

---

# **Animal Identification, Food Traceability, and Country-of-Origin Labeling**

*The role of the State's Livestock Identification System  
in meeting these federal requirements*

---

## **Report to the Legislature**

As required by Section 1, Chapter 326, Laws of 2003

### **December 2005**

Prepared By:



WASHINGTON STATE DEPARTMENT OF AGRICULTURE

Valoria Loveland, Director

For more information or additional copies of this report, please contact:

Washington State Department of Agriculture  
Animal Services  
P.O. Box 42560  
Olympia, WA 98504-2560  
(360) 902-1987

**WSDA Web site:** <http://agr.wa.gov>

AGR PUB 300-139 (N/12/05)

Inquiries regarding availability of this publication in alternate formats should be directed to the WSDA Receptionist at (360) 902-1976 or Telecommunication Device for the Deaf at (360) 902-1996.

## **Background**

In 2003, legislation was enacted that updated the state's livestock identification laws. These laws are used primarily to verify livestock ownership, thereby preventing livestock theft. The 2003 legislation included a provision that recognized three emerging federal requirements related to the identification of livestock or meat products. The new federal requirements are driven by food safety, animal health, consumer information and economic protection needs. The provision directed that these requirements be evaluated and that the industry, with the help of the Department of Agriculture, consider whether the state's current livestock identification system would help to satisfy these requirements.

The three areas of emerging federal requirements are: country of origin labeling, animal identification, and food product traceability.

The provision of law directed the Department to establish an advisory committee representing all segments of the livestock industry to review the federal requirements and to submit a written report of its findings and conclusions to the legislature by December 1, 2005. The provision of law is in Appendix A.

## **Overview of Implementation of the Legislative Directive**

Implementation of the legislative directive has been influenced by the development and progress of the federal requirements. Two of the three areas where new federal requirements are emerging -- country of origin labeling and animal identification -- developed more slowly than envisioned in 2003. Consequently, some details of implementation vary from specifics of the legislature's direction.

The state's current livestock identification system or program, also known as the Brand Inspection program, does not have a role in meeting the federal requirements for food product traceability but may have a role in meeting the requirements of country of origin labeling and animal identification.

## **Country of Origin Labeling**

The requirement for country of origin labeling, also known as COOL, is a provision of the 2002 federal Farm Bill. It requires retailers to inform consumers at the final point of sale of the country of origin of beef, lamb, pork, fish, perishable agricultural commodities (fresh fruits & vegetables) and peanuts. The purpose of COOL is to enhance marketing of foods by giving consumers information about the sources of the food they buy. For meat animal products, COOL is to identify the country of birth, where an animal was raised and where it was processed.

Country of origin labeling was to be mandatory on September 30, 2004. However, in early 2004, the implementation of mandatory COOL was delayed until September 30, 2006 for all covered commodities except wild and farm-raised fish and shellfish. (The state's livestock identification laws do not apply to fish and shellfish.) In November 2005, Congress voted to further delay the implementation for meat products until September 30, 2008.

The need for COOL and whether it should be mandatory or voluntary is a controversial subject.

Program implementation is the responsibility of U.S. Department of Agriculture's Agricultural Marketing Service. States have no formal responsibility for country of origin labeling. There are indications, however, that states may be requested to monitor compliance, with funding provided by cooperative agreements from USDA. USDA would provide enforcement.

The state's current livestock identification system is a proof of ownership system based on inspection of live cattle and horses for recorded brands and inspection of ownership documents, as specified by state law. It may be a system that could be integrated into the record keeping requirements of COOL, however, it is too early in the development of the federal program to make a determination.

More information about the requirements and implementation schedule for COOL can be found on the USDA Web site at <http://www.ams.usda.gov/cool/>.

### **Food Product Traceability**

The federal Food and Drug Administration (FDA) adopted trace-back record keeping requirements for food commodities on December 6, 2004. Affected businesses have from one to two years to comply with the new requirements, depending on their size.

The purpose of this program is to protect the public when there is food-borne illness or contamination threatens the food supply. The basic requirement is for each party in the commercial food chain to keep records of the source of all ingredients and the destination for all products. This information must be provided to FDA within 24 hours of a request.

