

Traceability



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LIVESTOCK AND SEED PROGRAM
AMS/USDA



Role of USDA-AMS



- Authorized by Agricultural Marketing Act of 1946
- Audit, verify, and approve company's production practices
- Independent, third party



Traceability



WHAT IS TRACEABILITY?

TRACEABILITY IS THE ABILITY TO FOLLOW THE MOVEMENT OF PRODUCTS THROUGH SPECIFIED STAGE(S) OF PRODUCTION, PROCESSING AND DISTRIBUTION

MOVEMENT CAN RELATE TO THE ORIGIN OF THE MATERIALS, PROCESSING HISTORY OR DISTRIBUTION OF THE PRODUCTS

A TRACEABILITY SYSTEM IS A USEFUL TOOL TO ASSIST AN ORGANIZATION OPERATING WITHIN A SUPPLY CHAIN TO ACHIEVE DEFINED OBJECTIVES IN A MANAGEMENT SYSTEM

THE CHOICE OF A TRACEABILITY SYSTEM IS INFLUENCED BY REGULATIONS, PRODUCT CHARACTERISTICS AND CUSTOMER EXPECTATIONS

THE COMPLEXITY OF THE TRACEABILITY SYSTEM CAN VARY DEPENDING ON THE FEATURES OF THE PRODUCT AND THE OBJECTIVES TO BE ACHIEVED

Traceability



REASONS FOR TRACEABILITY – INJECT ACCOUNTABILITY AT EACH LEVEL OF THE MARKETING CHAIN

- Lumber – protection of “old-growth” forests
- Diamonds – reduce trade in “conflict” diamonds
- Food – food safety/food quality

Traceability in the News



Ireland Pork
Dioxin Issue



Cantaloupe Issue - Listeria
One farm - One Packing
shed



Wal-Mart – China
Pork Issue – Is it
Organic?

U.S. Meat Traceability



WHO IS CREDIBLE?

WHOM DO CONSUMERS TRUST TO MAKE DIFFERENT CERTIFICATIONS?

CERTIFYING AGENCIES:

- Federal government - Inspection (USDA) – PVP - Organic
- State government inspection
- Private companies – CAB – Ranchers Reserve – Tender Choice
- Producers
- Food retailers
- Special interest groups

(Bailey and Dickinson)

U.S. Meat Traceability



SOME OBSERVATIONS FOR THE US

- **CAB SEEN AS A “QUALITY” INDICATOR**
- **USDA SEEN AS A “SAFETY” INDICATOR**
- **BRAND NAMES SEEN AS SIGNALING BOTH SAFETY AND QUALITY**
- **CAB HAD HIGHER QUALITY SCORES WITH “INITIATED” GROUPS THAN “UNINITIATED.” STORE BRANDS RATED LOWER THAN MANUFACTURER BRANDS**

(Bailey and Dickinson)

U.S. Meat Traceability



- **US PARTICIPANTS PERCEIVED MANUFACTURER BRAND NAMES AS SUPERIOR TO STORE BRANDS IN TERMS OF QUALITY AND FOOD SAFETY ATTRIBUTES**
- **PRIVATE SECTOR IN THE US APPEARS TO BE PREFERRED OVER GOVERNMENT TO MAKE CERTIFICATIONS FOR ANIMAL WELFARE, SOCIAL RESPONSIBILITY, AND ENVIRONMENTAL RESPONSIBILITY**

(Bailey and Dickinson)

