



E-Certification / Regulation Cost

Objective should be

- Efficiently allow cattle to flow across borders with minimal cost at the speed of commerce
- Uphold the animal health standards in both Nations

- Basically is the evolution away from mail to email
 - Away from manual to electronic record keeping and transmission
- Allows information to be transferred much quicker and at lower cost
- Allows information to be stored and accessed easier with less chance of error with much greater privacy and security

Cloud Computing

- E-certification and cloud computing are not new
- Healthcare professionals have readily adopted the technology over the past decade
 - Much higher need for privacy and security
 - According to CDW's [Cloud Computing Tracking Poll](#), an assessment of current and future cloud computing made by polling 1200 IT professionals, 30 percent of healthcare organizations are classified as cloud adopters.
 - <http://blogs.msdn.com/b/healthblog/archive/2011/05/26/the->

Regulation Cost

- Factors affecting the cost of importing Canadian feeder cattle
- One load lots
 - Branding for unique identification
 - Unloading at Border & other logistical Issues
 - Financial Consequences of Regulation

One Load Lot Consequences

- Feeder Cattle export paperwork must be completed on a load by load basis
 - Cattle must be penned in load lots or cattle must be identified uniquely to their specific load and sorted into loads as per their export paperwork.
- Effect
 - Each facility must have numerous empty pens to meet protocols OR must spend money to tag, time to sort, and increase stress on animals and risk injury
 - For what purpose is this done?

One Load Lot Consequences

- This can limit trade as willing sellers may not have facilities or labor to accommodate regulation
- CFIA charges producers on a per load basis of \$75/certificate
- Expanding the maximum number to 6 loads as it is on Live Cattle could minimize CFIA workload and offer tremendous savings and time for market participants & increase trade

Having the Paperwork Transmitted Electronically

- If export papers were transmitted electronically CCIA numbers could be sorted or searched for instantly
- This could increase security and enhance the management capabilities tremendously over the current practice



Feeder Cattle Must Be Uniquely Identified

- The regulation states cattle have to be uniquely identified by brand, tattoo, or by means which the NCIE approves, however the northern tier states demand branding as the only identifier
- All cattle in a restricted feedlot must remain in slaughter channels. However, cattle destined for immediate slaughter do not receive a brand.
- It is easy to understand why a brand is necessary for cattle that will enter breeding channels or Dairy...live in the US for a prolonged period of time
- Cattle which are exported to a restricted feedlot will live <200 days until harvest and are not eligible to leave the facility

Unloading at the Border

- USDA requires feeder cattle to be unloaded and visually inspected at the port of entry
- This is after an accredited veterinarian in Canada has visually inspected cattle
- This places undue stress on the cattle and risk of injury
- Load times at the Eastport crossing restricts flow and requires trucks to either load in the middle of the night or have cattle on trailers longer than necessary
 - Live Cattle take priority only allowing 8 loads of feeder cattle cross a day beginning at 7:30am
 - Some trucks must overnight at the border loaded to arrive prior to the trucks hauling direct for slaughter cattle

Unloading at the Border

- The logistics of accommodating this regulation and the stress of unloading & loading cattle is a costly process
 - Lack of good facilities at port
- The increased shrink of livestock waiting in transit to be unloaded and physical requirement of inspection causes approx. a minimum of 1% shrink
- $900\text{lbs} \times \$1.20 \text{ cwt} \times 1\% = \$10.80/\text{head}$

Total Cost of US Import Regulation

- Physically delivering export papers to a federal vet
\$0.25/head
 - \$100 per trip (400hd per trip)
- CFIA charge on a per load basis \$1.00/hd
 - \$75 per load
- Branding \$3/hd chute fee, labor to brand
 - Not including increased stress, risk of injury
- Waiting at crossing and unloading for visual inspection
\$10.40.hd

• **TOTAL COST \$14.65/head**

Affect on Livestock

- Cattle are sorted for size
- Cattle are put through a squeeze and branded
- Cattle are sorted for load lot and reorganized changing the pecking order
- Cattle are loaded in the middle of the night to arrive at the port before 7:30
- Cattle are hauled >250miles to port
- Cattle can sit on a truck up to 10 hours
- Cattle are then unloaded, inspected, re-loaded
- Cattle are then hauled an additional 250miles

Affect on Livestock

- Combined these action result in
 - Increased cripples
 - Increased Railers
 - Increased use of anti-inflammatory drugs
 - Downers on the truck
 - Difficulty starting cattle on feed
 - Etc
- None of these costs are included in my calculation of Increased Costs

Trade flow South to North

- Historically (Pre-BSE) it was common in a calendar year to have more feeder cattle exported to Canada than imported
- The type of animal typically being exported to Canada is very different
- Predominantly un-weaned sale barn calves
- Poses logistical issues to have export papers endorsed miles away from the livestock or the port.
- Cattle become sick in sale barns while waiting for endorsement (could pose animal welfare issues)
- It is important for there to be the efficient movement of cattle in both directions to show all sectors of the industry in both countries trade is positive for everyone involved in the North American Cattle Industry

- Export papers must be endorsed by a Veterinary Services (VS) veterinarian
- Unlike in Canada there is one VS office in each State generally located a long distance from exporting regions
- Until E-Certification is in place
 - Could accredited vet fax export papers to VS office and have communication between VS and USDA at the port of exit. Therefore, papers could be viewed by both the VS and the USDA vet at the port, but be physically endorsed at the US port?
- What happens when cattle are exported through a different border state.

My thoughts

- It is important for industry to have as much integration and trade in both directions to have every segment of the industry understand the benefits of trade
- Animal Health regulation are integral to the system and industry wants to meet or surpass any federal, state, or provincial regulation
- Costs must be minimal and regulation must be achievable at the current speed of commerce.



Thank you

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