



Highlights of [GAO-07-592](#), a report to the Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate

Why GAO Did This Study

Livestock production contributed nearly \$123 billion to the U.S. economy in 2006. In response to concerns about animal disease outbreaks, the U.S. Department of Agriculture (USDA) announced in December 2003 that it would implement a nationwide program—later named the National Animal Identification System (NAIS)—to help producers and animal health officials respond quickly and effectively to animal disease events in the United States.

In this context, GAO determined (1) how effectively USDA is implementing NAIS and, specifically, the key issues identified by livestock industry groups, market operators, state officials, and others; (2) how USDA has distributed cooperative agreement funds to help states and industry prepare for NAIS and evaluated the agreements' results; and (3) what USDA and others estimate are the costs for USDA, states, and industry to implement NAIS. In conducting its work, GAO reviewed USDA documents; interviewed agency, industry, and state officials; and consulted 32 animal identification (ID) experts.

What GAO Recommends

GAO made several recommendations to help USDA achieve the program's goal of rapid and effective animal disease traceback. In commenting on a draft of this report, USDA generally agreed with the recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-07-592.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Lisa Shames at (202) 512-3841 or ShamesL@gao.gov.

NATIONAL ANIMAL IDENTIFICATION SYSTEM

USDA Needs to Resolve Several Key Implementation Issues to Achieve Rapid and Effective Disease Traceback

What GAO Found

In implementing the NAIS program, USDA has taken some steps to address issues identified by livestock industry groups, market operators, state animal health officials, and others. Nonetheless, the agency has not effectively addressed several issues that, if left unresolved, could undermine the program's ability to achieve the goal of rapid and effective animal disease traceback. Specifically, USDA's decision to implement NAIS as a voluntary program may affect the agency's ability to attract the necessary levels of participation. However, some industry groups believe that NAIS could succeed as a voluntary program, or that USDA needs to first resolve several issues before making participation mandatory. Agency officials are analyzing what participation levels are necessary to meet the program's goal and may introduce benchmarks to measure progress. In addition, several key problems hinder USDA's ability to implement NAIS effectively:

- USDA has not prioritized the implementation of NAIS by species or other criteria. Instead, the agency is implementing NAIS for numerous species simultaneously, causing federal, state, and industry resources to be allocated widely, rather than being focused on the species of greatest concern.
- USDA has not developed a plan to integrate NAIS with preexisting USDA and state animal ID requirements. As a result, producers are generally discouraged from investing in new ID devices for NAIS.
- USDA has not established a robust process for selecting, standardizing, and testing animal ID and tracking technologies.
- USDA does not clearly define the time frame for rapid traceback, possibly slowing response and causing greater economic losses.
- USDA does not require potentially critical information to be recorded, such as species or age, in the NAIS databases.

USDA has awarded \$35 million in NAIS cooperative agreements from fiscal years 2004 through 2006 to 49 states, 29 tribes, and 2 territories to help identify effective approaches to register premises and identify and track animals. However, USDA has not consistently monitored or formally evaluated the results of cooperative agreements or consistently shared the results with states, industry groups, and other stakeholders. As a result, USDA cannot be assured that the agreements' intended outcomes have been achieved and, furthermore, that lessons learned and best practices are used to inform the program's progress.

No comprehensive cost estimate or cost-benefit analysis for the implementation and maintenance of NAIS currently exists. As a result, it is not known how much is required in federal, state, and industry resources to achieve rapid and effective traceback, or whether the potential benefits of the program outweigh the costs. Industry groups and state officials say the cost of implementing NAIS is one of their biggest concerns. USDA plans to hire a contractor to conduct a cost-benefit analysis, in part to more precisely forecast the economic effects of NAIS.