States have no formal role in implementing these rules or in monitoring compliance.

In the state's current livestock identification system, most inspections take place at public livestock markets, at a sale of animals between producers, or prior to moving cattle or horses out of the state. These inspections are typically at least one step removed from the commercial food chain. Complying with the FDA requirements is primarily the responsibility of the processor and distributor. Farms are specifically excluded from the requirements. At this point, it doesn't appear that the state current livestock ID system will play a role in meeting the requirements.

## *The Role of the State's Livestock Identification System in Meeting New Federal Requirements*

More information about the FDA requirements can be found on the FDA Web site at <http://www.cfsan.fda.gov/~dms/fsbtac23.html>.

### **Animal Identification**

Of the three areas of federal requirements, animal identification is the one most closely related to the state's current livestock identification system.

The purpose of the National Animal Identification System (NAIS) is to help state and federal animal health officials manage animal disease outbreaks. The goal of the system is to be able to track everywhere an animal has been within 48 hours of discovery of the disease, and to identify other animals that may have been exposed.

The December 2003 discovery of Bovine Spongiform Encephalopathy (BSE), also known as "mad cow" disease, in a Washington State dairy cow clearly demonstrated the need to improve our ability to trace animals in a timely manner. If a highly contagious disease such as Foot and Mouth Disease were to occur, time is a crucial factor in diagnosing the disease and preventing its spread. Economic impacts on producers, processors, the industry as a whole, and the state's economy can be staggering. Many animal diseases, such as tuberculosis, brucellosis, avian influenza and others, have enormous potential to affect human health as well.

Federal, state and industry representatives have joined together in a partnership to implement a system for improving animal traceability. Species involved in the NAIS include bovine (cattle, bison), equine (horses, mules, donkeys), swine, sheep, goats, poultry, ratites (ostrich, emu), camelids (alpacas, llamas) and, eventually, aquaculture. The proposed National Animal Identification System has three components – Premise Registration, Animal Identification and Animal Movement reporting.

**Premise Registration** involves the identification and registration of all locations where livestock animals live or commingle. Registration consists of the location, the producer's name and contact information and what species of animals are at the location. The premise number assigned to a location stays with that location permanently, similar to an address.

**Animal Identification** involves the identification of individual animals or groups of animals. Individual animals are identified with a fifteen-digit number, similar to a social security number. The number stays with the animal for its life. Radio Frequency Identification Devices (RFID) are the preferred method of identifying individual animals. The RFID can take the form of an ear tag, an implant or a bolus.

Groups of animals that are raised and move through the production chain as a group can be identified with a group identification number consisting of the premise number and the date the group was created. This group identification would typically be used with

poultry and swine. The group identification may also be used with cattle that stay as a group from birth to harvest as long as they are not commingled with other animals.

National workgroups, organized for each species, are defining the methods of identification for their species. This ensures that animal producers and owners are fully involved in determining what will work best for their animals.

**Animal Tracking**, the third component of the system, involves reporting the movement of identified animals or groups of animals from premise to premise. Animal tracking is the crucial component to enable traceability of disease.

### **NAIS Strategic Plan**

USDA published a draft Strategic Plan in April 2005 that calls for mandatory premise registration and animal identification in January 2008. Mandatory animal movement reporting is scheduled for January 2009.

Premise registration began in 2004 on a voluntary basis. Issuance of the 15-digit animal ID numbers is scheduled to start in early 2006. Beginning the Animal Identification component of NAIS is expected to stimulate premise registration as you must have a registered premise to purchase animal identification devices with assigned animal ID numbers.

The draft strategic plan proposes requiring states to establish a state advisory group and encourages states to legislate mandatory premise registration, animal identification and animal movement reporting even before the USDA mandatory dates.

On August 30, 2005, U.S. Secretary of Agriculture Mike Johanns announced a major change in strategy calling for the private sector to maintain the animal movement data of the National Animal Identification System. USDA stated that this change was in response to the confidentiality concerns of producers. USDA says it now envisions a system that allows databases to feed a single, privately held animal-tracking repository that animal health officials can access.

