

# Points of View

A forum for sharing perspectives from across the Canadian Sheep Industry



CANADIAN SHEEP FEDERATION

JUNE 2008

VOLUME 2 • ISSUE 6

## **Myth:** RFID technology will never be implemented across the Canadian Sheep Industry

RFID technology is not a new topic for our industry. We've been weighing the pros and cons for some time now, including a case study in the January 2008 Points of View that looked at the production benefits one sheep producer realized when he implemented the system on his farm. I think we can safely argue that the technology certainly has a role to play.

However, there's been a lot more discussion lately about whether or not the Canadian sheep industry should implement mandatory RFID technology. The debate usually focuses more on the whether or not sheep producers have the ability to afford RFID tags. Yet, there has been little debate about whether or not full-scale traceability (i.e. animal identification, animal movement) can be accomplished without using RFID tags. Can it?

For this issue, we asked people throughout the industry to consider the following questions and give us their point of view on the topic: What is the cost though of not having traceability? Are there management benefits for using RFID technology? Is there value for sheep producers with smaller operations? What's the cost-benefit scenario?

More importantly, as demands for traceability and food safety increase, what would the response be if RFID technology was made mandatory for anyone raising sheep? What would it mean for our industry, and for individual producers?

The contributions we received were interesting, and fell neatly into different places on the spectrum of this subject. You'll see that one producer questions the role RFID can play in the industry and suggests it might be misused; a government rep who thinks traceability can be achieved without the use of RFID; another producer who sees that those interested in improving their bottomline will see the value and make room for it in their operations; and yet another who sees it as a highly effective tool that everyone across the board must inevitably adopt. We've got all the angles covered!

If after reading these contributions you have a strong feeling about the topic, there's still time to get in the dialogue. Write to me directly or via [pointsofview@cansheep.ca](mailto:pointsofview@cansheep.ca) and we'll share your thoughts in the next issue. It's an important topic for us to debate, so the more points of view we can feature, the better.

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P.S. The producer profiled on pages 8-9 clearly sees the benefit RFID technology brings to his farm, and makes a strong argument that all farms should adopt it to ensure traceability is possible.

# Myth: RFID technology will never be implemented across the Canadian Sheep Industry

**Lorna S. Wall**

Wall 2 Wall Sheep Ranch and Logan's Sheep Station, Manitoba

RFID tags do not really offer any benefits that the present system does not offer if slightly tweaked.

The present system was designed to trace back. If each producer wrote down where all sheep, regardless of age, came from or went to we would have full traceability! When I sell sheep to new producers I start by showing them (and providing them with) the official tracking sheet and putting the relevant information on the sheet for them; showing them that my copy corresponds with theirs. This gives them an immediate understanding of how things should work. Now, if all producers traced their stock in and out they would have the same traceability that you would have with RFIDs because you can be sure that the auction marts and slaughter facilities are not going to be tracking those numbers. If the slaughter plants were tracing those numbers then Sunterra (I believe it was) would have known where the contaminated lambs came from with the dog/worm issue.

The added expense for producers is not going to show up! The extra information sent back at slaughter will not ever equate to more money in the pocketbook of the farmer. The added steps required to do the reports on grading and returns of these reports to the producer are never going to be beneficial to the producer because they will be another added cost taken from the actual price that floats back to the producer. As other input costs continue to rise and the price of meat in the store continues to rise, the price I receive does not ever rise in comparison.

Now you want to increase the initial tag cost. This is an increased expense to which I have no way of passing on to the consumer. And to what end...for export!

**"The extra information sent back at slaughter will not ever equate to more money in the pocketbook of the farmer."**

Now we have no export market for sheep because of factors beyond our control! (USDA) So where is any benefit other than to other commodity groups?

Second, the new issue of the income tax department requesting access to our data bases really upsets me! These tagging systems are designed specifically for risk management for disease control...so of what necessity does it have for the Canada Revenue Agency?! We know that the goat sector has been stalling because of this issue. Why have we not been told of this threat by the sheep sector?

