

South Dakota

CERTIFIED ENROLLED CATTLE™

SOUTH DAKOTA CERTIFIED™ Beef



South Dakota Certified Enrolled Cattle™ Program

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The logo for South Dakota Certified Enrolled Cattle features the words "South Dakota" in a red, cursive script font. Below it, the words "CERTIFIED ENROLLED CATTLE" are written in a gold, serif, all-caps font, followed by a trademark symbol (TM). The background of the logo is a silhouette of a cow and a tree against a sunset sky.

South Dakota

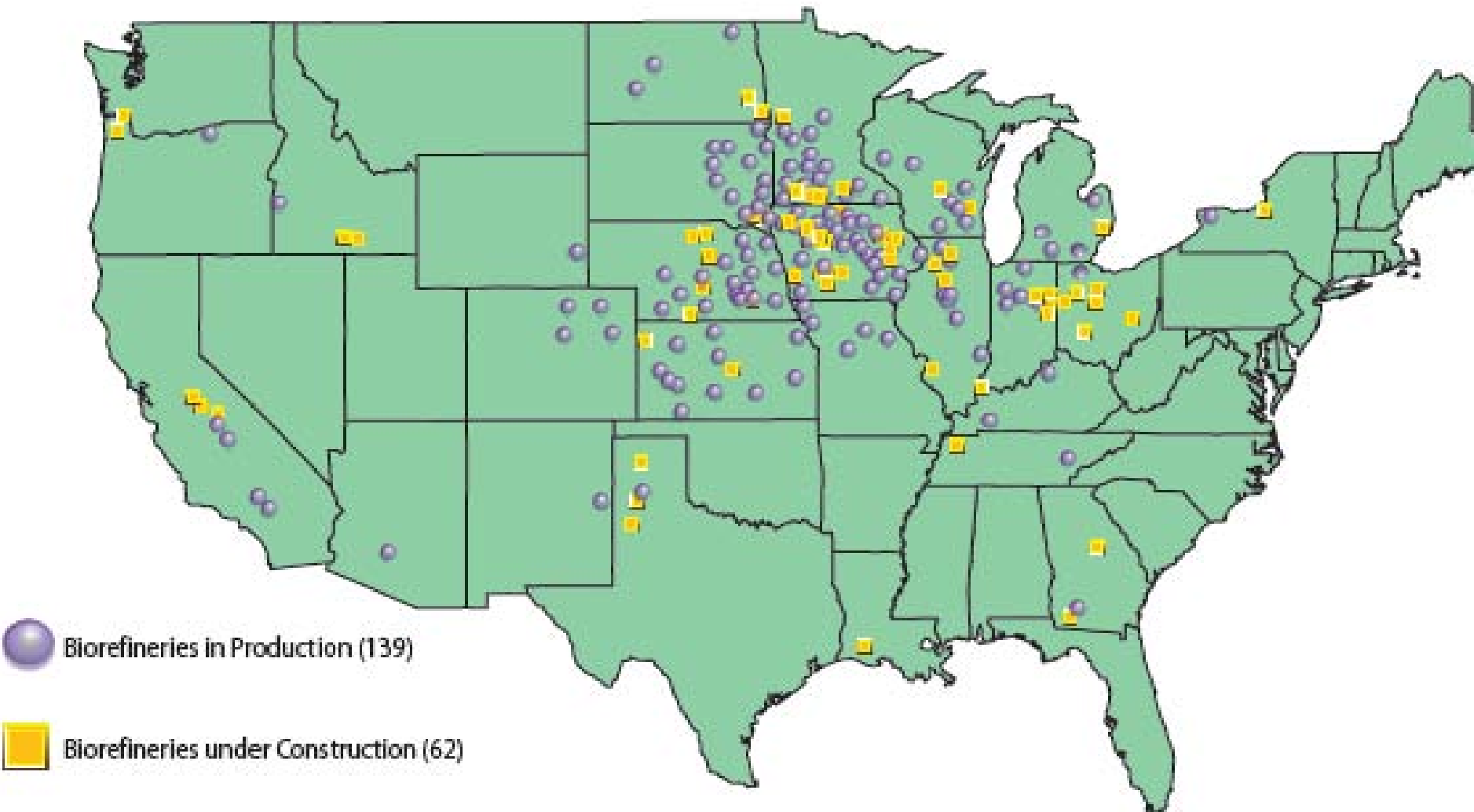
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Current State of South Dakota Beef Industry

