

TRANSCRIPT

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of
Technical Briefing and Webcast with U.S. Government Officials on BSE Case
Friday, December 26, 2003

Operator: We're standing by. Your lines will be on the listen only mode until the question and answer session of today's conference. At this time I'd like to turn the call over to Mr. Ed Curlett with the USDA. Sir, you may begin.

Mr. Ed Curlett: Hello and thank you. My name again is Ed Curlett. I'm with the U.S. Department of Agriculture just a couple of things before we get started. If you want to ask a question you should hit *1 and you should do so pretty quick because it's used for those – it gets pretty long. The way it's going to work today is Dr. Ron DeHaven, he's our Chief Veterinary Officer for USDA will give some opening remarks, updating everyone on the situation. We also have a specialist here from the Food and Drug Administration and the Food Safety and Inspection Service they will introduce themselves as appropriate to answer follow-up questions following Dr. DeHaven's statement and I'll just ask that when you do get on to ask your question, that you state your name and your affiliation and then ask the question and with that I will turn it over to Dr. DeHaven.

Dr. DeHaven: Ed, thank you very much and I also want to express my appreciation for everyone being on the call and certainly in the interest of the accurate and complete reporting on this situation. As Ed mentioned my name is Dr. Ron

DeHaven. That's capital D-e-H-A-V as in Victor E-N. I'm the Chief Veterinary Officer for the U.S. Department of Agriculture. We are currently only in day three of our investigation relative to this case of BSE found in the State of Washington. For those of you that may not know all of the relevant background and what has happened up to this point I would encourage you to check out our USDA website where we have a complete summary of the situation up until yesterday. Just to reiterate some of the most significant points it was on December 23rd that a single cow, a non-ambulatory or downed animal slaughtered on December 9th at Verns Moses Lake Meat was tested positive. Again, the animal was slaughtered on December 9th and we had positive test results on December 23rd. This particular cow had been culled from the herd due to complications associated with pregnancy. She was a four to four and a half year old animal. This Index herd from which she was sent to slaughter is under a state hold order. The animals are on quarantine. No cattle can move off of the farm without an official permit. Indeed, any cattle that would happen to die on that farm will be tested and are on hold, are under that hold order. We have at this point not made any decisions on the disposition of the herd as to whether we would depopulate any or part of that herd. It would just be premature and too early in our investigation to make those decisions but as I mention in the meantime though that entire herd is under quarantine. Going back to the cow in question anti-mortem inspection of her revealed no additional health problems associated with the carcass other than what you would expect from an animal that had just calved and had some complications with calving. The meat from the December 9th production of Verns Moses Lake Meat has been subject to a

Class II recall by Food Safety Inspection Service but that action, I should emphasize is being taken out of an abundance of caution, not because we perceive that there is any risk to the safety of the food at this point. The specified risk materials, and we refer to them as SRMs, those are the tissues or that portion of the carcass that is most likely to contain any of the infectious agent. Those tissues were removed from this carcass and sent to an inedible rendering. They did not enter the human food chain. The Food and Drug Administration as well as the state officials are in the process of tracing the destination of those rendered materials. I would also point out at this point that we have had in place since August 1997 a feed ban that would prohibit those materials from being fed back to the cattle, which is thought to be the most likely source of spread of this particular disease. On the morning of December 25th, yesterday Christmas morning the International Reference Laboratory in Weybridge, England confirmed the diagnosis based on slides that were prepared by our National Veterinary Services Laboratory and sent to them. We've also sent to this laboratory additional tissues from the infected cow and over the next several days that laboratory will be conducting additional tests to confirm the diagnosis but based on their initial interpretation as well as the results from our National Veterinary Services Laboratory we are proceeding on the assumption that we have a confirmed positive case. Our tracing forward and tracing back investigation continues today with the emphasis being on trying to identify the herd of origin of this particular cow. As far as the trace back, we do know that the infected cow – or excuse me, the trace forward, the infected cow had recently given birth to a bull calf. That calf was subsequently sold to a bull calf feeding operation in

