

PVPs and QSAs



PHOTO BY MATT CALDWELL

Producer meeting helps those searching for premiums.

Story by
MATHEW ELLIOTT

Producers interested in learning more about how to achieve premiums through age and source verification had the opportunity to attend a workshop co-sponsored by the Iowa State University (ISU) Extension Service, the Tri-County Steer Carcass Futurity (TCSCF) and AngusSource®. The meeting was at ISU's Armstrong Research Center near Lewis, Iowa, and featured three speakers who covered different aspects of the age- and source-verification process.

Brantley Ivey of the Iowa Beef Center made it clear that source and age verification is not mandatory. It is a marketing option that allows product to qualify for export to Japan.

Most countries that the United States ships beef to have an EV, or an export verification program, and every country is different, Ivey says. "Japan has the most restrictions. Japan says we will take your beef if it's less than 21 months of age."

According to Ivey, it is important to understand that just because you keep records doesn't mean that you will receive the \$25-per-head premium for your calves that some packers are offering. You must be enrolled in a QSA (quality systems assessment) or a PVP (process-verified program) at the ranch, and the feedlot that you take your cattle to must recognize your program and also may be required to be covered by a QSA or PVP program itself. In other words, to qualify for export and receive the \$25 premium, the cattle must be covered by a QSA/PVP at the ranch and feeding level, as well as the packer level.

PVP vs. QSA

According to the U.S. Department of Agriculture's (USDA's) web site, both QSAs and PVPs are formats for companies to create documents to address requirements to ensure the product meets specified requirements. The company seeking the QSA or PVP outlines and submits a set

of protocols describing what its program intends to verify and how. The USDA approves and enforces the process. There are several differences between QSAs and PVPs.

A QSA program is one that has been pre-approved by the USDA's Agricultural Marketing Service (AMS). Cattle participating in a QSA must have been raised by feedlots, backgrounders, and cow herds that are also involved in a QSA program.

The PVP works by having documented records of the cattle similar to that of a QSA. Both require third-party audits.

One of the biggest differences is that a PVP has the freedom to develop individual claims. That can include everything that is in a QSA, plus some of its own requirements, such as genetics in the case of AngusSource. A QSA is limited to age, source and Non-Hormone Treated Cattle (NHTC) programs.

A QSA program will be audited by USDA a minimum of twice per year, while a PVP program has a minimum of one audit per year.

Finally, a PVP Shield and terminology can be used in marketing materials, while a QSA does not currently have a shield available to use for marketing.

Advantages

So what's the advantage for those who have gone through the work to gain acceptance to a QSA or PVP program? The answer goes back to finding those premiums that are out there.

"Why is there a premium?" Ivey asked the group. "The answer is it's in the variety meats. The tongue itself is worth \$20 in Japan." By adding value to the variety meats, exports add considerable value to the carcass.

Ivey says that with age and source verification producers can gain an average \$25 premium per head, but producers must be in a QSA/PVP program and the feedlot they take their cattle to must be PVP- or QSA-qualified. If not, there will be no premiums.

All QSA and PVP programs are required to conduct producer re-

evaluations, and a portion of these are to be conducted on site annually at a rate of 10% or 2, whichever is greater. Feedlots and auction markets are to be re-evaluated annually on-site.

To prepare for an on-site re-evaluation, Ivey advises simply, “say what you’re going to do, do what you say.” That way, when audited, you can give a step-by-step process of your operation.

John Woltmann of TCSCF added that the futurity is a QSA program that sells to Tyson. An audit is not the worst thing in the world, he says. “It’s not a witch hunt, but if you are trying to hide something, they will find it.” If you have your transfer documents, head counts, identification and processing reports in order, an audit could be a nice herd visit.

The Angus answer

“Premiums are no longer paid on live cattle. Premiums are paid on information,” Sara Moyer, director of AngusSource, said, quoting Greg Arendt. Moyer spoke on how the AngusSource PVP works, how to enroll and the benefits for producers.

“AngusSource is a PVP, not a tagging program,” Moyer says. “It’s a marketing program to document source, age and genetics. The tags simply identify the cattle that are enrolled in the program.”

In order to be eligible for source verification, calves must be born on your operation and the genetic claim — something that makes this program unique from other PVPs — for the AngusSource program requires calves be sired by a registered, properly transferred Angus bull.

AngusSource requires that a producer keep, at minimum, a record of the first calf born. All calves enrolled together as a lot are “group aged” as the oldest calf.

An advantage of the AngusSource program, Moyer says, is it will work with large and small operations and any size in between.

“We work with producers of every size. You’d be hard-pressed to find another PVP program that will enroll two calves. We offer AngusSource as a service to our bull customers, so regardless of size they have access to the program.”

To qualify for the AngusSource program each calf crop must be enrolled by an approved supplier (the producer).

“We just don’t approve a producer, we enroll every calf crop,” Moyer says. “If you enroll your spring crop, you jump through the same hoops in the fall. Genetics can change, and management practices can change, so AngusSource takes extra steps to make sure calves qualify.”

Market advantage

Since this is a marketing and not a tagging program, Moyer encourages producers to wait until their entire herd has calved to order their tags so they know how many head they have to enroll. Reminding attendees that this is not a cheap ranch tag, she says a good time to tag calves is at weaning or branding. This minimizes the potential for lost tags. If a calf is not wearing a tag, it is no longer enrolled in the program.

The AngusSource program uses its custom-printed ear tags to identify calves enrolled in the program. Visual program tags are required and cost \$1 each. A radio frequency identification (RFID) matched-pair option is available for \$3.25 each. Visual tags are printed with the AngusSource logo; a unique animal number; and the AngusSource Lot ID, which includes the state of origin, lot

number and the producer’s customer code. An in-herd management number can be custom-printed and is included in the price.

Newer to the program is that all calves that are enrolled in AngusSource have the opportunity to supply the *Certified Angus Beef*[®] (CAB[®]) brand, due to meeting the genotypic qualifications of the AngusSource program. Moyer says that

this is another example of helping those who use Angus genetics.

“At the end of the day, we still work for the registered Angus breeder, and we’re trying to drive demand for registered Angus bulls. By creating marketing programs and avenues for Angus-sired calves we help add value.”

