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## Mad Cow Disease Likely To Be Costly To US Beef Industry

### DOW JONES NEWSWIRES

WASHINGTON (AP)--Though officials haven't yet estimated the financial fallout from the first U.S. case of mad cow disease, the government told Congress in 2001 that the beef industry could lose \$15 billion.

Food safety officials had earlier projected that as many as 300,000 cows could be destroyed if the disease spread like it did in the U.K., a prospect diminished by safeguards implemented in response to the U.K. experience with bovine spongiform encephalopathy, or BSE.

William D. Hueston, a former USDA official who directs the Center for Animal Health and Food Safety at the University of Minnesota, said Friday he wouldn't be surprised if up to another two dozen infected cows are found in the U.S.

In March 2001, Bernard Schwetz, then the acting principal deputy commissioner of the Food and Drug Administration, briefed the House Appropriations agriculture subcommittee, drawing on what happened in the U.K.

"Based on the U.K. experience, if BSE were to be encountered in the U.S., it would not only have an obvious potential impact on our public health, but also a monumental impact on our beef industries, with initial U.S. revenue losses estimated to reach over \$15 billion," Schwetz told the subcommittee.

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That estimate was based on a 1998 British study of economic impacts of the first year of the mad cow outbreak in the U.K., where the disease was first detected in 1986. Schwetz didn't immediately return

calls for comment Friday.

Britain's first-year economic losses were put at between \$1.07 billion and \$1.4 billion, according to a report by Congress' General Accounting Office in 2002.

The FDA assumed that "in the event of a BSE crisis, U.S. domestic and export demand would decrease by the same amounts as in Britain - a 24% decline in domestic beef sales and an 80% decline in beef and live cattle exports," the GAO said.

The auditors also cited an FDA estimate that livestock producers would lose a minimum of \$12 billion "based on an assumption that the United States would need to destroy about four times as many cattle as the United Kingdom."

The British outbreak is blamed for the deaths of 143 people, millions of cattle slaughtered and a devastated domestic beef industry. By the end of the 1990s, economic losses there had reached nearly \$7 billion, the congressional auditors said in 2000.

U.S. beef producers now export about \$6 billion of their products each year. Foreign countries constituting about 90% of that export market have implemented bans on U.S. meat and cattle since Tuesday's announcement of the first U.S. case of mad cow, Agriculture Department officials said Friday.

"I would point out, however, that we are fortunate, at least from an economic point of view, that at the time this incident has occurred, cattle prices have been record high," said Keith Collins, the department's chief economist.

He said the price declines now in store for producers won't likely go below what they were a year ago.

In August 1997, the FDA issued a new regulation aimed at preventing a mad cow epidemic by banning cattle feed made with protein or bone meal from being fed to other grazing animals such as cattle, goats and sheep, which was done to help them gain weight.

An outbreak in the U.S. like that in the U.K. might require destroying up to 299,000 infected cattle over seven years.

The new restrictions on cattle feed lowered the projected risks for U.S. cattle but officials still cautioned there may be a need to destroy "high-risk animals to restore consumer confidence."

The FDA noted that Switzerland, for example, had proposed slaughtering all cattle born before that country implemented a feed ban, or about one-eighth of its national herd. Some countries continue to ban Swiss cattle 13 years after BSE was first detected there in 1990.

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