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(FORM UPDATED: 08/11/2010)

## WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

**2003-04**

(session year)

**Assembly**

(Assembly, Senate or Joint)

**Committee on Agriculture...**

### **COMMITTEE NOTICES ...**

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

### **INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL**

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)  
(**ab** = Assembly Bill)                      (**ar** = Assembly Resolution)                      (**ajr** = Assembly Joint Resolution)  
(**sb** = Senate Bill)                              (**sr** = Senate Resolution)                              (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

\* Contents organized for archiving by: Stefanie Rose (LRB) (August 2012)

AssemblyRecord of Committee Proceedings**Committee on Agriculture****-3171/3**

Relating to: registration and identification of livestock premises, granting rule-making authority, and making an appropriation.

December 29, 2003 Referred to Committee on Agriculture.

January 8, 2004 **PUBLIC HEARING HELD**

Present: (15) Representatives Ott, M. Williams, Ainsworth, Petrowski, Kestell, Suder, Hines, Loeffelholz, Towns, Gronemus, Plouff, Balow, Vruwink, Hebl and Molepske.

Absent: (0) None.

Appearances For

- Secretary Rod Nilsestuen, DATCP , Madison
- Tom Lyon, DATCP, Madison
- Gary Tauchen, Dairy Business Association/Wisconsin Livestock Identification Consortium, Bonduel
- Linda Hodorff, Wisconsin Holstein Association/Wisconsin Livestock Identification Consortium, Eden
- Dave Matthes, Wisconsin Independent Livestock Dealers Association, Viola
- Jim Matthes, Matthes Farms Auction Market, Viola
- Robert Fourdraine, Wisconsin Livestock Identification Consortium, Verona
- Dan Catherman, American Veal Association, Wisconsin Dells
- Deb Reinhart, Professional Dairy Producers of Wisconsin/Gold Star Farms, New Holstein
- Kevin Jorgenson, East Central Select Sires/Wisconsin Livestock Identification Consortium, Waupun
- Peter Giacomini, Cooperative Resources International, Verona
- Paul Zimmerman, WI Farm Bureau Federation, Madison

Appearances Against

- Terry Quam, Wisconsin Cattlemen's Association, Lodi
- R.F. (Dick) Hauser, Wisconsin Cattlemen's Association, Richland Center
- Lynn Harrison, Wisconsin Pork Association, Elk Mound

Appearances for Information Only

- Ben Brancel, Farm Service Agency - USDA, Madison
- Larry Cutforth, Farm Service Agency - USDA, Madison
- George Roemer, Hartford
- John Exner, Midwest Food Processors Association, Madison

Registrations For

- John Manske, Wisconsin Federation of Cooperatives, Madison
- Rick Watters, Madison
- Dr. Robert Ehlenfeldt, DATCP, Madison
- Laurie Fischer, Dairy Business Association, Oneida
- Dr. Robert Shull, UW Wisconsin Veterinary Diagnostic Lab, Madison
- Dr. Charles E. Brown III, ABS Global, Inc., De Forest
- Norbert Brandt, Wisconsin Independent Livestock Dealers, Eagle River
- Don Hamm, National Farmers Organization/Wisconsin Farmers Union, Fredonia
- Judith Hooks, Galena, LLC, Prairie du Sac
- Mary Hasheider, Honey Creek Heritage Farm, Sauk City

Registrations Against

- Jack Cummings, Wisconsin Cattlemen's Association, Endeavor
- Bryon Freeman, Wisconsin Cattlemen's Association, Whitewater
- Deborah Gay, Wisconsin Pork Association, Reeseville
- Teresa Lyon, Maple Lawn Farm, Westfield
- Deane Thomas, Cobb

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Erin Napralla  
Committee Clerk



**Testimony to Assembly Committee on Agriculture**  
**January 8, 2004**  
**Peter D. Giacomini**  
**Cooperative Resources International**

I am Peter Giacomini, Chief Operating Officer of AgSource Cooperative located in Verona, Wisconsin. I am here to comment today on behalf of Cooperative Resources International, the holding cooperative of AgSource, headquartered in Shawano, Wisconsin.

CRI is owned by 50,000 U.S. dairy and livestock producers. In addition to AgSource which provides agricultural testing services, CRI is the holding cooperative for Central Livestock Association, a livestock marketing cooperative, and Genex Cooperative, one of the largest cattle breeding organizations in the world. Our strongest investment and member base is in Wisconsin where we have over 10,000 members, 300 employees, and five physical locations in addition to an extensive marketing and service presence. CRI exports cattle semen, embryos and other products to over 60 countries around the world. We have 1,400 employees throughout North America and our revenues exceed \$100 million annually.

Today I will convey three basic messages:

1. How one cow in the State of Washington has impacted our cooperative and our farmer members.
2. The potential devastation should other outbreaks occur, and,
3. Why premises registration and animal identification is critically important to our cooperative and the producers we serve.

If we were waiting for a concrete example of why we need to support premises registration and animal identification in this country the wait is over. Discovering one positive cow for BSE on December 23 illustrates why we need to upgrade the U.S. livestock ID system.

The impact of this discovery on livestock producers and on U.S. beef exports has been extensively discussed. However, the ramifications are greater when one considers its impact on organizations like ours who serve and support livestock producers, who employ thousands of people across Wisconsin, and who provide a significant means of economic strength to the State.

The impact on CRI was immediate. To Central Livestock, our greatest concern is the drop in cattle prices and the impact on profits to our members. Producer uncertainty has had an almost paralyzing affect. This week, cattle through our auction markets are 30-40 percent below normal and one scheduled auction has been cancelled.

To Genex, the primary impact has been the immediate shutdown of international markets representing millions in annual sales. To date, the borders of over 20 countries have been closed to U.S. semen and embryos. Also affected are international alliances involving the joint ownership and exportation of live bulls.

Our member board and management staff is reacting to the impact, but it has been very much a moving target. At this time we are estimating the loss in net profit to CRI from this one BSE cow will be well over a million dollars, a significant portion of our expected and normal profit margins in a year.

As much as this single cow is impacting our industry and our business, it could have been far worse. We are fortunate the farm records were able to identify from where this cow was purchased, and that it is just one cow, now found to be originally sourced from out of the country. As great as the impact of one BSE cow has been, it pales in comparison to what the outbreak a disease such as Foot and Mouth would have. In 2002, when Foot and Mouth was discovered in The Netherlands, it had a devastating impact on CR-Delta, an organization very comparable to CRI in size and scope. In a 16 week period, CR- Delta

lost over \$10 million in profitability and \$15 million in cash reserves. They reduced their 1,100 employee work force by 400. In four months they lost what it took years to build and will take years to recover. Even so, the Dutch impact was far less than it was in the United Kingdom. This, in part, was attributed to the extensive ID and traceback system the Dutch had in place that allowed them to contain the outbreak much more quickly - a critical advantage with a disease that spreads so violently and rapidly. That system was also credited as the reason that BSE was far less devastating in The Netherlands when discovered there in the late '90's.

Recognizing that our current situation could be worse, it could have been much improved had a premises and animal identification system been in place:

- While we were able to eventually source this cow, it took almost a week. In that time both her stated age and country of origin changed and the confidence of both the domestic consumer and export customers was undermined. We have yet to trace the other animals that entered the U.S. from Canada with her. Yesterday it was announced that 450 calves had been killed because the one that was her son could not be identified. We believe USDA has performed admirably under the circumstances, but the basic information that could have allowed them to react even more quickly and effectively has hampered their effectiveness.
- Many countries now have fully implemented animal ID systems with 24-48 hour traceback. This has not only reduced their risk but is emerging as a tremendous advantage in the international sale of livestock products, and in our case cattle genetics.
- As much as we would like to minimize this episode because the cow was from Canada, we cannot assume it will be the last, or treat it as an aberration. In reality, we should consider ourselves very fortunate that this is our first exposure to such an incident. We also should consider the additional impact had she been in Wisconsin rather than Washington.

Fifteen years ago I attended my first meeting where national livestock ID was discussed. Since then, the risks have escalated, the potential costs of existing without it have been more clearly demonstrated, and the necessary technology has become more affordable and available. It is very apparent that in our global agricultural community it is impossible to protect consumers and producers through the imposition of only precautionary rules and regulations. We believe it is absolutely basic to animal agriculture that an ID system must be developed to safeguard the consumer and all associated with animal production.

We believe a national ID program is vital to our business. However, animal health regulations are primarily the responsibility of individual States. We applaud the efforts of the Wisconsin Livestock Identification Consortium and this proposed legislation in advancing identification programs. Livestock production, especially dairy, is so important to the Wisconsin economy that we must be a leader in this endeavor.

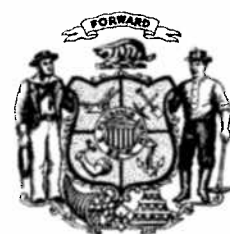
On behalf of the 1,400 employees, 50,000 livestock producers and our farmer Board of Directors, we encourage appropriate legislation and action steps be put in place immediately.

