

MINUTES OF THE SENATE AGRICULTURE COMMITTEE

The meeting was called to order by Chairman Mark Taddiken at 8:30 A.M. on March 1, 2005 in Room 423-S of the Capitol.

All members were present except:

Marci Francisco- absent  
Steve Morris- excused  
Derek Schmidt- excused

Committee staff present:

Raney Gilliland, Legislative Research Department  
Lisa Montgomery, Office of Revisor of Statutes  
Jacqui Jones, Committee Secretary

Conferees appearing before the committee:

Dan Howell (for Donn Teske, President), Kansas Farmers Union (KFU)  
Don Hineman, Past President, Kansas Livestock Association (KLA)  
Doran Junek, Executive Director, Kansas Cattlemen's Association (KCA)  
Brad Harrelson, State Policy Director - Governmental Relations, Kansas Farm Bureau (KFB)  
Adrian Polansky, Secretary, Kansas Department of Agriculture (KDA) -(written only)

Others attending:

See attached list.

Chairman Taddiken opened the meeting at 8:30 a.m. advising the Committee members that minutes of February 15 and 16, 2005 were available to read and would be eligible for an approval vote at the end of the meeting.

Chairman Taddiken then requested that Dan Howell speak for Donn Teske, President of the Kansas Farmers Union on **HCR5005 - Concurrent resolution by Agriculture urging USDA to delay the lifting of the ban on importation of Canadian beef.**

In his opening remarks Mr. Howell said that KFU would have preferred the language in the original concurrent resolution but, in order to meet the March 7 deadline for the Canadian border to be opened, they supported the amended resolution to allow it to pass through the Senate and go on to Washington, D.C.

KFU feels that the Canadian beef import issue is very important and a serious factor for its cattle producing members. The American buying public does not seem to be affected by this issue at the present time, despite the fact that 47 countries are maintaining a ban on imports from the U.S.

KFU stated that if the Canadian border is opened before the U.S. is convinced that there is no threat to American consumers, it will undermine the confidence America has shown in our food safety up to this point in time. KFU believes that opening the Canadian border, before US markets are opened overseas, is irresponsible and will affect the precarious balance in supply and demand.

The Union believes that the restriction on imports of Canadian beef has been a significant factor in the recent profitability of the beef industry. Opening the border before U.S. exports are allowed to be exported will create a serious problem for America's cattle industry.

After referring members of the Committee to a "Special Order of Business" to Rescind "Final Order to Reopen Canadian Border" in his written testimony (Attachment 1).

Mr. Howell stood for questions.

CONTINUATION SHEET

MINUTES OF THE Senate Agriculture Committee at 8:30 A.M. on March 1, 2005 in Room 423-S of the Capitol.

Chairman Taddiken then asked Don Hineman to speak on behalf of the Kansas Livestock Association (KLA).

Mr. Hineman spoke in support of **HCR-5005**. He said that he had been a member of a recent trade delegation to Canada sent by the National Cattlemen's Beef Association (NCBA) to examine Canada's beef cattle production system. The trade delegation sought answers to questions from members of NCBA regarding the final rule from USDA which would allow importation of cattle from Canada, and the discovery of two new cases of bovine spongiform encephalopathy (BSE) in a Canadian cow herd.

He then explained to the Committee some of the control mechanisms that are internationally recognized as effective and adequate to control and eventually eradicate BSE ([Attachment 2](#)).

The team was to assess the effectiveness of Canada's control efforts to control specified risk materials (SRMs) in four areas cited. SRMs are tissues that, in BSE infected cattle, contain the agent that may transmit the disease. After touring meat packing plants and discussions with industry and government officials it was confirmed that similar procedures were in place at all Canadian plants. The team conclusion was that Canada was effectively removing SRMs and thereby protecting public health.

The Canadian ruminant feed ban is comparable both in procedure and application to the U.S. feed ban, and is adequate to prevent the spread of BSE.

The surveillance protocol is similar to that in the United States, and the Canadian surveillance program appears to be on track to meet its targets and to provide a science-based assessment of disease prevalence.

The vast majority of cattle imported to Canada originated from countries where BSE has not been reported in the native population.

Detailed statistics were available regarding cattle and beef for export by Canada. Questions about the Beef Trade were attached.

Mr. Hineman then stood for questions.

Chairman Taddiken then invited Doran Junek to give his testimony on behalf of the Kansas Cattleman's Association.

Mr. Junek said that the Association had grave concerns about opening the Canadian border to live cattle on March 7, 2005. The concerns were listed in his testimony ([Attachment 3](#)). A detailed description was given regarding the spread of bovine spongiform encephalopathy (BSE) and that a message be sent to the President and leaders in Washington to support and delay the lifting of the requirements to open the border to Canadian live cattle on March 7, 2005.

