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PROPOSED MANDATORY ANIMAL IDENTIFICATION SYSTEM
HAS FAR-REACHING IMPLICATIONS

-Industry leaders say data may help make U.S. livestock producers more competitive globally-

KENILWORTH, N.J. May 24, 2005 – The proposed mandatory National Animal Identification System (NAIS), recently unveiled by Secretary of Agriculture Mike Johanns, provides an opportunity for U.S. livestock producers to become more competitive globally, industry leaders say.

“We commend USDA for moving forward with a national identification system to support the safety and integrity of the U.S. food supply,” says Jim Heinle, president of Global Animal Management, Inc. (GAM™), a leading provider of animal and premises identification systems. GAM is a wholly-owned subsidiary of Schering-Plough Animal Health Corporation, the worldwide animal health business of the Schering-Plough Corporation.

Value-added data opportunities

By tracking animal movements, the proposed NAIS would allow officials to quickly identify potentially infected animals in case of a major disease outbreak. Heinle says there are value-added opportunities for livestock producers as well.

“NAIS also provides the potential for the industry to gather and manage information that will help maintain global markets and ensure consumer confidence in the food system,” he says.

For example, livestock producers could choose to record additional data to verify the age, source and breed of their animals – even how the animals are being cared for – and then share the information with buyers to the extent that it benefits the producers’ business. Such information is becoming increasingly important to markets, both domestically and abroad.

“Those with ability to provide value-added information will lead the food markets of the future,” says Heinle. “At the same time, we must recognize the desire to protect producer privacy of this information.”

Patrick Boyle, president and CEO of the American Meat Institute, says the U.S. beef industry is at an important juncture. “Mandatory animal identification is both essential and an inevitable business reality if we are to be global players on the beef export stage,” says Boyle.

The National Institute for Animal Agriculture (NIAA), a forum of producers, veterinarians, scientists and other livestock industry professionals, has formally endorsed USDA’s efforts to implement a national animal tracking system. NIAA officials also recognize that the system can have benefits that go beyond livestock health.

“Producers have the opportunity to get on board with the flow of value-added information, while serving the needs of animal health officials for disease traceback,” says Ben Richey, NIAA director of communications.

System implementation

Although, as proposed, the NAIS does not become mandatory until January 2009, tools are in place now to allow livestock producers to easily capture the needed information. As a first step in the process, NAIS has already begun registering the farms and ranches, or “premises” where animals are located.

At last count, USDA had registered and assigned unique premises identification numbers to 74,340 locations nationwide. Of those, 19,951 – or more than 26 percent – have been registered using the the Global Animal Management Premises Management System (GPMS). This USDA-approved system integrates seamlessly with the GAM™ VeriSource™ systems to track movements of groups of livestock and individual animals, and simultaneously manage value-added data.

“Although there are thousands of premises yet to be registered, good progress is being made,” says Heinle. “We applaud USDA efforts to accelerate industry consensus on how NAIS will be implemented, and encourage all stakeholders to respond to USDA’s request for comment on the system before the deadline, which has been extended to July 6.”

According to the USDA, it will follow the normal rulemaking process before any aspects of NAIS become mandatory. The public will have the opportunity to submit additional

comments on the proposed regulations. More information on NAIS is available on USDA's Web site at <http://www.usda.gov/nais>.

Additional information about VeriSource can be found at www.mygamonline.com. Demonstrations of the system and other traceability tools can be arranged by contacting Global Animal Management at (800) 235-9824.

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