

ABA submission to Senate RRAT hearing on importation of beef from BSE affected countries

14.12.2009

The 20th October announcement by three Ministers that beef would be imported from BSE affected countries unleashes the most serious threat to Australia's beef industry in our history. ABA vigorously opposes the decision.

We give four reasons—

- Increased risk to Australian human health.
- Increased risk to Australian animal health.
- Devastation of price to Australian producers through importation of cheaper but higher quality table beef that is subsidised through grain subsidies. Increased unemployment in regional centres as Australian owned abattoirs close.
- Loss of Australia's unique clean image for its exports as, perception wise, we are demoted to the same ranking as countries with BSE.

There has been considerable deception in this announcement

Politics

"Beef off the Shelves" farce.

Such a move would put 300,000 out of work in a week. Bankruptcies everywhere. No Government in the World did this when BSE broke out within their borders. Who has fabricated this blatant lie? Wasn't any BSE outbreak to be addressed by Australia's unique half billion dollar NLIS scheme? **We call for the tabling of the WTO "obligations" paperwork.**

US Free Trade Agreement Side letter of 18/5/2004 signed by then Minister Vaile help US gain access to beef markets post their BSE outbreak. Is this announcement the delivery of that sycophantic, foolish and quite unnecessary undertaking? The US is already “out muscling” our negotiators on the EU quota despite their BSE and non traceability status.

Ministers claim that the decision is “Science based” —if so, it is Political science-not medical or economic science.

Increased risk to human health

Synonyms-BSE-Bovine Spongiform Encephalopathy: TSE-Transmissible Spongiform Encephalopathies: CJD-Creutzfeldt-Jakob disease.

Let’s look at the medical science-

In 1988 UK’s Southwood Committee, made up of prestigious scientists established by Govt. concluded that it is “Most unlikely that BSE will have any implications for human health”.

In 1997 the UK Government convened Lord Phillips Inquiry. It stated that up to 136,000 people could lose their lives to vCJD (the human form of BSE).Later, the Blair Government raised this to 250,000.

Scientific certainty on BSE and the various forms of TSE does not exist. The gestation period for these diseases can run to over 50 years. There is cause of death confusion between BSE/CJD and Alzheimer’s disease. Post mortems don’t have compulsory reporting in USA for CJD diagnoses. The claimed reduction in BSE cases may well be disguised by flawed reporting of cause of death.

Reviews of literature are the source of Australia’s “scientific “knowledge.

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She states "In 14 reviews, conclusions exceeded evidence presented. The various review authors position on the evidence for the zoonotic public health issues lacked structured and transparent methodology, preventing the end user from assessing the review's validity"

Australia is putting trade policy above very incomplete and conflicting medical science in this decision.

To illustrate the gap between scientific papers and reality –In the US , there is still no legislation banning the feeding of chicken litter to cattle –see R-CALF USA’s recent call for the practice to be banned.

- **Increased risk to animal health**

Australia, being an island continent, has succeeded in avoiding most of the serious animal health diseases. Its ban on product from FMD affected countries has been successful in keeping our healthy record. Australia has spent huge sums on eradicating brucellosis and TB in cattle.

North America has had Chronic Wasting Disease (CWD) for 30 years in deer .It is spreading fast and there are three recorded cases of its transference to cattle. It is thought by some scientists that CWD may have been derived from Scrapie by wild deer sharing pasture with sheep.

Scrapie has probably existed in North America for a century-it was identified in 1947... Control schemes have all failed. It is seen to have almost eternal survival. Apart from a brief episode in 1952 Scrapie has

never been diagnosed in Australia or New Zealand. Its introduction would be catastrophic for our failing sheep industry.

“Controlled risk assessment” is a fine academic phrase. We recall the chaos after the importation of some Brazilian beef after permission from an AQIS who had never visited the source. We recall the 2005 Senate Inquiry and no apparent disciplinary action taken against AQIS officers concerned. We recall the debacle of the 2007 Equine Influenza outbreak following importation of Japanese horses. We recall the reports of Eastern Creek Quarantine Station hygiene and discipline. AQIS had been warned on the tick carrying capacity risks for the disease as far back as 2000 by Robert Steel.

We have no confidence in those assigned the task of “Controlled risk assessment-

See annexure 1. Time Line on Disease

- **Price implications and unemployment.**

The USDA website's 18.11.2009 entry shows that US beef is currently selling to US consumers at around half the price that Australian consumers pay for their beef. US feeder steer producers were getting 32% more than Australian producers.

