

Beef Imports from China Pose Serious

Foot-and-Mouth Disease:

USDA trade data have raised alarms that beef from FMD-infested China was illegally imported to the U.S. in 2012 and 2013.

by Jim Eichstadt

USDA data show that Chinese beef imports entered the U.S. during 2012 and 2013 – in violation of a federal ban on such imports due to deadly Foot-and-Mouth Disease (FMD) in China. If the reports generated by the Foreign Agriculture Service's (FAS) online trade database is accurate, the beef imports from China could pose significant risks to domestic livestock producers, the nation's food supply, and the U.S. economy.

The FAS Global Agricultural Trade System (GATS) database reports imports of lean beef trimmings from China totaling 57,134.4 lbs. in 2012 and 57,438.6 lbs. during the first 11 months of 2013. The Chinese beef was imported under U.S. Harmonized tariff code 02023050, a category that includes "Bovine Meat Cuts, Boneless, Not Processed, Frozen."

According to the GATS data, the beef imports from China were valued at \$179,000 in 2012 and \$169,000 in 2013. The data report also shows significant imports of non-bovine "Meat, Offal, Other" from China in recent years, a development that should concern consumers of certain cheap "mystery meat" products in the U.S. (See data table on page 9.)

FMD persists in Asia & beyond

Questions about Chinese beef imports entering the U.S. surface as international animal health authorities confirm that FMD persists as a major problem in China and other Asian countries, Russia, Africa, and South America. A May 2013 report by the United Nations Food and Agriculture Organization confirmed outbreaks of FMD in cattle, pigs, and sheep in several regions of China last year. Reports published by the U.S. Centers for Disease Control noted numerous strains of FMD outbreaks in China in 2012 and much of the previous decade.

FMD is undermining China's efforts to increase milk production to meet rising internal demand. Ironically, FMD-related milk production losses in China, India, and South Korea may be a factor in sustaining current high global dairy prices. Agriland.ie, an Irish Web site, said in a December 30, 2013 news story: "A 20 per cent drop in China's milk production is reported to have taken place in part due to FMD. This, combined with high feed prices and high beef prices, is believed to have led to the slaughtering of around two million cows." China's milk output is down double-digits.

The FMD concerns also come as USDA's Animal and Plant Health Inspection Service (APHIS) – the lead agency responsible for safeguarding the health of U.S. livestock herds from foreign disease – has come under increased scrutiny. Citing recent agency decisions, beef industry critics charge that APHIS is ignoring or weakening its own livestock protection and food safety rules (see below).

"An error" or "a pattern of denial"??

A USDA employee was quick to dismiss the Chinese beef import numbers as "an error or, at best, misleading" due to possible tariff coding or data entry errors. But Bill Bullard, a veteran beef industry leader who has reviewed the FAS data and the official's response, said such denial fits a familiar pattern at USDA.

Bullard, CEO of R-CALF USA – a vocal advocacy group for cattle producers – said the denial is consistent with USDA's past history of covering illegal beef imports and violating its own rules to protect the meat packing industry. R-CALF (Ranchers-Cattlemen Action Legal Fund, United Stockgrowers of America), a U.S. grass-roots cattle producers' group, has long fought for strict enforce-

ment of import sanitation rules, country-of-origin meat labeling, and other livestock-related concerns.

USDA's denial:

First, here is the USDA employee's response when recently questioned about the regular, monthly Chinese beef import data:

"I actually think the data you pulled is an error or, at best, misleading. First, beef imports from China – not allowed. Thus, 'not possible' trade. There are a few things that could have happened. This could be returned U.S. product (not allowed either by China!) which SHOULD have been brought in under a special HS code in Chapter 99 (Not Chapter 2). It also could be "allowed origin" (such as AU or NZ) product that transshipped via China and the origin was misrepresented. It also could have been not beef at all and someone entered the wrong HS code. All of these are scenarios I have seen in the past," the USDA employee said.

Although that employee estimated the ban on Chinese beef imports had been in effect since 2003, an FAS spokesperson separately could not confirm the exact date or other details of the ban

(Author's note: The employee's exemplary history of providing helpful and timely assistance suggests that this public servant is acting in good faith on this issue and is accurately conveying the official USDA "party line" handed down from above.)