Sunnyside, Washington. That premises is also under a state hold order or quarantine and at least for the time being, no animals will be leaving that premises. The Index cow, the infected cow that had two additional calves in the week before the concern with these calves is even though it's thought to be scientifically a highly unlikely means of spread there's a potential that the infected cow could pass the disease onto her calves and so we have information on all three calves that were born to this infected cow. As I just mentioned the one that was born just prior to the animal being sent to slaughter is at this bull calf feeding operation in Sunnyside, Washington. One calf died at birth shortly after her initial purchase and arrival onto the Index Farm and that would have been in 2001, October of 2001 and the other calf remains in the Index herd and as a yearling heffer is subject to that quarantine or hold order imposed by the state. As far as our trace back investigation in terms of trying to identify the birth herd of this cow we do know that the infected cow had been brought onto the farm, bought by the owners of this herd in October of 2001. There are two possible sources for this animal one is the livestock market. There were some cattle that entered into the Index herd purchased at this livestock market in the October 2001 timeframe and so we are tracing back from that point. The second possible source is a dairy cattle finishing farm from which the Index herd owner had bought several cattle, we think over a hundred cattle in the October 2001 timeframe and we are still in the process of examining records and tracing back those animals in an attempt to find the Index herd. As part of our overall effort we are looking at our current system in place as it relates to BSE. We have been conducting surveillance testing now since 1990 with emphasis in increased testing over

the past couple of several years. For example in 2002, we tested 19,990 animals targeting high-risk population. Those were the animals who were exhibiting any kind of nervous system disorder as well as animals who were non-ambulatory or were down at the time of slaughter. We tested 20,526 of these animals in our fiscal year 2003 and even before finding this case we had made a determination that we were significantly going to increase that testing for the fiscal year that has just started targeting 38,000. Our purpose in this testing is to not only to determine a level – a certain level of confidence whether or not we have the disease but it's done to determine at what prevalence. So our sampling size is based on an intent to find the disease if it were to exist in the United States at a level or a prevalence of one million animals at a 95% confidence level and again, that has been the basis for our current level of testing and as I mentioned we are looking very closely at our options with regard to potentially increasing that level of testing. Other parts of our program that we feel have provided significant safe guards both to human and animal health improve the fact that those specified risk materials, those tissues that would be the tissues that would contain the prion or the infectious agent have been removed at slaughter from any non-ambulatory or downed animals. We're looking at possible changes with regard to our SRM policy. We, as I mentioned have had in place since almost 1997 a feed ban that would prevent the feeding of ruminant protein back to ruminant animals as that is the most likely source of infection for animals and we of course are looking at any necessary modifications to that as part of our overall effort. With that as Ed mentioned we have representatives from several different agencies within the department that are here to assist me in answering

questions and Operator at this point I think we're prepared to open it up for questions and answers.

Operator: Once again at this time if you'd like to ask a question please press *1. Your first question does come from Lisa Stark. Please state your company name.

Lisa Stark: Hi, this is Lisa Stark with ABC News first a request and then a question. These briefings are great and we appreciate that you're holding them but for television we need some things on camera and we would appreciate it if you can think about doing it on camera briefing today or making people available so I will just throw that out for you. Secondly, there's been some talk that this cow may have actually come from Canada. Do you have any information or any guidance on whether that might in fact be the case and secondly, the bull calf feeding operation that's also under quarantine can you give us a sense on how large that operation is size wise. Thank you.

Dr. DeHaven: Thank you this is Dr. DeHaven. With regard to your first question about the potential source of this animal it would be premature for us to speculate at this point in time where the birth herd might – where it might be but as I mentioned truly that is the emphasis of our investigation at this point in time. We do know that the potential immediate sources of this cow going into the Index herd lead us back to another facility, dairy type facility in the area close to Mabton, Washington also a livestock market in the area but from there the epidemiological investigation becomes a tangled web of different possibilities, if you will. Certainly some of those do lead back to Canada and some of those other leads would take us into the State of Washington and other states as well. So while anything is a possibility at this point it would certainly be premature to speculate as to whether or not this animal might or might not

have originated from Canada. In terms of the size of the bull calf feeding operation we do know that the calf in question is in a group of over 400 bull calves that range in age from seven days to 30 days. We will attempt to narrow down that population to try and identify this particular bull calf but in the meantime all of those animals remain under the state hold order.

