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Mad-Cow Case In U.S. Shows Gaps in System

**Finding Raises Questions
About Rural Economy,
Safety of American Beef**

By **SCOTT KILMAN, STEVE STECKLOW and LAURIE MCGINLEY**
 Staff Reporters of **THE WALL STREET JOURNAL**

The first U.S. case of mad-cow disease almost certainly was found by fluke and will force agricultural officials, who have said the discovery vindicated their monitoring of the nation's beef industry, to implement an expensive overhaul of the nation's cattle-screening program.

The discovery has cast a shadow over the economic health of rural America and created wide concern about the safety of an American staple. The price of beef and the publicly traded stock of beef purveyors took a beating since the case was announced late Tuesday. The nation's trading partners imposed immediate import bans on U.S. beef, a product that has long been a symbol of U.S. vitality.

One of the biggest impacts will be on the beef industry and its regulators. The finding that a single Holstein in Washington state had contracted the brain-wasting disease instantly obviated the nation's screening system, because it had been based on the assumption that the nation's herds weren't infected with bovine spongiform encephalopathy, commonly known as mad-cow disease, a fatal condition that can cross species to humans.

U.S. procedures called for screening barely one of every 1,700 cows slaughtered, a method meant to show that the nation's cattle herd remained free of the disease.

That approach hit its limit Tuesday, when U.S. Agriculture Secretary Ann Veneman stunned cattle ranchers with the announcement that mad-cow disease, which had devastated beef industries in Britain and Japan, had reached the U.S. A brain sample from a cow pulled off the slaughter line at a processor in Moses Lake, Wash., had been found to harbor the disease.

BEEF SCARE

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The appearance of one case of mad-cow disease in the U.S. almost certainly means that others will be discovered. Because the likely source of the infection is something that the cow was fed, it means that other cattle it lived among had access to the same contaminated material.

"It's very hard to imagine a scenario in which only one animal was exposed," said William D. Hueston, who heads the Center for Animal Health and Food Safety at the University of Minnesota and is one of America's top mad-cow experts. "What we don't know is whether we're talking about a dozen or two dozen" cattle, he added.

MAD-COW HITS THE U.S.



¹ See [full coverage](#)² of the first case of mad-cow disease in the U.S.

- Read [the transcript](#)³ of a briefing on discovery of mad-cow disease in the U.S.
- See [a chart](#)⁴ from the World Organization for Animal Health, a European body that analyzes veterinary data, detailing the number of reported cases world-wide.

The challenge for U.S. agriculture officials and ranchers now is to determine whether the affliction affected only that cow or has spread broadly.

The only certain way to reassure consumers -- and the long list of foreign buyers now shutting their borders to U.S. beef -- would be to test every cow slaughtered. That measure -- currently implemented in Japan -- would conservatively add hundreds of millions of dollars of additional cost to the low-margin \$50 billion beef industry. The cost of that measure to consumers could be offset by the fallen price of beef tainted by the threat of

mad-cow disease.

Many agriculture experts say more testing is needed, and the way the Washington state cow was discovered helps explain why. The 4-year-old cow only came to the attention of federal inspectors at a meat plant in Moses Lake because she had injured her pelvic canal by giving birth to an unusually big calf. That suggests that this cow was tested only as a fluke, not because it was exhibiting symptoms of mad cow.

It is "one of the \$64,000 questions" whether the cow would have been tested for the disease if it hadn't been injured through a totally unrelated event, a difficult pregnancy, said Ron DeHaven, chief veterinarian of the U.S. Department of Agriculture.

A federal veterinarian at the meatpacking plant in Washington state had cleared the cow for human consumption on Dec. 9 after seeing no outward signs of mad-cow disease, yet sent a routine brain sample to a federal lab in Ames, Iowa, where it tested positive Dec. 22. Laboratory pathologists in Britain Thursday confirmed those results from a sample sent them by the U.S. government.

Federal investigators will probably never know whether they were just lucky to find the infected cow: Its carcass has been destroyed.

"Before Dec. 22, what we had was a surveillance program because we had no evidence to suggest we had the disease" in the U.S., said Dr. DeHaven, the USDA chief veterinarian. "Now it's time to consider whether it's appropriate to increase testing."