Thank you.

\* Do not let deliberation on details hold this important step up.



WISCONSIN STATE LEGISLATURE



**Testimony of:** Lynn Harrison for the Wisconsin Pork Association  
**Before:** The Assembly Committee on Agriculture  
**Date:** January 8, 2004  
**Regarding:** DATCP Briefing on BSE, and LRB-3171/3

Good afternoon Chairman Ott and members of the Committee. My name is Lynn Harrison. I am a member of the Wisconsin Pork Association Board and I am appearing here today on behalf of the Wisconsin pork producer members of the Wisconsin Pork Association (WPA).

**I. BSE Not a Disease Contracted by Swine.**

First, I would like to emphasize that BSE is not a disease that is contracted by swine. Nonetheless, the pork industry is affected by the concern created by the discovery of a BSE infected dairy cow in Yakima, Washington, which has accelerated the national discussion about the quality of our nation's animal and premises identification systems. We congratulate the Wisconsin Legislature, the Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) and the State Veterinarian, Dr. Robert Ehlenfeldt, for promptly addressing this issue.

**II. WPA Supports a National Uniform System of Premises and Animal Identification.**

The WPA and the National Pork Producers Council (NPPC) are both on record in favor of a uniform national system of premises and animal identification. This is not a new position. Our state and national associations have held this position for quite some time.

**III. WPA Opposes LRB 3171.**

However, we are opposed to a piecemeal approach to premises and animal identification by the states, including Wisconsin. Therefore, we are opposed to LRB 3171 because it is inevitably going to create a statute that is inconsistent with federal standards, which are currently being developed by the USDA in Washington, D.C. We deserve to participate in a uniform national solution to this issue.

We hope, and expect, that we will not have to wait long before "uniform" national standards are made available to us. The U.S. Secretary of Agriculture, Ann



Veneman, has assured the nation, repeatedly, in the last several weeks that those standards are being "expedited".

#### **IV. Wisconsin Farmers Deserve Uniformity of Treatment in the Marketplace.**

The Yakima BSE crisis has taught U.S. citizens what farmers have known for a long time: animal disease does not respect state or national boundaries.

Our animal slaughter is regulated under federal standards. We have been assured that, soon, our premises and animal identification system will be set by a national standard. We are a part of the national marketplace and we deserve to participate in a national identification system, not one that is unique to Wisconsin and will inevitably be inconsistent with the national system that the USDA is formulating.

#### **V. WPA has Additional Concerns with the LRB.**

We are not here today to debate the content of LRB 3171 because we believe the concept of state-specific premises identification is premature.

Nonetheless, we must comment on one part of the proposal that really caught our attention. That is, the fee that is to be charged farmers to become registered under this proposal.

We believe that BSE is a consumer protection issue. We believe that the consumers should be paying for the cost of imposing this program on farmers. The nation's farmers may win or lose this argument (which is also currently being debated in Washington). If we lose the cost allocation issue, then we must lose it on a nationwide level, not just in Wisconsin.

We do not intend to further disadvantage our members in the national marketplace with a fee imposed by our state unless the farmers we compete with throughout our country suffer the same fate in their home states. Until the USDA writes rules on this issue, it is inappropriate for Wisconsin to impose this new fee on us.

Thank you for allowing me to testify today. I would be happy to answer any questions.



## WISCONSIN CATTLEMEN'S ASSOCIATION

To: Assembly Agriculture Committee

January 8, 2004

R. F. (Dick) Hauser, V. P. Legislative Affairs

Thank you for the opportunity to speak against LRB 3171. I want to be sure that you understand WCA and I personally, are not opposed to animal identification but believe that this bill, if adopted, would greatly disadvantage Wisconsin in the marketplace. We totally subscribe to the National Identification Work Plan---Long-term Objective: To establish an animal identification and information system that has the capability to identify all premises that had direct contact with a foreign animal disease within 48-hours after discovery.

We have or will hear about all the problems we have in the cattle industry. While others can talk about it, I personally am experiencing it. All of my 2003 calf crop is still in my pen. Because I had sold some land during the year with a capital gains liability, it seemed prudent to market my calves after January first. We all know what happened December 23<sup>rd</sup> and while I am a small farmer I can quite comfortably estimate a loss of \$110.00 per head or more than 20% of my cattle income. Because of this situation it is easy to make a knee jerk reaction and jump onto the idea that we have to do something. I believe it is better to do nothing than to do the wrong thing.

The bill that has been presented has a number of problems not the least of which is a very muddled way of designating new fees imposed on farmers. Additionally, with being touted as a health and food safety issue on a national basis, it may be reasonable to believe that federal money could be forthcoming. However if we were to agree to a fee stipulation at this time, it may well set a precedent that will allow the feds to not put forth the required funds to pay for this program.

Section 95.51, (2),4. refers to using standards and guidelines from the national animal I. D. plan. Just a few days back I listened to a professor from the University of North Dakota who also has a cattle operation explain that based on the national plan, when he moves bulls form one pasture to another he would be required to report each time and location. Another scenario I would like you to think about is suppose that I, as a producer take

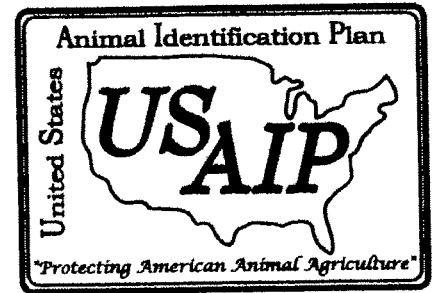
20 of my calves to market. For sake of understanding let's assume they are all black angus. According to this bill I need to identify them with a premises I.D. When they get to market, the marketing institution needs to put on their premises I.D. Now the normal method is to separate the steers and heifers. Then they will sort off the top one or two and the bottom few. This means that we may well have six groups from my original group. Now, we sell to several feeders each of whom will buy 1,2,5,10,20 lots. This feeder operator takes these animals home and is to put his premises I.D. on these cattle. Finally, he sells them in small groups as they are ready, to a packer. This I believe presents several problems. If all we have is premises I.D. and some one in the chain of events does not complete the required paper work, and a problem is found at slaughter, will the trace back liability fall on me when I have not had control of the animal for the last half of it's life? How will all of these animals be tracked with no individual animal I.D.? Is there any possible way for premises I.D. to work without Animal I.D.?

Another problem that will soon emerge is illustrated by this example. As the cattle feeders come to realize the overburdening amount of paper work imposed by this proposed bill, they will start to seek out only large groups of cattle from a single source. Thus, this bill will have the unintended consequence of helping the large producer at the expense of the small farmer. The family farm takes another hit! And only in Wisconsin!

One of the enforcement tools put forth is the withholding of payments to owners of animals that the DATCP orders killed. In checking with the Department I was informed that the money comes from GPR but also some of the money comes from the federal government and I have been informed that it may be illegal for the state to withhold that money from producers.

I have a letter from the United States Animal Identification Plan which I have included with my prepared testimony, but will at this time will read one paragraph. See separate handout.

I have tried to outline for you some of the reasons why this bill is not ready for implementation. Please consider the plight of the producer who would need to deal with the added costs, market depression and then the federal law which will be coming soon. Please allow the present voluntary system to continue, but do NOT enact mandatory rules which may soon be inconsistent with the USDA plan..



**Date:** December 8, 2003

**To:** State Cattle Associations and Beef Breed Registries

**From:** Gary Wilson, USAIP Steering Committee Member and Cattle Species Working Group Leader

**Subject:** Important points of clarification regarding national identification

The National Identification Development Team, through many meetings and hours of collaboration, has made significant progress in 2003. We are pleased the United States Animal Health Association strongly accepted the US Animal Identification Plan (USAIP) at its 2003 annual meeting this past October. The resulting resolution, which is enclosed, directs the USDA to move forward with certain elements of the plan.

While much progress has been made, it is important that you understand that no immediate participation or implementation is necessary. The USAIP is a "work in progress" document. Many issues remain unresolved to implement a program of this magnitude. Additionally, much of the "foundation" information system needs to be established before the program can actually be introduced. While some initiatives and programs are anxious to start or convert to the set of rules defined in the USAIP, there is no urgency for any organization to implement the requirements defined in the plan. It is premature to contract with any company who claims to be a "certified" provider of any component of the national identification program. The details, qualifications, or process to recognize any organization as such has not been established.

It is important to recognize that the federal and state governments have the responsibility, working with industry, to maintain the health of the US herd. The industry needs this partnership to ensure our program is recognized as an official program worldwide. The roles and responsibilities of the USDA and the States for achieving this will continue, and the industry will have certain opportunities to "fit" into the overall structure to ensure the program meets the needs of the producers.

The USDA is taking necessary steps to incorporate the agreed to standards in the Code of Federal Regulations (CFR). This will allow the standards from the USAIP to be recognized as official for interstate movement and certain animal health programs. Once the standards become recognized in the CFR and the process for utilizing the standards is released, then the industry will be encouraged to incorporate them into its programs. The USDA will continue to support projects through cooperative agreements that support the development and testing of components within the USAIP. This approach will minimize the system conflicts and errors as the program is implemented.