Lisa: And one follow-up if I could. You talked about this tangled web of trying to find out where this cow originated from. There's been call for putting in a system in the United States that would track a cow more easily from birth all the way until slaughter as some other countries use. Do you feel now that it's imperative that this system is put in place here in the U.S. so that you don't have to go through these twists and turns and these machinations to try to track down the origin of a particular animal? Thank you.

Dr. DeHaven: This is Ron DeHaven again....

Dr. DeHaven: This is Ron DeHaven again. Indeed, we have been working for a number of years in developing a tracing system or an animal identification system that would be an electronic based system, microchip base that would allow us to trace animals from whatever their current location is back to the premises of origin. We have been working collectively with our partners in the states as well as all of the livestock industry groups in terms of developing an animal identification system and is the case with any new disease outbreak. The importance of that ability to trace animals back to their premises of origin is highlighted and this is no exception to that case. We are well on the road towards developing such a system with our partners as I mentioned in other

federal agencies, state agencies and certainly with our industries as well. Next question operator?

Operator: Your next question comes from Lya Beth Ward. Please state your company name.

Lya Beth Ward: I'm with the Acme Herald Republic. When you mention your investigation leading you back to another dairy type facility close to Mabton what is a dairy type facility and do you expect further quarantines?

Dr. DeHaven: That other facility is not a livestock market but rather it is a dairy operation that is a finishing facility for primarily dairy heifers coming from multiple locations where they are held until they then go on to permanent dairy type facilities. So the distinction being that this is not a livestock market but it is a dairy finishing facility where animals are held pending placement in dairy facilities in other parts of the state.

Lya: And who owns those calves?

Dr. DeHaven: Those are owned by an individual – the facility is owned by one person. Calves – excuse me the cattle are owned by other individuals and of course at this point in time we are not divulging the exact location or names of those individuals. Operator next question please?

Operator: Your next question comes from Murray Jacobson. Please state your company name.

Murray Jacobson: Hi, I'm with the News Hour with Jim Lehrer. I was calling if you could let us know a little bit about the timeframe that might take to work on tracing where this cow came from. How long might this take? Can you tell us a little bit about that process?

Dr. DeHaven: I sure can. This is Ron DeHaven again. Certainly that is one of, if not our top priorities. We have had a group of investigators, veterinarians, both federal and state animal identification coordinators, colleagues from the Food and Drug Administration, et cetera on the ground since day one on this – in this investigation and I think I should emphasize at this point we are only in day three of what is no doubt going to be a very complicated and complex investigation so I think the information that we have at this point taking into account that one of those two days of investigation was Christmas Day and very much limited our ability to contact some of the people that needed to be contacted. I think it's a credit to the people that we have together and are currently working on the ground. In terms of our ability to definitively identify the birth herd and then all of the trace outs from there I think is surely a matter of how well we are able to match up identification in what we know about the animal from the records at the Index herd with other records whether they be from these other facilities where the animal may have been. These are records from our own state and federal offices as well as to the extent that some of these traces go back to Canada records that might be available from our colleagues in Canada so all of those things are happening as we speak. In terms of timeframe if we're lucky we could know something within a matter of a day or two. As I would point out with the situation in Canada with their finding of a single BSE case in that country on May 20th certainly they are to be commended for a very extensive comprehensive and rapid investigation that they did but even so it was a matter of weeks before they were able to identify a birth herd and actually a matter of months through DNA testing that they were able to definitively identify the birth herd. My

hope is that we will be able to identify that location within a matter of days but we have no idea what we might be able to find or not find in terms of records that will lead us there so we also have to recognize that it might not be a matter of days it could be a matter of weeks or months and there's always that possibility that because of lack of records we might not be able to absolutely determine that at all. So again, given the fact that we are early in day three of our investigation I think it's a credit to our folks with the information that we have and they are actively working as we speak.

