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Trade Policy Monitoring

BSE - Potential Concerns within the EU

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Report Highlights:

This report provides an updated overview of potential concerns within the EU regarding the US finding of a BSE-positive adult dairy cow in December 2003.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
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Following the December 23 2003 announcement by the U.S. Department of Agriculture that an adult Holstein dairy cow in Washington State had been found to be BSE positive, virtually all markets external to the US have been closed to US-produced fresh and processed meat and meat products. The closures included most of the products that were in shipment. The list of excluded products includes pet food and products that contain edible beef tallow, such as frozen French fried potatoes.

USDA officials continue to work on re-opening markets have made recent visits to Japan and Mexico. Thus far, Canada has re-opened its market to US-produced pet food that does not contain beef or beef by-products, and Poland has announced opening its borders to all US beef products.

Prior to the BSE finding, the US and the EU had begun efforts to further develop an appropriate international framework regarding "geographic BSE risk" (GBR) through the International Office of Epizootics (OIE). These discussions continue.

On December 24 2003, the EU indicated that it had no plans to impose additional restrictions on its imports of US beef. Commissioner David Byrne was quoted as saying, "the EU already has in place a number of protective measures to ensure that bovine material at a risk of carrying BSE is not imported to the EU. These measures, in place since October 1999, are a result of scientific risk assessment procedure, which identified the US as a country at risk¹."

Despite this statement suggesting that the European Commission does not believe it necessary to review actions taken by the US since the finding of a BSE-positive heifer in Washington State last month, it is possible that individual Member States (MSs) and perhaps even a majority of the MSs could ultimately find US actions inadequate. Further, the European Food Safety Authority² (EFSA) is examining geographic BSE risks (GBR), with a possibility of releasing their opinion of GBR in the US in early March 2004. It is important to recognize that EFSA's scientific independence could mean that its opinion is not in agreement with the Commission's view.

Several issues have surfaced, including:

1. What the scope and size of the testing program for BSE-infected cattle in the US will be, and how the program will be implemented;
2. How the ruminant-to-ruminant feed ban will be enforced;
3. Whether there will be additional control measures that will further safeguard animal feed and other products from Specified Risk Materials (SRMs); and
4. Whether mandatory State or Federal notification of downer cattle by producers will be required.

Although the current US program for testing downer cattle utilizes accepted scientific criteria regarding targeting of the most BSE-susceptible cattle, it is possible that many MSs, EFSA or third countries may feel that the number of tests performed by USDA on downer cattle and older dairy cows in 2003 is insufficient to thoroughly protect the food and feed chain³.

While the Food and Drug Administration has indicated a greater than 99% compliance rate in feed mills with the ruminant-to-ruminant feed ban, there appears to be interest within the EU

¹ http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/03/1813/0/RAPID&lg=EN&display=

² EFSA is a science-based, European Parliament-funded organization tasked with carrying out risk assessments in food chain components and food itself. EFSA has published a number of scientific opinions that demonstrate its scientific independence from the Commission and the Parliament. http://efsa.eu.int/index_en.html

³ Japan has announced that it believes that the US measures are insufficient and that 100% testing is required.

in obtaining specific information regarding the nature of the inspection process and testing procedures, and whether there will be changes to the system.

The US view that any changes in its BSE testing program will be based on science alone⁴ may not be sufficient to ease the concerns of a European continent that has been buffeted by a number of food safety crises during the 1980's and 1990's, and whose citizens appear to have experienced a decrease in their trust of government^{5,6}.

The problem is how can the EU, including EFSA, MSs, and their consumers, be convinced of the sufficiency of the current US BSE surveillance and testing programs when there is an extremely low prevalence of BSE in the US⁷. Within the EU and elsewhere⁸, there is an increasing belief that perception of risk is an important component of the risk management process, and, as such, non-scientific aspects must be taken into account before risk decisions can be made.

Lastly, EU experts are concerned that while the US has announced that nonambulatory animals will be removed from the food chain entirely, and that SRMs will be prohibited from entering the human food chain from animals over 30 months of age, there will be no formalized mandatory notification process to inform USDA of downer cattle. There are also questions regarding verification of the ban on nonambulatory cattle entering the food chain.

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⁴ “The conditions our trading partners impose on us for re-opening trade must reflect what science tells us. We know that the risk to public health from BSE is very low in countries that have no or low incidence in cattle, and that also have appropriate mitigation measures in place.” From remarks by Agriculture Secretary Ann M. Veneman before the House Agriculture Committee, January 21, 2004. <http://www.usda.gov/Newsroom/0031.04.html>

⁵ The British Government's handling of the original BSE crises led to its being voted out of office in 1997. Suppression of news of the 1999 dioxin contamination incident in Belgium by the incumbent Government led to its being voted out of power in the Spring of 1999.

⁶ Consumer confidence influenced by trust in government may be more important than scientific facts on how great the U.S. beef industry's losses will be as a result of the current Mad Cow crisis, according to a survey of consumer attitudes in the US, Canada and Japan, completed by Washington State University agricultural economists before the Dec. 23, 2003 finding of a BSE-positive dairy cow. In the US and Canada, trust levels of government are apparently high. But in Japan--as in the British outbreak that led to human deaths in 1995--consumers had less confidence in their governments and beef consumption was badly hurt. See “BSE” at <http://impact.wsu.edu/>.

⁷ There is the expectation that when surveillance and testing are increased, there will be an increase in the number of positive findings, particularly if the criteria defining “animals at risk” were broadened, although the percentage of positive animals could possibly decrease.

⁸ The Calgary Sun, January 11, 2004, page C1.

Related reports from USEU Brussels:

Report Number	Title	Date Released
E24002	BSE – The EU and The US	1/6/04
E23150	European Commission Acts on Pigmeat, BSE and Feed Additives	8/13/03
E23032	EU Food and Feed Controls	3/17/03