In closing, let me reiterate that it is premature to contract with any company who claims to be a "certified" provider of any component of the national identification program. The details, qualifications, or process to recognize any organization as such has not been established.

We recommend that you follow the on-going development of the plan as it is updated at [www.usaip.info](http://www.usaip.info) or contact Neil Hammerschmidt, USDA, APHIS, VS at 301-734-5571 if you need more information. Also please feel free to contact a member of the Steering Committee if you have questions or would like an update on the USAIP at any of your activities in the future.

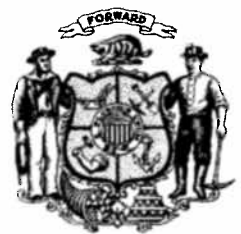
Thank you for your interest in the USAIP.

cc: State Veterinarians

Enclosures



# WISCONSIN STATE LEGISLATURE



January 8, 2004

Honorable Al Ott  
Chairman Assembly of Agriculture  
P.O. Box 8953  
Madison, WI 53708-8953

Dear Al,

Rep Ott, I want to offer my encouragement and support for Wis. moving ahead as quickly as possible with respect to the premise and animal I.D. registration system. While I'm unable to attend the agency briefing today, I'd like to offer my thoughts on the subject.

Based on the experiences of "mad cow disease" in Britain, the risk to humans appears to be very low. The reason is simple. The British have already paid the human price for learning about this with nearly 140 deaths and years of lurking fear for millions of consumers. Thanks to the UK's dearly bought experience, America now knows what causes mad cow disease, why it was epidemic in Britain and how to keep it from attacking humans. We know that mad cow disease is not very contagious. More than 180,000 British cattle have been officially diagnosed with the disease, millions of British consumers may have eaten meat from infected animals. But the UK has less than 150 cases of the human disease thought to be caused by the cattle. The rate of contagion appears to be not much higher than a million to one.

Dr. Ehlenfeldt and Sec. Nelsestuen of DATCP have done an excellent job of helping prepare this state and thinking about how we must move ahead with the premise and animal ID system. Indeed, yesterday, Dr Ehlenfeldt responded quickly to emerging questions about the proposed sale of Canadian cattle at a livestock sale barn in Richland Center, Wisconsin. As part of that situation, I received a call from an Angus farmer east of Wausau and a corresponding inquiry from the TV press. Dr. Ehlenfeldt provided the kind of science based information and reassurance needed to sort fact from myth.

While the infectious risk to humans is very low, and our food system is the safest and highest quality in the world, the most delicate and yet profound strengths our food system enjoys is the confidence of the American consumer. We must do all we can to ensure that confidence is safe and secure.

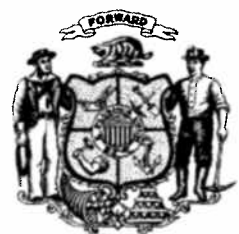
Therefore, in my judgment we must with all vigor move forward with the animal premise and ID system. The ability to track all animals with the 48 hours trace back is essential in tracking potentially new bio terrorism activities as well as ensuring the American consumers of our intentions to maintain a safe and wholesome food system.

Sincerely,

Michael Krutza  
President FCS Financial Services & DATCP Board Member



# WISCONSIN STATE LEGISLATURE





Jim Matthes  
Phone 627-1600

# Matthes Farms

Auction Market

Dealers in Livestock

Sale Barn Phones 627-1401 and 627-1402

Viola, Wisconsin 54664



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Dairy Cattle : Springers : Dairy Heifers : Steers : Sheep : Hogs

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January 8, 2004

As a small independent livestock market operator, I am very concerned the negative impact of the media and advertising will cause more damage to the American beef industry than the actual discovery of the cow with mad cow disease. Everyone in the beef industry needs to remain positive. Some good things have come from this discovery. Most important is how well the current system worked in the tracing of this particular animal to it's herd of origin. Secondly is the banning of downer cattle into the human food market.

I do feel premise I.D. will help if future problems should occur. I think the same system should be implemented in all states for all livestock premises.

However I do have concerns. I feel the funds and information generated by premise I.D. should be kept within the Department of Agriculture solely to be used for registration, inspection and enforcement. It is my understanding the Department of Agriculture currently has only two enforcement people in the field to cover the entire state. Adding enough enforcement people to effectively enforce the current regulations as well as these provisions will be costly. Funds should not be diverted to any private agency or organization. They need to be kept within the Department of Agriculture.

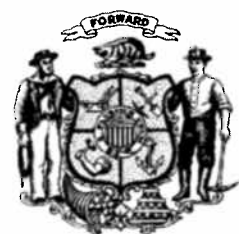
The exemption of dairy producers under this system is also a concern. While there is currently a dairy I.D., the provisions need to be the same for all animal premises. Their premise I.D. should be based on the same system used for the rest of the animal premises. In addition, many dairy operations have and are changing from dairy to beef. I therefore believe dairy producers licensed under 97.22 should also be included in this provision and be required to pay the same fees to cover the cost of implementation of this same provision.

My last concern is that livestock markets will need to identify each seller by their premise I.D. number each time they sell livestock through the markets. Smaller markets such as my own which are not computerized would encounter extra paper work, extra expense, and delay in sending producers their proceeds in a timely manner. Markets are now required to individually identify sheep, hogs, and dairy and slaughter cattle. If all livestock being sold at a market are also required to be individually identified by premise, the orderly movement of cattle will slow to a crawl.

While I support premise I.D., I am concerned about the expansion into animal I.D. Thank you for listening to my concerns. I would hope you would weigh my thoughts in your decisions.



# WISCONSIN STATE LEGISLATURE





State of Wisconsin  
Jim Doyle, Governor

**Department of Agriculture, Trade and Consumer Protection**  
Rod Nilsestuen, Secretary

Testimony of

Rod Nilsestuen, Secretary  
Wisconsin Department of Agriculture, Trade and Consumer Protection  
January 8, 2004

Chairman Ott and members of the Committee, thank you for the opportunity to testify today on livestock premise registration (LRB LRB 3171/3). I am here today to ask for your support to secure quick passage of this important measure.

USDA reported the first case of Bovine Spongiform Encephalopathy – also known as BSE or Mad Cow Disease – in the United States on December 23, 2003 at 5:00 p.m., sending a price shock through the beef industry. While the news came as a surprise to some, everyone who has extensive experience in animal health knows that with more than 100 million cattle in the U.S. and many additional millions of livestock, just as in the human population, we're going to face health issues and challenges on a regular basis. In Wisconsin, we've dealt with CWD and Monkey Pox just this year.

With foresight and dedication, the Wisconsin Livestock Identification Coalition (WLIC) – a pioneering group of Wisconsin producers, livestock groups, and DATCP -- has been meeting for nearly five years to plan and develop the needed infrastructure to trace diseased animals. Their work was supported with \$2.25 million in federal funds over the past three years, secured with help of Senator Kohl and Congressman Obey.

With the voluntary WLIC system in place, it is time to take the next step. To this end, Governor Jim Doyle called for mandatory premise registration in his Grow Wisconsin plan, Chairman Ott and members of this committee included it in Renew Wisconsin Agriculture. At its November 2003 meeting, the DATCP board instructed DATCP to determine what it will take to develop the capability for 48-hour trace back of diseased animals within two years.

This bill is not the end of the process; rather it is the next step. We cannot develop a national system to track animals as they move from one place to another unless we first know where animals are kept. The only way we can know with certainty where animals are kept is to mandate premise registration.

Building a national system of animal identification is a complex and laborious process of many sequential steps that will be accomplished over time. Each step builds on the work that took place before. Tom Lyon, Gary Tauchen, and others will describe in some detail what steps have been accomplished to date, what remains to be done and how our efforts here in Wisconsin fit into the national plan. I commend their work. They truly are visionary pioneers.

*Wisconsin Food and Agricultural Products - \$40 Billion for Wisconsin's Economy*

2811 Agriculture Drive • PO Box 8911 • Madison, WI 53708-8911 • 608-224-5012 • Wisconsin.gov

I want to focus my remarks to you today on *why* passage of this bill is both important and urgent. Passage of this bill is important because Wisconsin has a large cattle and meat packing industry. Wisconsin is ranked 7<sup>th</sup> in the nation in farm cash receipts from livestock and livestock products. We rank 3<sup>rd</sup> nationally in sales of sausage and processed meats. We're the nation's 9<sup>th</sup> largest exporter of red meats. I am handing out to you a brief summary of what's at stake in Wisconsin. The bottom line is -- we need to be able to trace diseased animals quickly not only to ensure food safety but to protect the jobs and income of Wisconsin farmers, processors, feed manufacturers, and workers who depend on the industry for their livelihood.