Murray: If I could just ask really quickly as well. It would be good if we could find a way to reach Ed or someone at USDA because when we call the office we can't get through so.

Mr. Curlett: You can reach me at area code (301) 734-3256. You could also reach someone that could help you at (202) 720-4623.

Murray: Thank you.

Dr. DeHaven: Thank you. Operator next question?

Operator: Your next question comes from Phil Long. Please state your company name?

Phil Long: Phil Long with the Miami Herald. Is there any part of your investigation that takes you to the State of Florida?

Dr. DeHaven: Again with the number of contacts that might come out of an investigation with the number of animals that we have to trace out from this situation potentially many states could be involved. I honestly don't have direct knowledge as to whether or not Florida or any other specific state may or may not be involved in this investigation. I would only say that I have no direct knowledge at this point of any involvement in the State of Florida but it is

again, too premature to suggest whether Florida or any other state might or might not be involved in our investigation.

Phil: Thank you.

Dr. DeHaven: Next question Operator?

Operator: Your next question comes from Juliette Merchant. Please state your company name.

Juliette Merchant: I'm calling from CNN Medical Unit and my question is, since the feed ban in 1997, this calf was obviously born after that it shows that there's no compliance. What repercussions will it be to follow up from this?

Dr. DeHaven: This is Ron DeHaven. I will make an initial response to that and then defer to Dr. Steve Sundlof who is on from our Food and Drug Administration. We have had in place since August of 1997 as you mentioned the feed ban that would prohibit the feeding of ruminant protein back to other ruminants. As with any new regulation compliance improves over time. I think it would be premature to speculate what happened in this case or what changes might be made to that feed ban until we again can find that birth herd, which again would be the most likely location where the infection would have occurred so part of the investigation assuming we get back to the birth herd would be to thoroughly investigate what was fed to the animals, this infected animal plus any birth cohorts, animals that would have been in the same age range at the time and then where did that feed come from. But let me provide Dr. Steve Sundlof from Food and Drug Administration an opportunity to respond as well.

Dr. Steve Sundlof: Thank you Ron. This is Dr. Stephen Sundlof and I'll spell that. It's S-T-E-P-H-E-N. Last name is Sundlof, S-U-N-D-L-F as in Frank with the Food and

Drug Administration. Well the repercussions – there are again as Dr. DeHaven indicated it's going to be a matter of trying to determine where this animal may have gotten contaminated feed. Since this is generally thought to have occurred three or four years or even longer in the past this animal only being four and a half years old at the most, we would assume that it was infected very early on in life because the incubation period generally is on average four to five years that which again can make it difficult to try and trace back where the feed originated I think yourself about what you might have eaten in four and a half years ago it's not something that people generally keep real precise records on. So we will try and determine where the source came from recognizing that that may not be possible. We do know that from our compliance records in the State of Washington that there are no firms presently that are not in compliance with the feed rule. We inspect all facilities that handle ruminant protein on a yearly basis and currently all of the firms that are located in Washington State are in compliance. We don't – you know when the animal was originally infected we assumed that the compliance rate was less than 100% like it is today and as Dr. DeHaven indicated that with any new rule there is a time period that in which compliance is not 100% but then over time approaches that 100% compliance rate. There are a number of legal – we do have legal authorities to impose a number of sanctions on firms that are found to be out of compliance and those that include things such as starting out with simple things like warning letters then moving onto seizure of produce, enjoining them for doing further business and even prosecuting if that were – if it was found to be a on egregious violation of the feed law.

Juliette: Can I ask – I pushed it I'm sorry. Since the outbreak of this has any kind of food safety agency been established to, you know, calm the fears for consumers with the whole mad cow phenomenon?

Dr. DeHaven: I'm not sure that I understand that question. Could you rephrase it or provide further clarification?

Juliette: What I'm wondering I guess from the consumer angle has a food safety agency been established? I know that there is a trace back provision you're working on that trace back and trace forward but as far as alarm to consumers is there anything that's being done as far as safety for them?

