



National Milk Producers Federation

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"Connecting Cows, Cooperatives, Capitol Hill, and Consumers"

April 15, 2009

Agri-Mark, Inc.
Arkansas Dairy Cooperative Association
Associated Milk Producers, Inc.
Continental Dairy Products, Inc.
Cooperative Milk Producers Assn.
Dairy Farmers of America, Inc.
Dairymen's Marketing Cooperative, Inc.
Dairylea Cooperative Inc.
Ellsworth Cooperative Creamery
Farmers Cooperative Creamery
First District Association
Foremost Farms USA
Humboldt Creamery
Just Jersey Cooperative, Inc.
Land O'Lakes, Inc.
Lone Star Milk Producers, Inc.
Manitowoc Milk Producers Coop.
MD & VA Milk Producers Cooperative Association, Inc.
Michigan Milk Producers Assn.
Mid-West Dairymen's Company
Northwest Dairy Association
Prairie Farms Dairy, Inc.
St. Albans Cooperative Creamery, Inc.
Scioto County Co-op Milk Producers' Assn.
Select Milk Producers, Inc.
Southeast Milk, Inc.
Swiss Valley Farms, Co.
Tillamook County Creamery Assn.
United Dairymen of Arizona
Upstate Niagara Cooperative, Inc.
Zia Milk Producers

Secretary Tom Vilsack
U.S. Department of Agriculture
1400 Independence Ave., S.W.
Washington, DC 20250

Dear Secretary Vilsack:

Thank you for inviting the National Milk Producers Federation (NMPF) to comment on the National Animal Identification System. The National Milk Producers Federation, based in Arlington, VA, develops and carries out policies that advance the well being of dairy producers and the cooperatives they own. The members of NMPF's 31 cooperatives produce the majority of the U.S. milk supply, making NMPF the voice of more than 40,000 dairy producers on Capitol Hill and with government agencies.

NMPF supports mandatory animal identification for the livestock industries. Animal ID is paramount in maintaining animal health in every dairy herd. While identifying animals and premises cannot prevent disease, any more than licensing automobiles can prevent accidents or theft, identification is essential to speeding a timely response, and minimizing the spread of potentially devastating consequences. It will be difficult to track and control the spread of a contagious disease without real-time knowledge about where animals are located and where they have been.

First, I want to provide you with a quick overview of the dairy industry to place in perspective our need for mandatory animal ID. In 2008, the 57,127 commercially licensed dairy farms produced nearly 190 billion pounds of milk from 9.33 million dairy cows, generating nearly \$38 billion in dairy-related income. Additionally, dairy producers alone have more than \$110 billion dollars invested in their farms, including dairy cows, herd replacements, buildings, machinery, and land. Mandatory animal ID is a collective insurance policy for the dairy industry to protect our markets and our assets.

The dairy industry has taken a strong proactive stance in advocating for mandatory animal ID. NMPF standing policy supports:

Jerry Kozak, President/Chief Executive Officer

Randy Mooney, Chairman

www.nmpf.org

- *“the establishment of a mandatory national animal identification system (NAIS) at the earliest possible date for reporting livestock movements in the U.S.;*
- *adoption of International Organization for Standardization (ISO)-compliant radio frequency identification device ear tags for the cattle industry; and*
- *one centrally-managed national database, which facilitates ready access to essential tracking data by all state and federal animal health authorities on a real-time basis, while safeguarding producer confidentiality.”*

IDairy

In 2005, a coalition of six dairy organizations that serve many thousands of dairy farmers – the American Jersey Cattle Association, Holstein Association USA, Inc., National Association for Animal Breeders, National Dairy Herd Improvement Association, National Milk Producers Federation and Dairy Calf and Heifer Association – formed a group called IDairy because we collectively believe that our industry will be best served when all dairy operations, and ultimately, all dairy cows, are identified in a national central database. IDairy believes that a national animal identification system can both protect farmers' privacy, and also allow for immediate access of relevant information in the event of a food safety crisis that could endanger the entire dairy chain.

IDairy has worked vigorously to implement animal identification in the dairy industry. IDairy has adopted RFID tag technology standards to allow tracking of animals at the speed of commerce (attached). Additionally, IDairy has selected the National FAIR database as the preferred private database for dairy animals to keep the confidentiality of data with government access only occurring in the event of an animal disease outbreak where tracking information is required. National FAIR has been administered by Holstein Association USA, Inc. for a decade and is used by the State of Michigan for their animal tracking database.

