Minding Your Cattle P’s and Q’s: Basic Facts on Source, Age, and other Claim Verification through PVP and QSA Programs

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Recent developments in beef export market requirements and the related evolution of USDA’s Agricultural Marketing Service (AMS) oversight of marketing claims has resulted in several new programs becoming available to producers in a relatively short time period. New terms from these programs have been widely used in the media without much practical explanation, including Beef Export Verification (BEV) or EV, Source and Age Verification (S&AVSA), Quality System Assessment (QSA), and Process Verified Program (PVP). At the heart of the matter is the ability to qualify cattle for beef export markets, making other specific claims, and the capture of any associated premiums.

Sorting It Out
USDA’s BEV requirements are country-specific and spell out the standards agreed upon by USDA and that country for exporting beef into their market. Export Verification requirements for specific countries may be found at http://www.ams.usda.gov/arc/bev.htm. Beef from the U.S. that does not meet a country’s EV standards may not be exported to that country. Most EVs stipulate specific cuts that may be exported, processing regulations, and specific requirements regarding the cattle from which the beef is derived (Grenner, et al). For example, most countries require that cattle be no older than 30 months of age at slaughter. Japan’s more rigorous requirements stipulate cattle have specific carcass characteristics or participation in a QSA or PVP program. Any supplier of cattle or beef, including packers, fabricators, cold storage facilities, forwarding warehouses, feedlots, producers, cooperatives, auction markets, or buyers can have a QSA or PVP. The base requirements for meeting the age requirement in a QSA or PVP program include:

- each animal must have a unique individual or group identification;
- sufficient records must exist for tracing individual animals back to the ranch of origin; and
- individual animal actual birthdates or birthdates of oldest animals in a group must be documented.

USDA Approved Programs

Source and Age Verification for beef has two components. Source verification is the ability to trace beef back to the farm or ranch where the cattle were born. Age verification is the ability to determine and verify the age of the animal at any point throughout the production system, including post-harvest. However, standards for age verification cannot be met without first meeting the requirements for source verification and your records alone do not qualify your cattle to be sold as “source and age verified.” Regardless of whether a producer is interested in verifying age, source, or both, valid production records must be maintained and made available to the verifying authority. Source and age claims are validated either through a USDA Process Verified Program or a USDA Quality System Assessment program. Most programs available to producers are structured to document and verify both age and source characteristics in a single package. Both types of USDA programs require quality-management systems where specific processes and/or attributes are documented in a way that makes it verifiable through the required systematic audits. PVP and QSA programs have similarities, but they can also be quite different as Table 1 illustrates (Ishmael). However, age and source verification require similar documentation for both QSAs and PVPs.

Process Verified Programs (PVP) provide the beef industry the ability to make marketing claims about beef attributes beyond age and source verification, but nearly all PVP claims include age and source verification as part of their program. Other attributes may include specific genetics, feeding practices, animal welfare, environmental production aspects, and other claims that are otherwise difficult to verify by visual inspection of the cattle or beef. Some PVP programs date from the early 1990s and each has its own list of practices or attributes to substantiate. Products from PVP systems may use the phrase “USDA Process Verified” to substantiate product claims in their packaging and marketing materials. See a list of USDA Process Verified Programs at http://processverified.usda.gov/OfficialListing/PVP.html.

Quality System Assessment (QSA) defines a type of USDA program that has a narrower scope and is less complex than PVP programs. USDA developed QSA programs beginning in 2004 primarily to qualify beef for export. The only beef attributes verifiable through a QSA program are age, source, and other characteristics verifiable through a QSA program are age, source, and other characteristics...
and non-hormone treated cattle. USDA lists approved QSA programs at [http://www.ams.usda.gov/lsg/arc/QSA.pdf](http://www.ams.usda.gov/lsg/arc/QSA.pdf). (A host of other terms are associated with beef marketing programs. See the Iowa Beef Center’s *The ABCs of Beef Marketing Programs* for a detailed discussion of these at: [http://www.iowabeefcenter.org/content/ABCsOfBeefMarketingPrograms.pdf](http://www.iowabeefcenter.org/content/ABCsOfBeefMarketingPrograms.pdf).)

### The Bottom Line

Age verification does not guarantee that beef from verified cattle end up in an export market — it simply makes it eligible for that market. Any premium for age verification of cattle is dependent on the supply of age verified cattle as well as the demand from export markets for U.S. beef.

