

## **Cattle Business in Mississippi – February 2006 “Beef Production Strategies” article**

### **Familiarization with Beef Export Guidelines**

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In the beef industry, acronyms are commonly used including: EPDs (Expected Progeny Differences), BVD (Bovine Virus Diarrhea), BSE (Breeding Soundness Evaluation), TDN (Total Digestible Nutrients), BQA (Beef Quality Assurance), and the list could continue. It is time to become familiar with three more important acronyms and the programs they represent: EV (Export Verification), QSA (Quality System Assessment), and PVP (Process Verified Program). Two significant Asian markets are once again open for business to U.S. cattle producers, and the associated export requirements to utilize these markets necessitates paying close attention to marketing program specifics and the production records needed to take advantage of export marketing opportunities and potential premiums.

#### **Japanese Market**

United States Secretary of Agriculture, Mike Johanns, announced on December 11, 2005 that the Japanese market has reopened to U.S. beef products. Under the agreement, the U.S. is able to export beef from cattle 20 months of age and younger to Japan. Prior to the Japanese border closure to U.S. beef in December 2003, the U.S. exported \$1.4 billion worth of beef and beef products to Japan that year.

#### **Hong Kong Market**

Further progress was made on reopening beef export markets on December 29, 2005, when Secretary Johanns announced the resumption of U.S. beef trade with Hong Kong. The agreement will allow the U.S. to export boneless beef from cattle less than 30 months of age to Hong Kong under the Beef Export Verification Program. At the time of the border closing in 2003, the U.S. exported \$90 million worth of beef and beef products to Hong Kong making it the fifth largest market for U.S. beef products.

#### **Qualifying Cattle for Export Markets**

##### ***Export Verification (EV) Program***

*[www.ams.usda.gov/lsg/arc/bev.htm](http://www.ams.usda.gov/lsg/arc/bev.htm)*

Beef producers can prepare for qualifying cattle for export to newly reopened Asian markets by learning the requirements for export. The specified product requirements for export to Japan and other export destinations are included in the Export Verification (EV) Program information on the USDA website. The Japan requirements, for example, include age verification (20 months of age or younger) and removal of designated specified risk materials. These requirements must be met through a USDA QSA Program or PVP. The EV Program for Japan does not require source verification, but the source of the cattle must be known to verify that cattle are 20 months of age or less

at the time of harvest. Producers must have valid production records to verify age. Cattle that are not traceable to live animal production records must be age verified through carcass evaluation. For the Japan EV Program, cattle presented for individual age verification must also have individual animal identification. Cattle presented for group age verification must have unique group identification or a unique individual identification that is associated to the group.

### **Quality System Assessment (QSA) Program**

[www.ams.usda.gov/lsg/arc/qsap.htm](http://www.ams.usda.gov/lsg/arc/qsap.htm)

The USDA QSA Program provides suppliers of agricultural products and services the opportunity to assure customers of their ability to provide consistent quality products or services. It is limited to programs or portions of programs where specified product requirements are supported by a documented quality management system. The specified product requirements may be identified by the supplier or in a USDA Export Verification (EV) Program. Approved QSA Programs that meet specified product requirements as outlined in the EV Programs are listed on the EV Program website listed earlier. This website has links to current lists of suppliers that conform to the criteria of their approved USDA QSA Program and the specified product requirements for Japan and other export destinations including Hong Kong. These are the current eligible suppliers to the EV Program for each applicable country. The website also contains contact information for each supplier.

### **Process Verified Program (PVP)**

[processverified.usda.gov](http://processverified.usda.gov)

The USDA Process Verified Program provides suppliers of agricultural products or services the opportunity to assure customers of their ability to provide consistent quality products or services. It is limited to programs or portions of programs where specified process-verified points are supported by a documented quality management system. The supplier identifies the specified process-verified points. Suppliers with approved USDA Process Verified Programs are able to make marketing claims associated with their process-verified points -- such as age, source, feeding practices, or other raising and processing claims -- and market themselves as "USDA Process Verified." Not all PVP programs verify cattle for age, so be sure to take note of the specifics of each program.

