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Cattlemen Favor Holding BSE-Tested Cows Pending Results

DOW JONES NEWSWIRES

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Of DOW JONES NEWSWIRES

DES MOINES, Iowa -- Christmas postponed any clear assessment of U.S. consumer reaction to the disclosure of a case of mad-cow disease, but scattered early indications indicated no panic.

"There's been no impact on sales. That's our first read," McDonald's Corp. (MCD) spokeswoman Lisa Howard said Friday.

Like many competitors, most McDonald's were closed Thursday in observance of the holiday.

Both Burger King and Wendy's International Inc. (WEN) said it was too early to tell whether customers are shunning hamburgers because of the nation's first confirmed case of the brain-wasting disease.

"Sales were strong Wednesday," said Wendy's spokesman Denny Lynch. "It will be well into next week before we can start determining whether there will be an impact," he said.

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Burger King spokesman Rob Doughty said the Miami chain had ordered consumer research to determine public opinion about the episode, as it has after previous instances overseas.

The president of the National Cattlemen's Beef Association, Terry Stokes, said on a media conference call Friday that "because of the Christmas holidays we've not seen an indication there's been a fallout

with consumers" over the safety of the nation's beef supply.

Yet even as investigators from the U.S. Agriculture Department descended on a dairy farm in southern Washington state, where the infected cow had been raised, the association endorsed heightened testing for mad cow, or bovine spongiform encephalopathy, as it is formally known.

"We are requesting USDA put into place a 'test and hold' procedure that would require any animal tested for BSE to be held and not further processed until test results are received," Stokes said. Such a "precautionary measure would give consumers additional confidence in the safety of the food supply," he added.

Several supermarkets removed ground beef from stores in the Pacific Northwest late Wednesday after one of their meat suppliers, Interstate Meats, was identified by the USDA as having received some beef from the slaughterhouse that handled the infected cow.

A spokesman for Safeway Stores Inc. (SWY) said hamburger was pulled from about 100 of its stores in Oregon "out of an abundance of caution."

Albertson's Inc. (ABS) issued a statement saying it had removed one- and two-pound packages of ground beef which had a "sell by" date of Dec. 25 on it. Customers at Albertson's stores in Washington, Oregon and Northern Idaho were told they could return any package for a full refund.

Karianne Cole, a spokeswoman for the Boise, Idaho, chain, said Friday she had no indication of how much meat, if any, had been returned.

"It being Christmas yesterday, we had fewer people in the stores," although some supermarkets were open Thursday, she said.

Shares of beef-sensitive retailers recovered somewhat Friday after slumping Wednesday on the USDA's disclosure. McDonald's, Wendy's, Sonic Corp. (SONC) and Outback Steakhouse Inc. (OSI) were among restaurant stocks moving up during an abbreviated trading session.

But that of Tyson Foods Inc. (TSN), the world's largest beef processor, continued their slide. They ended Friday's attenuated trading session down 2.4% or 31 cents, at \$12.59, partly on a downgrade by Morgan Stanley.

Several Latin American countries - Colombia, Peru and Venezuela among them - joined more than a dozen others around the world in temporarily halting imports of U.S. beef. In an effort to restart that trade, a delegation of USDA officials was headed for Japan, one of the top consumers of American-grown beef.

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