

## Representing the Livestock Markets

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Good afternoon, it is a pleasure – I think – to be on this panel and bring you the livestock markets' perspective on the National Animal Identification System. I have spoken in so many different venues and on so many different occasions regarding LMA member markets' interests and concerns relative to this controversial program that most of you here could probably give my speech for me. So rather than go into the same old speech on the good, bad, and ugly of the NAIS for livestock markets, I've decided to give you a thumbnail sketch of our member markets' current thinking and mood respective to NAIS.

Basically the message from the marketing sector, whether it LMA's 725 members or our colleagues from the National Livestock Producers Association, on NAIS: they are confused; conflicted; for it, against it, and sometimes full-square in the middle depending on who they are talking to; apprehensive; doubtful; worried; in a state of denial; well-informed, somewhat informed, and very informed. Sound like someone you know?

They want to know what the program is going to cost them and their sellers and whether the costs outweigh its benefits. (Hopefully, we will have some answers to this question once the Government Accountability Office completes their cost analysis of the NAIS, including identifying the cost to the livestock marketing sector!) Is it going to slow their sales down? Are they going to have more employees and animals injured if they have to tag livestock for their consignors? Will the retrofitting of their facilities, the hiring of technical expertise, and possibly learning a whole new way of doing business be worth keeping their market open? And, if enough of them throw up their hands and seek retirement, what does that portend for maintaining an open, competitive marketing system in this country and the rural infrastructure they support?

They also have lots of questions about whether the current RFID technology is up to the demands of a fast-moving livestock auction where most animals come in and go out on the same day. Sure, low-frequency RFID technology has been shown to work in some special sale situations or under controlled circumstances, but will it work on a day-to-day basis with a market handling 5000-15,000 plus feeder calves, cows, and finished cattle on a typical sale day during the fall run? And, if it doesn't, who compensates the producer when added stress and shrink on their animals gets them fewer dollars for their livestock?

Possibly a bigger issue for market operators is the acceptance of NAIS by their sellers and buyers. Our businesses depend on getting the best price for our sellers' livestock on any given day. Thus, livestock markets have historically done a lot to promote new livestock management systems or animal ID/health programs to their consignors when the marketplace demands it, the government requires it, or it is deemed necessary for the good of the order. However, being businessmen and women, they know that the ultimate determinant of how far they can go in pushing any newly devised program is their customers. And, right now, the vibes they are getting from their customers on the proposed national electronic ID system are "Go slow or, in many cases, don't go there at all because I'm confused, concerned, skeptical, don't understand it, don't know what it is going to cost me, don't know how I'm going to do it, and so on." Thus, take the consignors concerns and top it off with the markets particular worries and what you have, right now at least, is almost total inertia in the marketing sector when it comes to implementing NAIS in our operations. And, can you blame us given there seems to be so few reliable answers to our consignors' questions as well as our own?

I'm going to close by speaking as much for myself, as an industry spokesperson, as for the marketing sector on how the NAIS has been explained and sold to industry stakeholders. Many of us in the livestock industry entered the NAIS effort, thinking we were developing an animal

health program intended to better protect the livestock industry in the event of a foreign animal disease outbreak or act of bio-terrorism. And, then that very rudimentary, untested plan spun out of control with the BSE findings in North America.

Since then, the livestock industry stakeholders have been continually whipsawed with one approach and then another for implementing the plan and why it is necessary to the industry and the nation. Some days the program is voluntary, and some days it is mandatory. Some days NAIS is an animal health program, and then other times it is for consumer acceptance/food safety. More recently it has been touted as necessary for global trade purposes. And, some days we get the “perfect storm” with all three coming into play. All meaning that a significant information gap has developed out in the country that is often fed by wrong information – sometimes intentional and sometimes not – bad information, or no information.

Meanwhile, through all the NAIS hype and confusion, critical issues of the cost and funding for NAIS, technology implementation, liability issues for producers, industry impact, and other significant concerns of producers and marketers go largely unanswered. Is that the fault of government? **YES!** However, given the politics and various interest groups involved, we should not be entirely surprised by that. Is it the fault of the livestock industry? **YES!** As we have paired off in our various camps trying to carve out our own piece of this pie, we certainly have contributed to the NAIS confusion and skepticism.

What is the answer to this conundrum in which we now find ourselves? Hopefully that will become clearer after this symposium. For sure, we need to get back to a common understanding of the purpose of NAIS and what it can and can't do; answer, as much as possible, all the questions that producers and markets have about its implementation, costs, and feasibility; and resolve once and for all if this is a voluntary, market-driven program or the precursor to a mandatory national program to be implemented before we are ready for it.

Thank you, I look forward to your questions – I think!