It should be noted that packers can meet the age verification requirement for export marketing through USDA carcass evaluation at the packing plant. In other words, packers have the opportunity to age verify cattle without having to rely solely on cattle that have been approved for export marketing through a QSA or PVP. For example, carcasses that are stamped “A40” by a USDA grader have physical characteristics indicating that the animal was 17 months of age or less at the time of harvest. One problem with this age verification alternative is that variety meats from those cattle cannot be exported because those meats were removed before carcass evaluation. That translates into less potential export value for the packer from that carcass. In a sense, QSA or PVP cattle in age and source verification programs are “precertified” so that

### Table 1. Side by Side Comparison of USDA’s PVP and QSA.

<table>
<thead>
<tr>
<th>Process Verified Program (PVP)</th>
<th>Quality System Assessment (QSA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age and Source verified cattle eligible for export verification programs</td>
<td>YES</td>
</tr>
<tr>
<td>Marketing claims are chosen by each company</td>
<td>YES</td>
</tr>
<tr>
<td>Marketing claims can include:</td>
<td>• Age</td>
</tr>
<tr>
<td></td>
<td>• Source</td>
</tr>
<tr>
<td></td>
<td>• Genetic verification</td>
</tr>
<tr>
<td></td>
<td>• Feeding practices</td>
</tr>
<tr>
<td></td>
<td>• Animal handling</td>
</tr>
<tr>
<td></td>
<td>• Additional claims, as approved by USDA, AMS (e.g. conforming to NHTC requirements)</td>
</tr>
<tr>
<td></td>
<td>• Source</td>
</tr>
<tr>
<td></td>
<td>• Non-hormone treated cattle (NHTC)</td>
</tr>
<tr>
<td>Marketing the approved PVP or QSA</td>
<td>Approval is posted on USDA’s Web site — can use the “USDA Process Verified” shield in company marketing materials</td>
</tr>
<tr>
<td>Cattle with Program-Compliant Tags can be marketed through unapproved and approved locations</td>
<td>YES</td>
</tr>
<tr>
<td>Quality manual required</td>
<td>YES</td>
</tr>
<tr>
<td>Requirements — ISO9001:2000</td>
<td>Requires specific information on all major elements and sub elements of the ISO9001</td>
</tr>
<tr>
<td>Requirements — USDA specific Scope</td>
<td>Limited scope and very specific marketing claims</td>
</tr>
<tr>
<td>Supplier Evaluations and Re-evaluations?</td>
<td>YES</td>
</tr>
<tr>
<td>USDA Program Began</td>
<td>mid 1990s</td>
</tr>
</tbody>
</table>

mind, though, that participation is not free, so you will need to weigh the benefits of broadening your marketing options with the costs of participation and record keeping for separate programs. Do your homework and ask questions about where your calves can be marketed under each program you are considering.

Issues for Cow/calf producers

Cattle must be enrolled in a QSA or PVP program for source and age verification before leaving the farm or ranch of their birth to maintain export eligibility. Thus, only the cow/calf producer can enroll their calves in a QSA or PVP program. Though the information required is probably the same for most programs, each QSA or PVP likely has its own record-keeping forms to be used. At a minimum, a QSA and PVP programs with source and age verification will require detailed birth records. Calf birth dates can be documented in one of two ways. The first is to document birthdates of the first and last calves from your herd’s calving season. The entire calf crop from your herd for that calving season is then assigned the first calf’s birth date. Alternatively, you can document individual calf birth dates for the entire calf crop. One implication for cow/calf producers is that if you do not have and/or do not wish to have a defined calving season, you will need to keep individual calf birth records in order to qualify cattle for source and age verification. Keep in mind that, in some programs, additional benefits may be received by keeping detailed calving records, including such information as dam and calf identification, calving date, and sex of each calf.

Tags used for individual animal identification differ among different sources, agencies, etc. The program will then typically conduct an on-site evaluation of your ranch, which may include records retention and certification. A QSA program qualifies your cattle for export through source and age verification, but a PVP program may give you broader marketing options and the potential to capture other premiums as well. Begin by exploring individual cattleman, only you can determine if the increase in record keeping and costs are worth the opportunity for marketing cattle through QSA or PVP programs. The typical process for enrolling as an individual participant to keep calving records for three years for auditing purposes is described.

How Do I Access a QSA or PVP Program for My Cattle?

Though creating your own USDA-approved QSA or PVP is possible, it is also costly and not an avenue that most producers will choose to pursue. As PVP or PVP programs are “umbrella” programs through which your cattle could be marketed. The typical process for enrolling as an individual participant to keep calving records for three years for auditing purposes is described.

hus, you may pay a premium for calves participating in an export eligible program.