Program Examples



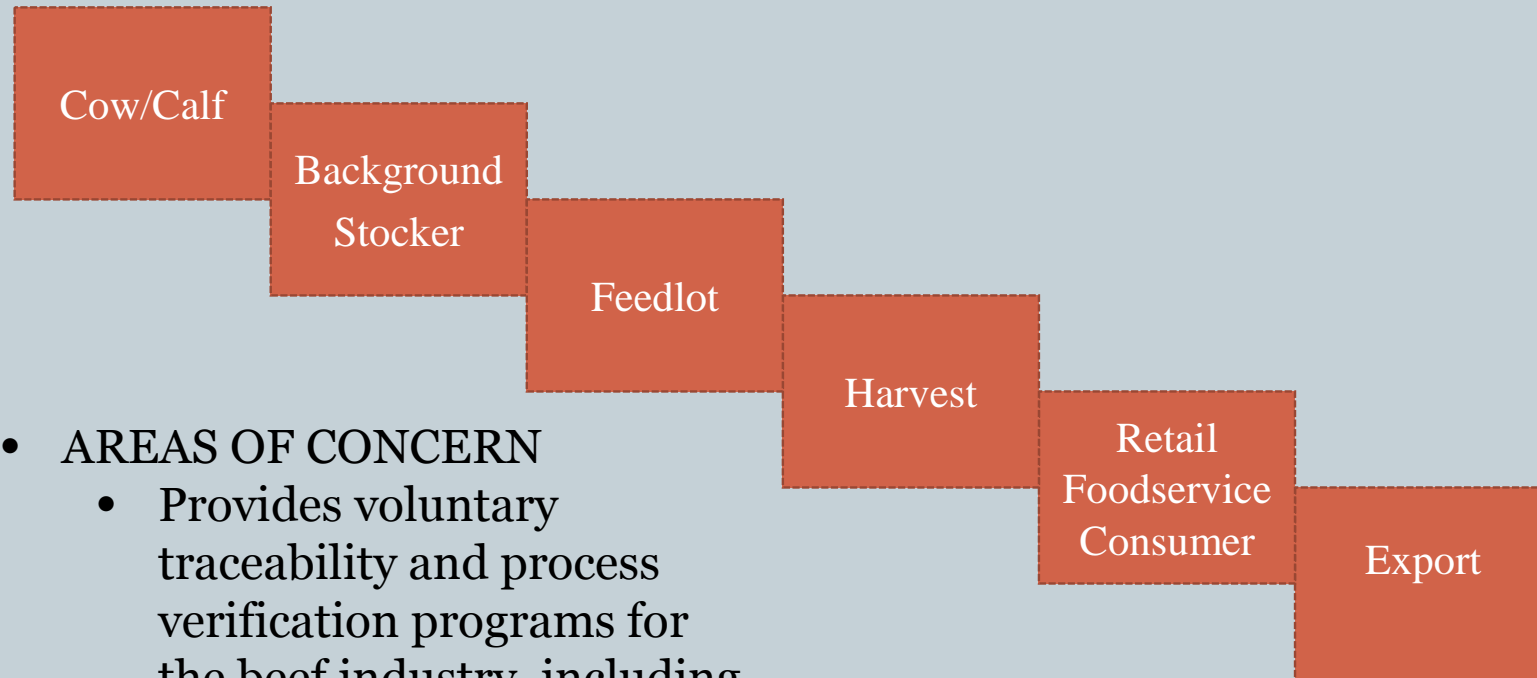
- Traceability to at least 50% Red Angus Bloodlines
- Source Verified to Ranch of Origin
- Group Age Verified



Branded Beef Promise



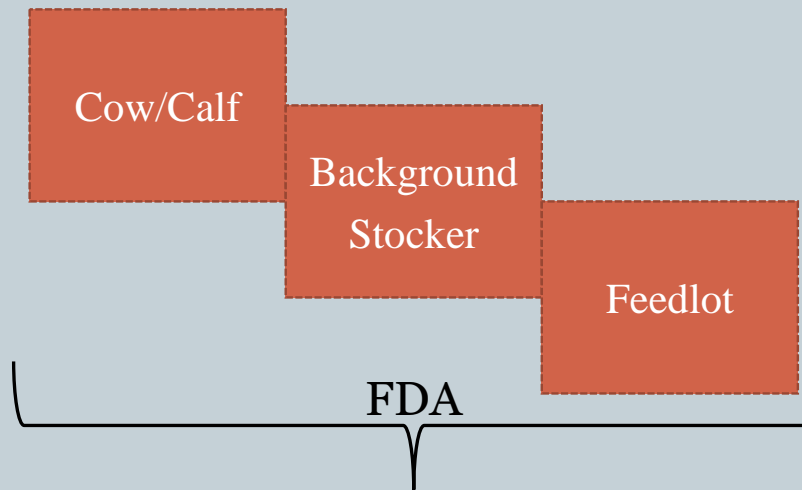
Beef Production and Government Oversight