At that time, Mr. Junek stood for questions from the Committee.

Brad Harrelson spoke on behalf of Kansas Farm Bureau (KFB). He provided testimony in support of **HCR-5005**. ([Attachment 4](#)). He stated that KFB is concerned about reopening markets on our domestic beef industry. KFB has urged the United States Department of Agriculture (USDA) to use measures and protocols to open markets in an orderly way to ensure consumer confidence and enhance the beef industry.

The Committee should not forget that US trading partners are monitoring our position regarding this rule, and that they will likely apply the same principles to this country as we try to normalize trade following the December 2003 case of BSE. The United States expects trading partners to base their decisions to trade with us on science, and we must do the same.

KFB urged the Committee to support **HCR-5005**. Mr. Harrelson then stood for questions.

CONTINUATION SHEET

MINUTES OF THE Senate Agriculture Committee at 8:30 A.M. on March 1, 2005 in Room 423-S of the Capitol.

Written testimony was received from Adrian Polansky, Secretary of the Kansas Department of Agriculture (KDA).

In his testimony Secretary Polansky explained that a team of USDA experts found that Canada's feed regulations and its enforcement is comparable to the that of the United States. He also feels that experts will confirm that Canada's BSE surveillance is comparable to that of the U.S. He feels that there are economic disadvantages in keeping the border closed. He explained further that Canada continues to build more processing facilities and eventually will find no benefit in sending cattle to the U.S. for feeding and processing (Attachment 5).

Chairman Taddiken closed the hearing on HCR-5005.

Senator Huelskamp moved and Senator Pine seconded the motion that HCR-5005 be passed favorably. The motion passed unanimously.

Upon a motion by Senator Huelskamp and seconded by Senator Bruce the minutes of February 15 and February 16, 2005 were unanimously approved.

The meeting adjourned at 9:30 a.m.

The next meeting is scheduled for March 2, 2005.



Senate Ag Committee  
3-1-2005  
Testimony on House Concurrent Resolution 5005  
Kansas Farmers Union  
Written by Donn Teske, Kansas Farmer's Union President  
(Donn is in Kentucky at National Farmer's Union Convention)  
Given By: Dan Howell  
Box 1064, McPherson, Ks. 67460

Thank you Chairman, Kansas Farmers Union would like to speak today in support of HCR 5005. A concurrent resolution urging the United States Department of Agriculture to delay the lifting of the United States ban on cattle imports from Canada.

Kansas Farmers Union would have much preferred the original Concurrent Resolution rather than the amended Concurrent Resolution 5005 that was passed, however due to timeliness needed to move this Resolution through the Senate and on to Washington D.C. before the border is opened on March 7<sup>th</sup> we support the amended Resolution.

We feel that the Canadian beef import issue is a very serious factor for our cattle producing members. In spite of the Canadian cases of BSE and the U.S. case of a Canadian imported cow with BSE the American public has continued to buy beef, and the price for our beef has stayed good in spite of 47 countries that are maintaining a ban on our exports.

To open the Canadian border before the U.S. is convinced that there is not a threat to American consumers will threaten the confidence America has shown up to this time in our food safety.

Also to open the Canadian border before our markets are opened overseas, especially to Japan, is irresponsible, as it will affect the balance in supply and demand that is always so precarious.

Kansas Farmers Union believes that the restrictions of imports of Canadian beef has been a significant factor in the recent profitability of the beef industry and the opening of the border before our exports are opened to us will created a serious problem for America's cattle industry. Enough so that our delegates at our January convention created a Special Order of Business on this issue;

**2005 Kansas Farmer's Union Convention  
Special Order of Business  
Rescind "Final Order To Reopen Canadian Border"**

In light of recently confirmed additional reports of BSE in Canada, we adamantly encourage the U.S.D.A. to reverse the recent "Final Rule To Reopen" the Canadian border to beef imports. By blindly moving forward with this shortsighted decision, the U.S.D.A. effectively lowers our standard of testing and food safety to one of the lowest of first world nations.

Congress, along with ranchers, farmers and the entire beef industry, must never allow this vulnerability to occur. Consumer confidence, as well as the rural economy, must not be sacrificed at the altar of "free trade".