- **1.64 Million Beef Cows that have calved***
- **400,000 calves on feed for slaughter***
- **#5 in US for total ethanol production (Iowa, Nebraska, Illinois, and Minnesota)**
- **Still a negative corn basis**

***January 1st Beef inventory numbers from USDA**

U.S. Ethanol Biorefinery Locations



Source: Renewable Fuels Association
01.24.08

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•South Dakota Certified Beef™

–2004 Governors Beef Initiative

- Governor M. Michael Rounds
 campaigned in 2002 on this concept

–A value added concept for SD

–Get a processing facility in state

- Create more cattle on feed in SD
- Born, feed, and processed in SD

–Add value to SD calves by creating a “Terroir” for SD beef

- Some of the best calves in the country
- Some of the best cattlemen in the country

–South Dakota Certified Beef Program Act of 2005

- Set up program authority to GOED and SDDA



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How are South Dakota cattle different?

- Very few low value and low quality cattle
- Next to no Mexican or Brahman cattle
- Highly managed herds
- Genetic quality and consistency is constantly improving
- Beef producers for a living, 90% of cattle come from operations with 100 cows or more (State Beef Study)
- High amount of records on cattle



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• **South Dakota Certified Beef™**

– Program administered by Governor's
Office of Economic Development

• GOED regulates the rules on beef processing

– Currently are 15 Licensed Processors

• All small custom locker plant type facilities

– Have harvested 440 head as SD Cert. Beef

– Current product is mainly used in state by restaurants, lodges,
and a few grocers

– Facility under construction in Aberdeen

• 1500 head a day facility

• Interested in processing and marketing SD Cert. Beef

– Need a cattle verification program



The background of the slide features a sunset scene with silhouettes of two cows grazing in a field under a large tree. The text is overlaid on this scene.

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• **South Dakota Certified Enrolled Cattle™ Program**

- **South Dakota Department of Agriculture administers the live cattle program**
- **SDDA has authority to promulgate and regulate rules, license producers, and qualify cattle**
 - **Rules set to the highest standards**
 - **Only program in US with Legislative authority**
- **The SDDA is responsible for assuring the credibility in the program and adherence to the program requirements**
- **A true third party verification program**

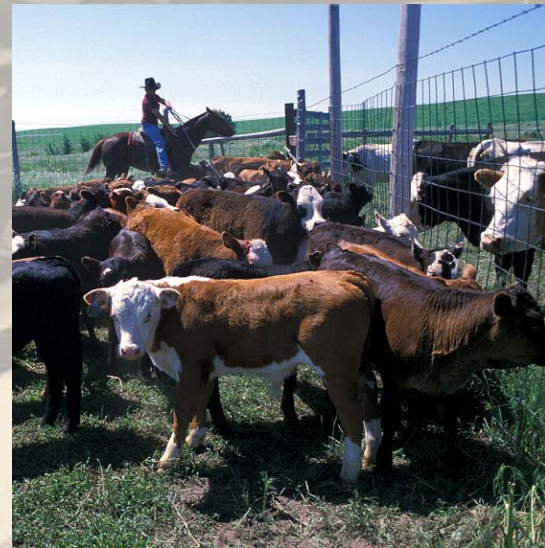
Accountability is Key!

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•South Dakota Certified Enrolled Cattle™ Program

- 39,924 head of cattle have been enrolled since fall of 2005
- 8,964 head of cattle are currently enrolled (as of 3/12/2008)
- 121 licensed producers
- SDDA staff on project
 - Ag Product Certification Manager
 - 2 Ag Development Specialists
 - Database manager



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What this program is not?

- Not NAIS (National Animal Identification System)
 - Not mandatory
- Not going to market cattle for you

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What this program is?

