



# THE CATTLE TRADE STANDOFF



By Dee Ellis, DVM, MPA,  
State Veterinarian/Executive  
Director of the Texas Animal  
Health Commission

**T**here is an interesting debate underway right now within the U.S. cattle industry regarding disease statuses of foreign countries, politics in general and international trade policies related specifically to Foot and Mouth Disease (FMD).

When Bovine Spongiform Encephalopathy (BSE) was diagnosed in a cow from Washington back in 2004, our trading partners immediately embargoed U.S. cattle and beef products. Even though it was later determined we only had one cow that was positive and it had actually entered from Canada the year before, none of that made any difference.

Our multibillion-dollar beef export market dried up immediately. And now 10 years later, some trade partners are still not comfortable with allowing U.S. beef into their country. After testing millions of slaughter cattle in the U.S. after 2004 and numerous international review team visits, the U.S. cattle industry felt like it had proven that we were free of BSE. Some countries still didn't want our exports, however.

All commodity groups and especially the cattle industry depend upon a healthy export market to be profitable. It is estimated that at least 25 percent of the value of cattle domestically are linked to exports, which drive up the demand and thus drive up the price for all cattle. That is often the difference in a profit or loss for a producer, even if he is simply selling calves at the local auction barn.

When certain countries still refused to accept U.S. beef years after we determined there was no more cases of BSE in the U.S., the cattle industry cried foul and insisted that the World Organization for Animal Health (OIE) create a framework of consistent guidelines using sound scientific principles to determine a country's status for any disease presence. And so they did. Now here is the rest of the story.

Based upon the same scientific principles determined by the OIE international trade organization, the USDA has been asked to formally evaluate by rule if the

Patagonian region of Argentina can be declared free of FMD and a region of Brazil entailing parts of 14 Brazilian states could start to ship beef products to the U.S.

The problem is that various countries in South America and even regions within Brazil and Argentina are not considered free of FMD. The USDA, however, is stating that upon their recent review (based upon the same international guidelines the U.S. industry wanted for our BSE status), they believe that the risk of FMD being introduced from Brazilian beef is negligible and that the possibility that the Patagonia is not "free" of FMD is extremely unlikely.

As you can imagine, now that the tables are turned the cattle industries of the U.S. do not want to take any chance of getting FMD, even if the so-called scientific review based upon internationally accepted guidelines has proposed that it is safe to trade with portions of those two countries.

As I see it, both parties are right. It is not a good idea to take any chance with the importation of products or animals that might introduce FMD. But as the USDA correctly alleges, if we don't take other country's products after a scientific review, we can't expect them to take our animals either. So it is a lose-lose situation. We either take a slight risk of introducing a catastrophic disease into the U.S. cattle population, or we take a hard-line trade position that will eventually invoke trading retaliation from other countries. The retaliation could also affect a different commodity than cattle, such as pork, potatoes or whatever trade commodity a country did not want imported for any reason. It is very common for countries to prohibit the introduction of animals or products into their country for real or trumped-up disease concerns when the reality is they are simply supporting higher prices for their domestic product by prohibiting the U.S. from flooding their market with lower-cost products.

There is also precedent for defending the position of not taking any risk for FMD introduction into the U.S. If you look at our cattle trade with Mexico as related

to tuberculosis (TB), the imported animals are tested prior to entry and sometimes again after entry, and yet Texas finds on average 15 cases a year in Mexican cattle.

The biggest problem in South America will be the continuous economic incentive in the other countries to sneak cattle or products in from lower-status regions to the higher- or free-status regions as they are worth a lot more money to the seller if believed to be disease-free. The only one to ensure that won't happen is the exporting country itself, and obviously it is valid to be skeptical that Argentina or Brazil can pull that off when Mexico can't or won't do it and is a lot closer to the U.S. and thus more easily audited.

So the standoff continues. The U.S. cattle industry is opposed to more open trade with countries based on sound common sense, and the USDA is proposing to allow more open trade based on established and accepted scientific guidelines. They are both right.

I would encourage everyone to stay tuned to the ongoing debate in this arena. In the meantime, we will continue to plan and train for a response to FMD if it is ever found here in Texas. The economic impact to our country if FMD is introduced would be catastrophic, even if quickly diagnosed and eradicated.

For that reason, the TAHC will be convening a working group in 2014 to update and modify the Texas foreign animal disease plan, which is found within the Governor's emergency response system. It is critical that TVMA and its membership actively participate in this planning.

The Texas plan was first written in 2002 after the outbreak in the UK. But since then, there have been lots of changes to established response plans, technology for vaccines and diagnostics and political correctness related to accepted practices in catastrophic disease outbreaks. We need to be ready if and when the next outbreak occurs, and we need your help to make that happen. [TV](#)