Third, is the issue of tagging every animal at birth – even those destined to stay on farm. This I don't understand. Are we supposed to call and tell you each time we lose a lamb? How does one retire a tag carried off by a predator? They can not (to the best of my knowledge) retire tags even in the cattle data base currently so how do you manage this? How do you propose to handle the issue of replacing lost tags? Here you have several different issues – internally from your own operation – or from an animal from another herd brought in. What about all those small producers who have six sheep and don't sell outside their own freezer and have never bought a tag?

Thank you for your time once again.

### Myth: RFID technology will never be implemented across the Canadian Sheep Industry

#### Christoph Wand

Beef Cattle & Sheep Nutritionist, OMAFRA

Well some myths are true... I hope this one is! The very fact that this myth statement is being discussed makes me fear that the some in the sheep industry are on the verge of caving in to the idea of mandatory RFID. This is despite the fact that the industry has at its disposal the report AgraPoint (Sean Firth) did for CSF, showing that adopting RFID as the mandatory national ID tool was not feasible due to poor cost/benefit.

My professional opinion is that RFID (in general) undermines the '**flock**' management mentality which I am trying to cultivate in feeding management. In a commercial poultry **flock** we would never be obsessed with individual ID... the temptation with RFID is that it increases the likelihood it is used as a crutch to manage sheep as individuals in cases where they should not be. Also, RFID can make for a 'bigger, higher, faster' cow mentality. That cow mentality is the source of the sheep industry's whole labour problem! If it just becomes a glorified way to read tags and log individual data in commercial **flocks** for things where individual ID does not matter, then it is not helpful. How else will we run more ewes per labour unit? **Flock** level data, not individual data. Perhaps we need to learn from the poultry industry, not the beef industry on this one.

" ... what individual producers choose to do on their own farms to ID and manage sheep is their business and theirs alone. Their successes with RFID-based management cannot be warped into a justification for mandatory RFID."

I'm not saying RFID is bad; it has its place in the seed-stock sector. Besides, what individual producers choose to do on their own farms to ID and manage sheep is their business and theirs alone. Their successes with RFID-based management cannot be warped into a justification for mandatory RFID.

To adopt RFID as mandatory will hurt our industry; not only on tag and infrastructure costs, but management concepts as well. Besides, nothing yet proposed gives us more power on trace-back than a flock-of-origin tag including birth year would have. Maybe we should be looking at the poultry system for animal tracking and food safety concepts...

### Myth: RFID technology will never be implemented across the Canadian Sheep Industry

#### Eugene Sabot

##### Manitoba

RFID is one of those technologies that could be nothing more than an extra expense for some and a time saving tool for others.

**"RFID would also make it possible to tie many parts of the sheep industry together – from producer, auction mart, trucker, processor, etc."**

Those producers who don't seek to improve their product – those who have no interest in carcass quality or genetics – will see no benefit in the use of RFID tags. Those producers who want to add efficiencies to their operations may want to consider using RFID tags. It'll allow them to save time when loading information on individual animals onto their computers. The amount of possible information that could be quickly accessed is somewhat limitless.

RFID would also make it possible to tie many parts of the sheep industry together – from producer, auction mart, trucker, processor, etc. This would be done through total traceability as opposed to a Trace Back ID system. This would be very beneficial for disease tracking and helping producers retrieve carcass quality info from the abattoirs.

The challenge is for the Provincial Sheep Associations and CSF to ensure that there's no extra expense to producers. Producers are responsible for the quality and (food) safety up to the gate and in some cases in transportation. Other stakeholders and consumers must pay for the expense of taking food from gate to plate.

# Myth: RFID technology will never be implemented across the Canadian Sheep Industry

## Vince and Heather Stutzki

Elmcrest Farms, Ontario

In the last Points of View the discussion revolved around shrinking margins and is there anything that we can do about them. One of our largest input costs that rarely get mentioned is labour. How do we value it? How do we manage it?