Establishing a more stringent testing program will likely be necessary to win back the trust of Japan, South Korea, Mexico and other trading partners that immediately banned U.S. beef imports after the announcement. Indeed, a Japanese ministry official already has expressed the hope that the U.S. will test for the disease in every cow slaughtered. Exports account for only 10% of the nation's beef sales, but for the world's largest beef producer that 10% represents \$3 billion a year. And the disappearance of that market would likely create a price-depressing glut that could send the nation's agricultural industry back into the long recession from which it only recently emerged.

Meanwhile, U.S. stock and commodity markets are being roiled by the discovery of the afflicted cow, which came from a dairy herd in Mabton, Wash. Even before the import bans take effect, plunging cattle prices are jeopardizing the budding recovery in the U.S. farm economy.

"This is a very scary situation," said Jay Wolf, a rancher in Bartlett, Neb., who had hoped to cash in this week on what had been record-high cattle prices by selling 200 of his animals. Now he can't find a buyer. "The boom is over," said Mr. Wolf.

Beef represents the single largest segment of U.S. agriculture, accounting for roughly 20 cents of every agricultural dollar.

So far, American consumers seem to be one group that isn't panicking, even though a few supermarket chains including Albertson's are warning that meat from the stricken cow may have reached meat counters in their stores in the northwestern U.S. The closure of most of the nation's restaurants Thursday for Christmas makes reading consumer confidence difficult, but there is little sign yet they are broadly rejecting beef.

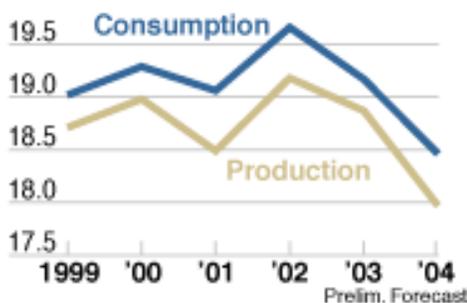
Still, the impact of one cow is likely to be dramatic because she introduces a horrific and incurable disease to U.S. shores. People who eat beef products accidentally laced with the nerve tissue of infected cattle, such as processed meats, can catch the human equivalent of the disease, which eats holes in the victim's brain.

BEEFY TOPIC

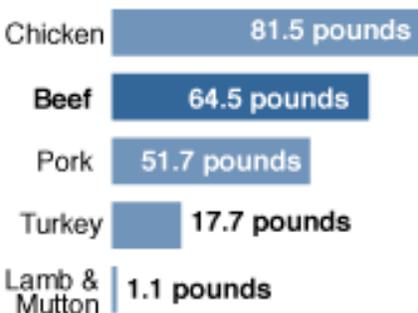
Top 10 importers of U.S. beef products¹ from January to October 2003

MARKET	QUANTITY, IN THOUSANDS OF METRIC TONS ²	VALUE, IN MILLIONS	CURRENT STATUS ON IMPORT OF U.S. BEEF
Japan	321.41	\$1,177.68	Banned
Mexico	294.05	\$776.85	Banned
South Korea	208.95	\$685.24	Banned
Canada	80.29	\$283.99	Banned
Russia	56.39	\$46.18	Banned
Egypt	33.78	\$24.79	N.A.
Hong Kong	21.76	\$67.56	Banned
Taiwan	15.55	\$60.90	Banned
Indonesia	12.60	\$12.36	N.A.
China	10.19	\$22.70	Banned

U.S. beef and veal consumption vs. production, in billions of pounds



Average per capita red meat and poultry consumption in the U.S. in 2003



¹ Beef products include beef and veal and beef variety meats such as tongue, liver, heart, sweetbread, kidney, brain, lip and other bovine offal ² One metric ton=2204.6 pounds

Sources: U.S. Meat Export Federation; U.S. Department of Agriculture

The reason why trading partners from Japan to Russia slammed shut their borders to U.S. beef in recent days is that they are concerned more cases of mad cow will be found in the U.S. Only four of the 23 other countries that have found an animal with mad-cow disease have found no other cases. The U.S. herd of 96 million cattle is one of the world's largest.

America's setback could benefit Brazil, which has emerged as a global beef power in the past four years. Brazilian beef exports have nearly tripled since 2000 to a projected 1.4 million tons this year. Brazil's emergence has been propelled by a competitive exchange rate, sanitary problems in neighboring cattle countries such as Argentina and big investments by Brazilian producers in genetic breeding

programs. Brazil has 170 million cattle, much of which are raised on grass. Animal feed that included the remains of infected cattle has been linked to other outbreaks in the past.