- **AREAS OF CONCERN**
 - Provides voluntary traceability and process verification programs for the beef industry, including such things as the Beef Export Verification Program to the EU

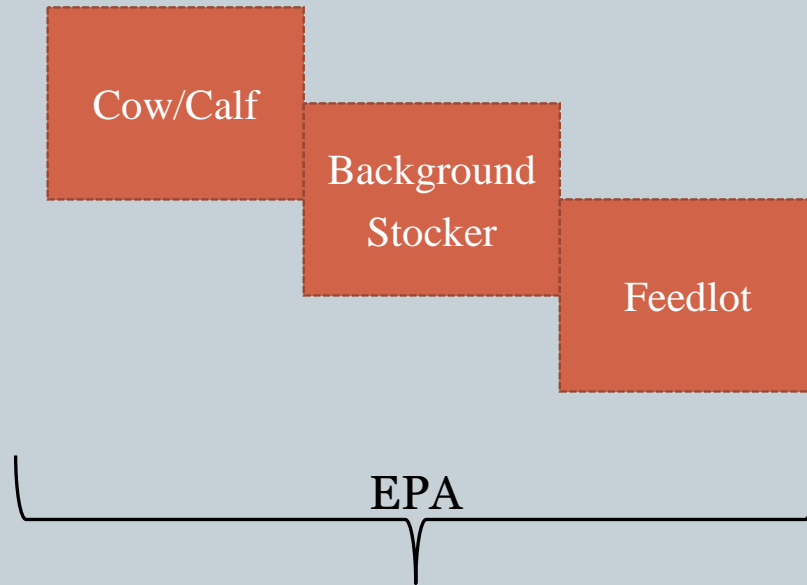
USDA-AMS

Beef Production and Government Oversight



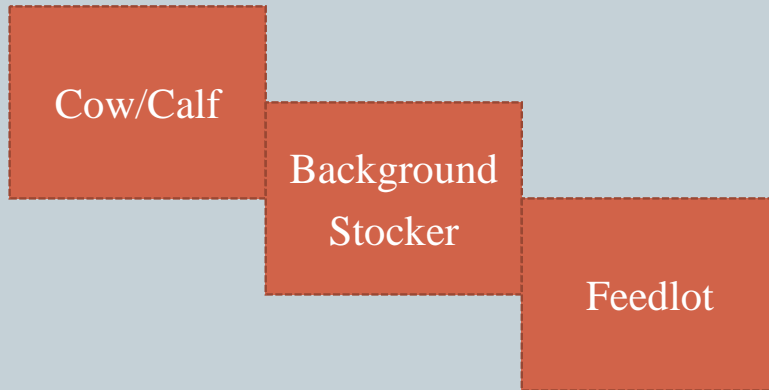
- AREAS OF CONCERN
 - Regulation of animal drugs
 - Approval for the use of animal drugs

Beef Production and Government Oversight



- AREAS OF CONCERN
 - Regulation of pesticides in the areas of human health and the environment
 - Pesticide licensing for use on farms and setting tolerance levels for residues on food

Beef Production and Government Oversight



- **AREAS OF CONCERN**
 - Prevention of animal and plant disease
 - Operation of animal-disease-control programs
 - Grain Inspection for safety and quality