Yesterday, (2-28-2005), Farmers Union delegates at our national convention in Lexington Kentucky passed unanimously a Special Order of Business in regards to livestock issues;

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Attachment # **1**

**WHEREAS**, The United States cattle and beef industry are significant contributors to the agricultural economy, yet have suffered an economic loss of more than \$2 billion since the discovery of a Canadian BSE-positive cow in Washington state in December 2003; and

**WHEREAS**, the majority of our international beef markets maintain a ban on U.S. beef and beef products, including our number one customer, Japan; and

**WHEREAS**, 70 percent of countries with a confirmed case of BSE have discovered additional infected animals after the initial outbreak. In the past 20 months, four native Canadian animals have been confirmed BSE-positive. The United States tested more than 170,000 animals in 2004 for BSE, with no confirmed positive cases; and

**WHEREAS**, the U.S. Department of Agriculture has begun implementation of a voluntary national animal identification system to allow the traceability of livestock in the event of an animal disease outbreak or bio-terrorism attack; and

**WHEREAS**, the U.S. Department of Agriculture has published a final rule in the Federal Register which will reestablish live cattle trade and expand beef product trade with Canada effective March 7, 2005.

**THEREFORE BE IT RESOLVED**, the National Farmers Union opposes establishing “minimal risk categories” and accepting any beef products and live cattle from countries with documented cases of BSE, including Canada, until the following measures are met:

- Country can prove and verify their cattle herd and beef products are BSE-free,
- Country can prove and verify 100 percent compliance with the ruminant feed ban,
- U.S. international beef export markets are wholly reestablished,
- U.S. mandatory country-of-origin labeling is fully implemented,
- Rapid-test technology is provided to all domestic slaughtering facilities to provide stability to the cattle market, and another layer of confidence for the American consuming public, and
- A guaranteed economic safety net for American producers if the importation of cattle and beef products from BSE-positive countries negatively impacts domestic profitability.
- Establishment of a credible national animal identification system, fully funded by the federal government, which provides the necessary securities to both producers and consumers, is in place.

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 Kansas Farmers Union supports HCR 5005 and strongly encourages this committee to move the resolution quickly forward.

Thank you. Are there any questions?

## Testimony

To: Kansas Senate Committee on Agriculture  
From: Don Hineman  
Subject: House Concurrent Resolution No. 5005  
Date: March 1, 2005

Good morning, my name is Don Hineman and I am a cow/calf producer from Dighton and a past president of the Kansas Livestock Association (KLA). On behalf of the nearly 6,000 KLA members from all segments of the \$5.6 billion Kansas beef industry, I am testifying in favor of HCR 5005.

I recently served as a member of a trade delegation sent to Canada by the National Cattlemen's Beef Association (NCBA) to examine the Canadian beef cattle production system. The announced final rule from USDA which would allow importation of cattle from Canada, coupled with the discovery of two new cases of BSE in the Canadian cow herd had raised a number of questions among the members of NCBA. The trade delegation, consisting of nine beef cattle producers, two staff members from NCBA, and one member of the ag press, was charged with seeking answers to these questions.

It is important to start with an understanding of the BSE control mechanisms which are internationally recognized as effective and adequate to control and eventually eradicate BSE. They are:

1. Removal of specified risk materials (SRM) from all cattle at the time of slaughter and prior to processing for human consumption. SRMs are tissues that, in BSE-infected cattle, contain the agent that may transmit the disease. In diseased animals, the infective agent is concentrated in certain tissues. SRMs are defined as the skull, brain, trigeminal ganglia (nerves attached to the brain), eyes, tonsils, spinal cord and dorsal root ganglia (nerves attached to the spinal cord) of cattle aged 30 months or older (scientific research has shown that these tissues, in cattle younger than 30 months, do not contain the infective agent); and the distal ileum (portion of the small intestine) of cattle of all ages. The removal of SRMs is the single most important action that can be taken to protect public health.
2. A ban on the feeding of ruminant protein to ruminants. Scientists around the world agree contaminated feed is the most likely vector of BSE in cattle. Exceptions are made for ruminant blood meal and milk, because it has been

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determined that these products do not carry the BSE agent. The ruminant protein feed ban effectively protects the health of the cattle herd.

3. An effective BSE surveillance program, entailing testing for BSE among the at-risk population, which is defined as cattle from the over 30-month population which exhibit central nervous system disorders or are non-ambulatory at the point of slaughter, or on-farm "4D" cattle (dead, down, diseased, or dying).
4. An effective import control system to prevent the importation of cattle from countries with active outbreaks of BSE.

The mission of our team was to assess the effectiveness of Canada's control efforts in these four areas. We were also to gather information regarding the numbers of various classes of cattle in the Canadian herd, and attempt to determine how many of these might be available to cross the border into the U.S. if the border were to open. During our trip we were briefed by cattle industry officials and representatives of the Canadian Food Inspection Agency (CFIA). We toured two feed mills, a beef slaughter and processing facility, a rendering facility, and four feedyards. We also did a fly-over inspection of some 700,000 head of Alberta's 1.1-1.2 million head of feedyard capacity.

