

# USDA Proposes Beef Imports from FMD-Infected Argentina as U.S. Cattle Numbers Plummet

by Jim Eichstadt

As one USDA agency reports that U.S. cattle numbers continue to shrink to their lowest level in more than six decades, another agency has just announced two highly dangerous and controversial new schemes that threaten the health of the nation's livestock herds. The announcements, unveiled August 28 by the department's Animal and Plant Health Inspection Service (APHIS) would allow fresh beef imports from two regions of Argentina. Argentina was responsible for the last U.S. outbreak of Food-and-Mouth Disease, in 1929.

First, the news on U.S. cattle numbers: The U.S. inventory of all cattle and calves totaled 90,095,200 head as of January 1, 2013, according the Cattle Final Estimates 2009-2013 report released September 4, 2014 by USDA's National Agricultural Statistics Service (NASS).

The USDA report further confirms strong evidence of shrinking U.S. beef supplies reflected in record-high market prices reported for all cattle and calves – including dairy animals for milking and slaughter – and retail beef prices for consumers. The loss in cattle numbers is the result of a variety of factors, including the loss of nearly half a million beef producers since the early 1980s due to decades of low prices, herd liquidations forced by continuing severe drought in the Southern Plains and Southwest, and high feed prices in recent years.

The NASS report shows that 2013 cattle numbers dropped by 4,625,800 head or 4.9% from the 94,721,000 head inventory held on January 1, 2009. The number of cattle on feed continues to fall (see graph on page 7), raising the prospect of even tighter beef supplies in the future.

Milk cow numbers have increased over the five-year period as a percentage of all U.S. cows and heifers that have calved – from 9,332,800 head (+22.7%) in 2009, to 9,221,200 (+23.7%) in 2013. Industry sources report that record-high cattle prices have prompted increased numbers of dairy heifers being sold for slaughter rather than milking.

## Shrinking U.S. beef supplies have had two notable effects:

- Increased consumption of competing animal proteins – mainly pork and poultry. Pork producers have been limited by porcine epidemic viral diarrhea (PEVD), a deadly disease that has killed millions of young pigs in the Midwest.
- The handful of big meatpackers that dominate the U.S. market appear to have responded with heavy political pressure to increase beef imports. Increased beef imports would require relaxation of stringent U.S. sanitary restrictions against major beef exporting countries infected with Foot-and-Mouth Disease and Bovine Spongiform Encephalopathy (BSE or “Mad Cow” disease).

## APHIS “double whammy” on Argentina

APHIS on August 28 made two announcements regarding trade with Argentina: “First, we are adding the Patagonia South and Patagonia North B areas of Argentina to the lists of regions that are considered free of foot-and-mouth disease (FMD). This will allow the importation of ruminant and ruminant commodities from the region into the United States,” agency spokesperson Christina J. Myers said in an email message to industry recipients.

“Second, APHIS is proposing to amend the regulations to allow the importation of fresh (chilled or frozen) beef from Northern Argentina, a region located north of Patagonia South and Patagonia North B. APHIS conducted a comprehensive, science-based risk assessment at the request of the government of Argentina, which indicates that fresh (chilled or frozen) beef from Northern Argentina can be safely imported, provided certain conditions are met to ensure beef will not harbor FMD. Our risk assessment included 5 site visits, most recently in 2013,” Myers said.

The first announcement clears the way for Argentina to begin exporting beef from Patagonia to the U.S. after October 28, 2014 -- see story at top of page 2. The second announcement provides for public comments on the proposed rule through October 28 -- see details below.

FMD is a highly contagious foreign livestock disease that threatens cloven-hoofed livestock, including cattle, hogs, sheep and goats, as well as deer and dozens of other wildlife species. The FMD virus spreads easily by many carriers, including contaminated meat, and can cause billions of dollars in economic losses from the forced destruction of livestock populations over wide areas and resulting trade embargoes. The U.S. has been FMD-free since 1929, when an outbreak in California occurred among swine that were fed table scraps containing meat from a cruise ship that sailed from Argentina.

## Argentine plans draw strong opposition

The Argentine beef import proposal was immediately met with broad opposition across cattle country. R-CALF USA, the grassroots independent cattle producers' group that has led efforts to protect U.S. livestock from foreign disease threats, blasted the proposals as extremely dangerous and misguided.

Bill Bullard, CEO of R-CALF USA, offered this perspective: “Argentina holds a special distinction as it was the source of the United States' last outbreak of FMD that occurred in California in 1929. In addition, Argentina misled the United States in the early 2000s regarding widespread outbreaks of FMD in Argentina that the Argentinian government was trying to keep secret. Given the serious nature of this disease, the United States should not resume trade in livestock or fresh and chilled beef from Argentina until the Secretary of Agriculture can certify that every region of Argentina is free of FMD without vaccination. We strongly oppose this ill-conceived proposal to unnecessarily subject our U.S. livestock herd to this highly contagious disease that can best be avoided by maintaining our existing FMD safeguards.”

**(Editor's Note:** See separate story on page 12. Bill Bullard responds to *The Milkweed's* questions on critical beef industry issues.)