Clearly, none of us has a crystal ball to predict the economic impact of the discovery of BSE on a Washington farm two weeks ago. What I can say with certainty, however, is that the economic impact of BSE on Wisconsin and the nation depends on just two things:

- The actions industry and government agencies take in the days and weeks ahead; and
- Whether consumers *perceive* that our reaction is adequate to protect the integrity and safety of the food supply

The Canadian government commissioned a study to determine the economic impact of the single Canadian case of BSE discovered May 20, 2003. They concluded that the one case reported in Alberta cost Canada \$2.5 billion in the six months after the announcement. The U.S. beef industry is more than seven times the size of Canada's. To be sure, the U.S. has learned from experiences of Canada and the U.K. We have taken important steps to limit the economic damage here, which we have outlined in a second handout I have for you today. That said, the U.S. industry is much larger than Canada or the U.K. and we have more at stake as well.

As an example, cattle prices fell nearly \$20 per hundredweight after the announcement December 24. A \$20 decrease translates into a loss of some \$220 million in cash receipts to Wisconsin farmers over the course of a year.

We must do everything within our power to restore consumer confidence quickly. Now is not the time to quibble among our selves. Now is the time for industry and elected officials and government agencies to speak with one voice at every opportunity to assure consumers that we are committed to take every step within our power to ensure that beef raised here is the safest in the world.

Some here today may tell you that we already have the ability to trace back animals or that knowing the location of livestock premises is not a necessary step to national animal identification. Some will tell you that Wisconsin should wait for USDA to take the lead. They will tell you that the U.S. Animal Identification Plan, which Wisconsin helped develop, is going to evolve in the months ahead and that we should wait-and-see what happens.

Plainly, we do not have the ability to trace back animals right now. Common sense will tell you that you can't track individual animals if you don't know where they are. Those who want Wisconsin to wait for USDA to take the lead are ignoring the facts. Wisconsin is already in the lead. We assumed a leadership role five years ago. We reasserted our leadership when we sought USDA funds to pilot premise registration in Wisconsin. USDA has already spent \$2.25 million dollars to pilot premise registration in Wisconsin. Wisconsin is already at the forefront.

Let me read to you a portion of a letter to Gary Tauchhen, Chairman, WLIC, dated January 7 from John Wiemers, DVM, USDA representative on the Steering Committee of the National Identification Development Team, that states more clearly than I can the leadership role that Wisconsin has played.

*I want to share with you my appreciation for the tremendous leadership WLIC has provided. Without such leadership ...the current status of the United States Animal Identification Plan would not be at its current level.*

*.... Without a uniform premises identification system, tracking animals is cumbersome at best. As a member of the Steering Committee of the National Identification Development Team, I can say that **implementation of state premises systems nationwide is the immediate objective** [emphasis added].*

*We have reviewed the WLIC system and find it to be in accordance with the requirements of USAIP. We are exploring options to make this system available to other states.... Extending the system to other states would be a tremendous advantage to support the advancement of national identification and would avoid duplication of effort and expense.*

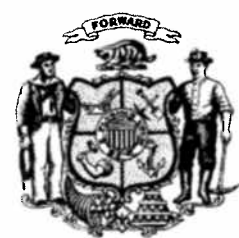
*Working with the WLIC ... has been wonderful. The interaction of many industry groups for the good of animal agriculture in general is a model of the type of state participation that is needed across the country.*

Page 4  
Nilsestuen Testimony

Now is not the time to wait-and-see how the national plan evolves. Of course, the national plan will evolve; they always do. But if we take a wait-and-see approach, we could end up with a system that doesn't work for us. As a national pilot thus far,

Wisconsin has the opportunity to help shape the national system. Now is the time for bold leadership. Governor Doyle is asking you to move this bill forward as quickly as possible. I am also and so are the many organizations who are part of the Wisconsin Livestock Identification Coalition.

Let us join together to send a powerful message. Quick passage of this bill tells USDA and other states Wisconsin intends to continue its leadership in the development of a national animal identification system. More importantly, quick passage tells consumers Wisconsin is serious about restoring consumer confidence in the safety of the food we produce. Thank you.





# BSE Economics What's at Stake in Wisconsin?

## Too Soon To Know

The discovery of BSE (bovine spongiform encephalopathy) in Washington will have short- and possibly long-term economic impacts on Wisconsin farmers. No one can accurately forecast the economic impacts today because they hinge largely on how consumers and foreign countries react in the weeks and months ahead.

Maintaining consumer confidence in the integrity and safety of the food supply is critical to minimize the economic impact. Quick passage of legislation to mandate registration of livestock premises (LRB 3171/3) is a critical step in restoring consumer confidence. Knowing where Wisconsin livestock are kept is a first step to developing a seamless nationwide system with the capability to trace diseased animals from birth to slaughter and processing to consumption. As importantly, mandating premise registration now sends a strong signal to consumers that Wisconsin is serious about protecting the food supply and supporting the livestock industry that is so important to Wisconsin's economy.

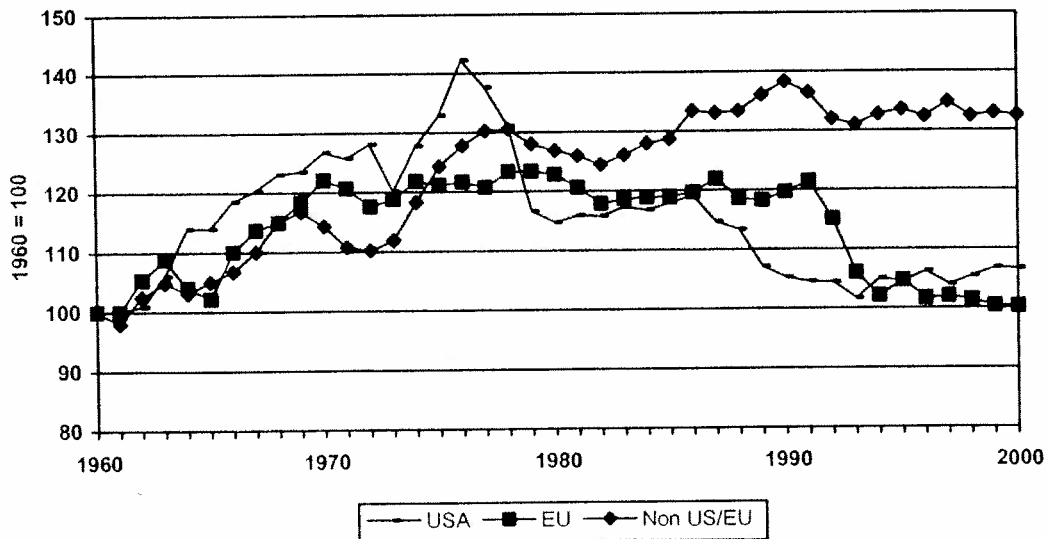
## What could be impacted if consumer confidence is not restored quickly?

### Beef consumption

The U.S. beef industry increasingly operates in a global marketplace. While Americans and Europeans are eating less beef, people in other parts of the world were increasing their consumption prior to 1990, largely due to increasing per capita incomes. U.S. beef consumption stabilized in the 1990s after nearly two decades of decline, changing from 79.6 pounds per person in 1970 to 62.9 pounds in 2001.

World Beef Consumption, 1960-2000

Source: United Nations Food and Agriculture Organization (FAO)





Food scares affect consumption and markets worldwide. As an example, Japan reported its first case of BSE on September 10, 2001. Beef consumption in Japan plummeted. As a result, U.S. beef exports to Japan dropped from \$1.24 billion in 2001 to \$831 million in 2002, a 33% decrease. Exports of fresh or chilled meat from Wisconsin dropped 29% from 2001 to 2002.

### Farm Sales of Cattle and Beef

Wisconsin ranks 9<sup>th</sup> in the nation in receipts from sales of cattle and calves. Wisconsin farmers sold 792,000 cattle and 450,000 calves in 2002 valued at \$656 million and accounting for 12.0% of the state's total farm receipts. The Department of Agriculture, Trade and Consumer Protection issued 90,889 permits to ship cattle and calves to other states and 4,124 to export to other countries. Permits are issued for shipments that may include multiple animals.

### Farm Prices

While Wisconsin beef prices have dropped since BSE was announced at 5:00 p.m. on December 23, they remain comparable to prices a year ago. Every \$1 decrease in price per hundredweight results in an estimated \$11 million decrease in revenue to Wisconsin farmers over the course of a year. A \$20 price drop results in a loss of some \$220 million in farm receipts.

Livestock are bought and sold on open markets that are highly sensitive to changes in demand, which hinges on consumer confidence. Over the next few weeks, consumers will closely watch what actions the industry and government officials take to ensure the integrity and safety of U.S. beef.

