

PHASE ONE OF THE AUCTION MARKET APPLIED RESEARCH PROJECT COMPLETE

FOR IMMEDIATE RELEASE

June 1, 2010

Calgary, AB – The Canadian Cattle Identification Agency (CCIA) completed Phase One of the Auction Market Applied Research Project to evaluate multiple Radio Frequency Identification (RFID) systems at auction markets across Canada which was supported by the federal government's Growing Forward program. The work that began on September 1, 2009 resulted in a final report that details the following: impact on business process efficiency, effectiveness and speed of commerce; the business case regarding feasibility and cost/benefit to enable traceability; and delivers an opinion on the feasibility of the existing hardware/software supporting full traceability.

"In partnership with the Livestock Markets Association of Canada (LMAC), we conducted research at nine auction markets across four provinces," says Donna Henuset, Project Manager for the CCIA. "Because every auction market had a unique design configuration and process flow, we found that the design and location of the RFID system must also be unique and located in an area that is well integrated within the normal process flow, which is individual to each market, in order to be efficient," concluded Henuset.

This research project installed, operated and tested multiple commercially available RFID reader technologies in eight auction markets across Canada and collected data from one market with a pre-existing system. Some of the findings were:

- 1) The location of the system had more impact on speed of commerce than the type of alley configuration.
- 2) Read accuracy was volatile, fluctuating daily, weekly by group size and by market.
- 3) The auction markets will have increased operating costs as a result of the installation and operation of the RFID systems.

Traceability for the cattle sector in the Canadian marketplace requires the capture and transfer of RFID tag data from cattle to the CCIA's database, the Canadian Livestock Tracking System (CLTS), through the use of electronic readers at each movement site. The technology and processes must meet the needs of auction markets by not impeding commerce or causing additional stress for the livestock. This phase of the research evaluated the ability of existing technology to collect and read RFID tag data at a high level of accuracy, while functioning in a working environment. Further, the research evaluated the impact on speed of commerce and reported preliminary estimations on the cost of implementation.

"We were unable to meet the predetermined research project benchmark of 95 per cent. Any requirement for collection and reporting of RFID tags above this benchmark may impact auction

markets to a level that may not be sustainable due to an increased impact on speed of commerce, increased costs and labor requirements,” adds Rick Wright, LMAC member and Steering Committee Chair for the Auction Market Research Project.

Canada’s federal, provincial and territorial Ministers of Agriculture announced last year that a mandatory comprehensive national traceability system for livestock will be in place by 2011. Key elements of a traceability system are animal identification, premises identification, and movement tracking. It is estimated that there are more than 150 auction marts that will require the installation of RFID reader systems to achieve full traceability.

CCIA, in cooperation with LMAC, is developing plans to commence Phase Two of the project in August of this year. The second phase will focus on: implementation of commercial software to align RFID hardware with business process as well as test new configurations of hardware. Phase Two will also incorporate RFID systems at buying stations and assembly yards.

For a copy of the full report on Phase One of the Auction Market Applied Research Project, please visit www.canadaid.ca.

- 30 -

For more information:

Danielle Oberle
Communications Manager
Phone: (403) 476-1984
Cell: (403) 703-5575
Email: doberle@canadaid.ca

About CCIA

The Canadian Cattle Identification Agency is an industry initiated and established organization that manages the Canadian Livestock Tracking System (CLTS) - a trace back system designed for the containment and eradication of animal disease. Established in 1998, CCIA has developed the only mandatory national identification program for the cattle industry and works with the Canadian Food Inspection Agency to ensure the food safety of the Canadian cattle industry.