



R-CALF USA 2007 Stampede Fact Sheet: *Protecting Health and Safety*

R-CALF USA appreciates the hard work members of Congress, Senators, and the Administration have put into re-opening the vital markets that have closed to U.S. cattle and beef exports after the discovery of a Canadian animal with bovine spongiform encephalopathy (BSE) in Washington State in December of 2003.

But R-CALF USA is deeply concerned that USDA's most recent proposal to allow imports of over 30-month (OTM) cattle and beef from Canada will jeopardize these important efforts.

The U.S. needs an aggressive, comprehensive strategy for resuming beef exports, fully protecting animal health, and supporting consumer confidence in the safety of U.S. beef.

1. The U.S. should not give additional access to the U.S. market to imports from countries known to have BSE until the U.S. fully regains the share of the global export market it has lost since 2003. Before opening the border further to Canada, the U.S. must get assurances from other countries that export markets will not be lost if additional BSE cases are found in Canada or if the U.S. finds a Canadian case here.

Allowing OTM Canadian cattle and beef into the U.S. will further harm the United States' ability to fully restore lost export markets. After three years of allowing Canada – a country where BSE is known to have circulated years after implementation of a feed ban – to have access to the U.S. market, the U.S. share of the global beef market has fallen from 18 percent in 2003 to an estimated 7 percent in 2006. The export markets that have reopened have imposed stricter conditions on U.S. beef exports than what the U.S. requires on Canadian imports, and several export markets continue to ban U.S. exports that contain beef from Canadian cattle.

2. The U.S. should not further relax its already lenient import standards until it can be scientifically documented that BSE is no longer circulating in Canadian feed or in OTM Canadian cattle and there is international acceptance for such a conclusion.

The full magnitude of Canada's BSE epidemic is still unfolding, but it is already much greater than what USDA has asserted and assumed. Canada has now detected 10 cases of BSE in Canadian-born cattle. If media reports that indicate the latest case was born in 2000 are correct, then half of Canada's known cases were born after Canada implemented its feed ban. This evidence demonstrates that Canada's feed ban was not effective in preventing the spread of BSE in either its feed system or cattle herd.

3. The U.S. should not allow the importation of OTM cattle or beef, which are known to be of higher risk for transmitting BSE, particularly now that the disease is known to have been circulating in animals born years after the Canadian feed ban.

Cattle over 30 months of age that originate in a BSE-affected country have an inherently higher risk for transmitting BSE. As recently as January 2005, the USDA stated that the two most important factors in determining risk were the age of the cattle and the effect of the feed ban. Now that the feed ban is known to be ineffective, the 30-month age limit remains as the most important factor in minimizing the risk of introducing BSE into the U.S. from Canada.

4. The U.S. should not allow imports of OTM cattle or beef from Canada until both the U.S. and Canada have significantly strengthened their respective feed bans and sufficient time has lapsed to

ascertain the effectiveness of any feed ban improvements. Given the known breeches in Canada's feed ban, Canada must significantly ramp-up its BSE testing so that the effectiveness of its feed ban can be more accurately monitored.

As previously recognized by the Food and Drug Administration, and as recognized by international BSE experts, current BSE mitigation measures are inadequate to address the increased risk associated with OTM cattle and beef from Canada. The Food and Drug Administration, the Canadian Food Inspection Service, and International BSE experts all have acknowledged the need to strengthen the feed bans implemented in both the U.S. and Canada to prevent the spread of BSE. However, neither country has yet implemented improvements to their respective feed bans.

5. The U.S. should not allow OTM Canadian cattle or beef into the U.S. until it additionally obtains firm assurances from all U.S. beef export markets and the OIE that the United States' BSE risk profile would not be downgraded to Canada's level if Canadian OTM cattle and beef are allowed into the U.S. market and available for export.

Allowing OTM Canadian cattle and beef into the United States will immediately harm the United States' international disease risk profile. The United States has a more favorable BSE risk profile than Canada. Canada cannot possibly meet the World Organization for Animal Health (OIE) standard for a country with a negligible BSE risk, which requires that the youngest BSE case must be born more than 11 years ago. However, because the U.S. has only detected BSE in two native animals, both born well before the feed ban and the youngest of which was estimated to be 10 years of age on February 28, 2006, the U.S. will likely meet the international standard to be considered a negligible BSE risk country if it does not mix Canadian cattle and beef with U.S. cattle and beef.

6. The U.S. should not allow OTM Canadian cattle or beef into the U.S. until the U.S. additionally implements country-of-origin labeling to mitigate the financial harm that will inevitably befall U.S. cattle producers and that will likely be more severe than what USDA will predict.

The financial losses to U.S. cattle producers will likely be severe if the United States allows OTM Canadian cattle and beef into the U.S. market while most export markets remain closed. The USDA grossly underestimated the negative financial impact that actually occurred to U.S. cattle producers following the 2005 resumption of Canadian cattle imports. The USDA underestimated the price decline that U.S. producers experienced in the domestic fed cattle market by a factor of nearly three. Domestic fed cattle prices, which USDA predicted would fall by as much as \$6.05 per cwt., actually fell by \$17.40 per cwt. during the 5-month period from December 2005 through May 2006. Mandatory country-of-origin labeling must be implemented in the United States so both domestic and international consumers can differentiate beef produced exclusively from U.S. cattle from beef produced from Canadian cattle before any further relaxation of current U.S. import standards is even considered.

7. The U.S. should not relax its standards on imports from Canada without an evaluation of the health and safety risks and economic impact of OTM beef and without evaluations that combine OTM cattle and beef imports.

The risks from OTM beef imports were not properly evaluated in either the 2003 or 2004 risk analyses and the 2005 delay on OTM beef imports posted in the Federal Register does not include a risk analysis based on the new findings of multiple cattle with BSE born after Canada's ban on meat and bone meal. Also, there is concern that the risk analysis of OTM beef and OTM cattle, when combined, will be much higher than separate analyses. That would also be the case if OTM beef and cattle are combined in an economic impact analysis.