

LIBERTYARK COALITION



October 24, 2007

Dear Senator Kohl, Senator Bennett, Representative DeLauro, and Representative Kingston:

We, the Liberty Ark Coalition, ask that Congress stop funding the USDA's National Animal Identification System (NAIS). The Coalition has over 1,700 individual and 100 organizational supporters across the country. The attached overview of NAIS discusses many flaws with the program. In this letter, we would like to focus your attention on one aspect, namely the fraudulent manner in which USDA and the states have received funding from Congress for this program.

Congress has funded the NAIS annually for the last four years. That funding has increasingly focused on the performance of the states in implementing NAIS. The principal method of measuring this has been USDA's reports regarding so-called voluntary registrations of "premises" (people's real estate properties), and the percentage of total potential premises that those registrations represent. The figures submitted to Congress have been totally misleading.

Many Premises Registrations are Not Voluntary. The Coalition has received, and surveys of the worldwide web show, reports from numerous people whose properties have been registered without their consent. This was principally achieved by the states taking data from existing databases, such as those for the Scrapie program or reports of Coggins tests on horses. Some states, such as Wisconsin and Indiana, have mandated premises registration for every livestock or poultry owner. Other states have mandated registration for certain groups; 4-H and FFA teenagers in North Carolina and Colorado have been told they must register their parents' and in some cases, their neighbors' farms, or else they cannot show their animals in county and state fairs. Registrations resulting from regulatory requirements, data mining, or coercion cannot properly be considered signs of the alleged success of a "voluntary" program.

The USDA's Provisions for Opting Out Are Inadequate. People objected to this forced registration so much that USDA instituted an "opt out" program. Unfortunately, USDA has done nothing to publicize the opt out procedure or how to use it. The states have similarly failed to inform their citizens because the federal funding is tied to registering a specified number of premises, and states may lose funding if people opt out of NAIS. Even when people have taken the initiative to request removal from the database, states have ignored the request or placed barriers in the path to removal. For example, New York responds with a letter asking the property owner if he or she is sure about opting out. These inadequate opt out provisions give a false impression that everyone whose premises have been registered wanted to be registered or still wants to be registered now that they know the truth about NAIS.

USDA Has Inflated the Percentage of Registered Premises. The USDA has defined a premises as any place that "manages or holds livestock or poultry." In calculating what percentage of the total "premises" have been registered, USDA originally estimated that there were 2 million premises in the entire country, based on the 2002 National Agricultural Statistics Survey. This approach was flawed from the very beginning, because the Census covers only farms that have more than \$1,000 in farm-related income annually. NAIS will impact millions more people who do not meet this criterion. Individuals such as pleasure horse owners, homesteaders, and pet owners who own or keep animals on their property are all impacted by NAIS, even though they are not part of the Census. Moreover, the NAIS premises registrations

have included places such as veterinary clinics and racetracks, which are not included in the Census, further artificially inflating the percentage. USDA has compounded the problem by manipulating the Census numbers to claim that there are only 1.4 million premises in the entire country, declaring that the previous number double-counted properties that had multiple species of animals. The USDA cannot have it both ways: If every person who has even a single livestock animal – whether for food or as a pet – is included in NAIS, then USDA cannot claim success in registering X percentage of premises based on a much smaller pool of people.

Flawed Cost-Benefit Analysis. The USDA spent over \$100 million of taxpayer money during the last four years in attempts to implement NAIS, particularly attempts to increase the percentage of registered premises. In addition to not honestly reporting the results, the USDA has embarked on this program without conducting a cost-benefit analysis. After considerable criticism by citizens across the country and the Government Accountability Office, USDA recently awarded a grant to researchers at Kansas, Colorado, Michigan, and Montana State Universities, to perform a belated cost-benefit analysis of the program. The Liberty Ark Coalition has sent an open letter to Dr. Ted Schroeder of Kansas State University, who is heading up the NAIS cost-benefit analysis team. The six-page letter detailed the many problems with quantifying the alleged benefits of NAIS, and the even longer list of costs that would result from the program. The letter is available online at: http://libertyark.net/ksu_ltr_082407.pdf. We believe that a thorough analysis, which covers all of the points we raise in the letter, will inevitably lead to the conclusion that many people have reached through simple common sense and logic: NAIS will impose huge costs on both individual animal owners and our entire society, in return for a “feel good” program that does nothing to truly address disease or food safety issues.

We are concerned about the apparent conflict of interest because KSU receives significant funding from USDA for its animal identification center. As the old saying goes, “You take the king’s coin, you do the king’s bidding.” With USDA’s predilection to make the numbers fit its story, we believe that the cost-benefit analysis will be nothing more than an advertising piece, designed to convince you to spend more tax dollars on this unnecessary and wasteful program.

For more information on the NAIS story and why the program will not do what it claims, please contact Judith McGeary, one of our Steering Committee members, at 866.687.6452, or visit our web site at: <http://www.libertyark.net>.

We urge you to cease funding a program built on coercion and deceit. Stop funding of NAIS in the 2007 Agriculture Appropriations Bill, S.1859.

