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## Mad Cow Forces Beef Industry to Change Course

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**J**effrey Behling, a dairy farmer in Washington State, used to burn the carcasses of his hobbled "downer" cattle until he found there was a market for their meat. Even so, selling damaged cows for human consumption never sat well with Mr. Behling, who in 2001 briefly had in his feedlot the Holstein cow identified last month as the downer with mad cow disease.

"It's an absurd practice," Mr. Behling, 44, said in an interview. "Foolishness caused by maybe a certain amount of greed."

The financial motive that drove the industry to defend practices like selling downers has been turned on its head by the discovery of mad cow disease. Now, in an attempt to rescue the market for American beef, the industry is being forced to accept regulation it has long fought.

But some large American companies that process and sell beef had already abandoned those more controversial practices, which had been a rallying point for food safety advocates since mad cow disease appeared overseas nearly two decades ago. While a schism developed in the industry, the current crisis reveals how government regulators sided with companies that adhered to those methods of operation.

When an animal rights group, Farm Sanctuary, and an individual, Michael Baur, sued the government to force a ban on using downer animals for food, government lawyers persuaded a federal judge to dismiss the case on the ground that mad cow disease, or bovine spongiform encephalopathy, had not appeared in the United States.

"The threat of B.S.E. from downed livestock is not `real and immediate,' " the lawyers argued. "B.S.E. has never been found in the country's livestock, and there is no reasoned basis to expect that it ever will be considering the measures being taken against it." An appeals court reinstated the case on Dec. 16, 2003 — one week before the announcement that the disease had been discovered.

For years, the industry had a simple strategy: Fight proposals that would crimp its ability to squeeze as much revenue as possible from each cow. The finances were compelling.

At least 150,000 downer cattle — those who because of injury or illness cannot walk — were sold annually for human consumption for as much as a few hundred dollars apiece, extra money for cattlemen struggling with low prices. Food safety advocates warned that these cattle could carry disease, but the political power of the industry was evident in 2002 when its lobbyists helped defeat legislation banning the commercial slaughter of downer cattle even after it had been approved by the House and the Senate.

In the 1990's, meatpackers bought machines that were able to strip a few extra pounds off carcasses while saving millions in labor costs. Critics tried to limit the use of the so-called advanced meat recovery systems, citing studies showing that the extra meat was sometimes laced with nerve tissues, where mad cow disease can incubate. But by one consultant's account several years ago, getting rid of the machines would mean a loss to

the industry of more than \$130 million a year.

Now the money saved by fighting those changes is dwarfed by the billions the industry stands to lose unless it can convince consumers, especially overseas, that its beef is safe.

"They played a high-risk, high-stakes game, and they lost their bet," said Representative Gary L. Ackerman, a New York Democrat who pushed for a ban on the commercial slaughter of downer cows. "Now the perception among millions of people is that this product isn't safe, and they can't put Humpty Dumpty back together again."

### It Was the Best of Times

As part of the campaign to restore consumer confidence, Agriculture Secretary Ann M. Veneman last week banned the use of downer cattle for meat and imposed further regulation on advanced recovery systems. Still, after the disease was detected last month, cattle prices plunged about 20 percent, while the \$3.6 billion export market for beef, veal and variety meats largely evaporated, according to Cattle-Fax, an industry research firm. This came after United States beef prices had reached record highs, partly because of the restriction of imports from Canada after the mad cow outbreak there and the rising popularity of beef-friendly eating trends like the Atkins diet.

"The last year had been heaven on earth for beef producers," said Don Stull, a co-author of "Slaughterhouse Blues," a study of the meat industry.

But even in the best of times, meatpacking remains a cutthroat business. Steve Kay, the publisher of Cattle Buyers Weekly, estimates that profit margins rarely climb above 2 percent as companies deal with fluctuating cattle prices and relatively higher labor costs.

Those financial constraints, which led meatpackers to harvest every last pound of meat, also caused consolidation in the industry.

Five meatpackers now slaughter more than 80 percent of the nation's steers and heifers: Tyson, Excel, Swift, National Beef Packing and Smithfield. Bigger slaughterhouses have cut processing costs by as much as 40 percent, according to Agriculture Department data. Wholesale beef prices have declined almost every year since the early 1980's.

"We have the cheapest food supply in the world in terms of what we spend on food as part of our incomes," said Dean Cliver, a professor of population health at the University of California at Davis.

Affordable beef has helped make for easy relations between the industry and federal regulators. According to the Center for Science in the Public Interest, a consumer group, a dozen top officials of the Department of Agriculture have worked or lobbied for the industry or for industry trade groups. They include Jim Moseley, the deputy agriculture secretary, who was managing director of Infinity Pork LLC, a hog farm; Dr. Chuck Lambert, the deputy under secretary for marketing and regulatory programs, who was chief economist of the National Cattlemen's Beef Association; and Mary Waters, the assistant secretary for Congressional relations, who was senior director and legislative counsel for ConAgra Foods. "It's not surprising the industry has so much influence given the number of U.S.D.A. officials who have been hired directly out of the meat industry," said Caroline Smith DeWaal, the center's food safety director.

Alisa Harrison, the department's press secretary, said Secretary Veneman set policy by consulting a wide range of advisers and interest groups. "To make a sweeping charge that her decisions are influenced just because she

has people from industry on her staff is very disingenuous," she said. She also noted that the department's top food safety official, Dr. Elsa A. Murano, had been director of the Center for Food Safety at Texas A&M University.

