

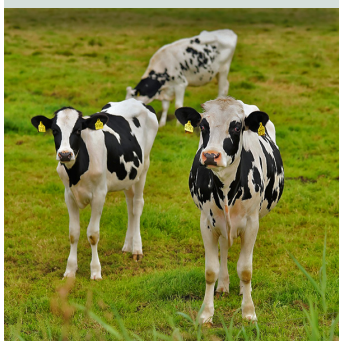


Washington
State Department of
Agriculture



2017 Annual Report to the Legislature

Electronic Cattle Transaction Reporting System



As required by RCW 16.57.450

**Washington State Department of Agriculture
Animal Services Division**

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Background

During the 2015 legislative session, the Washington State Department of Agriculture (WSDA) introduced and successfully passed Senate Bill 5733. On May 7, 2015, Governor Inslee signed into law SB 5733 authorizing the Director of WSDA to establish an electronic cattle transaction reporting system as a mechanism for reporting in-state private transactions involving unbranded dairy cattle to the department. The law further authorized the director to adopt by rule conditions of licensure, use and fees to support the reporting system.

The signing of SB 5733 signaled a significant milestone in a multi-year, collaborative effort with the Washington State Dairy Federation to create an alternative reporting system to replace the “15-Head Exemption,” which expired January 1, 2016. Until January 1, 2016, this exemption allowed for the private sale of 15 head or less of unbranded dairy breed females without a livestock inspection. The exemption was eliminated to strengthen and improve Washington’s Animal Disease Traceability (ADT) system, which allows WSDA to quickly track the movement of any livestock in the event of an animal disease outbreak. The goal is to limit the spread of the disease and protect the livestock industry.

The system that was created for the dairy industry, known as “ECTR”, was designed to provide dairy producers a flexible and easy-to-use system to report private transactions of unbranded dairy cattle via the web, rather than obtaining a WSDA livestock inspection. The system cost approximately \$15,000 to create and requires an annual maintenance cost of up to \$1,500 if the system is in use.

In anticipation of the ECTR legislation, the department began collaborating with the Washington State Dairy Federation and other ADT work group members in March of 2014 to develop the purpose and scope of the ECTR system. Members of the ADT work group include representatives from:

- AgriBeef Company
- Cattle Producers of Washington
- The Washington Cattle Feeders Association
- The Washington Cattlemen’s Association
- The Washington State Dairy Federation
- The Washington State Farm Bureau
- The WSDA Livestock Identification Advisory Committee

WSDA completed the development of ECTR in January 2016, making the system available to all Washington licensed dairy producers.

ADT Benefits

Animal disease traceability or knowing where diseased and at-risk animals are, where they've been, what animals they have comingled with, and when is very important to ensure a rapid response when adverse animal disease events take place. An efficient and accurate ADT system can limit the economic strain on owners and communities through shorter investigations, faster control of the disease, and fewer animals subject to quarantine or euthanasia.

For these reasons, the department remains committed to crafting a robust structure that protects our state's cattle industry, allows us to quickly trace any animal disease outbreak, and bolsters consumer confidence in Washington dairy and beef products. It is vital that all sectors of the cattle industry participate in traceability and at the level of integrity needed for a successful program and response.

ECTR allows the department to maintain traceability information that can be used in the event of a disease outbreak without disrupting dairy management practices. It also provides dairy producers with:

- Real-time, 24/7 electronic reporting.
- Electronic payment options (ACH/eCheck).
- Availability wherever an internet connection exists.
- Reports on transaction history.
- The ability to delegate agents to report on dairies behalf.

ECTR Activity Status

To date, there has been minimal activity within the ECTR system. In fiscal year 2017, one licensed dairy producer conducted two transactions for a total of 31 animals. In 2016, there were no reported transactions. Out of approximately 400 licensed dairy producers in the state, only seven have registered to use the system.

The purpose of this report is to document all examinations and inspections of cattle and records of electronic cattle transaction reporting license holders performed by the department. This includes details of any actions taken by the department following the examinations and inspections. Due to the extremely low number of reported transactions, we did not conduct ECTR inspections or examinations in 2017.

Washington State Department of Agriculture

Electronic Cattle Transaction Reporting (ECTR)

With the elimination of the "15-head exemption" on January 1, 2016 the Washington State Department of Agriculture and the Washington State dairy industry have partnered to implement the ECTR system to provide WSDA-licensed dairy producers the option of reporting cattle transactions online rather than through a livestock inspection.