- **A source for *South Dakota Certified*™ Beef**
- **An “Age and Source” verification program**
- **Optional “Natural” verification program if desired.**
- **A “PVP” program**

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What is a “PVP” Program

- **Process Verified Program**
 - **Get approval from USDA to make certain claims**
 - **Based upon ISO 9000 standards, to provide products or services which consistently meet specified product requirements.**
- **For specific details view: South Dakota Department of Agriculture link at <http://processverified.usda.gov>**

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Why would a producer enroll in a PVP program?

- For qualifying finished cattle some Packers are paying a \$20-\$60 a head premium.
- Sell to more than one packer or feedlot without increasing paperwork.
- Cattle must come from a USDA-PVP program validating “Source and Age” in order to be eligible for Asian export markets

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Program Highlights

- Born & Raised in SD
- Source Verified
- Age Verified
- BQA Certified
- Complete Traceability
- Corn Fed
- No ruminant by-products or waste products in feed
- USDA Process Verified (PVP) Approved



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Participant Requirements

- All participants are required to have a State approved official USDA Premises Number
- Participants must be South Dakota BQA-CMP (Beef Quality Assurance-Critical Management Plan) certified
- Each participant is required to sign an initial license agreement with the State
- Must follow enrollment and transfer requirements of program

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South Dakota's Beef Quality Assurance Critical Management Plan Program BQA/CMP

- A Hazard Analysis Critical Control Point (HACCP) program designed to ensure food safety
- Initial trainings conducted by South Dakota State University extension personnel
- Critical Management Plan indicating a producers plan for animal health management, welfare, and overall food safety and satisfaction is completed by producer and their veterinarian
- Program is a voluntary producer based program with the support of SD AIB, SDDA, SD Cattlemen's, SD Stockgrowers, SDSU, SD Vet Med, SDBIC, & SDLMA

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Cattle Requirements

- Birth date records on individual or group basis will be collected
- An ISO approved RFID electronic ear tag must be applied to the left ear of each animal prior to enrollment into the program