Now the mad-cow scare in the U.S. could open new horizons for producers in Brazil, Australia and perhaps other countries. "It's a big opportunity for Brazil to increase exports of beef to several countries, including the Americans and Japanese," Brazilian Agriculture Minister Roberto Rodrigues told the O Estado de Sao Paulo newspaper.

The danger of losing market share will force the U.S. to convince its trading partners of the safety of American cattle, and that will require increased testing. The USDA's Dr. DeHaven wouldn't comment on the government's plans, but there are many holes to close. While the U.S. has been more aggressive at dealing with mad cow than most countries that have yet to discover it, it does far less than nations that have found the disease in their herds.

Among other things, the U.S. has yet to require the testing of cattle before they are slaughtered or to

even ban the consumption of the material that harbors the disease, which is the brain and spinal cord. Such materials can slip into processed meats, including bologna, hot dogs and sausages. Everything from the way cattle are killed in meatpacking plants to what happens to their remains might well change if the Mabton cow isn't an isolated case.

Since finding its first afflicted animal in 2001, Japan has been testing every animal slaughtered and has since confirmed nine cases, including some cattle that were far younger than the age most scientists thought cattle could test positive for the disease.

About 20,500 of the 35 million U.S. cattle slaughtered this year were tested for mad-cow disease. The meatpacking industry has resisted the idea of testing all cattle because of the expense, and food-safety regulators have long agreed with them.

Based on the European Union's experience, the cost of a comprehensive mad-cow testing program can be quite high. In the EU, all cattle over the age of 30 months are tested before they enter the food chain.

Bruno Oesch, chief executive of Prionics AG, a mad-cow testing firm in Zurich, figures that it would cost the U.S. roughly \$300 million to implement a similar program.

There have been other costs associated with mad cow in Europe, and especially in Britain, where the disease was first found. They include the costs of destroying animals in herds where infected animals were found, the costs of incinerating animals, and government subsidies to ranchers and dairy farmers.

Britain destroyed several million head of cattle in the 1980s and 1990s to control its mad-cow epidemic. Yet hundreds of thousands of infected cattle probably entered its food supply. So far, 137 Britons have died from the disease, which in humans it called variant Creutzfeldt-Jakob Disease.

Scientists are generally in agreement that the appearance of mad-cow disease in the U.S. can't be anything on the scale of what happened to Britain. For one thing, the U.S. has adopted measures over the past several years that are designed to prevent the widespread transmission of the disease if it ever did arrive here.

Cattle in Britain, and then throughout Europe, caught the disease by eating feed contaminated with processed remains of infected cattle. The scrap parts of cattle were recycled as a cheap source of protein. In the U.S., the cattle industry mostly turned to an abundant soybean crop as the source of protein for their herds. The Food and Drug Administration banned using the remains of cattle, goats and sheep in any rations made for cud-chewing animals.

But there are gaps in the six-year-old feeding ban. The FDA didn't ban the use of cattle remains in the manufacture of feed for animals such as hogs and chicken. While those animals aren't thought to catch the disease, there is little to stop an unscrupulous farmer from giving rations designed for hogs and chickens to cattle.

The FDA struggled for years to get full compliance from feed manufacturers. At least one feed mill in Washington state has run afoul in the past with the FDA for violating the ban on using ruminant material

in livestock feed. In July, X-Cel Feeds Inc. of Tacoma reached a consent decree with the federal government. An official of X-Cel couldn't be reached for comment, but investigators so far apparently don't think a connection with the Mabton cow is likely.

Since the government's announcement of the mad-cow case on Tuesday, federal investigators have swarmed into Washington state to begin the arduous task of tracking down what the cow ate during its life, as well as the diets of its herd mates.

Investigators have learned so far that the cow spent the last two years of its life near Mabton, which is in southern Washington, on a large-scale dairy operation that milks a total of 4,000 cows at two locations. The owner of the Sunny Dene farm is Bill Wavrin, a well-respected veterinarian in Mapton. He couldn't be reached for comment.

Write to Scott Kilman at scott.kilman@wsj.com¹⁰, Steve Stecklow at steve.stecklow@wsj.com¹¹ and Laurie McGinley at laurie.mcginley@wsj.com¹²

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- (10) <mailto:scott.kilman@wsj.com>
- (11) <mailto:steve.stecklow@wsj.com>
- (12) <mailto:laurie.mcginley@wsj.com>

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