Dr. DeHaven: Let me address that initially and provide an opportunity from our Food Safety Inspection Service colleagues to add onto that. We do have in place a public health food safety inspection service within the department. They are actively engaged in this investigation and their efforts largely go towards tracing where the meat from this animal may have gone and we provided some information and of course that's been subject to a recall. We also obviously have our FDA colleagues involved in this investigation and all so all of the food safety agencies are cooperating. Our efforts are coordinated and all have respective roles to play in this overall effort but from food safety inspection service we have Dr. Ken Peterson and I will allow him to – an opportunity to expand on that.

Dr. Ken Peterson: Thank you. Good morning this is Dr. Kenneth Peterson, P-E-T-E-R-S-O-N with the Food Safety and Inspection Service and we are a public health agency within the US Department of Agriculture who is responsible for inspection of meat, poultry and egg products. We are the agency that initiated the food recall in this case and so as far as the consumer perspective our

mission is to protect the public health and so we are involved with tracking down the meat related to this specific recall.

Juliette: Thank you.

Dr. DeHaven: Operator before we go to the next question let me provide just an update of obviously much of the concern around this situation has to do with trade issues. There have been a number of actions taken by our trading partners to restrict movement of beef and beef products and animals from the United States. Recognizing those concerns David Hegwood, who is the Department's Trade Advisor, will lead a team comprised of appropriate agency officials from the department to discuss the facts of the case and address issues relative to access of U.S. products. That team will be going to Japan and potentially will be visiting other Asian countries as well and that group will depart on Monday. With that Operator let's go to the next question.

Operator: Your next question comes from Dan Goldstein. Please state your company name.

Dan Goldstein: Yeah hi, guy Dan Goldstein with Bloomberg News. I'm wondering, Mr. Peterson can you give us a little update on how the recall of the 10,000 pounds or so has progressed and how many pounds you've recovered so far?

Dr. Peterson: Okay certainly. This is Dr. Peterson with Food Safety Inspection Service. We initiated the recall at 1:30 AM on Christmas Eve, December 24th and that involved 20 carcasses that were slaughtered on December 9th at Verns Moses Lake Meat and as a reminder we did take that recall action out of abundance of caution and we are recalling the muscle meat related to the production of 20 animals that were slaughtered on December 9th and the reason we frame it as an abundance of caution is because the risk from ground beef or muscle meat

is extremely low because it does not contain any central nervous system tissue. Nevertheless we decided it was prudent to proceed with the recall so that began on relating to the production on December 9th. On December 11th, Verns Moses Lake Meat shipped those carcasses to a firm known as Midway Meat in Centralia, Washington. On December 11th Midway Meat received those carcasses, those 20 carcasses and boned them out, that is removed the meat from the bone. On December 12th Midway Meat shipped the meat from those carcasses to two facilities. One is Little Net Valley Meats in Portland, Oregon and the other is Interstate Meat Distributors in Clackamas, Oregon and so those – Clackamas is C-L-A-C-K-A-M-A-S, Oregon and I have the most information related to Interstate Meats. They began grinding that meat when they received it on December 12th and all of the meat that they received from Midway on December 12th they did subsequently grind into either ground beef or into beef paddies and then beginning on December 13th they began shipping those products to a variety of – to a few locations and the second firm I mentioned Little Net Valley Meats we are just beginning to – my folks that are working in on the West Coast are just beginning to get their distribution information from that firm so I do not have it today but I will say to date we have been receiving excellent cooperation from all of these companies and they're certainly being facilitative of all of our efforts to find the recall products.

Don: How much meat however, have you recovered if any? How much have they actually been able to get back from the facilities they shipped it to?

Dr. Peterson: Okay the notifications that these firms – now these firms have also notified specifically Little Net and Interstate. They have also notified their customers

specifically of what products were shipped, when those customers would have received them and those notifications would have gone out late on Christmas Eve and so it is simply too early for us to have numbers on what if any products have been in fact returned but I would expect those to start coming in today and over the weekend.