### National and Wisconsin Live Slaughter Steer and Cow Prices

	Year Ago	11/28/2003	12/24/2003	1/2/2004	1/6/2004
<b>National Slaughter Cattle Summary Prices</b>					
Choice Live Basis Steers & Heifers	76.50-78.50	99.00-105.00	90.00-91.60	73.50-76.00	NA
<b>Wisconsin Holstein Slaughter Steers</b>					
Choice	58.00-67.00	87.50-95.50	82.00-86.50	65.00-74.00	68.00-71.00
Select & Choice	57.00-62.50	85.00-92.50	79.00-83.00	62.00-70.25	65.00-68.00
<b>Wisconsin Slaughter Cows</b>					
Premium White	NA	58.50-63.00	56.50-61.25	47.00-51.00	50.00-53.00
Breaking	37.00-45.00	55.00-61.00	52.00-59.00	44.00-48.50	47.00-51.00
Boning	34.00-41.00	52.00-57.00	48.00-53.00	42.00-46.50	45.00-49.00
Lean	31.00-37.00	48.00-53.00	44.00-48.50	38.00-43.00	42.00-47.00

Source: USDA Market News and Wisconsin Market News Service.

*Prices per hundredweight. Markets have seen light trading since December 23 as farmers wait to see what will happen to prices.*

### Exports To Other Countries

Some 30 countries temporarily banned imports of U.S. beef in response to the December 23 announcement. Some countries banned all beef imports from the U.S. while others banned imports of beef from animals over 30 months of age. While U.S. negotiators are working with foreign governments to ease temporary bans, USDA has issued guidelines about how to handle returned shipments.

Wisconsin beef exports that could be affected include live animals, breeding stock, meat and offal, which are byproducts of slaughter. Export bans on U.S. products do not affect exports of dairy products, semen and embryos or processed fat. Wisconsin can maintain these export markets as long as there are willing buyers.

### Potentially Affected Wisconsin Exports

Description	1999	2000	2001	2002
Offal <sup>1</sup>	\$ 7,155,594	\$ 7,646,587	\$ 11,374,260	\$ 8,468,008
Offal (Salted, Dried, Flour & Meal)	\$ 2,361,639	\$ 2,521,446	\$ 2,443,534	\$ 2,353,615
Live Cattle (excluding purebred)	\$ 1,233,486	\$ 1,367,045	\$ 1,309,944	\$ 2,154,759
Live, Purebred Breeding Stock	\$ 4,492,298	\$ 2,350,183	\$ 1,980,145	\$ 2,493,739
Beef, Fresh Or Chilled Meat	\$ 23,674,486	\$ 43,207,173	\$ 45,083,329	\$ 32,041,542
<b>Total</b>	<b>\$ 38,917,503</b>	<b>\$ 57,092,434</b>	<b>\$ 62,191,212</b>	<b>\$ 47,511,663</b>

Source: U.S. Census Bureau, Foreign Trade Division prepared by MISER

### Meat Processing in Wisconsin

Meat processing is big business in Wisconsin. Wisconsin ranks third in the nation in sausage and meat processing. Four hundred commercial businesses are licensed to slaughter and/or process meat products in communities across the state, including beef and pork. These businesses include 119 federally inspected plants and 291 state inspected plants.

Wisconsin meat processing plants (excluding poultry and retailers that process meat in stores) employed some 15,000 workers with a payroll of more than \$400 million and sales of more than \$5 billion annually, according to the most recent census of manufacturing.

### Payroll and Sales of Wisconsin's Slaughter and Meat Processing Industry, 1997

	No. Employees	Payroll (\$1000)	Sales (\$1000)
Slaughtering	4,728	106,122	2,042,612
Meat processed from carcasses	10,000	291,529	2,951,126
Rendering & meat byproducts	161	4,467	31,485
<b>Total</b>	<b>14,889</b>	<b>\$401,118.00</b>	<b>\$5,024,223.00</b>

Source: 1997 Manufacturing – Geographic Area Series, Wisconsin, U.S. Census Bureau, May 5, 2000.

### Feed Manufacturing and Distribution

Wisconsin feed mills and manufacturers produce feed valued at nearly \$600 million annually. In 2002, licensed firms distributed 2.8 million tons of commercial feed and feed products. While demand for feed will increase in the short run as farmers hold their beef waiting for markets to recover, feed manufacturing could be impacted in the long run if the effects are prolonged.

### What Other Countries Have BSE?

Surveillance has found BSE in cattle in 23 countries around the world with the United Kingdom reporting 183,371 cases. In 1988, the United Kingdom banned the practice of feeding ruminant-derived protein to ruminants. As a result of the feeding ban, the number of new cases of BSE declined from a high of 32,280 new cases in 1992 to 1,144 cases in 2002. About 4,454 cases of BSE have appeared in 18 other European countries. In addition, the Office of International Epizootics reports cases in Japan, Israel and one BSE-infected cow found in Canada on May 20, 2003.

### What has been the impact of BSE in other countries?

In Europe, more than 5 million cattle have been destroyed to thwart the spread of BSE since 1986, when it was first identified in the United Kingdom.

The UK experienced a decline in beef consumption of about 20% after BSE was discovered. It has taken years and aggressive efforts to prevent new cases and protect the food supply to restore consumer confidence before consumption of beef returned to previous levels.

<sup>1</sup> Includes other waste from other species

British researchers analyzed price fluctuations throughout the UK meat industry resulting from sequential food safety scares, including not only BSE but also foot and mouth disease, from 1990-1999 at the producer, wholesale and retail levels. While retail prices declined 18% over the decade, producer and wholesale prices each fell 40%.

When Health Canada announced May 20, 2003 that a single case of mad cow disease had been found in Alberta, 34 countries closed their borders to Canadian beef, costing the industry an estimated \$11 million a day. A study commissioned by the Canadian government shows Canada's beef industry lost \$2.5 billion in the six months following the announcement. However, export markets aren't as critical to U.S. cattle producers as they are to Canadian producers. Canada exports more than 60 percent of the beef it produces, while U.S. beef exports make up only 10 percent of total domestic beef production

The table below compares the number of cows and calves in Wisconsin, U.S. and Canada.

Location	All Cows and Calves	Dairy Cows and Calves
Wisconsin	3,550,000	1,255,000
United States	103,900,000	9,100,000
Canada	15,728,000	1,055,000

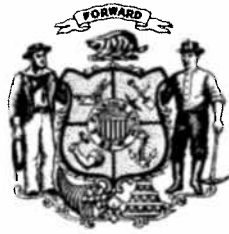
**Current Information Is Available at:**

USDA            <http://www.aphis.usda.gov/lpa/issues/bse/bse.html>  
 DATCP         <http://www.datcp.state.wi.us/index.jsp>

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# WISCONSIN STATE LEGISLATURE





## Preventing and Detecting Bovine Spongiform Encephalopathy (BSE)

### Who Is Responsible?

#### Federal Responsibility

Four federal agencies are primarily responsible for overseeing the many imported and domestic products that could pose a risk of BSE (bovine spongiform encephalopathy). These agencies also are responsible for surveillance programs designed to detect and monitor animal and human diseases:

- The **U.S. Customs Service** screens all goods entering the country to enforce Customs laws and laws for 40 other agencies.
- **USDA's Animal and Plant Health Inspection Service (APHIS)** monitors the health of domestic animals and screens imported animals and other products to protect animal health.
- **USDA's Food Safety Inspection Service (FSIS)** monitors the safety of imported and domestically produced meat, poultry, and some egg products.
- The Department of Health and Human Services (HHS)'s **Food and Drug Administration (FDA)**, monitors the safety of all other foreign and domestic food products (including dietary supplements and animal feed), as well as vaccines for humans, drugs, cosmetics, medical devices, and the human blood supply.

In addition, two other HHS agencies -- the **Centers for Disease Control and Prevention** and the **National Institutes of Health** -- monitor human health to detect new-variant Cruetzfeldt Jacobs Disease (nvCJD).

#### Wisconsin's Responsibility

The **Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP)** has responsibility for overseeing food safety, animal health and the safety of animal feed. Three DATCP divisions develop regulations and enforce both state and federal rules to protect the integrity and safety of imported and domestic products that could pose a risk of BSE and conduct surveillance programs designed to detect and monitor animal diseases. These divisions coordinate closely with federal agencies and other states.

- **Agricultural Resource Management** enforces federal and state laws regulating livestock feed and pet food, licenses and inspects commercial feed facilities, and investigates complaints to promote compliance with state and federal requirements for all feed regulations, including those to reduce the threat of BSE.
- **Animal Health** enforces rules to implement federal and state laws regulating animal health, conducts disease surveillance, facilitates diagnostic testing, monitors animal health certificates required for interstate shipment of animals, and provides education for producers, industry and private veterinarians.

- Food Safety enforces state laws and regulations pertaining to licensing and inspecting meat slaughter and processing plants that sell their products solely in Wisconsin. USDA monitors the state meat inspection system to ensure that state inspections are equal to the federal system.

In addition, the Wisconsin Department of Health and Family Services monitors human health to detect nvCJD.

