

## About the National Animal Identification System (NAIS)

### Part 13: “Federal Assistance” At Work

By Bruno Schmidt

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The very day the USDA attracted major attention with its 76-page “*NAIS User Guide*”, on November 22, 2006, the Agency also published – without as much as a whisper – its prospectus for FY2007 offering a new round of “*Cooperative Agreements for Implementation of the National Animal Identification System (NAIS)*” to States, Tribes and Territories. Why would the new “*NAIS User Guide*” receive all this public attention, yet the announcement of this new “*Funding Opportunity*” was practically hidden from view?

As I mentioned before (see Part 12 of these essays), the “*NAIS User Guide*” is, first and foremost, a lengthy exposition of the purported benefits of the NAIS, offered to its participants through a “*cooperative Federal-State-Industry-Partnership*”. It is cleverly worded so as to play into people’s fears about animal diseases of epidemic proportions that might strike America at any moment. What is truly amazing, however, is the fact that Americans accept this latest document as “*bona fide*” even though it is stamped “*DRAFT*” throughout! Who in his right mind would enter into a legally-binding agreement that has “*DRAFT*” written all over it? Do you think that the government would accept a document from you, i.e. your tax return, that has “*DRAFT*” written on it? So why is it that the NAIS, now being fully operational, is not being presented to the public as being “*FINAL*”? Since the above mentioned documents, the new “*NAIS User Guide*” and the new “*Funding Opportunity*”, were both released on the same day, by the same Agency, with the NAIS being the sole subject, could we possibly find some answers here?

A thorough study of this new “*Funding Opportunity*” (Federal Domestic Assistance Number 10.025) yields some insight into what the new “*NAIS User Guide*” utterly fails to explain: the Federal government’s way of leveraging animal disease events within the States / Tribes. To begin with, the general public does not know that “*control and eradication of animal diseases*” is (and always was) a joint venture, a business arrangement, between the Federal and State / Tribal government(s). Unless a State’s / Tribe’s government enters into a “*Cooperative Agreement*” with the USDA for the purpose of combating animal diseases (i.e. Brucellosis, Scrapie etc.), the State / Tribe risks the loss of (or a downgrade in) its “*disease-free status*”. This can lead to additional restrictions on animal movements, or the imposition of an outright embargo (or quarantine) upon certain types of animals or geographic areas.

Because the USDA is the exclusive score-keeper of this “*disease-free status*”, dictates the terms and conditions of those Cooperative Agreements and, moreover, is also the creator / owner / provider / purveyor of the NAIS, the USDA holds \*ALL\* the cards in this game – as soon as the NAIS is fully implemented! To prove my point, here are two direct quotes (with my comments attached) from Michigan’s “*Question & Answer*” page (dated Oct. 6, 2006) that discusses Michigan’s mandatory cattle-tagging law (going into effect by March, 2007):

**Question #3:** What is the benefit to the state of Michigan for having all cattle electronically identified?

**Answer #1:** Provides assurance for pre-harvest food safety and security.

[Comment: As the NAIS does not contain any information even remotely related to food safety and security, obtaining a producer’s “pre-harvest” information is the actual benefit to the State of Michigan]

**Question #4:** Why is Michigan moving to mandatory electronic ear tags for cattle?

**Answer #1:** May be required by USDA for moving the Bovine Tuberculosis Zones to higher TB status.

[Comment: Since the USDA’s disease rating-scale equates “higher” with “improved”, Michigan thus hopes to improve its disease rating without an actual Federal mandate at hand.]

**Answer #2:** Part of the National Animal Identification System (NAIS) soon to be implemented by USD[A]

[Comment: Michigan fails to disclose that the NAIS is voluntary at the Federal level, fully operational, and that producers have the option not to participate].

