



Traceability: Its Role in Beef Exports

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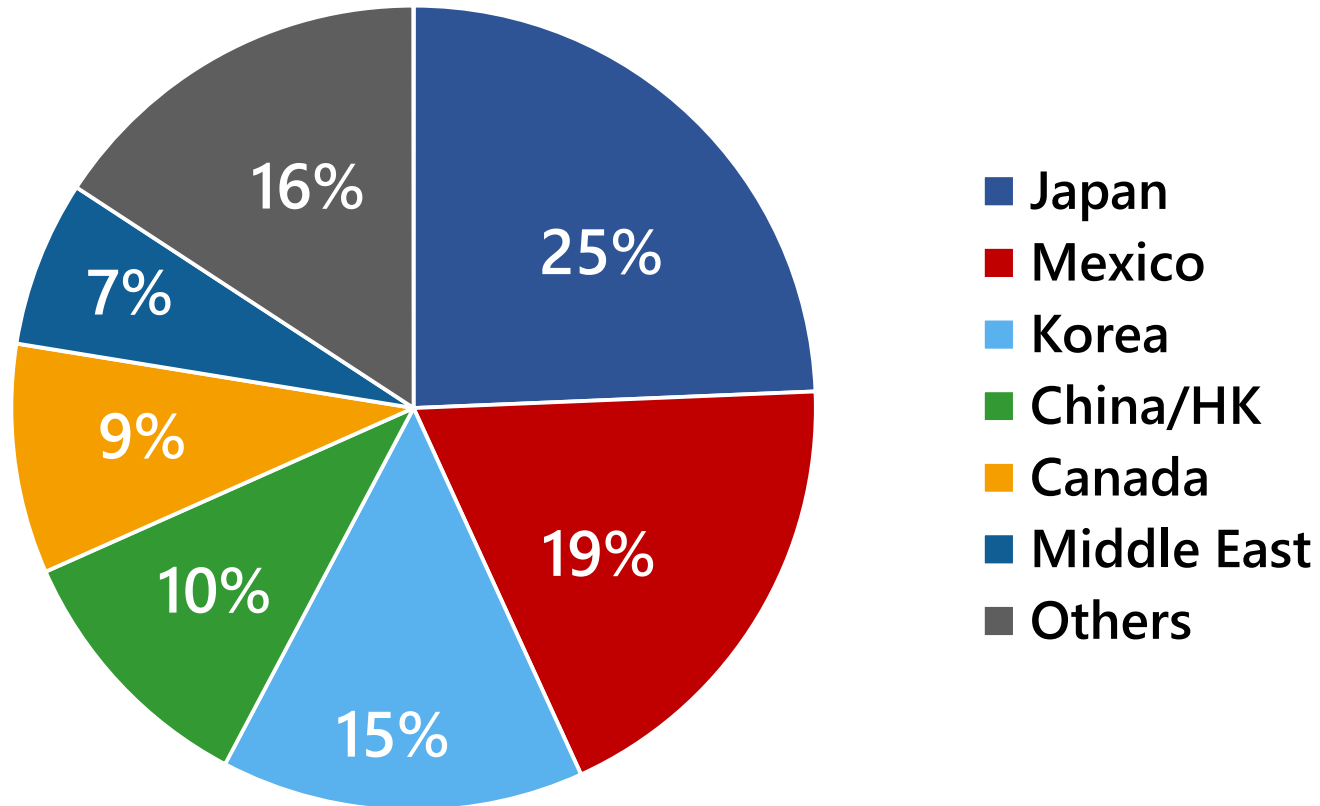
USMEF's offices and representatives



Primary export destinations



2017 Beef & Beef Variety Meat Exports: 2.8 billion pounds +6%



Exporting countries (Competitors)



Country	Traceability System	Voluntary or Mandatory
Brazil	Y	M*
Australia	Y	M
U.S.	Y	M*
New Zealand	Y	M
Canada	Y	M
EU	Y	M
Uruguay	Y	M
Paraguay	Y	M*
Argentina	Y	M
Mexico	Y	M

