TEXAS DEPARTMENT OF AGRICULTURE

TODD STAPLES
COMMISSIONER

May 20, 2009

The Honorable Tom Vilsack
Secretary
U.S. Department of Agriculture
Washington, D.C. 20250

Dear Secretary Vilsack:

Thank you for holding a listening session on animal identification in Texas. This is one of many issues, along with some serious and unique international border issues Texas producers face daily with Mexico, that I have sought to discuss with you in person. I hope to have that opportunity when you make your first trip to Texas or the next time I am in Washington, DC.

Texas leads the nation in several livestock-related categories, specifically cattle production which represents over $7.6 billion in cash receipts. The overall economic impact of agriculture on the Texas economy exceeds $100 billion, totaling about 9.5 percent of our gross state product. As such, protecting the agriculture sector from pests, diseases and the effects of economic uncertainties and natural disasters is a top priority for me.

It goes without saying that *any* government action related to the food and fiber sectors will have an impact on Texas, and mandating an animal identification system would be no exception. I support the voluntary structure of animal identification and believe firmly in allowing the market to drive the development of this system. Today, many companies are offering various levels of identification and origin claims because there is a consumer demand and financial incentive to do so.

Requiring a complex and costly animal identification system on all animal owners would harm the very producers who are currently voluntarily responding to a specific consumer demand for the system. If government mandates an identification system, it effectively removes the market incentives that exist today and diminishes any opportunity to recoup financial investments made by the voluntary participants.

Beyond the basic economic implications, Texas producers have other concerns that I know you will hear about in detail today. There is a significant concern about the protection, or lack thereof, of the producers' confidential information; we all know government has a bad track record of protecting information it collects.

You will also hear justified skepticism about how animal identification systems will integrate

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into livestock producers' operations. Processes like scanning, tagging and other added live animal processing steps will impact the flow of operations. In a tight margin business like agriculture, there is little room for efficiency setbacks.

Finally, in addition to the costs that will be forced upon producers in a mandatory system, we must also carefully consider the expense to taxpayers. We are still learning of the high costs, as well as the many burdens and hurdles industry and government have encountered with country of origin labeling. Now is not the time for another unfunded government mandate that will certainly cost producers and taxpayers money with no guarantee of a return on their investment.

The use of animal identification systems in agricultural operations across the United States continues to grow. Now is not the time to abandon this opportunity for the market to guide and fund this issue. Mandating animal identification for every animal owner in the United States would certainly have unintended consequences – many of which are known today and many that have not yet been identified. Thank you for your consideration and please do not hesitate to contact me if I can be of further assistance.

Sincerely yours,

Todd Staples