Sincerely,
The Liberty Ark Coalition

By: Karin Bergener
Steering Committee Member

Enclosure (1)

CC: Members of the Senate and House Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Subcommittees

The National Animal Identification System (NAIS)

The U.S. Department of Agriculture (USDA) is currently in the process of implementing the National Animal Identification System (NAIS) through the States. NAIS is designed to identify all livestock animals and poultry and track them as they commingle with animals other than herd mates from their premises of origin. When the program is fully implemented, the USDA expects that NAIS will be able to identify all premises on which the animals are located and all animals that have had direct contact with a foreign animal disease or domestic disease of concern within 48 hours of discovery.

The USDA has described NAIS as “one of the largest systematic changes ever faced by the livestock industry.” Despite the scope of the proposed program, the government has not conducted any scientific studies or epidemiological models to analyze the design or effectiveness of the NAIS. Rather, the USDA has relied on generalized statements that NAIS is necessary to protect the United States against an outbreak of animal disease and that it will help the export market.

Although the USDA repeatedly states that NAIS is now “voluntary” at the *federal* level, it is encouraging mandatory *state* programs through grants. The USDA continues to provide grants to the states, and the agreements include meeting performance goals. As a result, several states have adopted, or are proposing to adopt, mandatory laws and regulations. Other states have used coercive methods and data mining to increase participation in so-called voluntary programs.

The NAIS is to be implemented in three stages. To reach the USDA’s goal of 48-hour traceback of **every** animal, each stage would ultimately need to be mandatory:

1. Premises registration: Every person who owns any livestock animal would have to register the premises where the livestock is held within the state. Livestock animals include cattle (beef and dairy), hogs, sheep and goats, chickens and other poultry, horses, bison, deer and elk, alpacas and llamas, and others.

2. Animal identification: There will be two levels of animal identification: individual animal and group or lot identification. Most animals in the program would need to be individually identified with a unique 15-digit number. Animals would either be implanted with a microchip or tagged with a radio frequency device, or otherwise physically identified. The tag will have to bear the entire 15-digit number, with the number easily read. For at least some species, radio-frequency identification devices would be required.

Group or lot identification could only be used where groups of animals are managed together from birth to death and not commingled with other animals. In practice, only large confinement producers of poultry and swine would be able to avail themselves of this exception to the individual tagging rule. If animals do not meet the requirements for group identification, they will have to be individually identified.

3. Animal tracking: Every time a tag is applied, a tag is lost or an animal needs to be re-tagged, an animal is killed or dies, or an animal is missing, the event would have to be reported to the government within 24 hours. “Commingling events” will have to be reported, including both public and private sales, regional shows and exhibitions.

The NAIS was developed by large agri-businesses, technology companies, and government bureaucracies, without involving the hundreds of thousands of people who own livestock animals and who will be directly affected. The NAIS will cause a variety of issues:

- Massive intrusion into people’s lives: individuals will have to provide detailed information about their property, businesses, and their own movements to government and private databases;

- Burden on property rights: the premises registration number will attach to the land forever, and people's rights to manage their land and animals will be restricted;
- High costs: registration, tagging, and reporting all carry costs in both time and money;
- Loss of small farmers and ranchers: many will be unable to afford the program, or unwilling to accept the government intrusion;
- Damage to the economy: businesses that rely on small farmers, such as sales barns, supply stores, and even tourism, will be harmed;
- Harm to animal health: the health impacts of implanting microchips have not been sufficiently studied;
- Reduced choices and increased costs for consumers;
- Violation of many Americans' religious beliefs; and
- Increased government bureaucracy and waste of taxpayer dollars.

Even though USDA is advocating this program, it has not performed a cost analysis of the program. Costs for similar programs in other countries are estimated to range from \$37/head to \$69/head. With over a hundred million cattle and millions of other livestock animals in the United States, the NAIS will likely cost producers, businesses, and taxpayers tens of billions of dollars.

The NAIS will not provide benefits to justify these costs. The stated purpose of the NAIS is to provide 48-hour traceback to address animal disease. But the NAIS does not address the critical issues for disease prevention and control:

- the causes of disease, especially differences in management;
- the vectors of disease transmission, including wild animals, insects, and imports;
- testing for disease, including tests for Mad Cow and other food-safety issues; and
- the unique issues posed by each species and each disease

The proponents of NAIS also ignore the alternatives for tracking animals through lower-cost and less intrusive programs.

Contrary to claims, the NAIS will not protect against bio-terrorism. Terrorists are unlikely to target hobby animal owners and small farmers. Microchips are vulnerable to cloning and computer viruses. The type of microchip specifically recommended for horses and cattle, the ISO microchip, is designed to be reprogrammable, so anyone can easily change the numbers. The large databases will provide an easy target for hackers. Indeed, even without intentional tampering, the large databases will be unmanageable, as has already been found in Australia.

The final stated justification for the NAIS is to improve the export market. However, there are better ways to reach agreement with Japan and other foreign countries, including allowing those meat packers who wish to export beef to test their beef for BSE. If tracing is a market benefit, let the market implement it, not a mandatory government program using our tax dollars. Any such program should be voluntary, non-coercive, allow for true competition, and paid for by the participants.