Needless to say, NONE of the above is mentioned anywhere in the new “*NAIS User Guide*”, nor does it mention the new “*Funding Opportunity*” offered to the States / Tribes for FY 2007. There is little doubt in my mind that the USDA continues to play the above trump cards, among others, to exert Federal control in non-Federal areas. In regards to the NAIS, this is accomplished by way of “*motivating*” States / Tribes with a “*Cooperative Agreement*” that offers Federal funds on a sliding

scale where the total amount allocated to a particular State / Tribe depends on a State's / Tribe's estimated number of total premises vs. premises currently registered in the NAIS. How does this work?

Out of a total of \$14.4 Million budgeted for FY 2007, the USDA has "allocated" \$179,000 to the State of Washington. Because less than 6% of Washington's premises have thus far been registered in the NAIS, the State may only apply for an award of 90% of that allocation, or \$161,100 of "Federal Assistance". By comparison, the State of Idaho may apply for the full allocated amount of \$278,000 because Idaho has already "achieved" a registration-rate in excess of 25% of its total number of premises. While all these funds are "restricted" (they can only be used for NAIS implementation), additional conditions apply: Washington, for example, must use 100% of the eventual award towards premises registration, whereas Idaho, with its higher registration rate, may use up to 40% of the eventual award for other NAIS-related activities such as animal-identification or -tracking.

Keep in mind that this is USDA's FY 2007 budget for the NAIS, and that these funds do not automatically get paid over to the States / Tribes. In order for a State / Tribe to obtain its "allocation" of funds, it must first apply for "Federal Assistance" by way of submitting a number of Federal forms (i.e. SF-424, SF-424A, SF-424B, among others), and attaching a detailed "Project Work Plan" that must lay out, in minutest detail, the State's / Tribe's "aggressive" strategy to register additional premises. Here is a quote from page 5 of the "Funding Opportunity" prospectus:

*"... The work plan must also include specific goals of achievement (measurable outcomes) regarding premises registration efforts. In addition to projected numbers of premises registered, performance measures may also be included to document effort and productivity such as number of meetings conducted; number of producers/owners contacted; outcomes associated with animal identification coordinating committees; outreach materials distributed; mass mailing results; cooperative extension programming outcomes, including NAIS funded and unfunded cooperative extension efforts; and use of promotional incentives to register premises. ..."*

Are we still talking about "voluntary participation" in the NAIS? Let's just say that the USDA is very specific about its goals – it wants to see results, not just efforts made – as the following quote from the same page clearly shows:

*"... Measurable outcome(s) ... are to be emphasized over measurable outputs (what was accomplished is to be prioritized over what was done and documented in quarterly and final reports)."*

In light of the foregoing "performance measures", funding restrictions, terms and conditions – and perhaps seeking to improve their standing before the USDA – is it at all surprising that some of the States have begun to quietly convert their existing "inventory" of registered premises (information that is being used for managing existing, State-level disease-control programs such as for Scrapie, Bovine TB etc.) to the NAIS? Here is what the "Funding Opportunity" says about this particular practice, and I quote from page 12:

*"... States must carefully consider whether this type of data integration to register livestock premises under NAIS would be interpreted as "voluntary" and if this would create any problems for premises registration in the long term."*

"The heat is on" would be an apt term to summarize what is going on at the State / Tribal level. While on one side the public is lead to believe that the NAIS is truly desirable for all, and foundational to the way Americans farm, the States / Tribes are being "motivated" into taking aggressive, pro-NAIS action: by way of offering the States / Tribes a system of "rewards", and providing for gift-type incentives (up to \$12 in value) to new NAIS registrants.

It comes as no surprise that the USDA's recent disclaimer of the NAIS being "voluntary at the Federal level" appears ONLY in the "NAIS User Guide" and seems to be nothing more than a distraction of the public from what really goes on behind the scenes: that the States / Tribes are being relegated to serving as mere contractors to the Federal government.

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Bruno Schmidt is co-author of the self-published "Farmer's Field Guide to the NAIS". He has spent in excess of 1000 hours over the past three years researching the National Animal Identification System. For more information and latest updates, please visit [www.FarmersFieldGuide.com](http://www.FarmersFieldGuide.com)