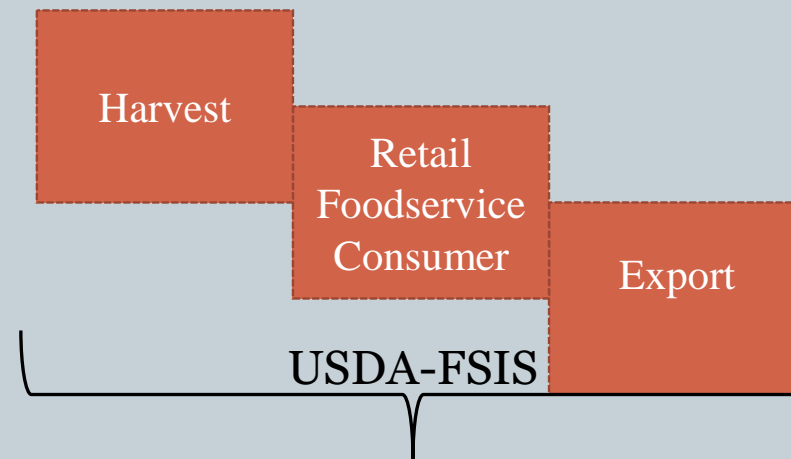
USDA-GIPSA, APHIS

Beef Production and Government Oversight



- **AREAS OF CONCERN**

- Inspection for wholesomeness
- Accuracy of labeling
- Plant sanitation oversight
- Testing for microorganisms, chemical residues
- Conducting epidemiological investigations in cooperation with the CDC