The trade team found no scientific basis for keeping the border closed and determined the negative short-term economic effect would be minimal and is outweighed by the potential long-term economic benefits of free trade.

### **Control Mechanism Number One**

We toured the Cargill slaughter facility at High River, Alberta. In May, 2004 I had toured the Cargill/Excel facility at Dodge City, Kansas. The process for removal and proper handling of SRMs was virtually identical at the two plants. Discussions with industry and government officials confirmed that similar procedures were in place at all Canadian slaughter plants. We concluded that Canada was effectively removing SRMs and thereby protecting public health.

### **Control Mechanism Number Two**

The U.S. and Canadian feed bans were instituted on the same day in 1997, nearly six years prior to the finding of the first case of BSE in Canada in May 2003. The feed bans are equivalent except that Canada takes two additional steps, banning poultry litter and plate waste from ruminant feeds. At the time the feed bans were instituted, a feed recall was not imposed in either country. Therefore there was ramp-up period to reach a high level of feed ban effectiveness in Canada as well as in the U.S.

Every Canadian mill is audited annually and affidavits are required. Ruminant-based feeds include the notation "not to be fed to ruminants" on labels and invoices. CFIA has authority to go on feeding operations without restriction, recall product and prosecute. Feed manufacturing plants and the rendering facility we visited operated under HACCP protocols and standards which conform to USDA and CFIA rules. Appropriate firewalls were in place to segregate ruminant ingredients and manufactured feed batches



containing those ingredients. Canada's feed and rendering facilities have instituted either segregated lines or dedicated facilities to maintain the integrity of their feed.

Feed ban compliance rates ranged from 92 to 99% over the past four years. These rates of compliance are comparable to those in the U.S. It is important to note that the incidences of noncompliance were primarily clerical in nature. The most common was to have feed labeled properly but failing to include the proper notation on the accompanying invoice. Much attention has been paid recently to a Vancouver Sun article concerning a CFIA study that revealed animal protein in a significant number of feed samples. More detail on this matter is contained in our final report, but I would point out that the animal protein detected in the samples consisted of such things as insect parts, feather meal, and in one instance a single human hair. It was not ruminant meat and bone meal.

The team concluded that the Canadian ruminant feed ban is comparable both in procedure and in application to the U.S. feed ban, and is adequate to prevent the spread of BSE.

### **Control Mechanism Number Three**

Both the U.S. and Canada have instituted enhanced BSE surveillance programs, consisting of testing as many cattle as possible within the at-risk population. The U.S. surveillance plan is designed to detect the presence of BSE with 99 percent certainty if as few as five targeted high-risk cattle in the entire U.S. cattle herd had BSE. In 2004 the U.S. tested 176,468 head of cattle, and Canada tested 24,000. As a percentage of their total cattle population Canada's testing rate is equivalent to that in the U.S. Canada also has greater access to on-farm 4D cattle because the government reimburses producers C\$225 per head, which is a powerful incentive considering the low cow prices in Canada. In fact, the two most recent confirmed cases of BSE were both on-farm.

The surveillance protocol is similar to that in the United States, and the Canadian surveillance program appears to be on track to meet its targets and to provide a science-based assessment of disease prevalence.

### **Control Mechanism Number Four**

Historically, the vast majority of cattle imported into Canada originated from countries where BSE has not been reported in the native population. Most of these came from the U.S., with smaller numbers of breeding cattle coming from New Zealand and Australia, both of which have never reported a case of BSE. Canada has not imported cattle from the United Kingdom, location of the initial BSE outbreak, since 1990.

### **Cattle and Beef Available for Export**

Numbers supplied by the Canadian beef industry research organization, CanFax, conversations with Canadian producers, and direct observations during the flyover and feedlot inspections led us to conclude that the Canadian feeding industry is current in

their marketings and somewhat below historical on-feed numbers. There appears to be slightly more cattle still on farms than historically, but these are calves and not yearlings. The severe discounts that Canadians receive for marketing an animal greater than 30 months of age have discouraged them from backgrounding cattle for a long period of time and creating a class of long yearling cattle waiting for the border to re-open. In short, there does not appear to be a "wall of cattle" poised to flood across the border upon reopening, and our team agreed with the estimates of CanFax and CattleFax that during 2005 we could see from 600,000 to 700,000 head of fed cattle and 200,000 to 300,000 head of feeder cattle move across the border from Canada to the U.S.

