

IN BRIEF

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## **Chronology of BSE-Related Events** and **Government Initiatives**

20 May 2003	The Canadian Food Inspection Agency (CFIA) announces the discovery of a single case of bovine spongiform encephalopathy (BSE) in Alberta. Borders are immediately closed to all Canadian cattle and beef products.
18 June 2003	Federal, provincial and territorial Ministers of Agriculture (except for Quebec) announce a cost-shared National BSE Recovery Program to provide temporary assistance to the beef industry so that it may continue to operate while borders are closed. The estimated cost of the program is \$460 million, of which the federal portion is \$276 million and the provincial portion is \$184 million.
26 June 2003	A group of international experts from the "Office international des epizooties" (OIE) tables its Report on Actions Taken by Canada in Response to the Confirmation of an Indigenous Case of BSE.
18 July 2003	Agriculture and Agri-Food Canada (AAFC) announces measures requiring the removal of specified risk materials (SRM) from carcasses of cattle older than 30 months. SRM are tissues that, in infected cattle, harbour the BSE agent. The new SRM policy comes into effect on 24 July 2003.
21 July 2003	Quebec joins the National BSE Recovery Program.
7 August 2003	Bison, elk, deer and sheep are included in the National BSE Recovery Program.
8 August 2003	The United States announces a partial reopening of its border by allowing imports of boneless meat from cattle less than 30 months old.
11 August 2003	Mexico announces similar measures.
12 August 2003	AAFC announces two new measures: the first provides a \$36-million federal extension to the National BSE Recovery Program (combined with additional support from the provinces, the extension could top \$60 million). The second measure provides advanced disaster assistance payments to producers as a transition measure until the Canadian Agricultural Income Stabilization (CAIS) program comes into force.
25 August 2003	Canada, the United States and Mexico submit a joint letter to the OIE requesting an internationally agreed-upon, science-based, trade response to BSE.
9 September 2003	Russia allows the partial resumption of beef imports, similar to the United States and Mexico.

on live Canadian cattle less than 30 months. The proposed rule is subject to comment and input from the industry and would include new protocols for the resumption of imports of live ruminants and ruminant products. If implemented, the rule could open the border to live cattle by the first quarter of 2004. 4 November 2003 The House of Commons Standing Committee on Agriculture and Agri-Food tables a report entitled The Investigation and the Government Response Following the Discovery of a Single Case of Bovine Spongiform Encephalopathy, which includes seven recommendations. The Standing Committee recommends, notably, that SRM be excluded from animal feed as recommended by the group of international experts in their Report on Actions Taken by Canada in Response to the Confirmation of an Indigenous Case of BSE. The Committee also asks the Competition Bureau to launch "an investigation into the pricing of beef at the processing and retail levels." In a letter to the Standing Committee's Chair, the Competition Bureau responds that it is not in a position to initiate such an inquiry. 21 November 2003 The Cull Animal Program is announced to help producers deal with older animals. The program is cost-shared with the provinces. The federal government commits \$120 million; the provincial contribution could be up to \$80 million. 11 December 2003 The CAIS program is officially launched. 23 December 2003 A positive BSE test result from a single cow in Washington State is announced. 24 December 2003 The federal government announces interim import restrictions on U.S. beef. Canada continue import boneless beef from will U.S. cattle aged less than 30 months, live cattle destined for immediate slaughter, and dairy products, semen, embryos and protein-free tallow. 6 January 2004 DNA testing indicates that the BSE-infected animal detected in Washington State was born in Alberta. 9 January 2004 The federal government announces a commitment of \$92.1 million over five years to enhance measures for identification, tracking and tracing, and to increase BSE surveillance and testing. 13 January 2004 The federal government announces a commitment to bilateral technical discussions between Canadian and Japanese officials to examine ways to re-establish Canadian beef exports. 16 January 2004 In joint statements, the United States, Canada and Mexico agree to enhance efforts to increase harmonization and equivalence of BSE regulations in North America. 16 February 2004 Slaughter provision is removed from the Cull Animal Program, meaning that producers no longer have to wait until cattle are slaughtered to receive program support. 4 March 2004 AAFC announces that the United States will reopen the comment period on a rule that would amend regulations regarding the importation of certain classes of live cattle and animal products from countries – including Canada – with a minimal risk of BSE.

