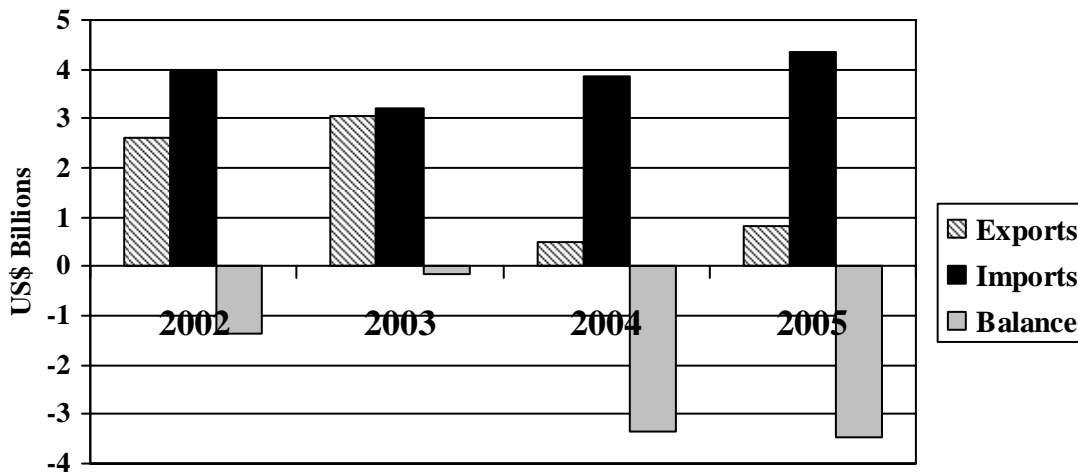


R-CALF USA 2006 Position Paper:
Protecting Health and Safety

- R-CALF USA has played a leadership role in protecting the health of the U.S. cattle population and ensuring the safety of U.S. beef. U.S. cattle producers know the devastation that animal diseases such as bovine spongiform encephalopathy (BSE) can cause, both to the health of our herds and consumer confidence in our product.
- After the discovery of a Canadian animal with BSE in Washington State in late 2003, more than 50 countries around the world imposed bans on imports of U.S. beef, and many of those markets remain fully or partially closed today. These closures have cost the U.S. cattle and beef industries billions of dollars in exports.
- As U.S. exports have declined sharply due to BSE concerns, the U.S. has increased its imports of cattle and beef, including from Canada and other countries with BSE issues. U.S. cattle and beef exports in 2005 were only 27 percent of their 2003 level (in dollar terms), while U.S. cattle and beef imports in 2005 were at 134 percent of their 2003 level.

U.S. Cattle and Beef Trade

Source: Dep't of Commerce, Census Bureau, Foreign Trade Statistics



- Though the border closed to Canadian cattle imports due to BSE concerns in May 2003, imports of beef from Canada continued. Imports of cattle from Canada then rebounded sharply after the border was re-opened in July of 2005. Overall, U.S. imports of cattle and beef from Canada in the last five months of 2005 (after the border re-opened to cattle) have already reached a full 97 percent of the level they were at in the last five months of 2002, before the border closed.
- 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. But R-CALF USA believes more can be done. 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.

- One part of this strategy should be a broad initiative to upwardly harmonize global standards for cattle and beef imports to ensure that these standards are based on sound science, administered in a fair and transparent manner, and provide certainty for both producers and consumers. Countries should not be able to keep out U.S. product with arbitrary, non-transparent standards.
- At the same time, the U.S. needs to examine its own import standards for cattle and beef. While the U.S. works diligently to negotiate even partial access to foreign markets for our exports, our own standards allow a much broader range of imports from abroad to enter.
- Today, cattle and beef imports into the U.S. face lower standards than our exports must meet overseas. This mismatch undermines U.S. producers, who are caught in the middle, and it may also give foreign countries yet another excuse to keep their markets closed to U.S. product.
- R-CALF USA hopes to work closely with Congress and the Administration to implement a comprehensive strategy for the restoration of global export markets for U.S. beef. Elements of this strategy should include:
 - Allowing voluntary BSE testing by U.S. packers;
 - Moving quickly to close loopholes in the U.S. feed ban identified over 18 months ago by an international scientific panel convened by USDA;
 - Adopting the most stringent BSE risk mitigation measures recommended by the OIE for both imports and exports pending an international agreement on BSE standards; and
 - Taking the lead in bringing countries together to reach an agreement on the upward harmonization of BSE standards to prevent any further global spread of the disease and allow the resumption of trade in safe beef products.
- R-CALF USA urges Congress to formally disapprove the Minimal Risk Region Rule and the more recent Japan Import Rule. These rules allow imports of beef and cattle from Canada and Japan without adequate mitigation measures, and they fail to ensure that imports of Japanese beef are from animals known to have been subject to a ruminant-to-ruminant feed ban. Both rules represent a step backwards from BSE standards applied in other countries, and neither rule has been accepted by the most important export markets for U.S. producers.