

Ahead of the Curve

Ten southeastern states have banded together to form the Southeastern Livestock Network, designed to bring verification value to producers.



Story by
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In this day and age of animal identification (ID) and verification, communication appears to be the primary link to achieve both. With that in mind, 10 cattle associations in the Southeast have formed a unique network to help facilitate the entire process for their cattle producers.

Called the Southeastern Livestock Network LLC (SLN), the corporation is owned and operated by the cattlemen's associations in Alabama, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and West Virginia. Their primary purpose is to protect producer interests in the National Animal Identification System (NAIS) and to provide identification and data management services for cattlemen, auction markets and buyers.

Creating opportunities

"In the Southeast we have many producers with small cow-calf operations. But, collectively, the calves from this region represent one-fourth to one-third of all the calves annually put on feed, so they are important to the industry," says Jim Akers, who serves as executive director of the Southeastern Livestock Network.

Recognizing that contribution, the cattlemen's associations in the states involved wanted to ensure their producers' individually-small cattle numbers wouldn't hinder future marketing opportunities due to animal ID and source-verification requirements.

Program coordinators used the Kentucky Beef Network system as a model, having seen the benefits of the cow-calf and livestock marketing sectors working

together. The Southeastern Livestock Network was set up to facilitate communication, ensure consistency across the region and, most importantly, enhance the market potential for cattle producers. To achieve this, electronic identification (EID) tags are used on all animals enrolled in the network.

The network helps promote source-verified animals to potential buyers, and several verified calf sales are scheduled at auction markets throughout the region.

"This has given our small producers an opportunity to participate," Akers says. "EID allows for verification, but the calves can be commingled with other calves to form large lots to sell."

Premium results

The network's efforts have been successful, with premiums paid for verified calves. Akers says, "We've got some good successes. We've especially seen a push for age and source verification on the black-hided cattle so they can qualify for the CAB® (*Certified Angus Beef*®) programs and other premium grids."

Mark Houston, owner of East Tennessee Livestock Center at Sweetwater, says he's seen the network benefit small-scale producers. "We hosted a verified calf sale, and because the calves had EID tags they could be commingled to put together larger lots and still offer age and source verification. As a result, the producers got a better price," Houston says.

Bluegrass Stockyards at Lexington, Ky., has hosted Kentucky Certified Pre-Conditioned for Health (CPH-45) program calf sales through the Kentucky Beef Network for the past four to five years. In fall 2004 and spring 2005, 8,991 head enrolled in the network were sold at the specialty sales, reports Jim Gibson, director of Internet and CPH sales for Bluegrass Stockyards.

He says those calves commanded a \$10.64-per-hundredweight (cwt.) premium over the current market at that time, for an average premium of about \$60 per head.

"Response has been good, and buyer participation has been terrific," Gibson says. He credits the success to the credibility that the network brings to the calves being sold. Specifically, all animals have the EID tag for traceability, and they must be weaned, bunk-broke and verified to have two rounds of vaccinations.

"This system has been working, and we continue to see more and more interest from producers and buyers," he adds.

Moreover, the program hasn't just been for feeder calves. Source verification on cull cows is also offered, and fairly substantial premiums for those animals have been reported as well, Akers says.

Equally important, the network has demonstrated that animals' movements can be successfully tracked electronically through local livestock auction markets all the way to the harvest facility. Through a U.S. Department of Agriculture (USDA) pilot project

conducted from July through September, the Southeastern Livestock Network tagged and tracked 1,500 animals — primarily cull cows — at 10 different auction markets in the region and followed them through to harvest at FPL Foods LLC in Augusta, Ga.

Of the project, Akers says, "It worked well and demonstrates that we can read tags and not slow the sale down and then have an audit trail from the premises to the packer."

Jay Busby, who worked on the pilot project exclusively for FPL Foods, also attests to the value of the Southeastern Livestock Network. "In the cow-meat business, source-verified product is especially hard to get. Enrolling animals in the network helped streamline the paperwork and created a reliable system. The Southeastern Livestock Network provides a viable infrastructure for verification, and there's demand for it," he says.

Additionally, Akers says the success of the Southeastern Livestock Network shows that there is value in identification. "Electronic

animal ID is a huge undertaking that the cattle industry's never had to address before. We feel the most logical way to get producers participating in ID is because of value, not because they have to. And, thus far, participation in the Southeastern Livestock Network has been because it's market-driven."

To help get more producers participating in animal ID, Akers says the network's eventual goal is to have service providers throughout the region to work one-on-one with producers and help get them started.

Simplicity is key

That said, Akers emphasizes that he would like to see the NAIS remain a simple one.

"Our aim is to help make the system work — to help provide an audit trail. We operate a tag management program and allocator system and then manage the data inventory. We've built it to allow for national animal ID and age and source verification, and we are trying to keep it simple and straightforward for producers and buyers," Akers says.

However, he says, the quality systems assessment (QSA) process has been frustrating to them. Similar but more limited in scope to a process-verified program (PVP), a QSA is a quality management system that helps ensure a limited number of product characteristics.

"There are multiple processors with QSAs and business rules. We've looked into doing a QSA of our own, but then we run the risk of eliminating a buyer. So, we'd like to see some standardization for QSAs," he says.

Akers reports that cattle enrolled in the Southeastern Livestock Network system will meet the standards being required, but, he says, "We just have a hard time responding as quickly because of the vast numbers of people we deal with relative to the number of cattle."

He adds, "We have concerns that QSAs move the industry toward an integrated system, which is not advantageous. For our producers, maintaining the health of the auction systems and price discovery is critical."

