

**Frequently Asked Questions about Age Verification to Japan
December 8, 2005**

Japan is expected to resume imports of US beef in late 2005 or early 2006. While the actual date of trade resumption has been difficult to predict, the criteria for to qualify beef for exports is fairly well defined. In an October 23, 2004 agreement with the US, Japan agreed to accept beef from cattle that were 20 months of age or less based either on physiological maturity or birth records. For more information about the requirements, visit <http://www.ams.usda.gov/lsg/arc/bev.htm>. However, questions remain about how cowherds and feedlots can prepare for exports to Japan, specifically those involving Quality System Assessment (QSA) programs and Process-Verified Programs that verify age (PVP-age).

Q: Will there be a premium for cattle that qualify for Japan?

A: Maybe. If the demand for beef to export to Japan is greater than the supply of beef that qualifies, there is expected to be a premium as packers with export capabilities to Japan compete for eligible cattle. I expect the premium to be larger on QSA/PVP-age cattle than it is for A⁴⁰ maturity cattle for two reasons. First, QSA/PVP-age is a guarantee and cattle may or may not qualify for A⁴⁰ maturity. Cattle sold on a grid may see some A⁴⁰ premium on the individual carcasses that qualify. Second, the variety meats cannot be exported from A⁴⁰ cattle because they will be separated from the carcass before the maturity is determined. Variety meats can be exported from QSA/PVP-age cattle.

Q: I do not have birth records on my cattle. Will I be able to sell them without a discount?

A: Yes. Japan is the only market requiring age verification using QSA/PVP-age. The domestic market was 90% of US production before exports were stopped, and it is a larger share until we rebuild exports. Other US export customers including South Korea are requiring less than 30 months of age and packers can use dentition in the plant to determine age.

Q: I haven't sold my 2005 calves yet but have birthdates on each calf. Can I get more money for my calves if I provide this information to the buyer?

A: Yes and Maybe. Yes, if you are in a QSA/PVP-age to verify your birth records and sell them so that buyers are aware that the calves are QSA/PVP-age approved. The "yes" also assumes that there is a larger demand than supply of qualifying cattle. Maybe, if you only provide age records buyers may bid up if it increases the odds that the cattle will qualify for A⁴⁰ maturity. They have no guarantee that the cattle will qualify without QSA/PVP-age and the market has not determined what if any premium there will be.

Q: I bought feeder cattle and have birthdates and a signature from the rancher indicating the age of cattle and they will be 20 months or younger at slaughter. Is this enough information to guarantee that they will qualify for Japan?

A: No. The cattle and rancher must be in a USDA-approved QSA program or a PVP-age. Self-declaration or signed affidavits alone are not enough proof of age and provide no method to audit or verify the claim. However, the cattle may still qualify for export to Japan as A⁴⁰ maturity determined in the cooler by a trained USDA grader.

Q: If I can trace the cattle back to the ranch and the rancher has birthdates for the cattle, is there anything that I can do to qualify the cattle before they go to slaughter?

A: Yes. If your QSA/PVP-age provider and the rancher are willing to cooperate. If the cattle can be identified individually or a defined group can be traced back to the ranch of birth, it is possible to approve the cattle for export to Japan. Both the rancher and QSA/PVP-age provider will have to cooperate to retroactively approved cattle.

Q: I buy calves in the fall and feed them 200 days. I have birthdates on some of them, but it is obvious that they are young enough to sell to Japan. Will they qualify?

A: Maybe. The cattle may still qualify for export to Japan as A⁴⁰ maturity determined in the cooler by a trained USDA grader. Cattle that are graded as A⁴⁰ are typically 14-17 months of age, well short of the 20 months or younger requirement. Depending on the actual carcass maturity of each carcass, some may qualify and some may not.

Q: How do I get approved in a QSA/PVP-age program?

A: There are three options to get approved:

- Develop your own QSA/PVP-age and get it approved by USDA. It is currently taking two months and approximately \$4000 to \$8000 for just the USDA approval process. There will be time and cost involved in developing the program to submit.
- Get approved by an individual company's QSA/PVP-age such as a packer or feedlot that has their own program, often known as an "umbrella" program. The downside is that approval in an individual program does not give you approval in any other program.
- Get approved by a company's QSA/PVP-age that uses "program compliant ear tags." These companies include breed associations, state departments of agriculture, or information companies. Once approved in one of these programs producer can sell to anyone.

USDA maintains two websites with approved programs, one for QSA (<http://www.ams.usda.gov/lsg/arc/qsap.htm>) and one for all PVP programs (<http://processverified.usda.gov/>) (some PVP do not verify cattle age). A page for programs specific age verification for Japan is expected to be available from USDA soon.