

## **Background on Importation of Processed Canadian Beef Products Between August 2003 and April 2004**

In May 2003, USDA closed the border to entry of Canadian cattle and beef products after the discovery of a BSE-positive animal in Canada. On August 8, 2003, Secretary Ann M. Veneman announced a list of low-risk products, including boneless beef from cattle under 30 months of age and veal meat from calves under 36 weeks of age, that would be allowed into the United States from Canada, under certain predetermined conditions. Shortly thereafter, USDA published a proposed rule in the *Federal Register* to create a low-risk category for countries with BSE, place Canada on that list, and allow imports of, among other things, low-risk beef products and live cattle under 30 months of age to resume. This rulemaking for live animals and processed meat products continues at this time.

Secretary Veneman's August 8 announcement regarding low-risk products followed USDA's review of the results of Canada's epidemiological investigation into the detection of BSE in that country. Based on the results of the investigation, as well as international guidelines that indicate that products derived from young animals do not pose a risk to human health, USDA utilized existing regulatory authority to allow these products into the United States under import permits.

Officials with USDA's Animal and Plant Health Inspection Service (APHIS) thoroughly examined requests for these import permits, taking into account the steps Canada had taken—such as, among others, mandating the removal of “specified risk materials” from certain cattle at slaughter—to further reduce any risks associated with the meat products. The import permits issued by APHIS required that these types of risk-reducing steps be taken in order for the permit to be valid.

On August 15, 2003, APHIS posted a list of allowable products on its website as a clarification of the Secretary's August 8, announcement. The list included “trim,” which is boneless beef trimmed from carcasses originating from cattle under 30 months of age and veal (including carcasses) from calves 36 weeks of age or under. Following this clarification, APHIS received requests to allow imports of processed products from Canada that were made from approved trim and other low-risk cuts of meat. APHIS determined that the processing of the approved trim and other low-risk cuts of meat under strict conditions would not increase the risk associated with these products. The Agency allowed the entry of these products, under permit, on a case-by-case basis. APHIS issued the first import permit for approved ground/further processed product on August 27.

USDA's Food Safety and Inspection Service maintains records of the volume of product that is imported into the United States, reinspected, and cleared for entry at the Agency's import establishments, or I-houses. These records provide the volume, type, and source of product imported into the United States. Other sources of data, including that used by the Department of Commerce and collected by the Department of Homeland Security's Bureau of Immigration and Customs Enforcement, generically identifies meat products for tariff purposes and does not distinguish between, for instance, veal (which has been and remains allowable for entry into the United States from Canada) and other cuts of meat. Often, import brokers do not use the correct tariff code or may consolidate a shipment under one code, such as boneless beef and bone-in beef, instead of using a separate code to specifically identify each commodity in the shipment. FSIS is currently working to modify its data entry system to achieve harmonization with other import data.

FSIS records indicate that a total of 5,611,580 million pounds of further processed product and ground beef were imported into the United States between August 27, 2003,

and April 26, 2004. It is important to recognize that more than half of this product was not Canadian origin, but rather it was product produced in Canada from beef that originated in the United States (or another recognized BSE-free country such as Australia or New Zealand). This product was imported under conditions designed to ensure that there was no commingling with Canadian product.

The remaining portion—2,232,459 pounds of product—was imported on permits that allowed for importation of product that either originated in the United States (or another BSE free country) *or* that originated in Canada, *provided that* the product was processed strictly from animals under 30 months of age, and in accordance with a number of processing requirements designed to further mitigate any risk.

In addition, 1,504,656 pounds of beef organs and offal from Canada were imported into the United States. In October 2003, APHIS added these products to the list of approved low-risk products from Canada and began issuing import permits to allow shipments to enter the United States. APHIS' expectation was that these products would be transshipped to Mexico because of the lack of a sizeable U.S. market for this product.

On April 19, 2004, APHIS posted information on the Agency's website outlining these import revisions, including those pertaining to approved processed products, as well as the Agency's intention to begin allowing the importation of Canadian bone-in beef from animals under 30 months of age, under permit. However, this revised list of products, as well as the Agency's intention to allow imports of bone-in beef from Canada under permit, was voided by an April 26, 2004, temporary restraining order issued by a U.S. District Court Judge in Montana and subsequent agreement with the plaintiff in the legal action against USDA. USDA is closely adhering to this agreement. (Some 139,298 pounds of bone-in product were imported during the April 19, 2004, to April 26 time period.)

Although properly employing risk mitigation measures for animal and public health, APHIS should have alerted the public of the further processing permitted for products deemed enterable under APHIS permit. USDA has clarified the protocols by which these determinations are made and publicized. Nevertheless, USDA is confident in the system used for determining the safety of imported products. Again, the Canadian products that have entered the United States over recent months were produced under strict guidelines and pose no threat to public health. In the meantime, USDA continues its work to finish the rulemaking process on allowable imports, which is an open, public process.

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