## **Federal and State Actions Taken To Prevent and Detect BSE**

### **Domestic Actions**

According to a 2002 General Accounting Office (GAO) report, the United States acted as many as 5 years earlier than other countries to impose controls over imports of animals and animal feed ingredients from countries that had experienced BSE. Similarly, U.S. surveillance efforts to test cattle brains for BSE met internationally recommended testing targets earlier than other countries.

- In August 1997, FDA banned mammalian proteins in feed for cattle and other ruminants to prohibit potentially infectious agents from entering the feed supply. Renderers, feed manufacturers and blenders, feed distributors, and cattle producers are subject to the regulations. Proteins are added to feed to maintain the health and productivity of animals and can be derived from a number of sources, including animal meat and bone meal, fishmeal, and plant products. Animal protein products from pure sources of pork or equines and fish products are exempt from the ban. Additional exempted mammalian proteins are milk and milk by-products and blood meal. The feed ban prohibits the use of most mammalian proteins in cattle feed. Since animal feed and feed ingredients cannot be tested for BSE, it also requires that feed and feed ingredients containing prohibited animal proteins be labeled "Do not feed to cattle or other ruminants." Firms that handle both prohibited and non-prohibited feed and feed ingredients are now required to have effective procedures to ensure that ingredients are not commingled and maintain records sufficient to trace feed materials backward and forward through the supply chain. The Wisconsin feed industry has chosen not to handle prohibited proteins at facilities that manufacture ruminant animal feeds.
- DATCP enforces the federal ban of prohibited animal proteins in cattle feed in Wisconsin through inspection, record checks, and tracebacks. Wisconsin licenses nearly 1,300 commercial feed companies including 550 in-state feed manufacturers. Wisconsin inspectors have found no use of prohibited proteins in ruminant feed since the ban was instituted. Fewer than 10 Wisconsin companies use mammalian protein even in permitted feeds such as poultry and pet foods.
- Approximately 550 in-state feed manufacturing facilities have been inspected at least once since Wisconsin implemented the federal feed rule in 1998. Since then, DATCP enforcement staff inspect about 100-150 mills each year. A full-blown inspection examines manufacturing practices and takes 8-10 hours. DATCP has implemented elements of the BSE inspection into its routine inspection procedures. Trace back and trace forward inspections are completed on feed ingredients to ensure the integrity of the feed products and compliance with the regulations.
- In addition to routine inspections, DATCP staff conducted a special study to determine compliance with the feed ban, visiting 20 dairy and beef farms in 2003 to assess their understanding and implementation of the feed ban. These visits will continue in 2004.
- Since BSE was discovered in the United Kingdom, DATCP has provided information to producers and the feed industry at farm shows, trade shows, industry presentations and as a part of inspections.

DATCP also created a brochure targeted at livestock producers and the feed industry, which has been distributed nationwide.

- USDA and DATCP inspect domestically processed meat, and FDA oversees the manufacture of medical and other products to help ensure they do not contain potentially infective brain and spinal cord (central nervous system) tissue.
- DATCP entered into a Memorandum of Understanding with USDA-APHIS. When Wisconsin food safety inspectors observe clinical signs of a central nervous system disorder consistent with the symptoms of BSE, USDA-APHIS is contacted. USDA-APHIS collects a sample of brain tissue from the suspect animal for BSE testing.
- To detect BSE in the estimated 97 million dairy and beef cattle in the United States, USDA implemented a surveillance program to conduct post mortem tests for BSE on the brains of certain adult cattle.

**Cattle Brain Samples Collected and Tested for BSE Through Surveillance Program, 1994-2003**

# Tested	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Brain Samples	692	744	1,143	2,713	1,080	1,302	2,681	5,272	19,990	20,543

Source: APHIS, USDA

- In 1998 USDA implemented a cooperative program with the rendering industry to ensure that carcasses of animals condemned at slaughter for signs of neurological disease are held until test results are completed. Under this program, USDA may share the expenses to store or dispose of carcasses during the testing period.

### Import Restrictions

In addition, FDA and USDA have restricted imports from other countries as follows:

- 1989** USDA restricted imports of cattle and other ruminants from countries with BSE
- 1991** USDA restricted imports of inedible ruminant by-products (e.g., meat and bone meal) from countries with BSE  
USDA restricted imports of edible ruminant by-products (e.g., meat and bone meal) from countries with BSE
- 1992** FDA restricted imports of ruminant by-products for use in foods, human drugs, dietary supplements, or cosmetics from countries with BSE
- 1995** FDA restricted imports of bulk shipments of bovine by-products for use in dietary supplements, or cosmetics from countries with BSE
- 1997** USDA restricted imports from countries at risk for BSE but with no confirmed cases
- 2000** USDA restricted imports of inedible animal by-products processed or stored in a country with or at risk for BSE  
FDA restricted imports of inedible animal by-products for use in animal feed from countries with or at risk from BSE
- 2001** USDA restricted imports of edible ruminant products processed or stored in a country with or at risk from BSE  
FDA restricted imports of animal feed (including pet food) and other products containing inedible animal by-products from countries with or at risk from BSE  
FDA restricted imports of foods containing ruminant by-products from countries with or at risk from BSE

### **Additional Actions Taken Since December 23 To Protect The Integrity And Safety Of U.S. Beef**

On December 30, 2003, Agriculture Secretary Ann Veneman announced additional safeguards to bolster the U.S. protection systems against BSE, and further protect public health. The policies will further strengthen protections against BSE by:

- removing certain animals (i.e., downer animals) and specified risk material and tissues (i.e., skull, brain, trigeminal ganglia, eyes, vertebral column, spinal cord and dorsal root ganglia of cattle over 30 months of age and the small intestine of cattle of all ages) from the human food chain
- requiring additional process controls for establishments using advanced meat recovery (AMR)
- holding meat from cattle that have been targeted for BSE surveillance testing until the test has confirmed negative
- prohibiting the air-injection stunning of cattle.

### **Additional Actions Needed**

One of two pilot states developing a premises registration system, Wisconsin is in the forefront of developing a verifiable system of animal identification. Governor Jim Doyle called for passage of legislation mandating registration of all livestock premises, making Wisconsin the model for other states across the nation.

Secretary Veneman announced that USDA will begin immediate implementation of a verifiable system of national animal identification. USDA's national plan assumes states have compatible premise registration systems in place. The development of such a system has been underway for more than a year and a half to achieve uniformity, consistency and efficiency across this national system. Wisconsin has been a key partner in developing the national plan.

### **Current Information Is Available at:**

USDA            <http://www.aphis.usda.gov/lpa/issues/bse/bse.html>  
DATCP         <http://www.datcp.state.wi.us/index.jsp>

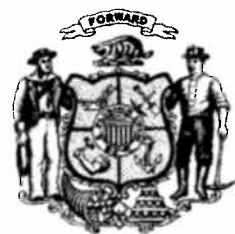
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January 8, 2004





WISCONSIN STATE LEGISLATURE





**Wisconsin Federation of Cooperatives**

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131 West Wilson Street, Suite 400, Madison, WI 53703  
Phone: 608.258.4400 Fax 608.258.4407 www.wfcmac.org wfcmac@wfcmac.org

Date: January 8, 2004  
To: Members, Assembly Committee on Agriculture  
From: Bill Oemichen, President & CEO *Bill Oemichen*  
RE: Wisconsin Federation of Cooperatives Support for LRB 3173/3

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Thank you for providing the Wisconsin Federation of Cooperatives (WFC) with the opportunity to express our support for LRB 3173/3. We understand this draft may not be identical to the version that is formally introduced as legislation, but we expressing our overall support for the concept of premise identification and the need for individual animal identification as well.

Beginning in the Spring of 2000, the WFC has been involved with an animal identification project that has gained participants, momentum and a greater sense of urgency with each passing month. Today, that effort in Wisconsin is represented by the work and broad membership of the Wisconsin Livestock Identification Consortium (WLIC). In the beginning of our effort almost three years ago, a handful of organizations and individuals convened meetings to seek a private-public partnership aimed at increasing consumer confidence in tracing animal origination and adding value to our livestock to benefit their producers.

Today, WLIC membership represents the diversity and most aspects of our state's livestock industry. In addition to WFC, cooperatives holding WLIC membership today includes Alto Dairy Cooperative, Badgerland Farm Credit Services, Cooperative Resources International (CRI), East Central Select Sires, Equity Livestock Sales Association, and Foremost Farms USA (FFUSA). Another key strength of the WLIC effort is that the WLIC Board of Director is "producer populated" and producer led. And WLIC membership is active as they contribute to efforts on several committees, including Legislative, Communications and Business Plan.

WFC, and others, have been successful in successive Congressional Agricultural Appropriations processes to obtain funding for the Wisconsin WLIC efforts, primarily through the work of Sen. Herb Kohl and Rep. Dave Obey, who maintain key roles in the appropriations work of both houses. The Consortium was also successful in the very competitive DATCP Agricultural Development and Diversification (ADD) grant program funding cycle in 2001 when is secured a \$37,380 grant.