## NCBA voices “extreme concerns”

Even the National Cattlemen's Beef Association, an industry group with historically close ties to the big meatpackers, immediately expressed “extreme concerns” about the APHIS proposals.

“We strongly believe that these recent actions by APHIS present a significant risk to the health and well-being of the nation's cattle herd through the possible

introduction of FMD virus,” said NCBA President Bob McCan, a cattleman from Victoria, Texas. NCBA strongly opposes beef imports from the Patagonia region of Argentina that USDA now recognizes as FMD-free, he said.

“Northern Argentina is a region that is not recognized as being free of Foot-and-Mouth Disease by APHIS. We strongly believe that these recent actions by APHIS present a significant risk to the health and well-being of the nation's cattle herd through the possible introduction of FMD virus,” McCan said.

“APHIS conducted their risk analysis based on a series of site visits to Argentina to determine the FMD risk status of these regions. NCBA's repeated requests for written reports for these APHIS site visits to Argentina have gone unanswered. Finally, we were informed by APHIS that written reports are not required for APHIS site reviews. This lack of documentation and an obvious lack of management controls for the site review process calls into question the integrity and quality assurance for the entire risk analysis. Valid science-based decisions are not possible in this flawed system,” McCan said.

## Failure of past regionalization attempts

Bullard detailed the disastrous failure of USDA's past attempt to allow regionalized beef imports from Argentina. “In August 1997, APHIS engaged in a high-risk scheme to begin importation of fresh (chilled or frozen) beef from Argentina, even though Argentina was still carrying out vaccination for FMD. APHIS claimed at the time that this new scheme ‘exemplified the opportunity’ to regionalize countries with ongoing FMD problems. APHIS fully implemented a regionalization scheme for Argentina by prohibiting the importation of beef from animals that had been in specified areas along Argentina's border with Uruguay. In August 2000, just days before the effective date of APHIS' regionalization rule, Argentina confirmed a new outbreak of FMD,” Bullard said.

“Nevertheless, APHIS concluded the U.S. could continue to safely import fresh (chilled or frozen) beef from Argentina under its regionalization scheme, despite this new outbreak. For nearly a year after its August 2000 outbreak, Argentina remained eligible to export fresh (chilled or frozen) beef to the United States. APHIS, however, was subsequently forced to take emergency, retroactive action in June 2001 to protect U.S. livestock from the introduction of FMD from Argentina because at that time APHIS believed the FMD virus already was present in Argentina for several weeks before Argentina finally reported the first of many new and widespread FMD outbreaks beginning in March 2001. APHIS' regionalization scheme for Argentina was an abject failure that could have easily resulted in the introduction of FMD into the United States,” Bullard said.

Bullard noted the USDA has been forced to quickly reverse several previous decisions to allow regionalized beef imports from several key FMD-infected countries.

## No decision yet on Brazilian beef imports

The Argentine beef import proposals came as a big shock, as the U.S. beef industry awaits a final decision on a similar scheme proposed December 23, 2013 to allow imports of fresh beef from a region of Brazil, another South American country infested with FMD. That APHIS proposal drew such strong public opposition that USDA was forced to extend the public comment period to April 22, 2014. Almost all of the 872 public comments posted on the APHIS Web site strongly opposed to the proposal.

APHIS had not yet announced a decision on the Brazilian beef import proposal as *The Milkweed* went to press on September 9. Washington observers believe that Secretary of Agriculture Tom Vilsack – concerned about heavy political backlash against the controversial beef import plan in an election year – has delayed announcing the decision until after the November elections. The view that USDA is sensitive to the political risks of Brazil beef imports this year made it all the more surprising that Vilsack and the Obama White House would even consider allowing APHIS to announce **two** highly risky beef import proposals from another country infested with FMD.

## Schemes announced just before big holidays

The APHIS proposals to allow beef imports from Brazil and Argentina share one curious similarity. Both schemes were announced on a slow news day right before a major national holiday, when few people were likely to be paying attention, and after the publication deadlines for major industry publications. The Brazil proposal was announced December 23, 2014, two days before Christmas and the New Year's holiday that follows. The Argentina proposals were announced August 28, 2014, two days before the Labor Day holiday weekend.

## What comes next?

Questions surround APHIS announcement adding Argentina's Patagonia to the list of regions considered free of FMD. The decision on Patagonia's FMD-free status did not include a public comment period. Bill Bullard, CEO of R-CALF USA, confirmed that the APHIS finding clears the way for Argentine beef imports after October 28, 2014. See story on page 2.

The second announcement, the proposed rule to allow fresh beef imports from Northern Argentina, is now subject to a 60-day public comment period before any further action is taken. The proposed rule was published in the *Federal Register* on August 28, 2014. **Public comments are due October 28, 2014.**

## Where to submit comments:

To submit comments or access more information on the proposal to allow imports of fresh beef from Argentina, visit the federal rulemaking portal at the Web address below. **The public comment deadline is October 28, 2014.**

<http://www.regulations.gov/#!docket>  
Browser; rpp=25; po=0; dct=PR; D=APHIS-2014-0032