In 2007, NMPF (on behalf of IDairy) and USDA entered into a cooperative agreement to promote premises registration within the dairy industry as part of the National Animal Identification System. By working collectively with USDA, States, and industry, IDairy estimates that nearly 75 percent of dairy producers have registered their premises as part of the National Animal Identification System. Many states, including Michigan, Wisconsin, Idaho, New York, Pennsylvania, Indiana, Utah, Nevada, Mississippi, Massachusetts and South Carolina, have more than 90 percent of their dairy producers participating in premises registration (see attached map for complete state level estimates). However, until animal ID becomes mandatory, obtaining the last 25 percent participation will be difficult.

Impacts

Animal identification is extremely important in reducing the effects of a foreign disease outbreak in the U.S. cattle population. For example, the cost to the dairy industry of an outbreak of Foot and Mouth Disease in the U.S., based on recent

epidemiological studies, would likely be quite serious. A 1999 University of California at Davis study estimated that a foot-and-mouth disease outbreak limited solely to California's South Valley would result in the destruction of 20% to 100% of the region's dairy herds. Resulting losses of milk production plus the containment and depopulation costs are conservatively estimated at \$325 million to \$1.75 billion, adjusted for 2007 prices.

A 2007 study published in the Journal of the American Veterinary Medical Association demonstrated that an outbreak spread through a sale barn or state fair could be multiplied by 10- or 20-fold, as would the dairy industry's cost, to as much as \$30 billion or more. Finally, even a quickly contained foot-and-mouth disease outbreak could close overseas markets to U.S. dairy export sales. These were worth nearly \$4 billion in 2008, and the loss of these sales would have an additional, disastrous impact on U.S. milk prices.

Critics

There has been much press given to small groups that are vehemently against protecting our nation's livestock through a mandatory animal ID program. We believe it is a great injustice to let this small minority stifle the efforts of hard working dairy producers to engage in mandatory animal ID to protect the collective assets of the industry.

The cost of official 840-RFID eartags is approximately \$2 each or less than 40 cents per year during the lifetime of a dairy cow. Lifetime tracking in the National F.A.I.R. database for IDairy members is 5 cents per animal and animals do not need to be identified nor put into a tracking database until the animal leaves the farm of origin. We believe this small cost of doing business is an important part of the dairy industry's collective insurance policy.

Much ruckus has been made about data privacy issues. NMPF shares concern over privacy of data, but we believe that this data is sufficiently protected. USDA has well thought out agreements for private databases to ensure privacy and confidentiality of producer data. Indeed a recent federal court ruled records collected through NAIS are protected by the U.S. Privacy Act.

Moving Forward

While some bemoan using animal ID successes in Australia and Canada as models for the U.S., we can look to the success of mandatory animal ID for cattle in Michigan. Due to bovine tuberculosis endemic in wildlife, Michigan has successfully implemented a mandatory animal ID system for cattle. All premises with cattle have been registered and once an animal leaves its farm of origin it must be tagged with an official 840-RFID tag. Michigan uses the National F.A.I.R. database for animal tracking, TB test results, and movement permits.

This Michigan model could serve as the roadmap for USDA to move forward with a mandatory animal ID program. We applaud USDA for already making requirements for official disease programs consistent with the National Animal Identification System and urge USDA to use its existing authorities (outline by USDA's Chief Veterinarian John Clifford during a Congressional Hearing on March 11, 2009) to move forward with mandatory animal ID.

USDA also needs to move beyond technology neutrality and embrace RFID as the appropriate animal identification for cattle to allow tracking at the speed of commerce. USDA could assist in the rapid deployment of official 840-RFID tags through a cost-share program. Additionally, there is a need for RFID infrastructure through the marketing chain at auction markets, slaughter facilities, rendering facilities and other places to assist with animal tracking.

Through state permits of dairy farms, production records, and treatment records, the dairy industry effectively has all of their farms registered and animals identified anyway. The only missing link is a system to keep track of animal movements that everyone participates in. We believe the key to an effective animal ID system is to have all producers involved, and to do so it must be mandatory.

As you can see U.S. dairy farmers have been very proactive in support of mandatory animal ID. Because of the importance of animal ID as a collective insurance policy for the dairy industry, we respectfully request that mandatory animal ID become a priority for USDA. If this is to truly be a New Era of Responsibility, we need to be mindful that preparing for a quick and effective response to emergencies lies at the heart of responsible animal health system.

Sincerely,

A handwritten signature in black ink that reads "Jerry Kozak". The signature is written in a cursive, flowing style.

Jerry Kozak
President & CEO

w/enclosures