Beef Production and Government Oversight

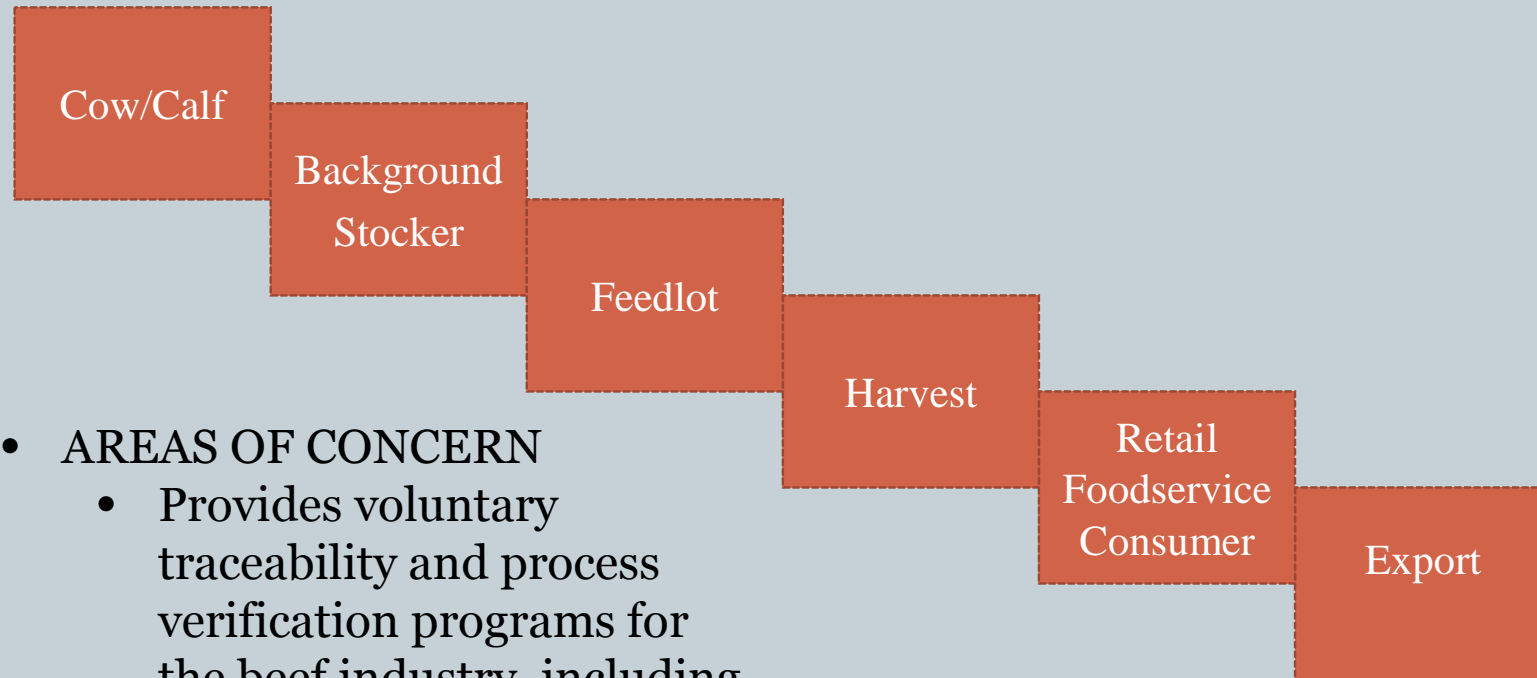


- AREAS OF CONCERN
 - Surveillance and investigation of foodborne illness outbreaks
 - Oversight of primary programs including the Foodborne Outbreak Response and Surveillance Unit, FoodNet, and PulseNet
 - National molecular subtyping network for foodborne disease surveillance
 - Utilizing the network of all state health department laboratories, all laboratories at the USDA's FSIS, and all FDA laboratories

Retail
Foodservice
Consumer

CDC

Beef Production and Government Oversight



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USDA-AMS

Traceability in the Food Chain

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AMS Marketing Programs USDA Process Verified Quality System Assessment Programs

- Voluntary Programs
- Cost recovery basis – user fees
- Market-focused
 - Allow companies to make claims towards marketing their products—e.g., age, source verification
- Not intended to replace any Regulations

Types of traceability systems in AMS

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- **Prescriptive**
 - Non Hormone Treated Cattle
 - Pork for European Union
- **Performance Standard**
 - Process Verified
 - Quality Systems Assessment
 - Export verification program

AMS Marketing Programs

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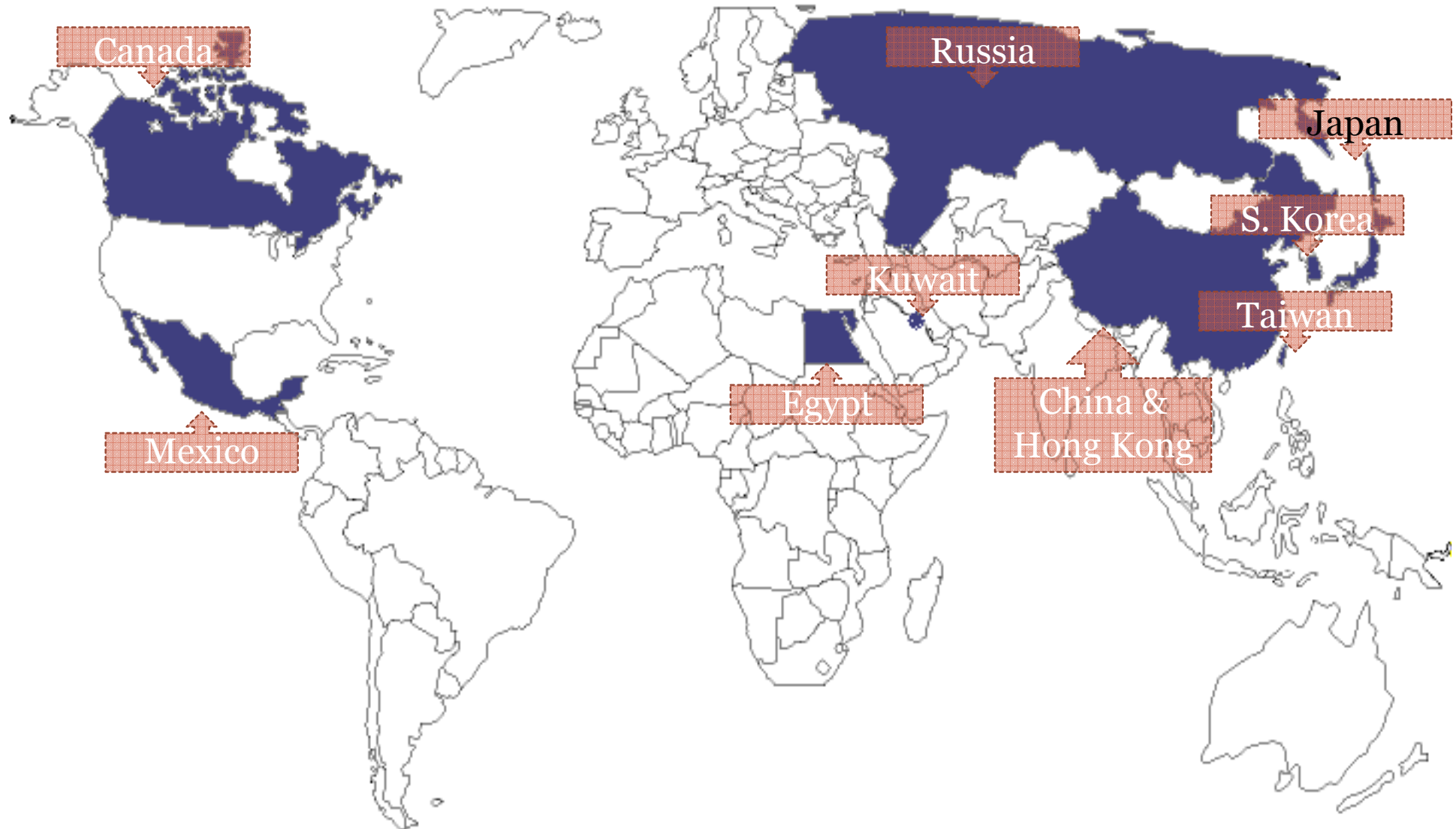
- We do not specify exactly how to do it
- We do not require a specific animal identification system
- We verify that the system works
- We will conduct actual traceback exercises
- Performance driven