As a stocker/background, you probably have access to a QSA or PVP program through your local livestock market. You can source cattle from any approved supplier within your program or from ranches enrolled in any QSA or PVP that uses that program’s PCT. Finally, calves enrolled in a QSA or PVP program are eligible for feeding with spring-born calves with heavy weaning weights (575 to 700 lb) are frequently placed directly on feed at the time of weaning, making this group of calves ready for harvest during the months of April, May, and June. Therefore, there may be relatively more A40 carcasses available for export during the early spring and early summer months compared to other times of the year (Mark, 2006). This implies premiums for age verification may be greater during late summer, fall, and winter. The level of premiums is also dependent on export demand levels and rate of growth. Recent trends for finishing more yearling cattle due to high grain prices may reduce the number of cattle meeting the A40 requirements for harvest. Anecdotal evidence of premiums to date have been in the $3 to $4/cwt. range for feeders and calves and in the range of $2 to $3/cwt. for fed cattle (Ishmael).

Marketing cattle through QSA or PVP programs is not one-size-fits-all to access increased profitability since there is a cost to enrolling cattle for age-verification and some premiums are uncertain. Some estimate the cost of participating in a PVP or QSA with age verification, including tag cost, at $5/ head or less, while some have estimated costs without the tag to be $2.50/head or less (Ishmael). Typical costs include fees for tags, audit costs, any products that are required to be provided to customers, and any additional fees or animal fees. Generally, participation in a QSA program will be included as such traits as preconditioned, environment, or environment-based. Beyond that, the cost structure is specific to the program and the participant to keep calving records for three years for auditing purposes.

Getting On Board

Though U.S. beef is exported to many countries, each with their own EV specifications, the added value being promoted by the QSA and PVP programs is primarily derived from allowing products from the cattle to qualify for export to Japan since Japan’s maximum age requirement is significantly lower than that of other countries. Conversely, determination of the availability of extra value depends primarily on supply and demand of cattle qualified for the export to Japan. At least currently, it appears there is some unmet demand as premiums are being generated by a number of different organizations. As an individual cattleman, you can decide if the increase in record keeping and costs are worth the opportunity for source and age premiums. Participation in programs that document additional claims may present other or additional opportunities for premiums.

Lastly, your records should be “audit-worthy” since USDA requires annual audits of at least 10% of program participants. In addition to birth and age verification, the purpose might include documentation of information such as cow, inventory, AI, records, and bull-turnout records. All records must be kept for a minimum of three years.

Issues for Stocker/Backgrounders

Stocker/backgrounders who wish to invest in and market source and age verified cattle may have many opportunities. The most important of these is that they can choose the QSA or PVP program for their cattle that best fits their needs. As a result, some QSA and PVP programs may be more attractive than others. Additionally, you are not limited to enrollment in only one QSA or PVP program. For some producers, it may be feasible to participate in more than one program to broaden marketing options if requirements for the programs are similar. Keep in mind, though, that participation is not free, so you will need to weigh the benefits of broadening your marketing options with the costs of participation and record keeping for separate programs. Do your homework and ask questions about where your calves can be marketed under each program you are considering.

No two QSAs are exactly alike, but a QSA umbrella program typically involves multiple participants (including cow/calf operators, stockers, feeders, etc.) and one or more packers working together to maintain age and source record validity throughout the production system with one company acting as the gatekeeper to ensure that the requirements are met throughout the supply chain.

Most USDA approved QSA programs are administered through broad associations, feedlots, or through the cattle feeding arm of a major packer. Visit the websites of these organizations listed on the USDA page. Most provide information about their program’s specific requirements for record keeping, as well as “approved supplier” listings, which may indicate your local access point to the QSA, such as local feed yards or livestock auction markets.

Does a QVP or QSA Program Limit my Marketing Options?

One concern that some cattlemen have with QSAs or PVPs is being locked in to a specific buyer if they want acce- s to source and age premiums. A packer’s QSA umbrella program, for example, limits you to selling cattle through that packer. Even if you are not already marketed through a QSA or PVP program, you may give you broader marketing options and the potential to capture other premiums as well. Begin by exploring individual cattleman, only you can determine if the increase in record keeping and costs are worth the opportunity for marketing cattle through QSA or PVP programs. The typical process for enrolling as an individual participant to keep calving records for three years for auditing purposes is described.

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Figure 1. USDA Process Verified Programs for Beef Sorted by Claim and by PCT Use, February 19, 2008.

Figure 2. USDA Approved Quality System Assessment Programs Sorted by Use of Program Compliant Eartags, February 19, 2008.