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Germany

Livestock and Products

BSE and FMD Update in Germany as of March 2, 2001

2001

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Report Highlights:

BSE and FMD updates as of March 2, 2001

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Berlin [GM1], GM

BSE

BSE cases climb. As of today, there are 44 confirmed cases, half of which are from Bavaria.

Kuenast flatly rejects EU Commission plan to slaughter 1.2 million more cattle. At the EU's meeting of ag ministers starting last Monday, February 26, Renate Kuenast, the German Minister for Consumer Protection, Food and Agriculture, opposed EU Farm Commissioner, Franz Fishler's plan to further stabilize the EU beef market. As reported, Germany agreed to the slaughter of 400,000 cattle under a previous EU plan but rejected an extension of this, namely the slaughter of 1.2 million additional head. Kuenast also called for a fundamental change in ag policy. Immediately, after the meeting, Kuenast came under fire from state ag ministers and the press for not acting in the spirit of compromise with EU colleagues whose support of her position is limited. She has since backstepped somewhat, stating that Germany did not agree with the plan but would not resist an EU resolution.

Sales turnover at individual McDonald's decreases only slightly as a result of BSE. According to *Handelsblatt*, Germany's financial daily, despite the BSE crisis, McDonald's remains optimistic since its menu offers something for everyone. Beef is still selling, reports the chain. There are 1,091 McDonald's eateries here, and the McDonald's enterprise is the biggest restaurant business in Germany.

Feed Industry demands that the federal government provide restitution for MBM removal resulting from the imposition of an MBM ban starting December 1, 2000. The German Association of Feed (DVT) and German Raiffeisen Association (DRV), together represent 510 feed companies, which produce about two-thirds of all German feed. Members store about 65,000 tons of animal feed with an estimated value of DM 90 million (US\$45 million). The estimated cost of MBM removal is DM 190 million (US\$95 million) with which Kuenast agreed that the government would help with DM 85 million (US\$42.5 million). The states and federal government are still discussing share of financing. The DVT states that Germany consumed about 200,000 tons of MBM per year and produced about 450,000 tons, most for export to Eastern Europe prior to the BSE crisis.

FMD

Coming at the heels of BSE is the threat of foot-and-mouth disease (FMD) from the United Kingdom which has dominated German airwaves. To date, Germany has had no outbreaks of FMD since 1988. Over the past few weeks, it has imported thousands of sheep and pigs from the UK. On February 26, state and federal government reps met in Bonn to agree on implementing preventive measures.

A recent development is that individual states have already started culling of sheep, goats and deer of animals imported from the UK after February 1.