The United States proposes to amend its BSE regulations by creating a new category of "low-incidence countries," which would have the effect of ending the import ban

31 October 2003

22 March 2004

The federal government announces the Transitional Industry Support Program (TISP), which will provide:

- 1) \$680 million for producers of cattle and other ruminants. Producers will receive a flat-rate payment based on their herd inventories (except for mature bulls and cows);
- 2) \$250 million in transition payments to help producers address income challenges in moving to the new CAIS program;
- 3) \$65 million to "top up" the Canadian Farm Income Program for the 2002 program year.

1 April 2004

The House of Commons Standing Committee on Agriculture and Agri-Food tables a report entitled *Canadian Livestock and Beef Pricing in the Aftermath of the BSE Crisis*. The report includes five recommendations, notably that the Minister of Industry instruct the Commissioner of Competition to conduct an inquiry into the pricing of slaughter cattle and beef, and that an independent body be engaged to conduct a comprehensive study of the competitive aspects of the cattle and beef products industry in Canada.

2 April 2004

End of the U.S. comment period on the proposed rule that would allow the importation of live Canadian cattle and other ruminants to the United States.

14 April 2004

The Standing Senate Committee on Agriculture and Forestry tables a report entitled *The BSE Crisis – Lessons for the Future*. The Committee recommends that part of the venture capital funding announced in the 2004 federal Budget be directed toward additional value-added capacities in the livestock sector, and that a permanent NAFTA agricultural secretariat be set up with the mandate to make recommendations for actions by NAFTA partners to regulate the trade flow when a sanitary or phytosanitary issue occurs.

18 April 2004

The United States lifts import restrictions on ground beef, bone-in cuts of beef and offal from animals younger than 30 months. The import of live cows and meat from older animals from Canada remains banned.

22 April 2004

R-CALF United Stockgrowers of America files a lawsuit against the U.S. Department of Agriculture (USDA) to halt the importation into the United States of an expanded list of Canadian beef products (bone-in meat, ground beef, etc.).

9 July 2004

The federal government announces that it will introduce new animal feed restrictions to strengthen safeguards against BSE. The government intends to require the removal of bovine SRM from the animal feed chain. These tissues are already removed from all animals slaughtered for human consumption.

12 August 2004

Canadian Cattlemen for Fair Trade, a group of Canadian cattle producers, files a lawsuit against the U.S. government seeking \$150 million under a provision of NAFTA.

10 September 2004

The federal government announces a strategy to reposition Canada's livestock industry. The government commits federal funding of up to \$488 million. Details of the measures and the level of provincial funding are being finalized. The strategy will contain the following elements:

- 1) Continue efforts to reopen the U.S. border;
- 2) Facilitate the increase in domestic slaughter capacity (\$66.2 million);
- 3) Assist the industry until slaughter capacity is increased via CAIS, TISP, cattle and feeder set-aside programs, and other programs (\$384.7 million);
- 4) Increase the international market share for Canadian beef (\$37.1 million).

14 October 2004

Canada and China sign two protocols to restore trade in livestock genetics. These protocols cover the import conditions for Canadian bull semen and cattle embryos to China.

23 October 2004

U.S. and Japanese officials reach a framework agreement that determines the conditions under which the trade of beef products will resume.

20 November 2004

The USDA completes the drafting of a new rule that will allow the resumption of trade in live cattle and ruminants. The rule is forwarded to the U.S. Office of Management and Budget (OMB) for final approval. The rule identifies regions where there is "minimal risk" of BSE and provides for the importation into the United States of live cattle less than 30 months for immediate slaughter or for feeding, provided they are slaughtered before reaching the age of 30 months. It also allows the importation of meat from cattle over 30 months and removes segregation requirements at Canadian slaughter facilities.