The new strategy requires the private sector to fund the animal tracking system. Of the \$33 million annually in federal funds earmarked to implement the National Animal Identification System, none will be expended for animal tracking.

USDA's guidelines call for industry to form a consortium of representatives of all animal species and enter into a Memorandum of Understanding with USDA. The initial set of requirements cited by USDA includes online 24/7 access to the data by animal health officials at no cost.

This major change in strategy for implementing the NAIS has many animal health officials wondering whether the movement tracking system and data will be functioning in the next five to ten years. The need for animal tracking to manage disease surveillance

## *The Role of the State's Livestock Identification System in Meeting New Federal Requirements*

and management is widely understood. The majority of parties involved in the implementation of the NAIS think it needs to be mandatory.

More information about the requirements and implementation schedule for NAIS can be found on the USDA Web site at <http://animalid.aphis.usda.gov/nais/index.shtml>.

### **Current Status of Animal Identification in Washington State**

WSDA began registering animal premises in January 2005 on a voluntary basis. As of November 15, 2005 there were 808 premises registered out of 34,000 estimated potential locations.

In 2004 the Washington State Legislature committed funds for a WSDA staff position to manage the implementation of the federal requirements. To date, WSDA has applied for and received two federal grants for premise registration: \$115,000 for January 2005-January 2006 and \$206,000 for August 2005-August 2006.

WSDA is currently conducting statewide education efforts to keep affected persons informed of the status of NAIS in Washington, and to promote premise registration. Presentations and discussions are occurring with beef and dairy producers and associations, cattle feeders, livestock markets, horse owners, sheep and goat associations, swine producers, llama producers, poultry producers, fair managers, extension agents and other industry representatives.

### **Agency Activity and Interaction with Industry Stakeholders**

As a first step in responding to the legislative directive, WSDA Director Valoria Loveland hosted a forum for livestock industry stakeholders on May 27, 2004 in Pasco. The purpose of the forum was both to inform participants about COOL, food trace-back and animal identification and to gather advice and concerns from the participants. Open invitations were sent to individuals and industry groups representing producers, feeders, processors, Washington State University and other industry partners. Forty people attended this all-day session. A summary of comments and recommendations from the meeting is in Appendix A of this report.

From this meeting, WSDA created a stakeholder list that has been maintained and used for communications related to the federal initiatives. So as not to duplicate functions, WSDA decided to use its existing advisory groups as a "virtual" advisory group rather than create a new group with responsibilities that overlapped the existing groups' responsibilities.

The existing groups include:

- Livestock Identification Advisory Board
- Dairy Industry Products Advisory Committee (DIPAC)
- Organic Program Advisory Board
- Food Safety Advisory Committee

Cattle and horses are the priority species for implementation of the national animal identification system. Consequently, the Animal ID program staff met with the Livestock ID Board, the Dairy Industry Products Advisory Committee and the Organic Program Advisory Board to brief members on proposed animal identification requirements and seek advice.

The Livestock Identification Advisory Board has reviewed the federal plans and made recommendations to WSDA on several implementation strategies that are listed in Appendix B.

### **The Role of the WSDA's Livestock Identification Program in the Federal Initiatives**

The state's current Livestock Identification program, also known as the Brand Inspection program, does not have a role in meeting the federal requirements for food product traceability but may have a role in meeting the requirements of country of origin labeling and animal identification.

The focus of the state's current system is ownership of livestock. The ownership of more than 6,500 livestock brands is recorded with WSDA and it is the brand that is at the heart of this long-time program. The current system protects cattle and horse owners from theft or loss by inspecting these animals for brands or other proof of ownership and transferring title when ownership changes.

The National Animal Identification program is concerned with animal location and movement, not ownership. The NAIS will collect clear identification of many species of animals and trace their movement from one location to another, regardless of the ownership status.

To a limited degree, the Livestock Identification program can meet some of the requirements of the National Animal Identification program. The program currently:

- Identifies selected animals by description and/or brand.
- Reports these animals' movements through sales yards and inspection points.
- Provides inspections of animals that could include more definitive identification of the animals such as RFID (Radio Frequency Identification Devices) tags or implants.

