July 2015

Cattle Producers Need a Quality System Assessment for Japan

John D. Lawrence  
*Iowa State University, jdlaw@iastate.edu*

Roxanne L. B. Clemens  
*Iowa State University, rclemens@iastate.edu*

Follow this and additional works at: [http://lib.dr.iastate.edu/iowaagreview](http://lib.dr.iastate.edu/iowaagreview)

Part of the Agricultural and Resource Economics Commons, Agricultural Economics Commons, Economic Policy Commons, International Economics Commons, and the International Trade Law Commons

**Recommended Citation**

Available at: [http://lib.dr.iastate.edu/iowaagreview/vol11/iss3/5](http://lib.dr.iastate.edu/iowaagreview/vol11/iss3/5)

This Article is brought to you for free and open access by the Center for Agricultural and Rural Development at Iowa State University Digital Repository. It has been accepted for inclusion in Iowa Ag Review by an authorized editor of Iowa State University Digital Repository. For more information, please contact digirep@iastate.edu.
When Japan reopens its borders to U.S. beef, producers of cattle from which beef will be harvested for export to that country must comply with the regulations of the Beef Export Verification Program (BEV) for Japan. The primary requirement affecting cattle producers is verification that their cattle are less than 21 months of age at the time of slaughter. To qualify under the BEV for Japan, producers and processors of any cattle that will provide beef for the Japanese market must participate in a Quality System Assessment (QSA) program that has been pre-approved by the USDA’s Agricultural Marketing Service. That is, unlike Country of Origin Labeling (COOL), which accepts an auditable record, Japan is requiring that cattle must have been raised by cowherds, backgrounders, and feedlots that are covered under a QSA program. Records documenting age of the cattle and signed affidavits by the producer are needed, but these alone are not enough.

According to USDA, under the Japanese BEV program requirements, processors must have a QSA program to

1. Ensure that cattle purchased or received from outside establishments and used in the program meet the age requirements.
2. Evaluate and select suppliers based on their ability to supply product that conforms.
3. Establish and implement the inspection or other activities necessary for ensuring that product purchased or received from outside establishments conforms to the age requirements.
4. Have a documented procedure addressing supplier selection, evaluation, and re-evaluation.
5. Maintain records of the results of supplier evaluations and any necessary actions arising from the evaluation.
6. Maintain records to provide evidence of conformity to the receiving process and of the effective operation of the receiving process.

**WHO SHOULD PARTICIPATE IN A QSA PROGRAM?**

Under the current proposal, only cattle used to supply beef for Japan will need to be covered by a QSA program for age verification. Cattle that are not part of a QSA program will still trade in the existing market but not with Japan.

Producers who consistently sell to only one buyer, one with an approved QSA program, can simply fill out the QSA paperwork for that buyer. Examples include retained-ownership producers who sell to only one packer and cowherd producers who sell to a large feedlot with a QSA program. A feedlot that buys feeder cattle must either have its own QSA program and qualify its suppliers under that program or buy cattle that are covered under a packer’s QSA or an independent QSA program.

Packers and feedlots that have their own QSAs and approved supplier lists are not likely to share these lists with competitors, and cattle are not transferable among individual packers’ QSA programs. On the other hand, independent QSA companies such as identification companies will make their qualified suppliers known in order to attract buyers to their customers’ cattle. Thus, producers who wish to qualify for export to Japan and to have more marketing flexibility should consider joining an independent QSA.

**PROGRAM OPTIONS**

Cattle producers have three options for selling cattle for beef to Japan. They can (1) participate in a packer’s QSA program, (2) develop their own QSA program and get it approved by USDA, or (3) participate in the QSA program of an independent company. Producers participating in USDA Processed Verified Programs are also eligible to sell into the BEV for Japan program. Among other things, the owner of a QSA program must conduct internal audits of its system and maintain a list of approved suppliers. Because final approval for the BEV for Japan is pending, QSA programs may need to be updated to conform to the official version.

Producers who participate in a single packer’s QSA will need to maintain records specific to that program. As a result, cattle covered under one packer’s QSA program cannot be sold to another packer. A producer who sells cattle to more than one packer and participates in each packer’s QSA program must maintain a separate set of documents for each company.

Producers who develop and get approval for their own QSA program or participate in a QSA program independent of any individual packing company can sell to any buyer by documenting their QSA participation. While large feedlots may choose to develop and maintain their own QSA, smaller-scale producers may choose to participate in an established independent QSA program. A list of USDA-approved QSA programs

---

**John Lawrence**
jdlaw@iastate.edu
515-294-6290

**Roxanne Clemens**
rclemens@iastate.edu
515-294-8842

---

**Iowa Ag Review**

---

**CENTER FOR AGRICULTURAL AND RURAL DEVELOPMENT**

---

**Summer 2005**
can be found on the Web at http://www.ams.usda.gov/lsg/arc/qsap.htm. While most of the companies approved to date are feedlots and packers, other members in the supply chain may offer a QSA, including animal identification companies.

An advantage of participating in an independent program is that multiple systems can be managed under one umbrella program. Whereas a packing company will only want to document product requirements for its own product lines, an umbrella program can offer a broader range of verifications. Receiving animals from producers covered by these umbrella programs may also benefit packers, who would not incur the risks associated with approving suppliers. In addition to animal age, for example, a producer may want to document a breeding program or verify source of origin to increase marketing opportunities.

**QSAs and Country-of-Origin Labeling**

QSAs have been created to ensure compliance with specific import requirements of other countries. As such, a QSA program will not be required for domestic programs such as the U.S. COOL program. The COOL program would require that producers keep records to verify compliance but would not require a pre-approved USDA system.

**QSAs and the National Animal Identification System**

One of the realities of a QSA for Japan age verification is that the animals be identified and their birth date recorded, at least by group. The National Animal Identification System will require that all cattle be individually tagged with an ear tag. Producers may be able to participate in a QSA program through their identification supplier. When evaluating identification suppliers, producers should ask the following questions.

- Is the company’s QSA program approved for age verification to Japan?
- Is the company’s QSA program compliant for COOL?
- What else does the company’s QSA program include?

**Plan Now for Future Access**

While the Japanese market is not currently open, some calves born this spring will likely be exported to Asian markets. To qualify for export to Japan, the animal must have been 20 months of age or younger at slaughter and born, raised, and processed by farms and firms that are in a USDA pre-approved QSA program. Relatively few of these programs exist today, but the number is growing. Producers should consider their options: whether they want to establish their own QSA, sell to a buyer who has a QSA program, or participate in an independent QSA program. Although any sector in the beef supply chain may develop a QSA program, identification suppliers and producer organizations are expected to provide the independent QSA service.

John Lawrence is a livestock economist and director of the Iowa Beef Center at Iowa State University.

---

**Recent CARD Publications**

**Staff Reports**


**Working Papers**