RFID technology in itself does not add any value to the animal. It is a tool that is used to manage information. Sheep producers right across the county are being asked to do more with less. In order to decide what we need to do more of, we gather an incredible amount of data and generally never do much with it. Why is this? Part of the reason is the lack of understanding what we are looking for. In crop production it is much simpler to measure and track data about any particular commodity that we decide to grow.

If we had to record every bushel or bale of hay that we grew we would be forced to find a simpler way of gathering and managing all the data in order to make management decisions as what to grow next year – who did what, what worked this year, what didn't and why didn't it. (The what, where, why, and who theory.)

In sheep production we fill hundreds of lambing diaries with data on an individual animal's performance for that particular moment in the animal's life (birth, death, weight, gender, time, etc). All this information is very important in order to make management decisions.

If we took the cropping analogy to sheep production and only kept track of average info on a particular group of sheep, data management would certainly be simplified. (For example, the number of lambs born per group of ewe's lambing instead of the number of lambs per ewe per group lambing.)

In our short life as shepards we will only have the opportunity to create 5 or 6 full generations of sheep lines assuming a 7-year life span of a ewe. Since most of the traits we are interested in increasing are only 10-15% heritable, the genetic progress we can make as shepherds is small and slow in every generation. Therefore, it is of utmost importance that we record as much information as possible in order to verify to ourselves that we are making genetic progress even as small and slow as it may seem some days.

Therein lays the dilemma. We need to keep as much information on our flock as possible but is all of it relevant and if it is, how do we manage to capture this information (the who, why, where, when theory)? This is where RFID technology comes into the picture. In our operation my wife, Heather, is responsible for the information management (the who). The whole farm team knows the why, the where and the when.

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### Myth: RFID technology will never be implemented across the Canadian Sheep Industry

#### Vince and Heather Stutzki continued

Before RFID came into the picture Heather would spend hours creating and managing information to guide the flock genetically forward and we saw progress to our satisfaction. This worked when the flock was smaller. As our flock grew over the last six years we very quickly discovered that managing all this information was becoming a full-time job in the format that it was in (a laptop, pen, paper and a clipboard). Labour was holding us back as flock managers from expanding the flock because capturing information is almost all about labour. We had to change if we wanted to still keep track of the data that we felt was important to us. What we needed was a link that could capture information at any point in the animal's life anywhere in the operation.

This had to take place at the beginning of the animal's life in the flock, as this is when we start to gather data on that particular animal. We realized early that the cost of RFID was too high to place in newborns so we applied it to our ewe flock system. The ewe flock was all RFID and all the lambs were still on the pen, paper, and clipboard system.

This worked but all the data must still be entered manually in order to make genetic based decisions. So this year we decided to apply RFID tags to all animals born to alleviate the labour of data entry. Once we made this decision we knew we would also have to invest in the hardware to utilize the RFID link. This has been done and is in operation.

It is far from perfect, however as our flock and operation continues to grow, we see possibilities it can offer us in helping us manage what we do on a daily basis.

This is not an endorsement for RFID and everything that surrounds this industry. For our flock it has become a necessary tool, just like a scale or a tractor, and we have accepted this. What the sheep industry needs to do is to decide how important this tool is and start applying the "who, what, when and where" theory. Change is not easy. Change we must, however, in order to advance our businesses forward in the sheep industry.

# Letters to the Editor

"From my perspective the lamb supply in Canada will continue to shrink as feed costs increase because most producers are not in the business for profit."

- Bill McCutcheon

From my perspective the lamb supply in Canada will continue to shrink as feed costs increase because most producers are not in the business for profit. When the price producers receive for their market lambs does not cover the viable costs to produce them, they will be out of the sheep business. If they were truly in the sheep business for profit they would find solutions to the feed problem and make changes. These changes would likely mean getting bigger. For most people in the sheep business that is not going to happen.

