

## **01/05/2004 Entry: "Two Countries, One Market for Cattle Trade"**

Two Countries, One Market for Cattle Trade

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CALGARY — Free trade has made cattle, beef products and livestock feed almost indistinguishable in Canada and the United States, never mind the finger-pointing in this latest mad-cow scare.

That's the message Canadian cattle producers, politicians and investigators issued after a case of mad-cow disease was discovered last week in a Washington State animal with ties to an Alberta dairy farm. In May, bovine spongiform encephalopathy, better known as BSE or mad-cow disease, was diagnosed in a slaughtered cow in Alberta.

Despite the accusations -- from the United States that the latest sick cow was born in Canada and that it may have eaten tainted U.S. feed -- a lobby effort is gaining steam to explain to consumers that it doesn't really matter because North American cattle don't carry passports.

"The industries are so intertwined," Alberta Premier Ralph Klein said this week. "We're talking about a North American industry."

After BSE hit Canada last May, U.S. cattlemen said it was only a matter of time before a case turned up in the United States.

The United States now recognizes that mad-cow disease is a North American issue that needs to be solved in a North American manner, federal Agriculture Minister Bob Speller said.

"I believe that their industry knows the amount of cross-border movement that goes on in this industry. There's no question that they know this is an integrated North American market."

As free trade brought tariff walls down, cattle travelled both ways over the border for immediate slaughter and during droughts for better grazing.

According to the Canadian Cattlemen's Association, about 195,000 head of U.S. cattle came to Canada in 2001, about 85 per cent of them as feeder

cattle. The next year, a major drought hit the prairies and just 49,000 U.S. cattle came here, about 63 per cent of them destined for quick slaughter.

According to Statistics Canada, Canadian beef and live cattle exports were valued in 2002 at \$4-billion.

Last year, about 70 per cent of all cattle and beef produced in Canada was exported, most to the United States.

Live cattle exports dropped to zero after Canada's mad-cow case was found seven months ago.

According to the U.S. Meat Export Federation, \$298-million (U.S.) of American beef products entered Canada last year, but the Canadian export group puts the number higher, at about \$362-million (U.S.).

Internationally, Canada and U.S. beef have been among the most sought-after in the world.

"It's still the best there is," despite the two North American findings of BSE, said Bill Van Rootselaar, who ranches beef and dairy cattle near Granum, Alta.

Feed supplements made from slaughterhouse waste are thought to be the primary source of the disease. In August, 1997, in an attempt to reduce the risk of BSE, Canada and the United States made it illegal to feed the remains of ruminants -- cud-chewing animals -- to other ruminants.

The livestock-feed industries and the regulations that govern them in both countries are also tightly connected.

This week, the United States Department of Agriculture issued new livestock and meat regulations that mirror those already in place in Canada.

The Canadian cow with BSE last May was traced to Saskatchewan and had been born before the feed ban, but the source of any tainted feed has not been found. The cow in Washington state also appears to have been born before the rules for feed were changed.

Canadian investigators are looking at whether both animals could have eaten feed derived from carcasses at an Edmonton rendering plant.

The potential link to feed in both cases sent Canada's \$3.5-billion feed industry looking for answers that may never be found, according to Christine

Mercier, general manager of the Animal Nutrition Association of Canada, which represents commercial feed makers.

"It's really difficult to know exactly what was in that animal's ration at early stages of its life," she said.

There are about 450 commercial feed manufacturers in Canada, and many farmers mix their own feed, but Ms. Mercier said ruminant material was not widely used in cattle feed even before the 1997 ban.

The Canadian industry relies on imports from the United States, Europe and Asia for most feed additives, including vitamins, minerals, amino acids and other ingredients, the Ottawa-based nutrition association said. The Canadian industry exports "complete feeds" to the United States, mainly from Quebec, Ontario, Manitoba and Alberta.

Even before the ban, Ms. Mercier said, ruminant protein was generally too expensive to use and those who did use it tended to get it from suppliers in North America, not from countries known to have trouble with BSE. She said that further decreased the chance of infection.

Federal regulations allow the Canadian Food Inspection Agency to monitor processes, records and products of farmers and commercial feed producers, but there is no guarantee that cattle feed has not been contaminated at the rendering plant or feed mill, and on-farm mixing is difficult to monitor.

In any event, the CFIA says it has found "very high compliance" at Canadian mills and rendering plants to make sure cattle feed does not contain ruminant material.

But that hasn't always been the case in the United States.

The U.S. General Accounting Office, the investigative arm of Congress, has reported major holes in compliance with the 1997 ruminant-feed rules, as well as gaps in import control and animal testing.

In its 2000 report, the GAO found "significant non-compliance" with the feed rules and a "severely flawed" enforcement system that saw hundreds of U.S. feed mills, renderers and farmers break the rules.

Dr. Stephen Sundlof, head of the U.S. Food and Drug Administration's Center for Veterinary Medicine, says that has changed.

"There's been an extensive amount of surveillance and inspection that has gone into this program in the United States, such that we now have greater

than 99 per cent of all firms that handle this ruminant protein in compliance with our current feed ban," he said.

Despite the integration between the two countries and the pledge to work together, Canadian cattle producers still worry about the negative image from Canada's connections to two mad cows.

"We're [cooked] no matter who it is," said Bob Prestage of Camrose, Alta., who has brokered deals to export Canadian Holsteins to the United States. "We're done like dinner."