Ms. Harrison also said the department had been attentive to the dangers of mad cow well before last month. "We were able to make the quick announcement that we did last week because a lot of the groundwork had been going on" since the discovery in May of a cow in Canada with the disease, she said. "These are things we have been looking at."

But the debate over the advanced recovery system shows how the industry and regulators have resisted pressure from safety advocates since the disease appeared in Britain in 1986 and then spread to 18 other European countries.

### New Process, New Concerns

The technology, developed a decade ago, uses hydraulic pressure to force extra pounds off cow carcasses, producing filler for processed foods like hamburger, hot dogs and pizza toppings. Consumer groups initially complained that bone was getting into the advanced meat recovery product and argued that the product should not be labeled as beef. Then, in 1997, federal agriculture officials announced that they had found spinal cord tissue in some of the meat.

Concerned that the nerve tissue could increase the public's risk of contracting mad cow disease, consumer groups asked the government to ban the technology, said Linda Golodner, president of the National Consumers League.

But both the industry and government regulators resisted, arguing that the absence of the disease in the United States showed that there was no problem. "For us, so far, it's a non-public-health issue because we have no B.S.E.," Kaye Wachsmuth, who was then deputy administrator for public health science at the Agriculture Department, said in 1998.

There were other arguments against the ban. The machinery replaced workers who could suffer crippling injury from trimming the carcasses by hand; one consultant study estimated that 394 workers would be injured if slaughterhouses returned to hand-trimming.

Companies that sell the machines say such beef poses no threat. "The accepted science essentially states that there is not any relationship between B.S.E. and A.M.R.," said Harold T. Hodges, vice president of government relations and product quality for the BFD Corporation, one of the distributors of the machines. "We've never had an issue."

Proponents of the technology argued that proper enforcement of the technology, rather than a ban, could prevent contamination.

"It's always been a legitimate enforcement compliance issue to ensure that what you call beef is beef," said Robert Hibbert, a lawyer who represented meat processors that used the technology. "There is no justification for banning something on the basis that it has been removed by a machine rather than by hand with a knife."

But some industry officials worried that not every processor used the machinery properly. At an American Meat Institute conference in Chicago in 1997, an executive of a major beef producer warned that applying too much pressure would force bone material into the beefy mush. In addition, the spinal cord has to be carefully removed before the cow carcass is fed to the machine.

## Second Thoughts

As federal officials continued to find traces of nervous-system tissue in recovered beef, some companies determined that the potential cost of these practices outweighed the gains.

With consumer groups pressing for a boycott of meat produced using advanced recovery technology, a host of restaurants and producers announced they were advanced meat recovery free, including General Mills and McDonald's, which swore off downer-cow meat as well.

In a fact sheet, McDonald's says, "These policies meet or exceed all government requirements, and have been reviewed by our international scientific council on B.S.E., made up of renowned experts in this field."

Meanwhile, some slaughterhouses had other reasons to stop using the machines. In late 2002, Shapiro Packing, a processor in Augusta, Ga., produced tainted beef using the machinery system. The contaminated material was destroyed, but the company had to spend a lot of money to shore up its operation, said Dane Bernard, vice president for food safety at Keystone Foods, which manages Shapiro Packing.

Additional workers were placed on the line to ensure that the carcasses were properly stripped of their spinal cords, and the company's inspections became nearly continuous, Mr. Bernard said. The new measures increased expenses while big beef buyers were boasting that their food was not processed using advanced meat-recovery systems. So last summer, Shapiro mothballed its machinery and returned to manual trimming.

"I can't say we had a crystal ball," Mr. Bernard said. "Sometimes it's better to be lucky than good."

The discovery of mad cow disease is likely to increase the debate over the technology. Dr. Wachsmuth, the agriculture official who defended the technology in 1998, said in an interview on Saturday that the absence of the disease had been an important factor in that defense. "The mere threat of it wasn't enough," said Dr. Wachsmuth, who is now retired. "Now that we do have B.S.E., maybe it should be revisited."

Dan Murphy, a spokesman for the American Meat Institute, the meatpackers' trade group, said the number of processors using the technology had recently fallen to fewer than 30 from 35. He said that the machines once produced several hundred million pounds of meat a year, but that a survey in late 2002 found the number had dropped to 45 million.

Even so, he said, "We're confident that this is a safe, wholesome product that doesn't trigger any concern or carry any danger in its use." But he acknowledged that some members of the association were less supportive: "There are companies that would just as soon we said nothing."

In her announcement last week, Secretary Veneman imposed regulations intended to further keep unwanted tissue from the food supply, but she stopped short of a ban on the technology.

Mr. Murphy, the industry spokesman, acknowledged that a further review of the technology was possible, especially if there is pressure from overseas trading partners. "Nobody is going to give up \$1.2 billion in beef trade for a handful of A.M.R.," he said.

In Washington State, Mr. Behling, the onetime holder of the diseased cow, said that in the days since the discovery of mad cow, the industry has learned that lesson in global economics. Mr. Behling, who has a few thousand cows in his operation, said that when the occasional downer cow appeared, a slaughterer would drive out to his farm with a hoist and give him \$100 for the hobbled animal.

But in the wake of the mad cow crisis, he said, "My feeling is that any money that dairy farmers might have made from downer cows, they gave it all back this week."

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