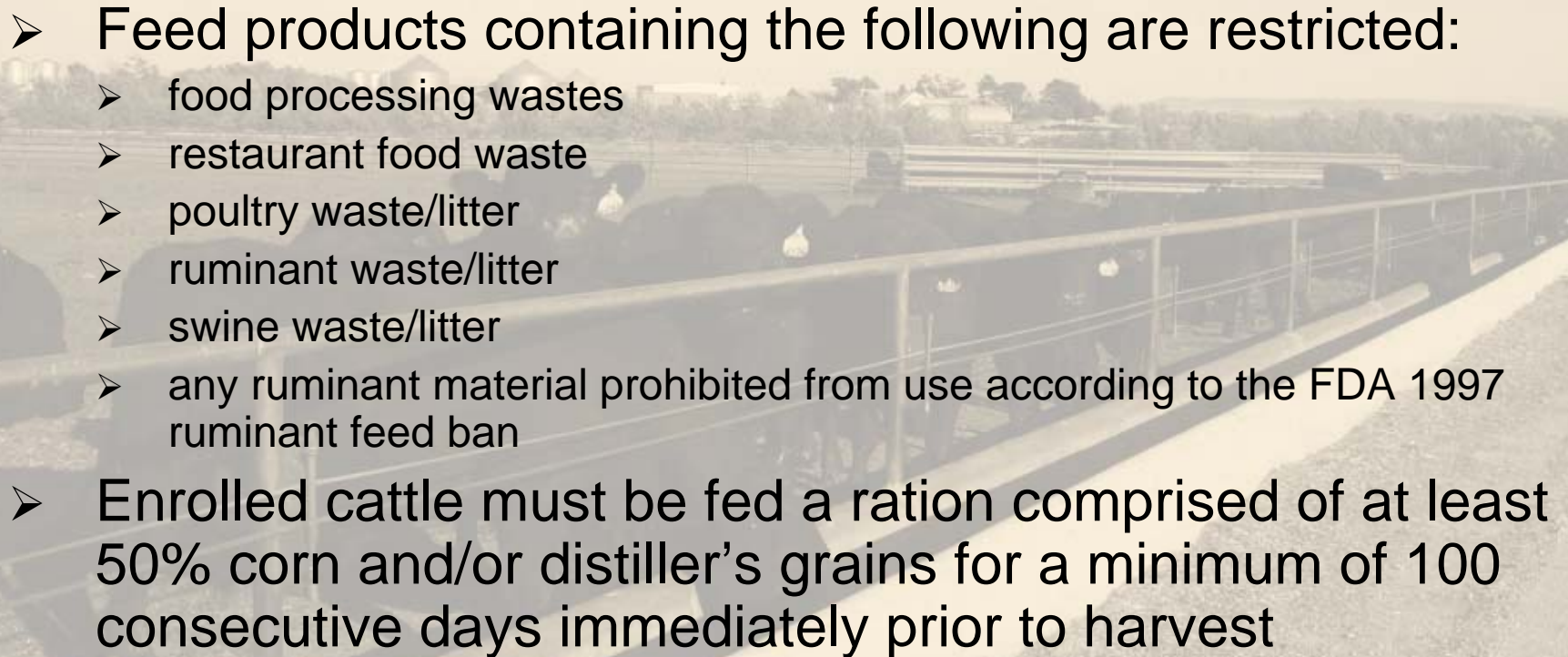


Quality Requirements

- Only steers and heifers will be eligible
- *Bos indicus* breeds & Brahman influence cattle are not eligible for enrollment
- Enrolled cattle must be less than 24 months of age at the time of harvest to remain eligible

Silhouettes of two cows grazing and a large tree against a sunset sky.

Feed Requirements

- 
- A large herd of black cattle in a feedlot, viewed from an elevated perspective through a metal railing. The background shows a hazy landscape with trees and buildings.
- Feed products containing the following are restricted:
 - food processing wastes
 - restaurant food waste
 - poultry waste/litter
 - ruminant waste/litter
 - swine waste/litter
 - any ruminant material prohibited from use according to the FDA 1997 ruminant feed ban
 - Enrolled cattle must be fed a ration comprised of at least 50% corn and/or distiller's grains for a minimum of 100 consecutive days immediately prior to harvest

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Becoming a Licensed Producer

- ✓ Register for an official USDA Premises Number
- ✓ Become SD BQA-CMP Certified
- ✓ Request a Producer Application Form to become eligible for participation and submit it to SDDA
- ✓ Schedule a pre-license evaluation site visit with SDDA
- ✓ Sign an official license agreement to become a licensed producer in the program