Importing countries (Customers)



Country	Traceability System	Voluntary or Mandatory	Required for Imports
U.S.	Y	M*	N
China	Y	M	Y
Japan	Y	M	N
South Korea	Y	M	N
Russia	Y	M	N
Hong Kong	N	N/A	N
EU	Y	M	N
Egypt	Y	M	N
Canada	Y	M	N
Mexico	Y	M	N

Types of traceability systems



Country	Individual Animal ID	Cattle IDed At Origin	Ear Tags Required	All Movements	Central Database
Brazil	M	Y	Y	Y**	Y
Australia	M	Y	Y	Y	Y*
New Zealand	M	Y	Y	Y	Y
Canada	M	Y	Y	N	Y*
EU	M	Y	Y	Y	Y
Uruguay	M	Y	Y	Y	Y
Paraguay	M	Y	Y	Y**	Y
Argentina	M	Y	Y	Y**	Y
Mexico	M	Y	Y	Y	Y

Reasons exporters adopted traceability



Country	Year Introduced	Reason
1. Brazil	2001	Disease Control, Market Access
2. Australia	1999	Market Access
3. U.S.	2017	Market Access
4. New Zealand	2006	Disease Control, Market Access
5. Canada	2001	Disease Control, Market Access
6. EU	1997	Disease Control, Food Safety
7. Uruguay	2006	Disease Control, Market Access
8. Paraguay	2006	Disease Control, Market Access
9. Argentina	2003	Disease Control, Market Access
10. Mexico	2003	Disease Control, Market Access

Reasons importers adopted traceability



Country	Year Introduced	Reason
1. U.S.	Y	Market Access
2. China	2006	Food Safety, Disease Control
3. Japan	2003	Food Safety, Disease Control
4. South Korea	2007	Food Safety, Disease Control
5. Russia	2015	Disease Control, Export Goals
6. Hong Kong	N/A	N/A
7. EU	1997	Disease Control, Food Safety
8. Egypt	2017	Disease Control, Food Safety
9. Canada	2006	Disease Control, Market Access
10. Mexico	2003	Disease Control, Market Access

Is the U.S. at a competitive disadvantage?



- The fact that the U.S. does not have a nationwide traceability system is not keeping us out of foreign markets today (we found a solution for China)
- But we are vulnerable to unforeseen developments that could put us at a severe competitive disadvantage
 - FAD outbreak
 - Introduction of a traceability requirement by a leading export market
 - Need to respond to consumers' expectations for traceable beef
- In addition, competitors use the fact that they have traceability as a point of differentiation, often as part of a clean and safe message

Uruguay's traceability system



What could cause the U.S. industry to adopt traceability?



Mandatory

- Legislative initiative, probably in response to a FAD outbreak

Voluntary

- Requirement of major import market
- Response to consumer expectations in a major importing country
- Requirement of major domestic customer

Conclusions



- The U.S. is the only major beef exporting country in the world that does not have traceability
- China is the only significant beef importing country that currently requires traceability for imports
- Most countries adopted traceability in response to (or to avoid) a food safety or animal health crisis and to respond to consumer concerns about food safety
- Other exporting countries use the fact that their beef is traceable as a selling point
- In the event of a FAD outbreak in the U.S. the fact that we do not have traceability would retard the process of other countries re-opening their markets to U.S. beef



תודה
Dankie Gracias
Спасибо شکرًا
Merci Takk
Köszönjük Terima kasih
Grazie Dziękujemy Děkojame
Ďakujeme Vielen Dank Paldies
Kiitos Täname teid 谢谢
Thank You Tak
感謝您 Obrigado Teşekkür Ederiz
Σας ευχαριστούμε 감사합니다
ขอบคุณ
Bedankt Děkujeme vám
ありがとうございます
Tack