The US beef chain is much more efficient than Australia's due to-

1. Subsidised grain in their feedlots(their main means of growing out cattle);
2. Cheap imported labour in their abattoirs and
3. A fiercely competitive retail sector with over 60 supermarket chains.

Their table beef is graded by independent Government graders and is identified to the consumer. This gives much greater confidence in product than in Australia where there is no independent grading. Their per capita consumption is around 17% higher than Australia's.

Beef traders are already doing their sums on importing high quality US beef and those sums are looking good. It will cost around 58 aus. cents/kg to bring beef in (same as the flood of North American pork). The USDA website gives \$aus13.86/kg for Choice grade sirloin at retail. The equivalent (if you can find it) is selling in Australia from \$ 30 to \$50 kg at retail. We have seen what the opening of the floodgates did for Australia's pork industry. Should this decision be upheld we will see the closure of a lot of Australian owned abattoirs causing major unemployment in regional centres? We have seen our Orange, tomato and Onion industries destroyed by application of Canberra's Free Trade disease—now, apparently, it is beef's turn.

Question-What quota and tariff arrangements are envisaged to protect our industry –as every country but Australia and New Zealand do?

- **Loss of Australia's "clean and green" image for world trade.**

Australia has made much of its freedom from FMD, BSE, Blue Tongue, Scrapie etc. We have gone further to promote our image with a unique and

very costly NLIS system. Despite these factors our producers are receiving the second lowest prices in the developed world. By allowing in beef from BSE affected countries we are relinquishing this much touted selling advantage. We will be competing with the largest cattle herd in the World- the Indian herd - on price alone.

WE ASK THE COMMITTEE TO ASK THE SENATE TO OVER RULE THIS SUICIDAL DECREE.

ANNEXURE 1

Time Line” .		
Date	International	Australia
1952		Scrapie in Australia - promptly eradicated
1966		Australia bans imports of stockfeed and ingredients of animal origin, except for products from New Zealand and fishmeal.

Time Line”.

Date	International	Australia
1984	UK suspects first BSE case.	
1986	UK identifies BSE. Southwood working party formed to provide advice on BSE.	
1988	BSE notifiable in the United Kingdom. Ban on ruminant protein from sheep and cattle feeds in the UK.	Australia suspends imports of live cattle from the UK and Ireland.
1989	<p>Southwood report states BSE is unlikely to be a threat to human health.</p> <p>Tyrell Committee established to advise on research priorities for BSE.</p> <p>Spongiform Encephalopathy Advisory Committee (SEAC) established.</p> <p>EU bans UK cattle born before 18 July 1988 and offspring of affected or suspect cows.</p> <p>Specified bovine offal banned from use in human food in the UK.</p>	
1990	<p>First case of feline spongiform encephalopathy confirmed.</p> <p>UK Chief Medical Officer states beef is safe to eat.</p>	<p>Australia commences a surveillance program involving the examination of the brains of cattle that will identify BSE.</p> <p>Imported UK cattle place under quarantine observation.</p>
1991	Reports of BSE in France and Switzerland.	<p>Australia extends the restrictions on live cattle to include France and Switzerland.</p> <p>Imported French and Swiss cattle place under quarantine observation.</p>
1992	SEAC states that existing measures should	

Time Line”.

Date	International	Australia
	protect human health.	
1993	United Kingdom Chief Medical Officer reiterates that beef is safe to eat.	
1994	BSE shown to be orally transmissible in cattle.	
1996	SEAC announced probable link between BSE and vCJD. EU bans British beef. UK bans cattle older than 30 months from the food chain. WHO issues recommendations on banning the feeding of ruminant meat and bone meal to ruminants.	Livestock industry adopts voluntary ban on the feeding of ruminant-derived meat-and-bone-meal (MBM) to ruminants. Imported cattle from countries that are now BSE affected were traced and those remaining alive placed under lifetime quarantine. BSE AUSVETPLAN manual released.
1997	Phillips Inquiry established. OIE BSE Chapter adopted.	Legislation is passed in all States and Territories banning ruminant-derived MBM being fed to ruminants.
1998		National TSE Surveillance Program established. First national audit of the ruminant feed ban.
1999		Ban on ruminant-derived MBM being fed to ruminants further extended to cover the feeding of specified mammalian material to ruminants in all states and territories.
2000	Phillips Inquiry report published.	Australia assessed by the EC as Geographical BSE Risk Level

Time Line”.

