

PolicyPennings by Dr. Daryll E. Ray

Whatever happened to “An abundance of caution?”

After considering the issue for six weeks, the USDA, on April 8, refused a request by Creekstone Farms, an Arkansas City, Kansas meatpacker, to conduct BSE testing on all of the cattle slaughtered at its plant. According to Creekstone Farms’ C.E.O. John Stewart, the company decided to seek permission to test all of the cattle that go through its plant in order to allow it to reenter the Japanese market that has been closed to U.S. beef since the discovery of a BSE infected cow on December 23 in Mabton, Washington.

At present the company asserts that without access to the Japanese market its “loss in revenue is a minimum of \$200,000 per day. As a result the company has had to lay off 50 workers. Creekstone has built its own private laboratory to conduct the tests which it estimates it will cost them about \$18 per head, a cost that its Japanese customers have said they are willing to bear.

Creekstone sent a letter to USDA officials challenging the ruling and indicating that they are considering their legal options at this time. The USDA ruling has generated a considerable amount of controversy with the National Cattlemen’s Beef Association (NCBA) lining up in support of the USDA decision. AgWeb.com reports NCBA chief economist Gregg Doud as saying “Providing food safety standards for international trade isn’t about free enterprise. It’s about creating a science-based framework, government-to-government, under which trade can be conducted.”

Among those opposing the decision are R-CALF (Ranchers-Cattlemen Action Legal Fund, several State Departments of Agriculture, and a group of thirteen organizations including the Consumers Union. The thirteen organizations in a letter sent to Secretary of Agriculture Ann Veneman said, “We find it incomprehensible that USDA would stand in the way of companies meeting consumer demand this way. It is particularly difficult to understand your decision in light of the fact USDA has approved four quick tests for its own use.”

Reading through the various statements by USDA officials and those who support the decision to not allow Creekstone to test all of its animals several themes begin to emerge that explain the USDA position:

- **Full testing will interfere with trade negotiations** – Since the discovery of the single cow last December 23, the USDA has been negotiating with the Japanese to reopen their market to U.S. beef. One of the crucial issues in the negotiations process is whether or not the U.S. will test all of the cattle that are being exported into the Japanese market. The U.S. position has been that the testing of some 200,000 higher risk (older than 30 months) cattle is sufficient and any testing beyond that is unnecessary. Clearly the USDA views the Creekstone request as an attempt to try an end run around the official negotiations.

- **False positives may create unnecessary disruptions**

– Whether it is a test for cancer or AIDS or BSE, all tests can result in what are called false positives. A false positive occurs when the test says the disease is present when in fact it is not. The usual way of dealing with that is to require a second test, using a different testing technique to confirm the results of the first test. The concern is that a false positive might be reported before the results of the second test have been obtained resulting in a panic in the beef market.

- **If we allow one it will force changes on all producers**

– If Creekstone were to be allowed to test all of its animals then any other firms trying to sell into the Japanese market could be required by the Japanese to test all of their animals as well. The fear of the NCBA is that soon BSE testing might be required of all cattle sold into the domestic market as well. They contend that such a test would cost \$30 or more per animal which amounts to about \$1 billion per year. They argue that this additional cost would reduce the price paid to cattlemen.

- **Unnecessary to test what is already safe**

– The USDA argues that its current procedures of testing more than 200,000 animals a year is sufficient to assure that the U.S. supply of beef is safe and that additional testing is unnecessary. Kansas State Representative Dennis McKinney said, “What we are doing is adequate. Now we have to convince our (foreign) customers. We produce the safest food supply in the world in the United States.”

- **Testing will imply a greater level of safety**

– USDA undersecretary Bill Hawks is quoted as saying, “The test is now licensed for animal health surveillance purposes. The use of the test as proposed by Creekstone would have implied a consumer safety aspect that is not scientifically warranted.”

- **Testing will imply that US beef is unsafe**

– An article by Teresa Bjork quotes David Miller, Iowa Farm Bureau’s director of commodity services, as saying that the USDA rejected Creekstone’s request over concerns that 100 percent testing would imply that U.S. beef presents a safety risk to human health.

Next week we will take a look at the arguments being used by Creekstone and others to justify their request to be able to test all animals that go through their plant.

Daryll E. Ray holds the Blasingame Chair of Excellence in Agricultural Policy, Institute of Agriculture, University of Tennessee, and is the Director of the UT’s Agricultural Policy Analysis Center. (865) 974-7407; Fax: (865) 974-7298; dray@utk.edu; <http://agpolicy.org>. Daryll Ray’s column is written with the research and assistance of Harwood D. Schaffer, Research Associate with APAC.

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