

PIC USA

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March 26, 2003

Chief, Standardization Branch
Livestock and Seed Program, AMS, USDA
Room 2603-S, Stop 0254
1400 Independence Avenue, SW
Washington, DC 20250-0254

Re: Docket No. LS-02-02

Gentlemen:

Referencing the above Docket number, PIC USA would like to formally register comment on the notice published in the December 30, 2002 (Volume 67, Number 250) Federal Register for the United States Standards for Livestock and Meat Marketing Claims, Agricultural Marketing Service, USDA.

As the LS Program determined that it would be beneficial to establish minimum standards for common production/marketing claims, it has been proposed that "marketing claim standards may be used in conjunction with existing regulations or voluntary grade standards in USDA Certified and USDA Verified programs". It is further proposed that minimum breed claim criteria shall be established by a NPLC (National Pedigreed Livestock Council) member or AMS petitioned national breed association for a referenced breed.

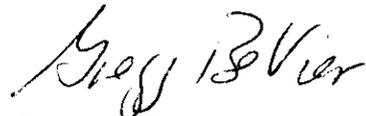
The purpose of this comment is to assert that in the swine industry, a major percentage of purebred animals are sold by breeding stock companies such as ours, which are not members of national breed associations. In fact, PIC has distributed genetically improved breeding stock for over 40 years in 30 markets around the world. We are the largest company in our sector and represent over 37% of the U.S. market today. Breeding stock companies maintain pure populations of commonly recognized breeds and maintain those pedigree records in systems independent of the Breed Associations; in addition this is now supported by new technology that verifies pedigree through methods other than an historic records technique, i.e. DNA analysis and verification of parentage. Figures from the National Pork Board show that from March 1997 to December 2001, well over 4 million head were sold by those companies reporting to that organization. In any given month in that time period, 21-53% of those sales were reported by PIC USA, consistently in the top five genetics companies reporting. It is our contention that the Breed Associations do not represent the complete constituency of pure breeding organizations in the animal industry, and in fact represent a minority of the pork produced within the U.S. Therefore, it is of major concern to us, and will be to the industry as a whole, that if the AMS designates livestock breed associations to set minimum breed claim criteria, it will result in the exclusion of the actual major suppliers of swine from certain market segments for U.S. pork.

One method by which this concern and its consequences may be averted, even without any effect on other species/industries, is a change in the language used in the "Breed Claims" section of the document to read "Claims for breed of livestock must meet criteria established by an AMS-recognized *breeding stock organization that sells, or an association for*, the referenced breed". This will allow for criteria which satisfy both the breed associations' and breeding stock companies' methods of pedigree determination and maintain equitable market opportunity. Implementation of this change will serve to maintain a healthy competitive environment as well as the integrity of breeds.

To summarize, we believe that a modification such as above will be essential to maintain an efficient U.S. pork industry and enable the USDA Certification and Verification programs to implement effective "marketing claim standards" for breed claims. The proposal that an NPLC member or AMS petitioned national breed association sets this standard will not fulfill the needs of the entire industry, but will in fact hinder its fair market development, although this is certainly not the original intent.

Any questions concerning this comment or follow-up on the issue should be directed to Dr. Sharon A. Davis, PIC USA, PO Box 348, 3033 Nashville Rd. Franklin, KY 42135, Ph. 270/598-5408 or by email at sharon.davis@pic.com.

Sincerely,

A handwritten signature in cursive script that reads "Gregg BeVier".

Gregg BeVier
Managing Director PIC International