These producers are not in the sheep business to make money to support a family or to create more WORK. There are a lot of producers in the 50-400 ewe range that are going to find it very difficult to maintain profit margins, particularly if they are feeding dry hay and dry grain. Many of these producers will leave the business, unless they are willing to jump to 700 to 1000 ewes or more to take advantage of ensiled feeds that are much cheaper. Some of these businesses may stay in business if the sheep enterprise is a secondary industry to something like dairy where they can offset the feed costs by using ensiled feed use for the cows, but they are likely already doing this. Some of these ewes will be purchased by producers that are expanding therefore maintaining some of the lamb supply.

I also have a concern with the use of Quebec producers, with all due respect, as examples because there is not on a level playing field when it comes to farm subsidy with producers in the rest of Canada. It is difficult for producers outside of Quebec to duplicate what producers in Quebec can do because we do not get a penny from our provincial governments to develop farm infrastructure.

I have no issue with the way the producer in the example manage their sheep and what they do to control and reduce feed costs, I believe it is TOTALLY sound. But it is VERY, VERY difficult to duplicate on sheep farms in the rest of Canada because of the money required for capital improvements would have to be generated by the farm business not a \$60/ewe/yr stabilization program cheque or the money received from government subsidized building projects.

Bill McCutcheon

## Jay Lewis on RFID technology and the need for greater traceability

Recent food-borne illnesses and animal disease outbreaks have brought the issue of traceability to the forefront of Canadian agriculture – not excluding the sheep industry. Defined as “the ability to trace the history, application or location of that which is under consideration”, traceability links all aspects of the sheep industry value chain from the retailer to the producer. At the farm level, knowing where your sheep come from – and where they’re going – is valuable information that can lead to increased profits and improved farm management. On a nationwide basis, traceability is also a necessary tool in case of an animal disease outbreak. A strong traceability system can put the Canadian sheep industry at par with its major worldly competitors. RFID is one technology that helps facilitate this process and can be an important tool when it comes to traceability.

### The Situation

Jay Lewis of Eweville Station in Holstein, Ontario is a strong advocate of RFID – a technology he has used on his family farm since 2007. As a feedlot operator with a yearly output capacity of 25,000 head, Lewis grew frustrated with the conventional tagging system. He knew making the change to RFID would save both time and money, so in the fall of 2007 he made the switch from a conventional tagging system to RFID. Lewis now puts RFID tags in all lambs that enter the feedlot and the entire ewe flock is RFID tagged as well. To manage the RFID data, he has brought in the ‘Shearwell System’ – a data-management program developed in the UK that Lewis says is “quick and easy” to use.

### The Opportunity

Eweville Station’s switch to RFID has had a positive impact. “When we bring lambs in we have to record entry and exit,” Lewis says. “Doing this with the conventional tags was very time consuming. It would take at least 2-3 hours to sort the lambs and that was just too much.” Lewis also found problems with the conventional tags being “too awkward and cumbersome to work with.” For him, the RFID tags are easier to work with and animals are easier to handle. The incidences of tags falling out have also decreased on the farm. “RFID was essentially put into place to speed things up,” Lewis says. “And that is exactly what it is doing.”

RFID has been a good opportunity for Eweville Station and Lewis believes it is a great opportunity for the Canadian sheep industry as well. In his opinion, small farms, big farms and those in between would benefit from operating a RFID system. “I think RFID should be on every farm in Canada,” says Lewis. “It is time for the Canadian sheep industry to get organized around the issue of traceability and I think RFID is the only way to go.”

Lewis also sees opportunities at the packers when it comes to RFID. “Conventional tagging creates problems at the packers,” he says. “It slows things down. If the packers could just scan the animals as they came in, the process would be much more efficient, once again saving time and money. RFID would improve this process in a major way.”

continued

## The Challenge

The biggest challenge Lewis has personally found with the RFID system is one of hardware. He's found that the tag readers do not always work as they should. "There needs to be some improvements made with the readers," he says. "The reader needs to be built better and tougher. Make one that does not break when you hit something because if this happens, you're out \$1,100 for a replacement." A stronger reader would last longer and be more cost effective.