1 December 2004

Hong Kong resumes trade in Canadian boneless beef from animals less than 30 months.

30 December 2004

The U.S. OMB completes its review of the proposed "minimal risk" rule on BSE and returns it to the USDA for publication in the *Federal Register*. The rule is expected to take effect on 7 March 2005.

AAFC announces that preliminary tests have identified BSE in a 10-year-old dairy cow.

11 January 2005

The CFIA announces the detection of BSE in an Alberta beef cow just under 7 years of age. The animal was born in March 1998, after the 1997 feed ban. Contaminated feed produced prior to the introduction of the 1997 feed ban is suggested as the most likely source of infection.

21 January 2005

Mike Johanns is sworn in as the  $28^{\text{th}}$  Secretary of the USDA. Johanns replaces Secretary Ann M. Veneman.

31 January 2005

The CFIA announces proposed regulations to remove import restrictions that were introduced following the detection of BSE in Washington State on 23 December 2003. The CFIA plans to permit the importation of U.S. live cattle born in 1998 or later, and U.S. beef from cattle of any age from which SRMs have been removed.

9 February 2005

Secretary Johanns announces that because the U.S. investigations into recent BSE cases in Canada are not complete, the USDA will delay the effective date for allowing imports of beef from animals over 30 months of age.

14 February 2005	The House of Commons Agriculture Committee tables a status report, <i>Financial Analysis Relative to Meat Packing Companies in the Context of the BSE Crisis of 2003</i> . Based on information from five meat packing companies, the report finds that these companies had incurred higher expenditures in 2003 but also reported higher gross and net profit margins than in previous years.
25 February 2005	The USDA releases its assessment of the Canadian ruminant-to-ruminant feed ban. The report states that "Canada has a robust inspection program, that overall compliance with the feed ban is good and that the feed ban is reducing the risk of transmission of bovine spongiform encephalopathy in the Canadian cattle population."
2 March 2005	The U.S. District Court in Montana issues a preliminary injunction preventing the USDA "minimal risk" rule from taking effect until R-CALF's April 2004 case against the USDA is heard.
3 March 2005	The U.S. Senate votes to disapprove the USDA "minimal risk" rule that would permit trade to resume in Canadian beef and cattle less than 30 months of age.
10 March 2005	AAFC announces a \$50-million contribution to the Canadian Cattlemen's Association's Legacy Fund to help launch a campaign to reclaim and expand markets for Canadian beef.
17 March 2005	The U.S. Department of Justice, on behalf of the USDA, files a request with the U.S. Court of Appeals for the 9 <sup>th</sup> Circuit asking that the court overturn the decision issued by the U.S. District Court in Montana.
29 March 2005	AAFC announces the Farm Income Payment Program (FIP), which will provide a general payment to all eligible Canadian producers and a direct payment to cattle and ruminant producers. The payment is a per-head amount based on inventory as of 23 December 2003.
31 March 2005	Cuba reopens its border to live Canadian cattle.
1 April 2005	Canada, the United States and Mexico release a harmonized North American BSE strategy.
21 April 2005	The Conservative Party of Canada announces its intention to file for intervener status in the Montana court case.
29 April 2005	The Competition Bureau concludes its examination into Canadian cattle and beef pricing. The Bureau finds no evidence of collusion or abuse of dominance by beef packers or growers.
19 May 2005	The Standing Senate Committee on Agriculture and Forestry release an interim report, <i>Cattle Slaughter Capacity in Canada</i> . The Committee makes a number of recommendations aimed at facilitating the increase in slaughter capacity in Canada.
26 May 2005	The OIE updates its guidelines (the International Animal Health Code chapter on BSE) to reflect the latest science, the low risk associated with BSE and the effectiveness of risk mitigation measures.
29 June 2005	The USDA confirms that BSE was found in a 12-year-old beef cow born and raised in Texas.