Date	International	Australia
	First indigenous cases of BSE discovered in Germany, France, Italy and Spain.	I:(most favourable). Second national audit of the ruminant feed ban.
2001	EU suspends the use of meat and bone meal in foodstuffs for farm animals and will test all animals aged over 30 months destined for human consumption. It also extends the list of specified risk materials to include the entire intestine of bovines. Japan announces first case of BSE.	Biosecurity Australia completes a risk assessment that finds that there was negligible risk that BSE was introduced to Australia through the importation of European cattle. Third and fourth national audits of the ruminant feed ban. Imported Japanese cattle traced and placed in lifetime quarantine. Ruminant feed ban extended to include feeding all animal materials to ruminants, with the internationally recognised exceptions of gelatin, milk and tallow.
2002		COAG MOU on national response finalised.
2003	Canada announces first case of BSE. US identifies BSE in an imported Canadian cow.	Ongoing audit program for ruminant feed ban in accordance with national guidelines. Imported US and Canadian cattle traced and placed in lifetime quarantine. BSE AUSVETPLAN manual – major update.
2004		Australia established the TSEFAP. This nationally coordinated program will incorporate the NTSESP, as well as established surveillance,

Time Line”.

Date	International	Australia
		<p>compliance, research and development initiatives that are already undertaken by both government and industry participants.</p> <p>Biosecurity Australia completes a risk assessment that finds that there was a negligible risk that BSE was introduced to Australia through the importation of US or Canadian cattle.</p> <p>Australia assessed as most favourable BSE status by New Zealand and European Commission.</p>
2005	US announces first indigenous (atypical) BSE case.	<p>BSE AUSVETPLAN manual - updated.</p> <p>TSEFAP website launched</p>
2006		OIE concludes that Australia meets the requirements of a 'BSE free' country.
2007	OIE concludes that the following countries meet 'Negligible BSE Risk' requirements - New Zealand , Argentina, Uruguay, Singapore; or 'Controlled BSE Risk' requirements - Brazil, Canada, Chile, Switzerland, Chinese Taipei, United States.	OIE concludes that Australia meets the requirements of a 'BSE negligible risk' country (this category supersedes the previous 'BSE free' category)
2008	OIE concludes that the following countries meet 'Negligible BSE Risk' requirements - Finland, Iceland, Norway, Paraguay, Sweden; or 'Controlled BSE Risk' requirements - Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lichtenstein, Lithuania,	

Time Line”.

Date	International	Australia
	Luxembourg, Malta, Mexico, Netherlands, Poland, Portugal, Slovak Republic, Slovenia, Spain, United Kingdom.	
2009	OIE concludes that the following countries meet 'Negligible BSE Risk' requirements - Chile; or 'Controlled BSE Risk' requirements - Colombia, Japan	

Annexure 2

Examples of tariffs applicable (2009) to Australian beef exports include:

Country	Bound Tariff*	Effective Tariff Rate
Canada (above quota)	26.5%	26.5%
China	18.6%	12%
European Union	100%**	In quota 20% customs duty. Above quota 12.8% + 141.4-304.1 euro/100kg
Indonesia	50%	5%

Japan	50%	38.5% (special safeguard of 50%)
Mexico	45%	20% - 25%
Philippines	40%	10%
South Korea	40%	40%
Taiwan ('other quality' beef)	29%**	NT \$10/kg
Thailand	51%	29.33% (zero by 2020 under TAFTA)
United States (above quota)	26.4%	26.4% (zero by 2022 under AUSFTA)

* Bound tariffs are those agreed to under GATT or WTO. They represent commitments not to increase tariffs above the listed rates - the rates are "bound".

** Estimated tariff equivalent (average across tariff lines)

As tariff rates alter, reference should also be made to the tariff schedules available from the relevant authority in the country of interest.

Tariff quotas applicable (2009) to Australian beef exports include:

Country	Tariff Quota (tonnes)	Within Quota Tariff Rate
Canada	35,000 (calendar year)	Zero
European Union (High Quality Beef)	7,150 (fiscal year)	20% customs duty

United States	403,214 (calendar year) expanding to 448,214 by 2022 under AUSFTA	Zero
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