ECTR System 4-step reporting process:

- Step 1: Log in / Registration
- Step 2: Report Transaction
- Step 3: Payment Site Print Receipt
- Step 4: Transaction History

The ECTR System is an alternative to a live brand inspection. The goal was to establish an electronic system to report private transactions involving unbranded dairy cattle that don't meet the two exemptions:

1. Cattle destined for a public livestock market in another state where brand inspection is performed by WSDA inspectors or an agent according to an agreement between WSDA and the other state.
2. Cattle moving out of Washington that have a certificate of permit showing the livestock are heading directly to a designated out-of-state inspection point.

ECTR Outreach

Since the release of ECTR and its resulting use, WSDA has conducted extensive outreach focused on educating dairy producers of the system’s availability and the importance of participating in traceability. This has included the “Want an alternative to a livestock inspection?” campaign that highlighted the dairy industry’s Green Tag and ECTR alternatives. As part of the effort, WSDA has made use of its social media sites, created an ECTR webpage with charts describing costs of a livestock inspection versus ECTR, mailed postcards to all licensed dairy producers in the state, sent letters to dairy producers with more detailed information regarding reporting requirements, and developed new informational fact sheets made available at the annual dairy conference. WSDA has also collaborated with the Washington State Dairy Federation, which conducted its own outreach efforts including website links to educate their membership regarding livestock inspections or use of the two alternative programs that are available exclusively to licensed dairies.

Moving Forward

It is apparent that licensed dairy producers are not using ECTR as an alternative to livestock brand inspections. Since inception, the ECTR system cost the agency \$15,000 while only returning \$40 in revenue. While the Livestock Inspection Program is responsible for the annual maintenance fees for this system, they are a fee for service program and receive no general funds. Without increased use, the program cannot continue to operate ECTR at a loss.

WSDA intends to continue working with the Washington State Dairy Federation and other industry leaders to communicate the importance of traceability, increase awareness that the do-nothing approach is no longer viable, and encourage participation utilizing one of the three options available. Efforts will include continued outreach and when necessary, enforcement of the requirements. It is critical that we ensure a robust, effective, and reliable traceability system that protects our state’s livestock industries and Washington State’s citizenry as a whole.

WSDA webpage describing costs of a livestock inspection vs. ECTR

Washington State Department of Agriculture
 Electronic Cattle Transaction Reporting
 For questions regarding ECTR email or call (360) 902-1855
 Electronic Cattle Transaction Reporting (ECTR) system
 Enter ECTR system here: ECTR

Examples of ECTR Costs vs. Inspection Costs

Scenario 1 – A change of ownership on one head of unbranded dairy cattle when time and mileage **does not** apply.

Possible Fees	Cost of fees	Livestock Inspection Costs	ECTR Costs
Minimum Certificate Fee	\$5.00	\$5.00	\$-
Inspection Per Head Fee	\$1.60	\$-	\$-
ECTR Per Head Fee	\$1.30	\$-	\$1.30
Beef Commission Fee	\$1.50	\$1.50	\$1.50
ADT Fee	\$0.23	\$0.23	\$0.23
Time Fee	\$17.00	\$-	\$-
Mileage Fee	\$5.75	\$-	\$-
Totals		\$6.73	\$3.03

In this scenario, producers utilizing ECTR would save 55% over a traditional livestock inspection.

Scenario 2 – A change of ownership on 74 head of unbranded dairy cattle when time and mileage **does not** apply.

Possible Fees	Cost of fees	Livestock Inspection Costs	ECTR Costs
Minimum Certificate Fee	\$5.00	\$-	\$-
Inspection Per Head Fee	\$1.60	\$118.40	\$-
ECTR Per Head Fee	\$1.30	\$-	\$96.20
Beef Commission Fee	\$1.50	\$111.00	\$111.00
ADT Fee	\$0.23	\$17.02	\$17.02
Time Fee	\$17.00	\$-	\$-
Mileage Fee	\$5.75	\$-	\$-
Totals		\$246.42	\$224.22

In this scenario, producers utilizing ECTR would save 9% over a traditional livestock inspection.

Scenario 3 – A change of ownership on 33 head of unbranded dairy cattle when time and mileage **does** apply for 3 hours and 119 miles.

Possible Fees	Cost of fees	Livestock Inspection Costs	ECTR Costs
Minimum Certificate Fee	\$5.00	\$-	\$-
Inspection Per Head Fee	\$1.60	\$-	\$-
ECTR Per Head Fee	\$1.30	\$-	\$42.90
Beef Commission Fee	\$1.50	\$49.50	\$49.50
ADT Fee	\$0.23	\$7.59	\$7.59
Time Fee	\$17.00	\$11.00	\$-
Mileage Fee	\$5.75	\$63.25	\$-
Totals		\$171.34	\$99.99

In this scenario, producers utilizing ECTR would save 42% over a traditional livestock inspection.

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