Livestock Traceability: What You Need to Know

In 2011, the U.S. Department of Agriculture (USDA) announced its latest attempt to create a national animal traceability program, despite close to a decade of widespread opposition from ranchers and $100 million allocated on a previous, failed attempt.1

Although the USDA traceability program would apply to all livestock, the major focus is on cattle, with requirements that each individual animal be tagged.2 Other animals, like swine and poultry, would also need individual tags — but many of the largest operations, including most factory farms, would only be required to provide one tag for an entire group of animals,3 significantly lowering their costs to participate compared to smaller producers who deal with their animals individually.

The cattle portion of the proposal has small and independent cattle producers worried. Designed to tag and trace every head of cattle that moves across state lines, the newest USDA animal ID program is advertised as essential to containing animal disease outbreaks and protecting the long-term viability of animal agriculture in the United States.4 In reality, this traceability program is devised to agribusiness and could hurt small cattle producers.

The problems with the USDA’s implementation of this traceability program are all the more apparent in light of the many more pressing issues that USDA is not addressing: dangerous slaughterhouses practices that increase the risk of foodborne illness, the growth of the factory farm model, and abusive market practices by the handful of corporations that control meat processing. Addressing any of these issues would have a far more beneficial impact on producers, consumers and markets than a poorly designed animal traceability program that could do more harm than good.

Export Obsession

Following the discovery of mad cow disease in the United States in 2003, U.S. beef exports dropped dramatically as foreign markets, like Japan, banned or restricted U.S. beef.5 The export market never fully recovered,6 and the beef industry has been pushing traceability as the way to get U.S. beef back into these markets.

The U.S. Meat Export Federation (USMEF), a group led by large meatpackers such as Tyson and Smithfield,7 published a 115-page economic analysis of traceability in 2011, funded by the USDA, that concluded that U.S. exports of beef are at risk without an animal traceability system.8 This is because some trading partners require that imported beef be traceable.9

Currently, for U.S. beef to reach strict export markets like Japan, producers must participate in USDA certification programs that verify certain aspects of their beef, including aspects of traceability like its age or source.10 Producers who participate in these programs, which carry a cost, are rewarded with a premium — as much as $25 per head of cattle.11

Enabling Corporate Concentration

Independent ranchers have noted that the USDA’s proposed traceability program would likely erase these premiums by making traceability mandatory, giving corporate meatpackers export-ready beef at no cost.12 Four corporations currently slaughter more than 80 percent of the cattle in the United States.13 Such corporate concentration has been widely criticized for anti-competitive market activity that damages small producers.14 The USDA’s traceability program, by giving corporate meatpackers yet another economic advantage — paid for by livestock producers — seems designed to expand corporate concentration. This has an impact on consumers, too, who will pay higher prices and have fewer choices in the marketplace if more small producers leave the business.

Nearly 20 percent of U.S. beef cow operations have disappeared over the last 25 years, ceding their marketshare to ever-larger operations.15 Even after this shift, 80 percent of beef cow operations still have fewer than 50 head of cattle.16 It is these small producers who are most financially vulnerable in a marketplace dominated by a few large...
meatpackers and who cannot afford a costly new traceability program.

A previous, failed attempt by the USDA to initiate a traceability program, called the National Animal Identification System, revealed that the smallest producers would pay more to participate than the largest producers, with some estimates putting the number as high as $40 per head of cattle for the smallest producers. These estimates did not factor in lost revenue from premiums, meaning the actual costs could be much higher. By contrast, the USMEF economic analysis found that traceability would cost the largest meatpacking plants only 16 cents per head of cattle to participate.

Part of the reason that small producers are disproportionately affected is because of the time, labor and technology that a traceability program could require. Electronic traceability, including chipping animals with radio frequency identification (RFID) devices, could work well on the largest operations, which can more easily absorb the cost of setting up the system. But on small farms, adopting a host of new hi-tech infrastructure introduces significant costs, a point that both the USDA and USMEF acknowledge in their economic analyses.

Misplaced Priorities

It’s not just the meat industry that is obsessed with expanding exports. The USDA gives the U.S. Meat Export Federation around $20 million a year, providing more than half of the group’s revenue. USMEF’s members include Cargill, JBS and Monsanto, and its executive committee includes Tyson, Smithfield, the National Cattlemen’s Beef Association and the National Pork Board.

While the USDA partners with the USMEF on its advocacy work in favor of animal traceability, independent ranchers and consumers continue to express great opposition to the program and to its high costs, nebulous benefits to animal health and potential to expand corporate concentration.

Instead of focusing on how to help meat companies expand their export business, USDA should be focusing its resources on preventing the animal diseases that keep U.S. beef out of foreign markets. State and federal disease prevention programs already exist for many animal diseases. Others, like avian influenza and mad cow disease, are tied to practices used by large industrialized operations that confine thousands of animals together. Ironically, although USDA and the beef industry devoted a lot of effort to reassuring consumers after mad cow disease was discovered in the United States in 2003, many of the practices that could strengthen prevention efforts, such as testing cattle for the disease and enforcing rules for removal of risky materials from cattle carcasses, are still not in place.

When trying to sell the traceability program to U.S. audiences, USDA tends to invoke improving meat safety as a selling point for the program. But the current proposal does not offer consumers any assurances of food safety because the traceability it offers ends when the animal gets to the slaughterhouse and doesn’t help the government, processors or retailers track contaminated meat back to its source.

Instead of trying to force small producers into a livestock traceability system they cannot afford, USDA should reframe its priorities on protecting consumers by strengthening meat inspection procedures that would let them find the source of contaminated meat, and strengthening the programs to prevent animal diseases in the first place.

Endnotes

10  USDA Agriculture Marketing Service. December 12, 2005; U.S. Meat Export Federation. March 2011 at 7. (USMEF based its economic analysis on the “core assumption” that traceability will require age verification.)
15  USDA Agricultural Census. 2007 at 7, 19. Between 1982 and 2007, the number of farms with beef cows dropped by 20.1 percent; over the same time period the total number of beef cows dropped by less than 4 percent.
16  USDA Agricultural Census. 2007 at 19.
19  Ibid. at 35-46; USDA “Benefit-cost analysis of the national animal identification system.” January 14, 2009 at Tables 4.2—4.3.