U.S. Beef Trade



**RENEWED GROWTH IN INTERNATIONAL MARKET FOR
U.S. BEEF AND BEEF PRODUCTS**

Top 10 Importers of U.S. Beef



Export Facilitating Programs

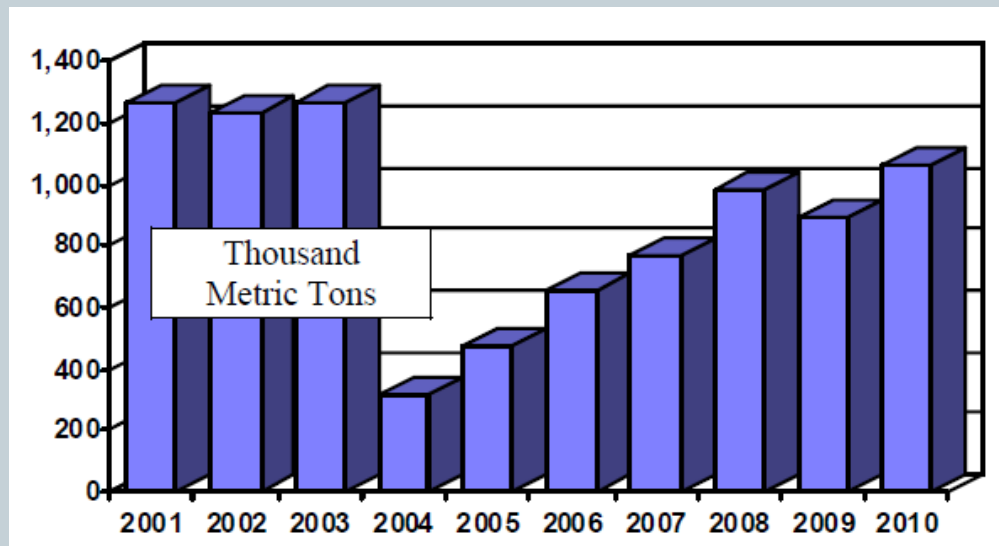


- **Export Verification Program**
 - Developed in 2003 to ensure continued export of U.S. beef when U.S. began to import live Canadian cattle for direct slaughter
 - Voluntary program to verify other countries specified product requirements for U.S. product
 - Verified by USDA agency

Export Profile: Japan



TOTAL U.S. BEEF EXPORTS 2001-2010 (Including Variety Meat)