R-CALF's response:

"R-CALF USA is deeply troubled by USDA's own data that show the United States has been importing beef from China in 2012 and 2013. Foot-and-Mouth Disease (FMD) is endemic in China and beef imports from that country are strictly prohibited," Bullard said. He further elaborated:

"Unfortunately, we cannot rely on USDA's insistence that this data is erroneous. This is because USDA has a long history of violating its own food safety- and animal health-related import restrictions. For example, in 2004 USDA told us that the data we discovered showing that USDA was

unlawfully allowing imports of beef from Canada after such beef was prohibited due to the discovery of mad cow disease in Canada was a mistake. We filed a lawsuit against USDA at the time and won an immediate injunction. USDA was caught red-handed and did not contest our injunction. We later found out from internal USDA documents that USDA was allowing these unlawful imports simply because their meatpacker friends wanted them to.

"Long before that incident, we discovered that USDA data showed that we were importing beef from Europe, which was also strictly forbidden because of the widespread outbreaks of mad cow disease. USDA told us at the time that their data was erroneous and that imported products had been miscoded," Bullard continued.

"After this incident, there were confirmed reports of cattle being unlawfully imported into the United States from Canada because they exceeded the mad cow disease-related age limit that USDA had put in effect to protect the U.S. cattle herd from the introduction of mad cow disease," he concluded.

FMD: deadly and highly contagious

Beef imports from countries that lack FMD-free status are banned for good reason: They pose a very significant threat of contamination to U.S. producers of dairy, beef, and other livestock, The Foot-and-Mouth Disease virus (*Aphthae epizooticae*) is among the most deadly and contagious known livestock diseases. FMD spreads rapidly and is lethal to cloven-hoofed animals, including cattle, swine, sheep, goats, and bison, as well as over 70 wildlife species including deer, antelope, hedgehogs, elephants, and armadillos.

FMD is not always fatal in infected animals. Symptoms vary by species. The disease causes significant loss of milk production in dairy cows, prolonged weight loss for adult animals, abortion in pregnant animals, lameness, anorexia, depression and other symptoms. An Iowa State University bulletin notes that:

"Though most animals eventually recover from FMD, the disease can lead to myocarditis

Foot & Mouth Disease (FMD)

(*Aphthous fever, Aftosa, Epizootic aphthae*)

—from *The Merck Veterinary Manual*

"An acute, highly communicable disease chiefly confined to cloven-footed animals. Cattle, swine, sheep, goats, buffalo (including the African buffalo). Bison, yak, camel, dromedary, deer, reindeer, moose, elk, North American deer, llama, chamois, alpaca, vicuna, giraffe, elephant, most antelope spp., mole, vole, rat, water rat, coypu and hedgehog are generally considered the natural domestic and wild hosts. Some wild animals develop only minimal clinical signs but nevertheless, serve as important reservoirs of infection. ... Man, despite his frequent and sometimes intensive exposure, becomes infected only occasionally, when ill-defined predisposing factors are encountered.

"... As a result of the strictest sanitary measures, the disease has not become established in North America, Australia or New Zealand.

"... It [the FMD virus] is present in the fluid and tissues of the vesicles, as well as in the blood during the febrile stages; at times it is demonstrable in the saliva, milk, feces and urine of living animals or in the meat, bone marrow and lymph nodes of dead animals. Exposed

or recovered cattle may carry the virus, principally as an inapparent pharyngeal infection, but such carriers have not been proved to transmit the disease to susceptible animals.

"The disease spreads as a result of contact with infected animals, fomites or vehicles; the use of infected semen has been suggested as a possible cause of outbreaks. Flocks of birds may be mechanical vectors, as may rodents, flies and other arthropods. There is good evidence that FMD has been spread by the primary movement of milk from farms to dairies and to consumers. The virus is excreted in the milk during the prodromal phase and pasteurization may not be fully effective. FMD virus is also excreted in the exhalations and may survive as an aerosol for several hours.

"... Mortality rarely exceeds 6% in any species but occasionally it may exceed 50%, as a result of an apparent predilection of certain strains for muscular tissues, and for myocardium in particular."

Source: *The Merck Veterinary Manual*, 5th Edition – 1979.