Another challenge for Lewis is one related to the industry as a whole. He finds it challenging that the Canadian sheep industry overall has been slow to improve traceability – including incorporating RFID on farms across Canada. Lewis believes that RFID should be mandatory on all farms throughout the country, regardless of size. "The sheep industry is only one disaster away from being out of business," Lewis says. "If something were to go wrong there would be a lot of confusion as to what came from where. A mandatory nationwide RFID program would be of major benefit in the case of a disease outbreak."

## Key Success Factors

"It's not very hard to make RFID successful on your farm," says Lewis. To get things going at Eweville Station, Lewis says he just bought the product and began. In his initial trials, he found that RFID was pretty simple to work with and he discovered that in terms of identification, it was basically what he was doing already – only better. "It's easy to do," he says. "Even if they don't think so, everyone is pretty much already doing it; it's just the case of taking that one extra step." That one extra step being making the switch from conventional tags to RFID tags.

## Learning Experience

"Switching Eweville Station to RFID is not something that happened over night," Lewis says. "In order to make the appropriate changes on the farm, we had to become aware of traceability and gain an understanding of what was happening in the industry around us." Unfortunately, Lewis feels that his research fell short as he did not find the answers he was looking for. His opinion of the current level of traceability in the Canadian Sheep Industry is not very high. "At this point, I feel that there is no traceability in the Canadian sheep industry," he says. "I cannot find out any information on my lambs or anybody else's. This is not acceptable and it is dangerous when it comes to disease outbreaks." Concerning the future of traceability in the Canadian sheep industry, Lewis believes that implementing a consistent system across the country would be the most efficient way to go. And in his opinion, this system should be RFID. "Traceability is necessary in this business if we are going to continue and grow. We are supposed to be unified, so a national system just makes sense."

## References

1. <http://www.can-trace.org/LEARNMORE/FAQ/tabid/98/Default.aspx>
2. The Canadian sheep industry currently has a trace back system in place, which was designed to handle animal health issues such as scrapie.

## Your feedback is essential!

The dialogue has started, but we need to hear more about what you think in order to keep this forum going. Its success depends how much everyone in the sheep industry weighs in with their own perspectives and suggestions for change.

Tell us:

- What you think about “Points of View”
- If you had a strong reaction – either good or bad – to the contributions or letters in this issue
- If you want to contribute to an upcoming issue
- If you have a topic you’d like to see addressed
- If you have a story that would make a good case study for others to learn from

Few people get the opportunity to have their opinions heard. This is yours.

Send your comments, suggestions and questions to [pointsofview@cansheep.ca](mailto:pointsofview@cansheep.ca) or contact Jennifer Fleming directly by phone at 1-888-684-7739 or by email at [jennifer@cansheep.ca](mailto:jennifer@cansheep.ca).

### In the next issue...

**Myth:** Programs like On-Farm Food Safety add cost to my production without adding great value

A lot of time and effort go into developing and rolling out programs to benefit producers and the industry at large. Some programs, like On-Farm Food Safety efforts, have been developed specifically to help ensure consumer confidence in the quality and safety of the end-use product. This is something that arguably is an investment in the long-term sustainability of the lamb market for all stakeholders in the value chain. Though awareness of these programs is high, adoption rates remain relatively low. What is the perception within the industry? Do programs like OFFS provide value? What barriers are preventing adoption of the programs? Who is participating, and why?

What do you think? Have you participated in any of these programs, and if so, what’s your assessment? Would you encourage others in the industry to get on board? Why or why not? What’s the cost to the producer, the industry, and what’s the net result?

We’d like to hear your opinion – whether you’re a producer or someone in a different sector of the industry that sees the opportunity these programs provide. Please send us your thoughts as we’d like to include them in the August 2008 issue of Points of View. Get in the dialogue – your opinion matters! Send your comments to [pointsofview@cansheep.ca](mailto:pointsofview@cansheep.ca), or contact Jennifer Fleming directly at 1-888-684-7739 or [jennifer@cansheep.ca](mailto:jennifer@cansheep.ca).