

Office of Information and Regulatory Affairs
Office of Management and Budget
725 17th Street NW
Washington, DC 20503
Via facsimile: 202-395-7245 & 202-395-5806
Via email: OIRA_submission@omb.eop.gov

September 14, 2012

Re: USDA-APHIS Animal Disease Traceability Final Rule
RIN: 0579-AD24

Dear OMB OIRA staff and leadership:

The 63 undersigned organizations, representing family farmers, ranchers, and consumers, urge you to return USDA's final rule on Animal Disease Traceability (ADT) to the agency for a legally adequate, thorough, and complete cost analysis.

ADT has been criticized by thousands of individuals and organizations because of the undue burdens that it will impose on producers. The cost of tagging and the extensive recordkeeping requirements under the rule will impact farmers and ranchers, as well as related businesses such as sale barns and veterinarians, and will ripple through our rural economies.

As detailed in our letter of July 24, the USDA has significantly underestimated the costs of its rule to both cattle producers and poultry producers. While the agency claims that the costs are under \$100 million annually, independent studies indicate that the costs could be **three to five times that high for cattle producers alone**. Moreover, the USDA failed to even attempt to estimate the costs to small-scale poultry farmers, a failure that, by itself, is sufficient cause to reject the rule.

Ultimately, the cost will be more than dollars and cents. If producers cannot afford to meet the new requirements, they will be unable to purchase new animals or market their animals out of state, which could lead to more of them going out of business.

Farmers and ranchers nationwide are already struggling just to keep their cattle alive through the drought. Over 75 percent of the contiguous U.S. is experiencing drought conditions, and almost half the country is in severe or worse drought, including the major farming and ranching regions.

The impact on livestock and poultry producers has been devastating. The forage and feed situation is the worst this country has seen since the 1930s Depression,¹ as producers with parched pastures, rangelands, and crops face expensive hay, grain, and shipping costs. Increased feed costs have led to a reduction in profits per livestock animal by more than \$100

¹ Fran Howard, AgWeb, "Forage situation calls for desperate measures." (July 25, 2012), http://www.agweb.com/article/forage_situation_calls_for_desperate_measures

just since June 1.² One agricultural economist has estimated that 2013 feed prices could triple the 1990-2004 average.³ Rapidly depleting livestock water is forcing many producers to haul water, which is also expensive and time-consuming.

Families who have been the agricultural backbone of this nation are now at the breaking point. Many have already sold a large part of their herds, and the slaughter of many breeding age cows will mean that it will take a decade of normal rainfall to rebuild the cattle population in America.

Traceability programs, such as USDA's ADT rule, also impose costs on livestock-related businesses, such as sale barns and veterinarians. It was recently reported that sale barns in New Zealand have added a new surcharge for cattle sales due to the additional equipment, staffing and administrative costs required for their NAIT (national animal identification and tracing) program.⁴ It is likely that similar costs under ADT will be passed on to U.S. farmers and ranchers.

Like the sale barns, those producers who are able to stay in business will have to find a way to pass on the costs, which will mean higher prices for consumers, who are already facing higher prices at the grocery store.⁵

In contrast to the clear costs of the program, the benefits remain vague. The USDA's Regulatory Impact Analysis focused almost entirely on the monetary benefits from exports, but this approach is fundamentally flawed for several reasons. First, the benefits are based on models of varying degrees of traceability,⁶ yet tagging is not synonymous with traceability: an animal with an ear tag attached prior to crossing state lines may become untraceable later through lost tags or poor recordkeeping by state agencies. Second, as has been shown repeatedly and acknowledged by USDA officials, market access often depends more on politics than on traceability or other measures. Finally, the financial benefits of exports accrue almost entirely to the companies who sell the exports. Since the costs of the program will rest almost entirely on livestock producers and related businesses, it is inappropriate to justify those costs on the basis of benefits to other entities.

We urge you not to impose new, unnecessary costs during these difficult times. The ADT rule should be sent back to the agency for a thorough and comprehensive review of the costs of the rule on American farmers and ranchers.

² John Maday, "Risk Management critical as feedyards face high breakeven." (Aug. 7, 2012), <http://www.cattlenetwork.com/e-newsletters/drovers-daily/Blach--Risk-management-critical-as-feedyards-face-high-breakeven-165189776.html>

³ AgWeb.com, "How is drought changing the livestock landscape?", (Aug. 6, 2012), http://www.agweb.com/article/how_is_drought_changing_the_livestock_landscape

⁴ Ali Tocker, "Farmers bear more costs over NAIT scheme", (Aug. 23, 2012), <http://www.stuff.co.nz/waikato-times/news/7531763/Farmers-bear-more-costs-over-NAIT-scheme>

⁵ Catherine Tymkiw, "Food prices on the rise as drought worsens." CNN Money (July 25, 2012), <http://money.cnn.com/2012/07/25/investing/corn-food-prices/>

⁶ See Regulatory Impact Analysis at p.57.

Sincerely,

American Grassfed Association
Carolina Farm Stewardship Association
Cattle Producers of Louisiana
Cattle Producers of Washington
Cattlemen's Texas Longhorn Registry
Central City Co-Op (WA)
Certified Naturally Grown
Citizens for Private Property Rights (MO)
The Cornucopia Institute
Dakota Rural Action
Davis Mountain Trans Pecos Heritage Assoc. (TX)
Family Farm Defenders
Farm and Ranch Freedom Alliance
Farm-to-Consumer Legal Defense Fund
Food and Water Watch
Food Democracy Now!
GardenShare (NY)
Idaho Rural Council
Independent Cattlemen of Nebraska
Independent Cattlemen of Wyoming
Just Food
Kansas Cattlemen's Association
Local Harvest
Maine Alternative Agriculture Association
Maine Organic Farmers and Gardeners Assoc.
Michigan Land Trustees
Mississippi Livestock Markets Association
Missouri Rural Crisis Center
Montana Farmers Union
National Family Farm Coalition
National Health Freedom Action
National Health Freedom Coalition
Natural Environmental Ecological Management
Nebraska Sustainable Agriculture Society
North Country Sustainability Center
Northeast Organic Farming Assoc. - Connecticut
Northeast Organic Farming Assoc. – Interstate Council
Northeast Organic Farming Assoc. – Massachusetts
Northeast Organic Farming Assoc. - New Hampshire
Northeast Organic Farming Assoc. - New Jersey
Northern Illinois Draft Horse and Mule Assoc.
Northern Plains Resource Council (MT)
Oglala Sioux Livestock and Landowners Assoc.
Ohio Ecological Food and Farm Association
Oklahoma Composting Council

Oregon Livestock Producers Association
Organic Consumers Association
Organization for Competitive Markets
Oscar Romero Catholic Worker House (OK)
Powder River Basin Resource Council
R-CALF USA
Rural Vermont
Slow Food Austin (TX)
Slow Food Nebraska
South Dakota Stockgrowers Association
Sustainable Food Center (TX)
Texas Organic Farmers and Gardeners Assoc.
Turner Farm (MA)
Virginia Land Rights Coalition
Western Colorado Congress
Western Organization of Resource Councils
Weston A. Price Foundation
Wintergarden Sustainable Agriculture Coalition (TX)

For more information, please contact Judith McGeary, Farm and Ranch Freedom Alliance, at 254-697-2661 or Judith@FarmAndRanchFreedom.org