heard that with some of the other groups, and I
22 think that was a recurring motive in ours as
23 well. So the next question is a lot easier, and
24 we didn't have to go through all the samples
25 'cause I think it was a pretty good

consensus. Are there areas of ADT that are a higher priority to address before being concerned about the ID of beef breeders, and I would imagine the consensus would be across the room, like it was in our group, it was a unanimous yes. There are areas and aspects of ADT currently that need to be addressed.

The next question was are there aspects of ADT that need to be addressed that will make the identification of beef feeder cattle more doable or practical? And this one kind of, we split it up. Basically we were saying what are some of the things that we want to have the current ADT framework do before we even consider beef feeder cattle to be the next phase? And what are those goals? Could those be reached? So we need a system that has to maintain flexibility, but it still has to have some uniformity and that's obviously a challenge because you want it to be uniform, but you want to maintain the flexibility state to state. So the other thing was that was discussed was before, basically in framing it as such of when do we attack beef feeders as the next challenge,

1 how about when the slaughter industry can
2 correlate an ID reliably back to a carcass in
3 most of those instances? Because our
4 group didn't feel like necessarily that it would
5 be worth getting IDs on all beef
6 feeder cattle until that could happen. And also
7 figuring out how to spread the costs across the
8 industry and not just have the cost fall on the
9 producers or just have the cost for the markets
10 or just have the last fall on any one aspect of
11 the industry, have spread out across the
12 industry.

14 So the next question, what are the most
15 significant challenges of official
16 ID requirements in including beef feeder
17 cattle? And again, this is one of those that
18 there was a pretty good consensus in terms of
19 keeping up with the speed of commerce. That's
20 underlined. And basically even if
21 the, ID physically was - - beef feeder cattle as
22 it is in some of them right now today, the
23 bottleneck of ID collection and where does
24 that ID collection happen was a concern. What
25 issues of concern exist today by not including

1 this sector of the industry and official
2 requirement? We took that to mean where do we
3 see problems with not having beef feeder cattle
4 officially ID'd. And the answer we came up with
5 was in disease outbreak situations, without ID
6 trying to track down those cattle through a feed
7 lot, if they didn't have official ID, or if they
8 have any idea at all. We did kind of discuss a
9 lot of feed lots have an ear tag in cattle. And
10 the ear tag is not an official ID, but they have
11 a system in place to track those cattle back to
12 the owner who they're feeding for. So they're
13 not completely without traceability but they
14 don't necessarily have official ID in some of
15 these instances. And a lot of them do have
16 official ID already. So the last part of the
17 question was kind of interesting too. So if,
18 and that's a big if, official identification of
19 beef cattle feeder cattle is incorporated in
20 ADT, what is a realistic and practical target
21 date for making this transition? I would say
22 that we didn't come up with a good answer on
23 that one because I don't think there is a good
24 answer on that one. And just taking a show of
25

hands in our group whether it was five years, no takers. Ten year, maybe a taker, but the reality is most of our group felt like not having a solid date on a calendar in time but actually having a set of parameters, having some goals to meet in the current ADT framework before we moved onto considering ID in beef feeder cattle. So hopefully that represented what we discussed in the group and stuff. If anybody else had anything to add, please speak now. I don't think you have to forever hold your peace. But I'm sure you'll get to speak later too. Thank you.

MS. MILLIS: And again thanks to all the groups that worked so hard on coming up with those points. So I wanted to turn the floor over for a few closing remarks from Dr. Aaron Scott.

DR. SCOTT: Thank you, Debbie. I thought she was giving me this to take home with me, but I guess that's not the case. And thank you all for coming. It's been an interesting day and a lot of good information to take back, and really glad to visit with those of you that I got to

1 talk to individually and glad to be able to hear
2 what went on in the group/. I think we've had
3 some good conversations.
4

5 A few things that I would like to leave you
6 with as we all head home, besides drive
7 or travel safely for sure. Number one, I want
8 to reiterate again in APHIS, USDA we are not
9 writing a rule right now. There's nobody in an
10 office anywhere that's sitting down behind your
11 back writing down regulations. We are here to
12 hear what you have to say. This process as it
13 goes forward, this is the fifth meeting that we
14 have visited with different sectors of the
15 cattle industry. We have five more to go. We
16 will listen to everyone and visit with everybody
17 that we possibly can. There's a forum that NIAA
18 and USHA are putting on in September. Hope to
19 see some of you there. We will at that time be
20 able to compile what we've heard from different
21 folks in different places. There are already
22 some of the common themes that are that are
23 coming up from what we're hearing. If there's
24 any kind of regulatory changes that are needed,
25 those would go forward as a partnership. It's

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006

Phone: 212-346-6666 * Fax: 888-412-3655

2 not going to be government-driven; it's going to
3 be industry and partnership with our state
4 partners and with you all as well. So those are
5 some things to take home with you. I don't have
6 anything other than to say other than thank you
7 all, and it's been a long and intense day, and I
8 think some good stuff. So thank you much, and
9 be safe on the way home.

10 [END 04_Track_01.mp3]

11

12

C E R T I F I C A T E

I, Anne Edelmann certify that the foregoing transcript of 01_Track_01.mp3, 02_Track_01.mp3, 03_Track_01.mp3, and 04_Track_01.mp3 was prepared using standard electronic transcription equipment and is a true and accurate record to the best of my ability. I further certify that I am not connected by blood, marriage or employment with any of the parties herein nor interested directly or indirectly in the matter transcribed.

Signature



Date May 28, 2017

Ubiquis

61 Broadway – Suite 1400 – New York, NY 10006
Phone: 212-346-6666 * Fax: 888-412-3655