INTERNATIONAL LIVESTOCK IDENTIFICATION AND TRACEABILITY PROGRAMS: COMPETITIVE IMPLICATIONS

Objective

Identify comparative advantages and disadvantages U.S. producers and processors face in meeting evolving requirements for exporting red meat to targeted destinations.

Overview

- The international red meat marketplace is rapidly changing with many key U.S. red meat export destinations adopting animal identification (ID) and meat traceability systems.
- Countries with well-developed mandatory animal identification and traceability programs enjoy comparative advantages in red meat exports relative to countries without such systems. They are better positioned to respond quickly to crisis situations and mitigate potential damages.
- Those countries that offer animal identification and meat traceability systems are using those systems as points of comparison versus products from nations without such systems.
- As more countries adopt animal and meat tracking systems, those early adopters of livestock and meat traceability systems have the opportunity to gain significant market advantages through increased consumer confidence.

Why Exporters Have Traceability (Table 1)

*Primary motivations for launching and building upon animal ID and traceability programs:*
- Export market access and producer profitability
- Animal health management
- Food safety and assurances

*Secondary Motivations*
- Improved supply chain coordination
- Enhanced producer management opportunities

Why Importers Have Traceability (Table 2)

- Importing countries are adopting animal traceability systems similar to those of major exporters for:
  - Animal disease control
  - Food safety assurances
- Consumers in European and Asian markets increasingly demand traceability protocols.
  - Consumers and/or policymakers are demanding access to information on animal movements and source verification as elements of product safety assurances.
- Markets in Europe and Asia are the most likely to continue to add traceability requirements for imports. Access to these markets could increasingly depend upon established traceability systems.

The Potential Effects of Mandatory Traceability (or Lack of It) on Market Access? (Table 3)

- Lack of traceability is likely to result in a significant drop in exports if major import markets make it a requirement for access.
- If the U.S. had a traceability system, temporarily closed markets would be likely to reopen more quickly (for example, in the case of an animal disease outbreak or food safety issue).
The full cost of 100% U.S. industry adoption of a source and age-verification program was estimated to be significantly less than the value of U.S. beef exports to Korea.
<table>
<thead>
<tr>
<th>Country</th>
<th>System Name</th>
<th>Launch Date</th>
<th>Mandatory</th>
<th>National Individual Animal ID</th>
<th>ID System</th>
<th>Animal Movement Tracking</th>
<th>Motivation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Korea</td>
<td>South Korea Beef Traceability System</td>
<td>2004 &amp; Updated in 2009</td>
<td>✔️</td>
<td>✔️</td>
<td>RFID</td>
<td>✔️</td>
<td>Consumer Food Safety Assurance and Animal Health Management</td>
</tr>
</tbody>
</table>

Table 2
The myriad restrictions across countries are especially pertinent to the export of variety meat and certain cuts like short plate, short ribs and chuck and round items, of which a high percentage of U.S. production is exported at much higher values than can be achieved through sales on the domestic market.