Export Profile: Japan



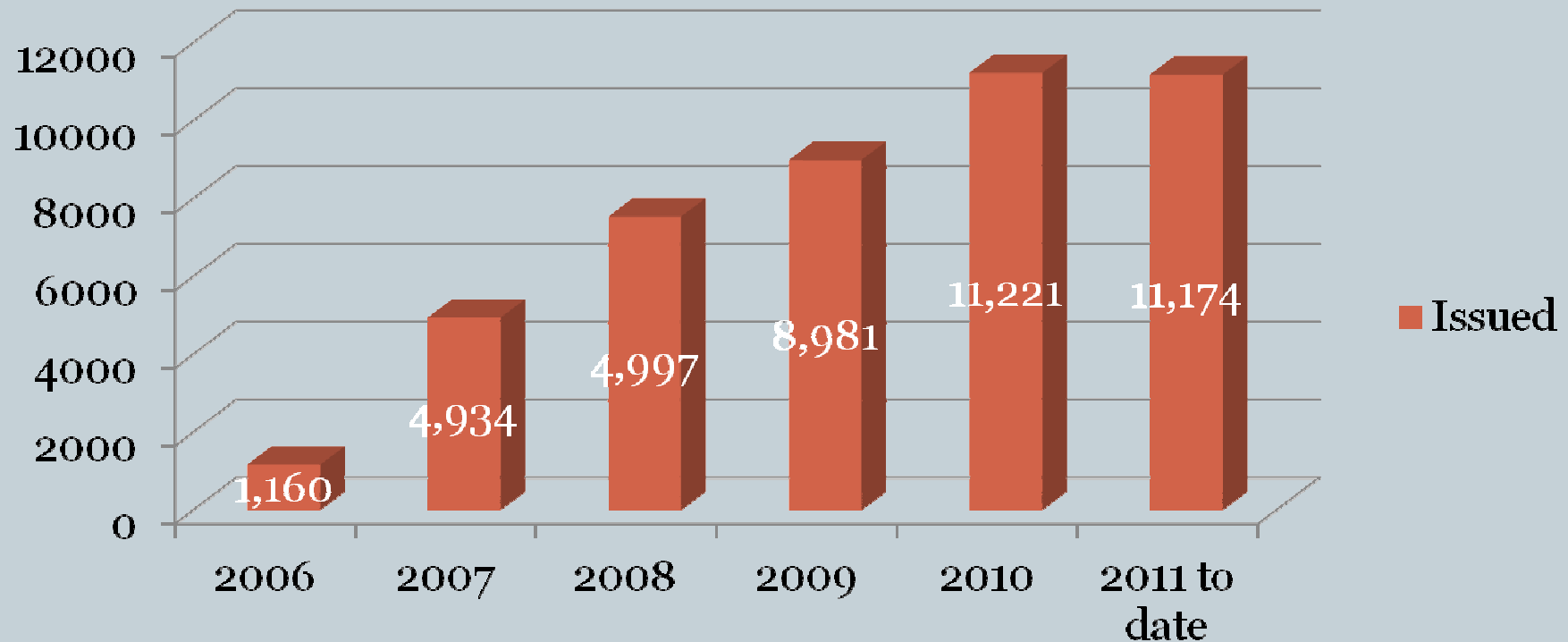
- **EV Program Requirements**
 - Beef and veal from animals slaughtered on or after July 27, 06
 - From animals 20 months or younger
 - ✦ Traceable to live animal production records
 - Hygienic removal of all specified risk materials
- **Major U.S. beef cuts**
 - Short plate, short ribs, skirts/hanging tenders, chuck rolls, offal*

* Source: International Livestock Congress 2008

Export Profile: Japan



Statements of Verification Issued



Estimated box weight since August 2006: 383,068 metric tons

Conclusions



- **Traceability on its own is insufficient to achieve food safety**
- **Private sector needs will pull traceability through and legislative standards will push traceability through**
- **Only through strict adherence to our trade obligations will market confidence be achieved**
- **Traceability and Verification will create value in multiple ways**