Our team noted that there is one component of the rule which could have a significant detrimental effect on the U.S. beef industry. The rule would allow for the importation of beef from cattle over 30 months of age, but not live cattle from the same age category. Cow prices are very low in Canada right now, and this inconsistency would create a very favorable economic situation for Canadian packers. They could purchase cull cows and bulls at low prices, process them in Canada, and then ship the beef into our market. While we toured the Cargill plant at High River we witnessed renovation activities that would allow the plant to shift a large portion of its processing capacity from fed cattle to cows. If the Canadian plants shift to processing cows this will force more Canadian fed cattle into the U.S. Secretary of Agriculture Johanns has recognized this discrepancy and recently announced his intention to remove over 30 month beef from allowable imports.

In 2002 70% of Canada's beef exports went to the U.S. Their goal is to reduce that figure in the next few years to 50%. The border closing has made them determined to become less reliant on the U.S. as a market for both their beef and cattle. Canada expanded its packing capacity by 22% in 2004, and plants are being constructed or are in the planning stage that would make Canada self-sufficient in packing capacity by the end of 2007. Keeping the border closed for an extended period of time will force Canada to move from being an ally to being a formidable competitor. As a competitor they would have these advantages:

1. A cow herd with the genetics to produce high quality beef.
2. A feeding sector that is aggressive, innovative, and very competitive in cost of gain.
3. A packing industry with many new state-of-the-art facilities.
4. A government willing to take drastic steps to regain access to international markets. Among these steps would be testing of all cattle for BSE and removal of SRMs from all animal feed.
5. A huge lead in the activation of an individual animal ID system with source and age verification capabilities.

If this scenario plays out there would be negative consequences for the U.S. beef industry:

1. Excess packing capacity in the North American beef production system would lead to the closing of smaller or less efficient packing plants in the U.S., primarily

- in the Pacific Northwest where the plants have traditionally relied on a significant number of Canadian fed cattle imports to meet their supply needs.
2. If Canada institutes a policy of testing all cattle or removing SRMs from all animal feeds it is likely the U.S. would be forced to follow suit in order to regain export markets. Please note that these measures are regarded as contributing very little to risk mitigation for BSE, and they would present significant cost to the beef production system. The economics of the business dictate that most if not all of this cost would be passed back to the cow-calf producer.
  3. The U.S. would then be forced to compete against Canada to regain access to the foreign markets that have traditionally favored grain-fed beef produced in our two countries.

KLA supports a science-based approach to beef trade. Normalization of trade based on sound science provides tremendous opportunities for the beef industry. Prior to December 2003, the beef industry enjoyed a positive trade balance of around \$1 billion annually. Normalized beef trade benefits all industry participants in the form of higher total beef demand. Cuts like short plates, tongues, livers and others have little demand domestically, but their desirability in export markets adds to the total value of the carcass.

Relying on science provides the best footing for our industry. The rest of the world is watching the way in which we treat Canada. We cannot expect other countries to base their trade decisions on sound science when we aren't doing the same with respect to Canada. Keeping the border closed for reasons other than science will lead to long-term economic harm to the U.S. beef industry.

We ask for your support of the resolution that highlights the importance of science-based trade decisions while recognizing the need to ensure BSE safety measures are being followed. Kansas beef producers have much to gain from normalizing beef trade requirements.

## Common Questions on Beef Trade

1. Why do we want to resume trade with Canada and what is relationship between Canadian trade and our export markets?

**Answer:** Just like in any business relationship, international trade works best when it is based on trust and fair dealings between trading partners. Potential international customers for our beef are watching how we treat Canada. If no public health or cattle health risks are presented by Canadian imports, keeping the border closed will be perceived negatively by the international community. Prior to December 2003, the U.S. beef industry enjoyed a positive trade balance of around \$1 billion, and net exports had been growing annually. It is vital that we establish a context that allows this trade to resume.

2. How can we be assured that there is not a large amount of BSE in the Canadian herd just waiting to be found?

**Answer:** Cattle are most susceptible to BSE during the first year of life, and by their second birthday it is extremely difficult for them to contract the disease. It has also been found that the age at which an animal first displays BSE symptoms is directly related to the intensity of the dose of BSE they were exposed to. The four BSE cases of Canadian origin were relatively old, ranging in age from 70 to 98 months. This means they were exposed to a relatively low level of BSE. Furthermore, the Canadian enhanced surveillance program is testing a very high number of the cattle in the at-risk population. If there were a large reservoir of BSE in the cattle population, it would be turning up in much larger numbers than has been experienced to date.

3. Is there a human health risk associated with Canadian beef? What assurances do we have that Canadian beef is safe?

**Answer:** Canadian beef is safe. It is internationally recognized that the single most important step to protecting public health is removal of specified risk materials (SRMs) at the point of slaughter. This level of safety is enhanced by taking steps to reduce the incidence of BSE in the cattle population. We witnessed the proper procedures being employed in Canada, and the team unanimously agreed that Canadian beef is safe.