Certainly this issue looks different now than at Thanksgiving time. It should be increasingly clear to all that the future health and prosperity of our livestock industry is dependent on creating a system that quickly identifies animals that may be contaminated or infected, while protecting the legitimate privacy concerns of the producers.

The premise identification and rulemaking authority being sought in LRB 3171/3 moves in the right direction by establishing a foundation for an animal trace back system and this foundation can have significant value nationally as well. WLIC has carefully moved forward with USDA and those working on the US Animal Identification Plan (USAIP). In the 2003 version of the plan, it notes that the national "plan draws on existing voluntary and compulsory animal identification programs currently in place in the U.S. and coordinates these into a truly national program for the first time." WLIC is moving forth with a pilot ID program that could be a model for other states as future national requirements become known.

Consensus has not been reached in support of all aspects of LRB 3171/3. The issues of mandatory inclusion of most species and fees to fund the regulatory function remain points of disagreement. However, I know most of our cooperative members believe this matter must move forward with significant urgency. For this reason, I am indicating WFC's support for this draft legislation before you today.

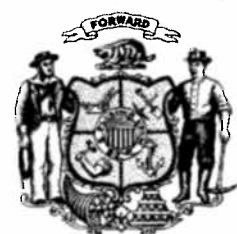
Regarding funding, we too believe there should be a joint consumer-producer commitment to this issue. This joint commitment requires some public funding resources to ensure this system is effective. Given the current state of events regarding terrorism and potential bio-terrorism, it makes sense to us that the federal government would commit additional resources to such efforts as premise and animal identification systems. Of course, whether these resources can be counted on at a time of growing federal deficits and shifting priorities is the key unsettled question for us as we look to long term viability of our animal agriculture industry. None of us want to place untenable cost burdens on our animal producers. Therefore, we have to decide whether we afford to wait until these greater funding possibilities are known. Our advice is to not delay on state legislation because delay may mean we miss the opportunity to assure our consumers that we are taking every reasonable measure to insure our marketed products are safe and wholesome.

We also recommend the Department of Agriculture, Trade & Consumer Protection include broad representation in its rulemaking once this legislation is passed into law since our state needs the full cooperation of representatives of all animal species to make a premise identification or animal identification program work successfully.

WFC is fully committed to working with you on this very important subject and we strongly support moving to a version of LRB 3171 that can be introduced and recommended to the full Assembly for adoption. Thank you for your consideration of the views of the Wisconsin Federation of Cooperatives.



WISCONSIN STATE LEGISLATURE



**Testimony of:** Terry Quam, President, Wisconsin Cattlemen's Association

**Before:** The Assembly Committee on Agriculture

**Date:** January 8, 2004

**Regarding:** DATCP Briefing on BSE, and LRB-3171/3

Good afternoon. My name is Terry Quam and I am the President of the Wisconsin Cattlemen's Association (WCA). We sincerely appreciate the testimony of State Veterinarian Dr. Robert Ehlenfeldt regarding BSE. Wisconsin is fortunate to have qualified people like Dr. Ehlenfeldt and Secretary Nilsuestuen on the job at DATCP, especially at a time when our nation is facing an animal disease issue like BSE.

The WCA is a member of the National Cattlemen's Beef Association (NCBA). We are very proud of the efforts of our state and national associations. We are especially pleased with the efforts we are undertaking as a part of the national beef industry to respond to this BSE situation.

Since the day the Yakima BSE case occurred, I have participated in nearly daily conference calls, led by the NCBA, with my counterparts throughout the nation to work on a national uniform response to this crisis. The NCBA is working, on a daily basis, with the USDA to help develop a nationwide program of premises and animal identification that is uniformly applied to all beef farmers throughout the country.

We know that the authors of LRB 3171 wish to act in the best interests of our farmers and meat consumers. We respect the work that has been done by the Consortium and especially Robert Fortrairie in advancing the discussion of premises and animal identification in our state.

Nonetheless, we respectfully disagree with those who believe that any form of LRB 3171 should be passed into law at this time.

If Wisconsin creates its own unique identification system, the Wisconsin program will inevitably differ from the national "uniform" program which is being designed by the USDA. This will create confusion in our state and will disadvantage Wisconsin farmers in the national marketplace that will be functioning in accord with the USDA's standards.

It is likely that the USDA program, when adopted, will be supported by federal funds, unlike the present Wisconsin proposal, which would be paid for by Wisconsin farmers.

We do not believe that Wisconsin's proposal will "lead the nation" on animal and premises identification. Rather, the nation will follow the USDA when it adopts a national uniform system. Premises identification will be an integral part of the USDA standards currently under development in Washington.

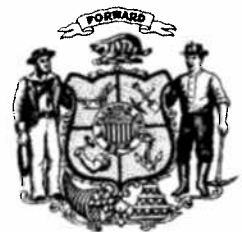
The Wisconsin Livestock Identification Consortium reportedly has \$2.5 million in grants to create a premises identification system in our state. This is a great advantage for Wisconsin farmers, taxpayers and consumers. This money should not, however, be spent on our best guess at what the federal government will soon require of all 50 states. Let's wait a bit and invest this money wisely in a program that is consistent with the recommendations and requirements of the USDA.

The WCA recognizes the need for a nationwide trace-back system in order to contain the spread of animal disease. The moment the USDA establishes the uniform, nationwide identification system that Secretary Ann Veneman has said is being "expedited," we will work with you, the Department and the Consortium to implement it here in Wisconsin. Until that occurs, we urge you to not act on LRB 3171.

Thank you Chairman Ott and members of the Committee for allowing me to testify today. I am happy to answer any questions.



WISCONSIN STATE LEGISLATURE



Gary Tauchen, Dairy Business Association, Testimony for LRB-3171/3 on January 8, 2004.

My name is Gary Tauchen. I am a dairy producer from Bonduel representing our family dairy, Tauchen Harmon Valley, and the Dairy Business Association and commenting in support of premises registration legislation.

The most urgent need of the livestock industry is to protect the health of the state and national livestock herd. The livestock industry has been working the last two years on the United States Animal Identification Plan (USAIP). More than 70 organizations and a hundred people, including many Wisconsin Livestock Identification Consortium (WLIC) representatives, have been involved in this multi-species effort to develop a nationally coordinated animal identification program for disease tracking purposes. Between now and mid May species groups will meet. The role of the species groups is to advance the USAIP through the development of more precise transition, implementation, and continuity plans consistent with the established standards and goals of the USAIP. The USAIP defines the standards and framework for implementing and maintaining a phased in national identification system for the US. The goal of the national plan is to develop a system with 48 hour trace back capability. To meet this goal the preferred method of ID is Radio Frequency ID Device. However, species differences are recognized in the plan.

An animal tracking system needs to identify each production unit and location participating in commerce. This location is referred to as premises ID. The national plan recognizes that the responsibility of administering premises registration lies with each state department of agriculture. Premises registration is the foundation upon which the national ID system will be built. While some states have premises systems (none of which meet the national standards at this time), Wisconsin has no premises system. The Wisconsin Livestock Identification Consortium is working with DATCP to develop the premises and intra state tracking system based on guidelines established at the national level. To have a national system that meets the 48 hour trace back goal it's critical all producers comply with registration of their premises. In developing the state premises



registration system, WLIC has been working closely with USDA, APHIS, VS, who provided WLIC grant money. Part of the development includes piloting the unique national premises number allocation system as defined in the USAIP and developing a model that could serve other state or regional efforts. The state premises database uses the premises number returned from the national allocator and associates additional data with that number such as contact name, address, phone, species, etc.. To meet the national requirements the state system uploads nationally agreed upon information to the national premises repository.

A uniform premises and animal tracking system assures producers the regulatory needs for managing a disease outbreak can be met. Recent animal health issues such as Foot and Mouth Disease (FMD) in Europe and BSE in Canada and the state of Washington have shown how vulnerable animal agriculture can be. A national animal ID system will not prevent the introduction of a disease but it will allow health officials to more quickly contain the disease. As a result normal commerce can be more quickly restored benefiting both consumers and producers. In the event of disease introduction, as BSE in Washington illustrates, and without a national ID system, response to a disease outbreak is slow and results in substantial financial loss to producers. Not only does a national identification system help in the case of a foreign animal disease, but help in the eradication of animal diseases such as tuberculosis. The international call for food traceability is becoming stronger as well. A functional state premises system could offer us a mechanism to support regionalization and enhance international marketing opportunities.

