

# United States Senate

WASHINGTON, DC 20510

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ON INVESTIGATIONS

March 12, 2009

The Honorable Tom Vilsack  
Secretary  
U.S. Department of Agriculture  
Washington, DC 20250

Dear Secretary Vilsack:

I want to take this opportunity to express the concerns I have about the U.S. Department of Agriculture's (USDA) proposed rule to fully implement the National Animal Identification System (NAIS). Over the past several months, Missouri producers have been sharing with me concerns about the costs and effectiveness of this program. In light of these concerns and the fact that Missouri is one of four states prohibiting mandatory premises registration programs, I do not support implementation of NAIS and believe, particularly under the current economic conditions, now is the wrong time to implement this rule.

Since 2002, USDA has been attempting to develop the NAIS program. The Department has spent over \$130 million since 2004. Yet, according to GAO reports, the agency has been unable to produce a workable plan. Moreover, the costs of NAIS will burden small and mid-sized and exceed the purported benefits. As the number two calf-cow state in the nation, Missouri cannot afford for USDA to go forward with an unproven program.

According to economic analysis conducted at Kansas State University, the cost of implementation for a family farm with 100 head of cattle would be approximately \$16.00 per head, or more than *twice* as much as that of a large producer with 400 head of cattle. With the average-sized cattle operation in the United States at 44 cows per herd, most producers are likely to incur costs that are considerably more than the \$16.00 per head estimated for a herd size of 100. Further, these costs are calculated before taking into account the time costs that small and mid-sized producers would face through paperwork and reporting for this system.

USDA generally defends NAIS using two arguments. The first is food safety. However, given that the vast majority of meat recalls due to food borne illnesses have been at the processing level and not at the producer level, with this rule USDA is placing the burden at an inappropriate stage of the process. The second argument is that NAIS will open markets currently closed to U.S. meat exports resulting in larger profits for producers. Yet, Brazil, the largest exporter of beef in the world, does not currently have an animal identification system. Additionally, in 2003-2004, when U.S. beef

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exports fell to a 19 year low, Missouri producers had their most profitable year since 1990.

When you consider the costs of this program with the level of benefit received by the producer, the facts do not make the case for NAIS. The current economic downturn has further stretched producers beyond the breaking point. It does not make sense to place such a significant and unjustified financial burden on our independent producers, particularly when we cannot value the benefit.

Thank you for your consideration of my concerns. I look forward to receiving your response.

Sincerely,



CLAIRE MCCASKILL  
United States Senator