

July 27, 2004

The Honorable Ann Veneman
Secretary
United States Department of Agriculture
1400 Independence Ave., SW
Washington, DC 20250

Dear Secretary Veneman:

As a coalition representing all segments of the United States beef industry, from live cattle producers to retailers and restaurants, we are writing to urge you to reconsider the decision of the United States Department of Agriculture (USDA) to deny the requests by Creekstone Farms Premium Beef (Creekstone) and Gateway Beef Cooperative (Gateway) to voluntarily test their cattle for bovine spongiform encephalopathy (BSE).

USDA's outright refusal to allow private businesses to voluntarily provide BSE testing to meet the purchase requirements of their customers has harmed cattle producers, packers, wholesale and retail businesses that sell beef, particularly those business that export beef to Asia. USDA has failed to reopen most export markets, despite over six months of negotiations. Rather than opposing Creekstone and Gateway, USDA should be working with beef processors to help them establish standards for voluntary BSE-testing that respond to the demands of its customers.

USDA has prevented beef processors like Creekstone and Gateway from meeting market-driven product standards, which they are willing to impose voluntarily, in order to create additional demand for their production. We believe voluntary BSE-testing could be overseen by your agency in a manner similar to USDA's certification program for beef produced without hormones – a program established by USDA to enable U.S. producers to meet the product requirements of the EU, despite the absence of any scientific justification for such a program.

The consequences of USDA denying voluntary BSE-testing effectively shields the less innovative, less nimble, and less responsive beef processors from the competitive capacity of cutting-edge beef processors like Creekstone and Gateway. In addition to financially harming Creekstone and Gateway, USDA's decision has also caused financial losses for companies such as Costco that have significant export markets for beef. Costco is asking for the testing of all animals and supports Creekstone's proposal. USDA should not use its regulatory authority to hamstring market competition, particularly in this instance where Creekstone and Gateway intend to use identical BSE-testing procedures currently used by USDA.

Instead of opposing an innovative solution to reopening U.S. beef export markets, USDA should be supporting the bold, entrepreneurial solution of voluntary BSE testing. USDA could help the beef processing industry meet the needs and wants of its customers. Allowing voluntary BSE testing is a reasonable, efficient, and timely means for resuming export trade with Japan, Korea, Taiwan, and other important export markets for U.S. beef.

We call on you to direct your agency to immediately assist Creekstone, Gateway, and any other interested beef processor to begin voluntary BSE testing. Timelines for resolution of both voluntary testing and government negotiated non-testing policy must be definitively established. Will Creekstone, Gateway, and others be allowed to begin voluntary testing by October 1, 2004, if the Asian markets are not reopened by that time?

We look forward to discussing this matter with you further.

Sincerely,



Bill Fielding
C.O.O
Creekstone Farms Premium Beef



Bill Bullard
C.E.O.
R-CALF USA



Russ Kramer

Gateway Beef Cooperative

Cc: Mr. William Hawks
Members of Congress