4. Would Canadian imports pose a risk to the U.S. cattle herd?

**Answer:** No. It is recognized that BSE is spread among cattle by feeding feed containing rendered product from an infected animal back to other cattle. Since 1997 both the U.S. and Canada have had a ruminant feed ban in place to prevent this from happening. We examined the Canadian industry in depth during our trip and found that they were taking the necessary steps to insure the safety of the cattle feed supply. USDA also sent a team to Canada to examine their feed ban implementation and compliance. They reached the same conclusion as our team had reached, that the Canadian feed ban was functioning properly to protect the health of the cattle herd.

5. What will be the economic impacts to Kansas cattle producers of opening the Canadian border?

**Answer:** It is estimated by USDA and Cattle-Fax that opening the border will result in a short-term decline in fed cattle prices of \$2 to \$3 per cwt. This short-term loss will be more than offset by the long-term advantages of expanded science-based international trade to the beef industry. It is estimated that we are losing approximately \$175 of value per head through the loss of international markets. We must work to see these markets restored.

**To: Chairman Taddiken and Members of the Agriculture Committee**  
**From: Doran Junek, Executive Director, Kansas Cattlemen's Assn.**  
**Date: March 1, 2005**  
**Subject: Senate Agriculture Testimony for HCR 5005**

Chairman Taddiken and members of the committee,

Thank you for allowing testimony on the resolution addressing the issues surrounding the Canadian border reopening. The Kansas Cattlemen's Association would like to strongly voice our concern over the USDA's decision to reopen the border to live cattle on March 7, 2005. The USDA has been very reluctant to take advice on health and safety issues regarding the seriousness of Bovine Spongiform Encephalopathy, commonly referred to as BSE. Today in a U.S. District courtroom in Billings, Montana, R-CALF USA is presenting its case against re-opening the Canadian border on March 7, 2005. I would like to share some concerns that KCA believes are warranted and factual and why we need to support this resolution to protect the United States cattle industry and our producers.

- Canada has been found to have four current cases of domestic BSE, all originating in Alberta.
- Canada has a seven-year ban and non-trade regulation on countries with known BSE.
- Canada still maintains a ban on Japanese imports of beef and cattle to comply with their import ban.
- Canada is classified as a BSE infected country by all current standards of the USDA and the Office of International Epizootics (OIE), which was established in 1924.
- Canada has failed to meet the requirements of the seven-year risk assessment adopted by the OIE and all 160+ countries that belong to this international group of scientists and veterinarians. It is their job to prevent the spread of disease from animals to humans.
- Canada imported several cattle from European countries during their outbreak of BSE in the 1980's and early 1990's (the United States did import, but destroyed those same cattle or studied them until natural death).
- Canada's last BSE infected cow was a Charolais that was six years old, which is far younger than the other cattle that have tested positive for the disease. The blood and bone meal ban in Canada was put in place shortly after the USA ban; therefore, a cow of six years of age should not have contracted the disease if the ban was truly in place. This alone is an alarming issue.
- USDA places strict guidelines on Brucellosis, Tuberculosis or Foot and Mouth Disease currently. It also places strict guidelines on states in the USA, including rigorous testing and several years of negative test results *before* interstate movement is allowed.
- USDA continued to import beef from Canada, even after the second case of BSE in December 2003.

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Attachment # **3**

- Canada's testing for BSE is far behind the aggressive testing done in the U.S.A.
- BSE prions are basically indestructible. They contaminate with feces, urine, nasal discharge, saliva and reproductive discharge. Thus, they can easily contaminate soil in lots, paddocks, feeding pens and pastures.
- BSE prions are ingested and replicate in lymphatic tissues in the intestinal track before making their way to the central nervous system.
- There is no treatment for BSE cases and USDA /APHIS are proposing to relax the standards for entry into the USA from a BSE infected country.
- USDA /APHIS have the responsibility to protect the health of cattle and livestock within the borders of the United States. It is not their job to lower standards.
- In Europe even after the ban of blood and bone meal in the 1990's, BSE prions have continued to show up and the phenomenon is that the incubation period becomes shorter with 2<sup>nd</sup> and 3<sup>rd</sup> generation carriers.
- The USDA removal of Specified Risk Material may reduce the risk to raw meat but has nothing to do with live cattle spreading the disease.
- USDA continues to announce inconclusive test results to the media that disrupt the United States live cattle market costing producers millions if you sell on a day of an inconclusive report.
- To close USDA has pushed to allow imported live Canadian cattle directly to feedlots if they are not commingled with other cattle to not have tracking or testing and this is not acceptable.