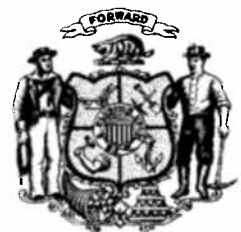
As outlined in the national plan, the foundation for a successful animal tracking system is the development and maintenance of a premises registration system. Animal identification without a link to a location does not provide the means to track animals and respond to disease. Premises identification is the foundation of an animal tracking system and because of regional differences, is best administered at the state level using nationally accepted standards and procedures. I want to emphasize that animal tracking is not part of the proposed legislation. The United States Animal Health Association at their October annual meeting accepted the recommendations in the USAIP and requested USDA, APHIS, VS to

start the development of information systems necessary to support the standards associated with the development and administration of the premises identification system. The standards and guidelines of the USAIP are directing the Wisconsin system. This will be accomplished in three phases. Phase 1, the foundation, is premises registration which provides livestock site location and contact information to provide for quick response to an animal disease problem. Phase 2 will be individual animal identification or in some cases Group/ Lot ID. A unique Animal Identification Number (AIN) will be linked to the premises number through the information system. Associating the animal number to the premises is the critical component that provides the information to record animal movements. Phase 3 is animal tracking and will record animal movements as they enter commerce. Tracking animals through markets will take years to accomplish. This multi species initiative is essential for Wisconsin's future. It's vital we do everything we can to protect our \$30 billion livestock industry! By adapting an animal traceback system that is part of the national plan, Wisconsin agribusiness can reassure our trade partners and consumers and strengthen their confidence in the safety of our food supply.

Animal identification is important in several areas- including animal health, trade (market access), food safety, and homeland security. To this point, animal health has been driving the national plan. It could be argued that Washington's BSE case has pushed premises registration and animal identification into the consumer arena. Our consumers are important to us and we'll need to respond to their concerns and accelerate our progress. Although it's important to implement an identification program quickly, it's important that it's done right. The animal agriculture industry needs to continue the effort. We can start laying the foundation now by supporting this important legislation.



# WISCONSIN STATE LEGISLATURE





Wednesday, January 07, 2004

United States  
Department of  
Agriculture

Animal and  
Plant Health  
Inspection  
Service

Veterinary  
Services

Animal Health  
Policy and  
Programs

2100 S Lake  
Storey Road  
Galesburg, IL  
61401

Mr. Gary Tauchen  
Chairman, Wisconsin Livestock Identification Consortium  
N3397 S. Broadway Road  
Bonduel, WI 54107

Dear Gary,

The recent BSE case in Washington has brought support for a national ID system to a higher level, and we are confident significant and timely progress will be made. I wanted to share with you my appreciation for the tremendous leadership WLIC has provided. Without such leadership and producer involvement, the current status of the United States Animal Identification Plan (USAIP) would not be at its current level. USDA continues to evaluate the USAIP, and in fact, we are initiating the process to have some of the basic standards in the plan recognized in the Code of Federal Regulations as an interim rule.

One of these standards is a premises identification system which is fundamental to implementation of the USAIP. Registration of premises through which livestock move is critical to the epidemiological delivery system. This process needs to be accurate, timely, and easy for producers to use. It must provide a unique identity for each permanent production point. With unique premises identified, animal numbers and animal movement can be recorded accurately and uniformly across the country. This uniformity greatly enhances the ability of animal health officials to quickly and accurately track animals that may have signs or symptoms of a disease. Without a uniform premises identification system, tracking animals is cumbersome at best.

As a member of the Steering Committee of the National Identification Development Team, I can say that the implementation of state premises systems nationwide is the immediate objective. The efforts of WLIC are to be commended, as the premises system that is already functioning in your state could be invaluable as we ramp up our plan nationwide.

We have reviewed the WLIC system and find it to be in accordance with the requirements of the USAIP. We are exploring options to make this system available to other states. As the system was developed through a cooperative agreement with USDA, APHIS, Veterinary Services, it is already in the public domain. Extending the system to other states would be a tremendous advantage to support the advancement of national identification and would avoid duplication of effort and expense.

Working with the WLIC as the USDA agency representative for the cooperative agreement has been wonderful. The interaction of many industry groups for the good of animal agriculture in general is a model of the type of state participation that is needed across the country. Best of luck in your progress in achieving your goals to protect animal agriculture.

Respectfully yours,

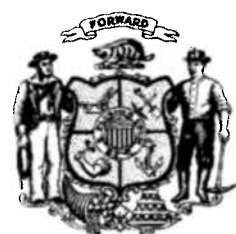
John F. Wiemers, DVM, MS



Safeguarding Animal Health



WISCONSIN STATE LEGISLATURE



## WHY PREMISES REGISTRATION?

### **Premises Registration is the first step...**

Premises registration is the first step you can take to protect your investment in Wisconsin's livestock industry. Without a data base of locations where livestock are produced, raised and held, our industry will continue to be unprepared. The recent discovery of BSE in the U.S. has emphasized the need for a system that provides 48-hour trace back. Premises registration alone isn't the answer; rather it is only the first step in a system meant to protect our industry and your livelihood.

### **The time to register will never be better...**

There is no better time to register your livestock premises, whether it's a farm, a production site, a feed yard, or a livestock market. Early premises registrations are free. If protecting our industry and your investment are important issues, why not step up now? Registering your premises does not increase your liability; instead it actually provides you with a level of protection for your investments. The longer we wait to get this system into place, the greater the price we may all have to pay someday for not doing the right thing now!

### **Each premises registration brings us closer...**

Each premises registration brings us closer to the day when Wisconsin's livestock industry will be prepared to respond within 48 hours to a disease outbreak or diseased animal identification. The goal is to be able to trace back from an identified problem animal to each location where that animal has been in contact with other animals, all the way back to its birth. Premises registration is the first step. The next step will be to identify each animal with a unique official identification number linked to its premises.

### **Taking that next step beyond premises registration... "Animal identification"**

Taking that next step beyond premises registration will involve selecting an organization with whom you choose to work. You may prefer to work with a breed association, an industry group, or one of many private companies expected to service this need. WLIC will work with each group to obtain the key animal ID items to meet the state and federal regulatory needs. Registering your premises with WLIC leaves you free to find the best animal ID provider to meet your needs and your timetable.

### **The final step beyond premises registration... "Animal tracking"**

The final step will be to record animal movement from one registered premises to another. This is the biggest step of all and will require all premises to be registered. We can accomplish this if we are working together toward the common goal of protecting our industry. Completing these steps may take years, but if we don't start now, that is if you don't register your premises now, we may never get where we need to go. It's one small step. Let's take it together.

**Register your premises...**

Register your premises by contacting: Robert Fourdraine at [rfourdraine@WIID.org](mailto:rfourdraine@WIID.org) or 608-848-1907. Wisconsin Livestock Identification Consortium, 135 Enterprise Drive, Suite 1D, Verona, WI 53593-0230

Your information will be held private in a secure database. In addition, you hold control of your personal information by establishing your own user name and password.

*Signing up your premises or location does not obligate you to participate in the next steps of the initiative which is animal identification.*

## WHAT IS THE WISCONSIN LIVESTOCK IDENTIFICATION CONSORTIUM (WLIC)?

WLIC is a **Wisconsin** initiative to contribute to and support the development of the U.S. Animal Identification Plan (USAIP). USAIP is a national effort led by USDA to create a national animal identification and trace back system to protect the health of the animal industry. Within the plan it is recognized that key components have to be administered by each state Department of Agriculture.

USAIP's goal is:

*"To achieve a trace back system that can identify all animals and premises potentially exposed to an animal with a Foreign Animal Disease (FAD) within 48 hours after discovery."*

Our **livestock** industry is important to the economic well being of Wisconsin. WLIC members understand that a 48-hour trace back capability is vital to our livestock industry, its well being, and the contribution it makes to Wisconsin's economic health. It will make it possible to trace, if necessary to quarantine, and thus limit the economic impact of a disease outbreak. Further, they recognize that Wisconsin's livestock industry has unique facets that can best be addressed by input from our producers, our marketers, our processors and our other industry partners. With everyone's involvement, we can make the USAIP better. We can create a Wisconsin system that not only meets the state requirements in that plan, but serves as a model for other states and provides Wisconsin livestock producers with value added marketing opportunities.

**Animal identification** is a multi-phase process. It begins with registration of any premises where livestock are raised, marketed, processed or held for any period of time. This registration is the vital first phase in developing the trace back system. WLIC has established a premises registration program and is offering free registration for an introductory period. The next phase is actual animal identification, i.e., linking each animal with a number and then linking that number to a registered premises. WLIC is working toward national standards that will accommodate multiple service providers offering competitive animal ID services. These may be livestock breed or industry organizations or private businesses. The final phase will be to record animal movements as they move from one premise to another. Creating this final phase will likely take years to accomplish. How many years will depend on the commitment, the vision and the determination of producers and their partners in the livestock industry—people like you!

A **consortium** is a group working together toward a common goal. USAIP has defined that goal and WLIC is determined to help it become a reality. The members of WLIC represent a broad spectrum of Wisconsin livestock industry gathered together with a common interest. We are a multi-species, cross-industry, grassroots organization. Our goal is to develop, promote and implement a birth to death tracking system for farm animals that makes sense for every segment of the industry. We are equally concerned that the process and the systems adopted are ones that not only work for Wisconsin livestock producers and their partners, but also make our industry stronger and more profitable. We believe it can be done. We believe we can do it. Please join us in this important effort.

**WISCONSIN LIVESTOCK IDENTIFICATION CONSORTIUM  
JANUARY 2004**