FMD Threat to U.S. Livestock Industry

United States Department of Agriculture
Foreign Agricultural Service

Area/Partners of Origin January - December
And General Commodities Imported Cumulative To Date Quantities/Values in Thousands of Dollars

Partner	Product	UOM	2012		Jan - Nov 2012		Jan - Nov 2013	
			Value	Qty	Value	Qty	Value	Qty
China	02023050 - Bovine Meat Cuts, Boneless, Not Processed, Frozen,	Lbs.*	179	57,134.40	179	57,134.40	169	57,438.60
Grand Total		Lbs.*	179	57,134.40	179	57,134.40	169	57,438.60

Source: FAS Global Agricultural Trade System, US. Census Bureau Trade Data

(inflammation of the heart muscle) and death, especially in newborn animals. Some infected animals remain asymptomatic, but they nonetheless carry FMD and can transmit it to others.”

The FMD virus is easily and quickly transmitted through animal-to-animal contact, by air and water, through contact with clothing, equipment, feed, and other objects, by wild animals, and through infected meat.

Chilled or frozen meat – the forms common in global trade – is an ideal carrier of FMD: “At temperatures below freezing point, the virus is stable almost indefinitely,” according to Australia’s 2012 veterinary emergency plan for FMD.

The difficulty of containing an FMD outbreak is compounded by the fact that the virus infects many species of wildlife that move freely and uncontrollably across state and national borders. Here’s why the risk of FMD contamination from China is particularly acute:

- China is surrounded by other FMD-infected countries.
- China exports extensively to FMD-free countries. The vast movement of goods and people between China and the U.S. provides ample opportunities for the FMD virus to spread. This includes U.S. university Cooperative Extension Service experts who travel back and forth while helping China improve its foundering dairy production.
- China is a food safety and livestock health disaster. A long list of severe livestock and poultry diseases is found in China. China’s food processing trade is world-renowned for its lack of integrity. And China’s food safety regulators seem to reengaged in a losing game of “wack a mole” as they try to keep up with contagious food animal diseases and unscrupulous food processors.

FMD is top U.S. bioterrorism threat

The economic costs of FMD are enormous. Outbreaks typically require extensive quarantines followed by the destruction and incineration or burial of thousands – or even millions – of infected animals. An outbreak of FMD in the U.S. could infect millions of animals, cost untold billions of dollars, threaten national food security, and wreak economic havoc on the national economy. No wonder the U.S. Department of Homeland Security in March 2007 designated Foot and Mouth Disease as the nation’s top bioterrorism threat.

The U.S., which has FMD-free status, had nine FMD outbreaks between 1870 and 1929, according to Wikipedia.com. The 1929 outbreak in California “originated in hogs that had eaten infected meat scraps from a tourist steamship that had stocked meat in Argentina,” Wikipedia said. Argentina continues to lack FMD-free status.

China: an open corridor to Wisconsin

The threat of FMD contamination is a real nightmare for top dairy states like Wisconsin.

According to a *Wisconsin State Farmer* story published December 31, 2013, State Veterinarian Paul McGraw told the Wisconsin ag board meeting in December that a specific strain of Porcine Endemic Diarrhea – another highly contagious disease – from China had entered Iowa and Wisconsin through an open transmission corridor. A key excerpt of that story:

“This is kind of an eye opener. It got here

through a corridor and we presume that corridor is still open.” That corridor could lead to countries that also have foot and mouth disease (FMD) and classical swine fever. “This is what keeps state veterinarians up at night,” he said.

Lessons from other countries

Other smaller developed nations have suffered heavy losses from foot-and-mouth disease outbreaks in the past decade. Recent FMD outbreaks in developed countries include:

United Kingdom: A 2001 outbreak involved an estimated 2,000 cases resulted in the loss of 7 million head of cattle and hogs and inflicted estimated economic losses of \$13 billion. The resulting civic disruption included the postponement of general elections and the cancellation of sporting events and other activities. Two separate outbreaks in 2007 were limited to local areas through quarantine and were less serious.

In the FMD outbreak in England and western Europe in 2001, at least one human death was attributed to contraction of FMD.

A far greater human toll from England’s FMD outbreak 13 years ago were numerous suicides of farmers whose entire herds were depopulated.

Japan: A 2010 outbreak resulted in the destruction of over 211,000 head of cattle and hogs at an estimated cost exceeding \$3.5 billion. This was Japan’s second FMD outbreak in a decade. Japan’s famous wagyu Kobe beef industry was hammered by that FMD outbreak.

