

November, 2001

Craig A Reed, Administrator  
Animal and Plant Health Inspection Service  
Suite 3CO3, 4700 River Road Unit 118  
Riverdale, MD 20737-1238

Dear Mr. Reed:

As United States cattle producers, we are submitting comments regarding the July 23, 2001, Application for Permit (Application) filed by Paul Engler, on behalf of Cactus Growers, Inc. of Amarillo, Texas, to import 4,333 head of live Australian feeder cattle into the United States. We strongly object to this Application for Permit on two grounds: 1) It poses a significant and unnecessary risk to the health of the United States livestock herd. 2) It will have a negative impact on the already depressed United States feeder cattle market.

**1) This Application Poses a Significant and Unnecessary Risk to the Health of the United States Livestock Herd**

Given the continuing worldwide outbreaks of livestock diseases, including recently reported cases of BSE in Greece, Japan, and Spain; continuing outbreaks of FMD in Europe; and recent reports of TB outbreaks in Canada, now is not the time to expand live cattle imports from countries where production practices are not identical to that of the United States. This is especially true with respect to Australia as recent reports of TB cases and reports from the scientific community of Australia's failure to strictly adhere to required feeding restrictions have now been made public.

In June of 2001, APHIS proposed to exempt cattle imported from Australia from testing for tuberculosis. However, there have been reports of a tuberculosis outbreak in Australia as recently as last fall. In a November 15, 2000, report issued by ProMed-Mail, a program of the International Society for Infectious Diseases, the ABC National Rural News reported that the number of tuberculosis outbreaks, previously thought to be contained in only 4 properties, had risen to 20 properties in Queensland, Australia, with a then recent report of a cow from a Gulf country station testing positive. Given that these outbreaks occurred in Australia as recent as last fall, it would be imprudent to allow this proposed shipment of Australian feeder cattle into the United States.

The previous APHIS proposal regarding tuberculosis pales in comparison to the overriding issue of whether the U.S. should allow the importation of live cattle from Australia given the risks of introducing BSE into the United States. It is our understanding that Australia's BSE prevention programs are more similar to Japan's than they are to the United State's. The recent BSE cases in Japan confirm that its prevention program was woefully inadequate. We should not put our entire cattle industry at risk by continuing to allow imports of cattle from countries that have failed to implement BSE prevention programs for at least as long, and that are at least as stringent as those of the U.S. "Equivalency" comparisons fall well short of

USDA's responsibility to protect the U.S. from the potential outbreak of such a catastrophic disease.

We have no direct knowledge, and therefore question whether other livestock health related issues have been adequately addressed relative to the importation of live cattle from Australia. Are there ticks or other potential disease-carrying insects that may be transmitted via live Australian cattle imports? Are there any chemical-based treatments or inoculation programs Australian cattle undergo that are not approved in the United States? Are other known diseases, like Q fever, identical to the United States version or is there potential to introduce a new variation in the U.S.? These are just a few of the many health issues that must be addressed prior to even considering a request to import the numbers of live cattle contemplated by this Application.

The U.S. cattle industry is experiencing perhaps the highest level of anxiety in its history relative to worldwide disease threats and its level of confidence in USDA's ability to continue protecting the U.S. cattle herd from contamination is at an all-time low. The recent report that USDA only recently tightened import restrictions after Japan announced it had a case of BSE, a country that imported beef to the U.S. in 2000 and 1999; the August 14 report from the New York Times indicating that 756,000 pounds of prohibited European meat was discovered in U.S. inspection warehouses in at least three states; the recent proposal by FSIS to allow imports from Slovakia even though Slovakia was listed by APHIS as having a substantial risk associated with BSE due to the lack of implementation of an adequate surveillance program; the recent BSE case in Slovakia discovered after this error; and, the recent pronouncement by Australian animal scientist Dr. John Nolan, from the University of New England in New South Wales, Australia, that he suspects BSE may already be in Australia as a result of infected feed products imported into the country, all contribute to this low confidence level.

APHIS is the United States cattle industry's principle line of defense from the incursion of foreign diseases. Given the volatility of current worldwide conditions, now is not the time to expand live cattle imports from Australia. We urge APHIS to deny this Application and, further, to mobilize all its available resources to vigorously protect the United States cattle industry from foreign-borne livestock diseases.

## **2) Approval of This Application Will Have a Negative Impact on the Already Depressed United States Feeder Cattle Market.**

The United States feeder cattle market proportionately follows the domestic fed cattle market. The fed cattle market, despite the fact that retail beef prices remained at record levels for several consecutive months, has fallen to the depressed levels experienced in the late 1980s. Feeder cattle prices are following this downward trend, falling from over a dollar per pound this spring to today's 84 to 90 cents per pound.

Reports of present Australian feeder cattle prices indicate a range of 40 to 43 cents per pound in U.S. dollars. This drastic difference in market price is primarily due to Australia's weaker dollar, which is about half the strength of the U.S. dollar. Even after paying the reported

31.3 cents per pound cost of shipping and quarantine the proposed Australian feeder cattle, Cactus Growers, Inc. could deliver these feeder cattle into the U.S. for 70 to 75 cents per pound.

The influx of thousands of head of imported feeder cattle for 14 to 15 cents less than the U.S. market, which equates to \$91 to \$97.50 per head based on a 650-pound steer, will certainly drive down our domestic market.

Given the price disparity between the U.S. market and the Australian market is primarily caused by the previously discussed difference in currency values between our two countries - though less stringent health, safety, and environmental regulations are also contributing factors - approval of this Application will pit individual U.S. producers, not against our Australian counterparts, but rather, against the entire economy of the Australian continent. This is not fair trade and this should not be condoned by any agency of the United States government. We urge APHIS to deny this Application.

Sincerely,

Cc: Members of the Senate Committee on Agriculture, Forestry and Nutrition  
Members of the House Committee on Agriculture  
The Honorable Tom Ridge, Secretary of Homeland Defense  
The Honorable Ann Veneman, Secretary of Agriculture