BSE prions are shed from the body of cattle at various points. BSE prions replicate in the reticuloendothelial system cells, to be specific, in the dendric cells. These cells slough off into tears, secretions, salvia, and feces. The BSE prion is indestructible. Although the dendric cell itself breaks down, the prion does not. Prions are then ingested by other cattle consuming feed or hay from the ground or drinking water from the same water trough. It requires repeated exposure to BSE prions to cause a conversion process in the body of the victim. The victim's dendric cells begin to make the BSE prion from normal prions that exist in the dendric cells. This conversion process is what generates enough BSE prions to cause the disease. Once the BSE prions make their way to the central nervous system, it causes the death of brain cells; this in turn causes the mad cow symptoms. No one knows how many exposures to BSE prions it takes to cause the conversion process.

In Europe, there have been identified two strains, or two kinds, of BSE. The Italian strain and the English strain. Italy is the country that continues to identify new cases of BSE in younger and younger animals. If someone is interested, they can go to the OIE web site and find all the data they want on the ages of new cases of BSE. As the disease passes down to new generations, the incubation period becomes shorter and shorter, thus the 9 month old case, the 10 month case, and the numerous cases in cattle under 30 months of age. In Europe in 2004, there have been nearly 500 cases of Mad Cow Disease diagnosis in cattle, not to mention the cases in goats. Since they have not fed any meat and bone meal since 1992, the only source of the exposure to BSE prions is the environment. That is why the border should be kept closed until a live animal test is available. Once we seed down our pastures, feedlots, paddocks, etc. with the BSE prions, we will be continually finding positive cases of BSE for up to thirty years." If you wish to visit the OIE website to learn about the specific standards set forth go to, [www.oie.int/eng/en\\_index.htm](http://www.oie.int/eng/en_index.htm).

BSE has been identified in younger and younger animals.

BSE has been identified in the blood.

BSE has been identified in the muscle of laboratory animals, including the tongue.

BSE has been found to jump species from cattle to goats.

So as you can see there are some very alarming concerns for opening the border. The United States cattle industry has seen profitable ownership of livestock with the current prices and decreased live cattle imports, even without exports. The economic damage that will occur if a case should show up would be catastrophic to USA producers and the economy. Additionally, the estimates of 2 million head of live cattle imports will also be disastrous to the market in the U.S.A. Can you be held accountable to the people you represent knowing that you did nothing to protect our industry? We are trying to protect our industry from a serious disease. Canadian producers are proof of what the disease cost their cattlemen. We cannot afford even the slightest risk with a case of BSE in this country.

I ask that you please take this message seriously and send a message to our President George W. Bush, leaders in Washington D.C. and USDA/APHIS to support and delay the lifting of the requirements to open the border to Canadian live cattle on March 7, 2005. The requirements are and have stood the test of time and we should not jump into change for the benefit of a few.

Respectfully submitted,

Doran Junek, Executive Director / Kansas Cattlemen's Association





*PUBLIC POLICY STATEMENT*

SENATE COMMITTEE on AGRICULTURE

RE: HCR 5005 – urging USDA to reconsider the rule on cattle imports from Canada

**March 1, 2005**  
**Topeka, Kansas**

**Testimony provided by:**  
**Brad Harrelson**  
**State Policy Director**  
**KFB Governmental Relations**

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Chairman Taddiken, and members of the Senate Committee on Agriculture, thank you for the opportunity to appear today and comment on HCR 5005. I am Brad Harrelson, State Policy Director—Governmental Relations for Kansas Farm Bureau. KFB is the state's largest general farm organization representing more than 40,000 farm and ranch families through our 105 county Farm Bureau Associations.

We support the use of sound science and the Office of International Epizootics (OIE) guidance in classifying countries as a minimal risk region for BSE. Farm Bureau reaffirms its support for using sound science as a basis for reopening our markets to ensure continued consumer confidence. However, we share concerns about the process of reopening markets on our domestic beef industry. We have urged USDA to use measures and protocols that open markets in an orderly way to ensure consumer confidence and enhance our beef industry. This rule is another step in the process toward normalizing global trade for U.S. beef, which benefits U.S. beef producers.

Regaining access to export markets is a top priority. For U.S. cattle producers, the value of our export markets equals approximately \$15 per-hundred-weight

Senate Agriculture Committee

Date **3-1-05**

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(cwt) in fed cattle prices. Currently, we have recouped roughly one-third of our markets, or \$5/cwt, but we are still leaving \$10 on the table.

Our trading partners are monitoring our position on this rule, and they will likely apply the same principles to us as we try to normalize trade following the December 2003 case of BSE. We expect our trading partners to base their decisions to trade with us on science, and we must do the same.