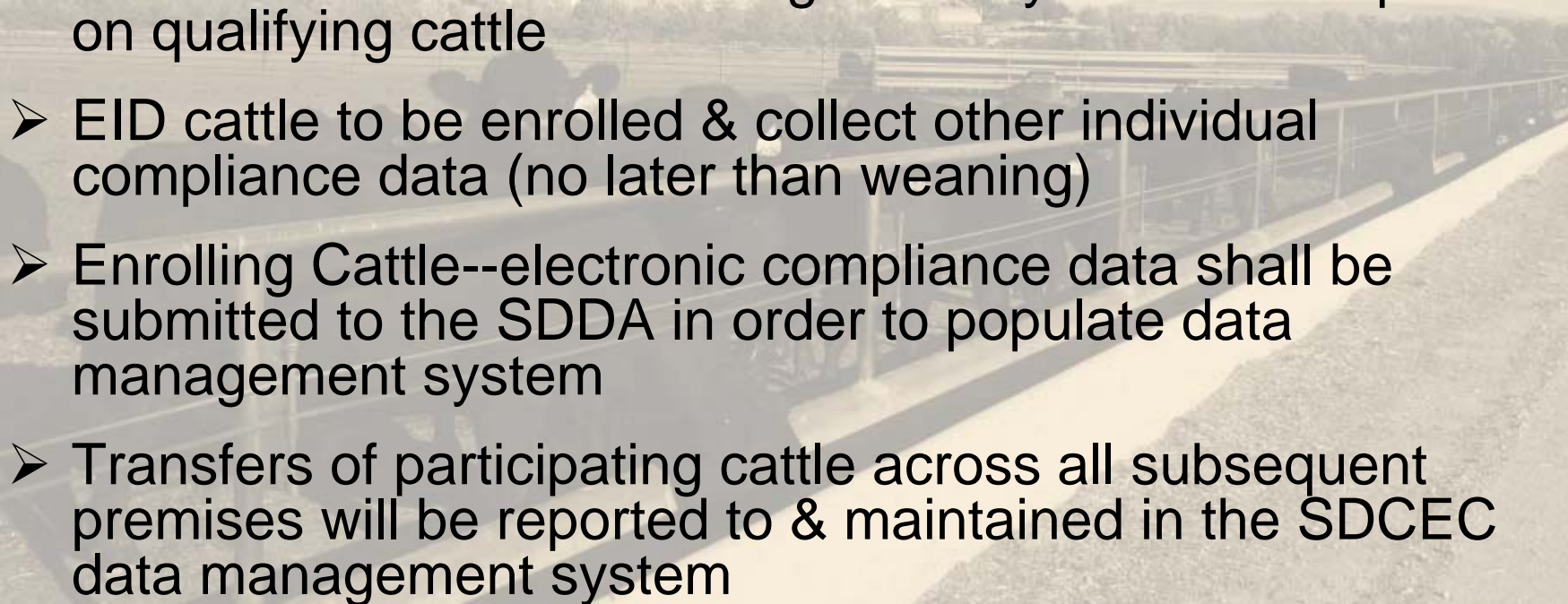


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Enrolling Cattle

- 
- SDDA will build an account within *South Dakota Certified Enrolled Cattle*™ data management system to accept data on qualifying cattle
 - EID cattle to be enrolled & collect other individual compliance data (no later than weaning)
 - Enrolling Cattle--electronic compliance data shall be submitted to the SDDA in order to populate data management system
 - Transfers of participating cattle across all subsequent premises will be reported to & maintained in the SDCEC data management system

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What about a 'Natural' Program?

- For producers interested in validating “Natural” claims for their cattle
- *South Dakota Certified Enrolled Cattle™* Natural Program
- Will verify/validate claims to make cattle eligible for existing Natural Beef Companies

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Natural Program

- In addition to meeting all the requirements of the *South Dakota Certified Enrolled Cattle™* Program, the following must also be met:
 - With the exception of milk and milk products, cattle shall not be fed any feed ingredients that contain animal products, animal fats or marine products
 - Cattle cannot receive any synthetic growth promotants, hormones, or implants during their lifetime

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Natural Program

- Cattle cannot receive antibiotics of any kind, including ionophores, during their lifetime
 - Cattle treated with antibiotics shall be individually identified at the time of treatment. All such treatments shall be recorded stating the drug administered, date of administration, route and location of administration, and dosage used
- Enrolled cattle that are disqualified from the Natural program may be eligible to maintain enrollment as *South Dakota Certified Enrolled Cattle*™ as long as all other program requirements are maintained.



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Where the program has come from?

- A concept in 2002
- Governor's Beef initiative in 2004
- South Dakota Certified Beef Act of 2005
- First cattle enrolled in fall of 2005
 - Age and source verification markets have helped support the growth of enrolled cattle program
- Minimal acceptance of the program from current instate processors
 - Plenty busy doing custom work
 - Most aren't meat marketers
 - Target markets for branded beef
- Work underway on a major beef packer in state

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Future of South Dakota Certified Beef™?

- A program is in place that will allow private companies and producers to utilize its structure
- What is going to happen with Beef Demand?
- What type of products are the newer age discerning consumers looking for?
- What value will consumers pay for premium products?
- What value are consumers going to put on verified products?



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Opportunities that will help SD in the transition into more cattle feeding and packing

- Ethanol/Distillers grains
- Diverse operations
- Land availability
- Large high quality calf crop
- Large scale feedlots no longer most profitable model
- Livestock Feeding Development Initiative

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www.southdakotacertifiedbeef.com

www.sdcec.sd.gov

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