South Korea: A 2010-11 outbreak led to the destruction of 3.48 million animals. The U.S. Centers for Disease Control reported that 151,425 cattle, 3,318,299 pigs, 8,071 goats, and 2,728 deer were buried at 4,583 burial sites throughout the country. South Korea, notably, has a Free Trade Agreement with the U.S. Human traffic from China is believed to have been the source of the South Korean FMD outbreak in 2010-2011.

APHIS: a threat to U.S. animal health?

USDA has a long history of acting contrary to the best interests of the U.S. livestock industry. Many top USDA officials have close ties to the National Cattlemen’s Beef Association, a conservative industry trade group dominated by large meat packers. The largest U.S. meat packer is Brazil’s JBS, a vertically-integrated behemoth that has its own captive cattle supply and operates large feedlots with a combined feeding capacity of 980,000 head in six states and Canada that supply its many packing plants.

Given the unduly large influence of the meat packing lobby at USDA, it came as no surprise that R-CALF and other producer-oriented cattle groups question APHIS’ commitment to its mission. (“To protect agricultural health, APHIS is on the job 24 hours a day, 7 days a week working to defend America’s animal and plant resources from agricultural pests and diseases,” according to the agency’s Web site.)

Given the agency’s mixed track record in protecting U.S. livestock in the era of rapid globalization, industry critics question whether APHIS is capable of – or even interested in – carrying out its stated mission.

APHIS actions raise questions

Recent APHIS actions further undermine the agency’s credibility on livestock safety:

On December 20, 2013, APHIS announced a proposed rule that would allow certain beef imports

from 14 states of Brazil, one of several South American countries infected with FMD. The proposed rule uses the dangerous free-trade practice of “regionalization” to do an end-run around the existing FMD quarantine. “Regionalization” allows countries infested with FMD and other deadly diseases to bypass animal health safeguards by allowing exports of livestock products from areas of the country that are not directly infected but still at risk.

The APHIS proposal appears tailor-made for JBS, the giant Brazilian-based meat packer interested in importing cheap beef from Brazil. (In opposing the APHIS plan, R-CALF noted that Brazil’s cattle population of 183 million head is more than twice as large as the U.S. cattle herd.)

“The proposed regulation changes would allow the importation of chilled or frozen beef while continuing to protect the United States from an introduction of foot-and-mouth disease (FMD),” APHIS said, in a classic case of bureaucratic “double speak.” APHIS then admitted its proposal posed several key risks to the U.S. beef industry:

- **FMD contamination is possible:** “APHIS concluded that as long as FMD is endemic in the overall region in South America, there is a risk of reintroduction from adjacent areas into the proposed exporting region.”
- **Brazilian beef imports would reduce U.S. cattle prices:** “The fall in beef prices and resulting decline in U.S. production would translate into reduced returns for producers in the livestock and beef processing sectors.”

APHIS Veterinary Services in April 2011 recommended approval of Japan’s request to be designated as an FMD-free country and allow the immediate resumption of certain beef imports from Japan. The plan, which applied to whole cuts of boneless beef imports, came shortly after Japan’s 2010 FMD outbreak.

Beef imports from Argentina, another FMD-infested South American country, were allowed to resume in July 2000 under another APHIS regionalization scheme. Argentina confirmed a new outbreak of FMD in August 2000, just days before the APHIS’ regionalization rule took effect. Despite the FMD outbreak, APHIS concluded that regionalized Argentine beef imports presented no risk to U.S. livestock producers.

We’ve got a problem – Now what do we do?

It is time for decisive action. We need to view the animal health threat as potential “food 9/11” waiting to happen. U.S. livestock must be protected from Foot-and-Mouth Disease, “mad cow” disease and other serious outside perils. USDA’s trade data showing beef imports from China raise many questions that remain unanswered.

Given its history of denial and flawed actions, APHIS in its current form cannot be trusted to enforce animal health and food safety safeguards. The U.S. Government is failing its basic duty of protecting the American people from threats to our national food supply and economy. Livestock producers and groups must join with R-CALF in demanding proper enforcement of animal health and food safety rules.

Congress must set aside its partisan bickering, stop powerful meatpacker interests from dictating national policy, and demand that border protections be strengthened and enforced. Then – and only then – can the American people have confidence that our national food supply is safe and secure.