First and foremost, people should know that beef products affected by this rule are safe. Period. This rule will allow for the importation of feeder cattle and fed cattle less than 30 months of age which science has proven to be safe from BSE. Every beef product sold in this country is inspected, regardless of whether it comes from imported or domestic cattle.

The U.S. Department of Agriculture released its assessment of the Canadian ruminant-to-ruminant feed ban on Friday. According to Dr. Ron DeHaven, administrator of USDA's Animal and Plant Health Inspection Service, "This assessment affirms our science-based decision to begin lifting the ban on live ruminants and ruminant products from Canada that have virtually no risk to human or animal health." According to the report issued by the U.S. inspection team, Canada has a robust inspection program. The report described overall compliance with the feed ban as "good" and noted that the ban is reducing the risk of transmission of bovine spongiform encephalopathy in the Canadian cattle population.

In summary, all stakeholders want assurances that everything possible is being done to normalize trade with our trading partners, including Japan. To the extent HCR 5005 as amended emphasizes that point, we do not oppose the resolution. However, we do oppose conditional trade restraints designed to avoid short-term economic harm to U.S. cattle producers, while ignoring the damaging long-term economic effect of protectionist trade policies. After careful analysis, of all the available facts, we can find no science-based reason to stop trade with Canada. How can we demand fair treatment from export markets when proponents of delaying normalized trade until Japanese beef exports resume, would seek to reject the same for Canada? Consider the analogy that fair trade is being held hostage and the Japanese market is the ransom.

Therefore, Kansas Farm Bureau respectfully urges your support of sound-science, and HCR 5005 as amended. However, should you take action on the resolution, we ask for your consideration regarding our stated concerns. Thank you, once again, for the opportunity to appear before you and share the policy of our members. KFB stands ready to assist as you consider this important measure. Thank you.



# KANSAS

DEPARTMENT OF AGRICULTURE  
ADRIAN J. POLANSKY, SECRETARY

KATHLEEN SEBELIUS, GOVERNOR

**Written Testimony on HCR 5005  
to  
The Senate Agriculture Committee**

**by Adrian Polansky  
Secretary  
Kansas Department of Agriculture**

**March 1, 2005**

Good morning, Chairman Taddiken and members of the committee. As you know, this bill encourages USDA to delay lifting its ban on Canadian cattle and beef until the United States fully regains its worldwide market share for beef. A second requirement involving an enhanced investigation and surveillance has already been accomplished, and USDA should be issuing a final report later this month.

When USDA reports the findings from its team of experts, I expect it will confirm that Canada's feed regulations and their enforcement of them are comparable to the United State's. I expect that the experts will confirm that Canada's BSE surveillance also is comparable to our own.

USDA's minimal-risk rule proposed to allow beef from animals over 30 months of age to come into the United States from Canada, but U.S. Secretary of Agriculture Mike Johanns said last week that he will delay implementing that part of the rule. The United States has been importing beef from Canada from cattle under 30 months of age since August 2003.

In the short run, there may be some benefit to keeping our border closed to Canadian cattle, but we could be putting ourselves at a disadvantage in the long run. The United States and Canada have long had interdependent cattle and beef production systems. However, since the border closed in May 2003, Canada has expanded its slaughter capacity to make up for its inability to export cattle to the United States. If we continue to keep our border closed, they will continue to build more processing facilities until there is no benefit to sending cattle to the United States for feeding and processing.

Some argue that we need to keep the border closed to protect human and animal health. I think we need to remember that BSE is not contagious between animals and that federal regulations prohibit organ and neural tissue that could harbor the infective agent from entering

Senate Agriculture Committee

Date **3-1-05**

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the food supply. Also, all animals slaughtered in the United States are checked for overall health before they are allowed to enter the food chain.

I see our greatest challenge being regaining our world market share. Our biggest overseas market is Japan, where Kansas beef is marketed as a brand that is synonymous with high quality. We sold \$175 million worth of Kansas beef to Japanese consumers in 2003.

Last fall, Japan agreed to the framework under which they will resume imports of American beef. USDA continues to report incremental progress toward resolving outstanding issues that Japan identified as pivotal to trade.

Governor Sebelius and I visited Japan last fall to meet with retailers and trade officials to find out what we could do to expedite resumed trade. Those we met with seemed eager to resume imports of Kansas beef, so we're hopeful to be back in that market sometime soon.

Governor Sebelius and I have strongly urged Secretary Johanns to try to closely tie the reopening of our border to Canadian cattle to resumed beef exports to Japan to minimize the impact on our livestock producers. That should continue to be our goal.