The role that brands can play in identifying and tracing animals is still under study in several states. The Northwest Pilot Project, administered by the state of Idaho, is looking at the question of when brands are sufficient to trace animals.

Both the Animal Identification and Livestock Identification programs at WSDA are headed up by the State Veterinarian. WSDA is committed to working with the livestock industry to ensure these programs are connected in the best way to protect animal health

## *The Role of the State's Livestock Identification System in Meeting New Federal Requirements*

and livestock ownership. The integration of the Animal Identification program with the Livestock Identification program would enhance the ownership documentation by providing unique identification to each animal inspected for ownership.

### **Discussion and Recommendations**

It has been two and a half years since the Legislature directed this review. While the federal requirements for food product traceability have been put in place, the requirements for COOL and Animal Identification have yet to be firmly established. In the absence of federal direction, the state of Washington still needs to be attentive to what it needs to better prevent and manage animal diseases, whether intentionally or naturally introduced.

#### What WSDA Needs to Manage Animal Disease Outbreaks

WSDA is responsible for preventing the spread of contagious animal diseases and controlling infectious diseases when they occur within the state. To manage a disease outbreak, animal health officials need the following information:

- Identification of diseased animals
- Location of diseased animals and animals in geographic proximity
- Other locations where the diseased animals have been
- Identification of other animals exposed to the disease by being in proximity to the diseased animals at other locations.

In a disease outbreak, time is of the essence. It is imperative that the disease be diagnosed rapidly, and contained rapidly. With every day that passes, the economic impact increases not only for the directly affected producers, but also for other industry-related enterprises, the industry as a whole, and closely related industries. For example, a crisis in the beef industry would affect the dairy, hay and transportation industries as well as other meat industries, resulting in the loss of countless jobs across the state.

Anything that improves our ability to trace animal movements and identify animals and animal premises will help to contain the disease, protect animal health, limit the economic damages, maintain consumer confidence in our food sources, and protect human health. The Animal Identification System is a crucial tool needed to manage naturally occurring or intentionally introduced animal diseases. State and federal animal health officials agree that it is not a question of “if”, but of “how soon” we have to deal with an animal disease outbreak.

#### Options for Implementing an Animal Identification program

As of November 15, USDA is still deciding whether or not to make the Premise Registration and Animal Identification phases mandatory. The third phase, Animal Movement reporting, is being turned over to the private sector. At this time it is

impossible to predict when movement reporting will begin or if it can ever be made mandatory.

The state of Washington will need a strategy for implementation of this vital program. The three options are:

- 1) Wait for the USDA to issue rules and requirements, and then follow the federal lead.
- 2) Wait for market pressures for traceable products to drive the implementation of animal identification.
- 3) Create a state program for premise registration, animal identification and animal movement reporting to protect the economic, animal and human health of the state.

In each of these options, the issue of data confidentiality needs to be addressed to protect business, animal health and proprietary information and to encourage participation in a program that benefits the livestock industries and the state as a whole. In each of these options, the question of who pays for such a system is a major issue.

It is in the interest of homeland security, agricultural business security, Washington's economic security, and, in some cases, human health protection to be able to collect or access information about animal identification, location, movement, exposure to other animals and surveillance test results.

#### More Work To Be Done

WSDA will continue to be engaged in the discussions at the national level on Animal Identification and is considering organizing a more permanent advisory group which would meet once or twice a year and include subcommittees on special topics of interest such as animal health, COOL, and livestock identification. Existing agency advisory groups would be an integral part of this broader committee. Such an advisory group would assist WSDA in reviewing options and strategies.

The requirements for national initiatives are not yet firm, and it is difficult to predict when they will be firm. The current Livestock ID program may be used to meet some of the requirements of COOL and Animal Identification. More time and discussion is needed before an answer will be known.

The state of Washington needs animal identification and tracking information to better manage animal diseases. The issues around securing this information are significant. We need to move ahead with discussions about how to achieve better disease management in our state, without waiting for action at the federal level. In the meantime, Washington needs to maintain its current livestock identification system and continue to work on strategies for meeting its animal disease management responsibilities.

