

Recovering from mad cow case, states consider new protections

by Tim Anderson

If mad cow disease ever was going to be detected in U.S. cattle, and some say such a finding was inevitable, the Dec. 23 case may have occurred at as good a time as any.

Livestock producers had been reaping the benefits of unusually favorable supply-demand market conditions and record-high cattle prices. As a result, the hit taken by the industry was softened, so much so that South Dakota Republican Rep. Jim Lintz says people in his beef-producing state actually were breathing a sigh of relief a month after the discovery.

“There was a lot of anxiety when the news first broke, especially when we saw the markets go down like they did,” adds Lintz, a cattle rancher from Hermosa. “People got a lot more comfortable once they saw how this was playing out and they saw the markets bouncing back.”

Still, the recent discovery shows how cases of animal disease can harm the livestock industry and states that rely on it. Market prices fell by as much as 20 percent after the discovery, and hundreds of meatpacking workers in Kansas and Nebraska were soon laid off. In January, Global Insight Inc. predicted a 10 percent decline in overall farm income this year in comparison to 2003 numbers. Producers, meanwhile, were still anxiously waiting as of late last month for key export markets to reopen their borders to U.S. beef.

The first U.S. occurrence of mad cow disease, or bovine spongiform encephalopathy (BSE), occurred seven months after Canada's first-ever case. In both countries, the incidences did little to curtail domestic consumers' confidence in the beef supply. Red-meat consumption actually increased in Canada, and a recent study by the Food Policy Institute at Rutgers University found that most U.S. consumers have as much confidence in the beef supply now as they did before Dec. 23.

What has been far less controllable is the reaction overseas. Thus far, the most significant economic consequence of the mad cow discovery has been the closure of export markets. One report estimated that Canada's cattle industry had lost \$3.3 billion as the result of the BSE case. Effects on the U.S. livestock industry will likely be less devastating because it is not as dependent on foreign customers. Canada exports 60 percent of the beef it produces, while the United States sends only 10 percent of its beef to other countries. Still, this country's larger livestock industry has more to lose, and many Midwestern states are economically dependent on its well-being.

“Long term, it's going to be a real problem if markets like Japan and South Korea remain closed,” North Dakota Agriculture Commissioner Roger Johnson says. “The case just happened to occur at a point where we could accommodate somewhat of a slowdown.”

States, feds take action

The BSE discovery in a Washington cow has heightened awareness of both ongoing and proposed plans to prevent future cases and maintain consumer confidence in the food supply. The U.S. Department of Agriculture took several immediate steps, including a ban on “downer animals” from the human food chain and a requirement that meat from cattle being examined for BSE be held until test results are received and are negative. The federal agency also is working to establish a national identification system that will allow a speedy trace back of individual animals.

States, meanwhile, are considering enacting their own programs. In Kansas, a bill has been introduced to create a state animal identification and premise registration program. The measure would require farms, ranches and feedlots to be registered with the state. In addition, identification tags would be placed on every animal.

A premise registration program also has been proposed in Wisconsin this year.

“We cannot develop a national system to track animals unless we first know where animals are kept,” Wisconsin Agriculture, Trade and Consumer Protection Secretary Rod Nilsestuen says. Wisconsin Rep. Barbara Gronemus, a Democrat from Whitehall, adds that premise

registration will continue efforts “to ensure consumer confidence and that the livestock produced in this state is safe.”

States are increasingly looking at ways to market the quality and safety of their beef. South Dakota Republican Gov. Mike Rounds has been leading an effort called Dakota Prime. The voluntary program would allow the state's ranchers to purchase electronic identification tags that would track the animal's entire history. These animals would be labeled Dakota Prime, a brand name the governor believes customers would come to associate with quality, disease-free meat.

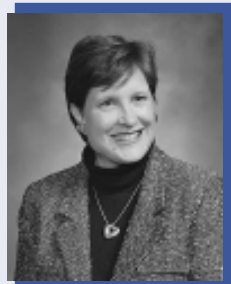
Controversies over national trade issues also have been heightened over the past few months. Some regional lawmakers here are still seeking congressional action on a country of origin labeling program, and federal officials are grappling with a decision over whether to reopen the U.S. border to live animals from Canada. Johnson fears such a move would hamper efforts to reopen key export markets to U.S. beef. Others, though, argue that the North American cattle industry is so highly integrated that a normalization of U.S.-Canada trade should be done as soon as possible for the good of both countries.

These along with other concerns about trade and food safety will not go away anytime soon, nor will concerns about future BSE discoveries. ✂

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• **Charles Cook & Stuart Rothenberg** — This pair are renowned for their witty, insightful — but always courteous — commentary on political events and personalities. Their look into the 2004 elections is sure to entertain you.

• **David Halberstam** — One of the nation's most distinguished social and political commentators, Halberstam has written on a range of issues, from the 1950s to U.S. foreign policy to baseball. His last 14 books have all been best-sellers.

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Representative Libby Jacobs

Midwestern Legislative Conference Chair

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