### **Age Verification**

Obviously keeping accurate and up-to-date birth records is valuable for age verification. Cattle can be received as meeting age verification requirements from any one of four sources for use in an approved USDA PVP or QSA Program for age verification: 1) an approved USDA PVP for age verification maintained on the official listing for the USDA PVP, 2) an approved USDA QSA Program for age verification maintained on the official listing for the USDA QSA Program, 3) suppliers approved by the company under the company's approved USDA PVP or QSA Program for age verification maintained by the company on the company's approved suppliers list, or 4) other sources that market animals enrolled into an approved USDA PVP or QSA Program for age verification at the farm of birth and using a Program compliant ear tag.

### ***Program Compliant Ear Tags***

A Program compliant ear tag is a 1-time use, tamper-evident tag, which contains a non-repeatable, unique number. The tag is unique and specific to the Program. It may be an EID, RFID, or a visual tag. The company must provide evidence that the tag meets these requirements. Companies may choose the method of identification and do not have to use a Program compliant ear tag in a USDA Process Verified Program (PVP) or Quality System Assessment (QSA) Program for age verification. Only animals that can be verified as eligible to the Program requirements may be received into an approved USDA PVP or QSA Program for age verification. When receiving animals from other sources that market animals enrolled into an approved USDA PVP or QSA Program for age verification at the farm of birth and using a Program compliant ear tag, the company must read the unique number on the ear tag, verify the eligibility of the animal through the method determined by the company that "enrolled" the animal, and maintain a record showing conformance to the Program, including birth date information. The company must maintain records to provide evidence of conformity to the receiving process, the effective operation of the receiving process, and all products as identified and records of all changes of identities.

An animal that loses a Program compliant tag may be retagged if the tag is lost while the animal is enrolled in a USDA PVP or QSA Program for age verification. If the tag is lost while the animal is not enrolled, then it is not eligible for inclusion in a USDA PVP or QSA Program for age verification. The company is responsible for ensuring that only conforming animals are used and/or delivered under its approved USDA PVP or QSA Program for age verification. Other sources (who market animals that have been enrolled into an approved USDA PVP or QSA Program for age verification at the farm of birth and using an Program compliant ear tag) can provide assurances to their customers that they correctly represent animals as age verified for a USDA PVP or QSA Program by 1) becoming a USDA-approved source, 2) becoming a supplier approved under a company's approved USDA PVP or QSA Program for age verification, or 3) receiving training from a company on how to handle and represent cattle under that company's approved USDA PVP or QSA Program for age verification.

### **Economic Incentives?**

Darrell Busby at Iowa State University indicated that during mid-December 2005 premiums for age-verified cattle ranged from \$25 to \$35/head from three different packers, so this is one indication that there might be economic incentives to participate in these types of programs. Age verification is a qualification for beef export to Japan and Hong Kong. This can be accomplished using QSA programs and PVP programs that verify cattle age. The economics of participation in these programs are worth exploring for many Mississippi producers. A few records and a little legwork in developing marketing arrangements can create added value to the calf crop. Research QSA/PVP-age verified programs to see whether certain ones are a good fit for your operation. A variety of suppliers of cattle or beef, including packers, fabricators, cold storage facilities, forwarding warehouses, feedlots, producers, cooperatives, auction markets, or buyers are potential entities that can have an approved EV Program for Japan, for instance. Breed associations, feedlots, and information companies are good

places to contact for specific program requirements. Many beef breed associations have commercial marketing programs that are official USDA QSA or PVP programs with age verification. The overall process of qualifying cattle for particular export markets may sound complicated at first, but the process becomes fairly straightforward when looking at individual qualifying programs and their requirements. For more information on beef cattle production or marketing, contact your local Extension office.

### **BIF 2006 Countdown – Just 2 Months Left**

Only two months left until the Beef Improvement Federation annual meeting visits Mississippi for the first time in nearly forty years. An exceptional program is planned including the latest information on ultrasound use, feed efficiency, crossbreeding programs, retail targets, and many more topics relevant to the Mississippi beef industry. Program and registration information is available online at <http://msucares.com/livestock/beef/bif2006.html> or through your local county Extension office. This is a tremendous opportunity to learn about the latest in beef cattle breeding and genetics from leading experts from around the world. Make plans now to attend BIF 2006 on April 18-21, 2006 in Choctaw, Mississippi. The early registration deadline is March 15, 2006. For more information call Extension Animal and Dairy Sciences at (662) 325-7466 or 325-3691.