Appendix A

**Section 1, Chapter 326, Laws of 2003 (SSB 5891)**

NEW SECTION. **Sec. 1.** The legislature finds that new federal country of origin labeling requirements, long-term national strategies for monitoring and reporting animal diseases, and potential food safety requirements for homeland security need to be evaluated. The legislature finds that while livestock identification laws used primarily for theft prevention are being updated, the affected industry with assistance from the department of agriculture should consider whether the current livestock identification system will help to satisfy these emerging requirements or needs to be adapted.

The department shall form an advisory committee representing all major sectors of the livestock industry to which federal country of origin labeling requirements will apply. The committee shall evaluate what mechanisms may need to be established by the public, the private sector, or both to comply with the federal country of origin labeling requirements. Included in the topics that should be examined are recordkeeping, identification, and methods of traceability of the origin of various products.

Additionally, the committee shall monitor and evaluate any requirements that may be placed on the meat products industry by federal food safety and traceability requirements as part of homeland security measures. Also, the committee shall review the national identification work plan developed by the national food animal identification task force. Participation on the advisory committee by representatives of producers of private sector cultured aquatic products is at the option of organizations representing various segments of that industry.

At the discretion of the director, additional segments of the meat products industry such as processors, wholesalers, and retailers may be invited to participate in this or another forum to more comprehensively examine these topics.

The department is to hold a minimum of two meetings of the committee and to encourage formation of informal groups involved in the food chain from the farm to the retail counter to develop an efficient strategy for addressing these issues.

The department shall submit a written report of the findings and conclusion of the advisory committee to the appropriate committees of the senate and the house of representatives by December 1, 2005.

## Appendix B

### **Stakeholder Feedback and Recommendations**

Issues and questions identified at the Director's Livestock Industry Forum, May 2004:

- Cost of Animal ID implementation – who will pay?
- Confidentiality of data – who will have access to the data? How can private or proprietary data be protected?
- Security of system – how will access to the system and data be controlled?
- Questions on how the system will work and how implementation will progress.
- Potential duplication of existing premise and identification programs (sheep and commercial poultry).

Recommendations from the Director's Forum, May 2004:

- Use WSU, Conservation Districts and Industry Organizations to get information out to affected parties.
- Support the Northwest Pilot Project, administered by the State of Idaho, to field test methods of identifying beef and dairy cattle and reporting their movements.
- Do not duplicate existing premise registration and identification programs such as the commercial poultry and scrapie (sheep) programs.
- Field test identification devices for compatibility with industry practice.

Recommendations from the Livestock Identification Advisory Board on Animal Identification at its November 2004, March 2005 and September 2005 meetings.

- Allow producers the option to have multiple premises under one account. (Nov 2004)
- Some producers may want to identify each location separately. (Nov 2004)
- Make sure there is a means for producers on tribal lands to participate. (Nov 2004)
- Encourage the registration of as many distinct premises as possible. (Nov 2004)
- For transportation firms, emphasize good record keeping. (Nov 2004)
- Keep the system feasible and simple. (Nov 2004)
- Government lands used for grazing should be the first to register. (Nov 2004)
- It is essential that WSDA's livestock inspectors are involved, but compensation (funding) is needed. (Mar 2005)

*The Role of the State's Livestock Identification System in Meeting New Federal Requirements*

- Allow both private parties and the state to distribute identification tags and devices. The state should be authorized and keep a supply of tags on hand to fill gaps of availability. (Mar 2005)
- The Animal ID program staff need to talk with feedlots and sales facilities to see what they plan to do with Animal ID and related services. (Mar 2005)
- Include extension agents for the distribution of information. (Mar 2005)
- Hold information forums on both sides of the state. The best times are late May, early June or November. (Mar 2005)
- Encourage private entrepreneurs to develop services for tag distribution, tagging and reading services for animals. (Sep 2005)
- Initially premise registration should be voluntary. At some point, WSDA needs to consider how to move from voluntary to mandatory. (Sep 2005)