Don: So at this point you haven't recovered any meat that you know of?

Dr. Peterson: No, the notification went out of course Christmas Eve the biggest transactions occurring yesterday was essentially zero and I would expect those companies to begin recovering the product today so I don't know if any product has in fact been recovered. If so the amounts because of the time frames here we're just over 48 hours into the recall. The time frames would constrain our ability to have numbers on the actual recalled poundage.

Dr. DeHaven: Operator before the next question – this is Dr. DeHaven again let me provide some clarification on the trade team that David Hegwood will be leading and going to Japan. They're actually going to be leaving here tomorrow so that with the time change they will actually get the ground running in Japan on Monday morning Japan time, which would be Sunday in the United States. So again, much of our effort and concern has to do with access of U.S. beef products abroad. Much of our large percentage of that market is in Asian countries. It's a team leaving very soon heading to Japan and potentially other Asian countries to be on the ground working in Japan Monday morning. If we could Operator the next question please.

Operator: Your next question comes from Sophie Longwall. Your line is open and please state your company name.

Sophie Longwall: I'm from CBC, the Canadian Broadcasting Corporation. You said that you're early on day three only of your investigation. Does that mean that when the bout first came of you know after the slaughter on December 9th that you didn't already then start looking for where this cow came from?

Dr. DeHaven: Explain that again that's – this is Dr. DeHaven again. The animal was sent to slaughter from the Index herd on December 9th. Samples were received at our National Veterinary Services Laboratory three or four days later and at the time there was no reason to suspect any reason for placing this one or this sample in the test cue above any of the other 20,000 samples that we've been testing on a yearly basis. So it was not until December 23rd that we had confirmed positive test results from our National Veterinary Services Laboratory in Ames, Iowa and so from that perspective we are in day three of our investigation because that is when we had the first confirmed positive test results and it was at that point that we sent duplicate samples as well as some of our microscopic slides to the laboratory in Weybridge, England so in fact we immediately put together a task force to initiate that investigation upon receipt of the confirmed laboratory results.

Sophie: Okay can I ask a second question? You said that you're well underway to developing identification and tracing system. If that system had already been in place like it is in Canada and in other European countries would it be easier today for you and the people investigating to trace back the origins of that car?

Dr. DeHaven: Well as is – this is Dr. DeHaven again. As is the case with the situation with the positive animal found in Canada on May 20th it takes a number of years to put an animal identification system in place and while our colleagues and friends in the Canadian Food Inspection Agency were because of their animal

identification system able to successfully trace forward young animals that were subject to that animal identification system. They were unable through that system to trace the infected cow back to the premises of origin or the birth herd so this is a huge undertaking as you might imagine to develop an identification system that would be applied to potentially hundreds of millions of livestock in the United States. So while it is certainly our goal to have such a system in place and we have worked diligently with our partners in industry and other agencies to develop such a system that's not something that is put in place overnight. It's not a system that's put in place without considerable dedication of time and resources so clearly what you described is where we want to go. It will be a long time or it will take some time to get to where we need to be. Next question Operator?

Operator: Your next question comes from Gina Teele. Please state your company name.

Gina Teele: Hi, this is Gina Teele from the Calgary Herald, Calgary Alberta, Canada. You had mentioned earlier that some of the records from the Index herd and goes back to Canada so I'd like you to elaborate on that also with the trade team going off to Japan. I know your trade with Japan is small but significant and I'm wondering if you could put a dollar value on that for me?

Dr. DeHaven: I'm sorry I heard the first part of the question relative to trace backs to Canada but I didn't catch the second question.

Gina: The second question is put a dollar value on your trade with Japan, Asia in General? I know your export a small amount there but it is a significant dollar value from my understanding and that's what I'm looking for.

Dr. DeHaven: Let me take – this is Dr. DeHaven. Let me take the first question. I'll refer to Keith Collins our Chief Economist for the second question. In terms of the

trace backs to Canada clearly before the positive BSE case in Canada and at which point the U.S. closed the border to live cattle there was a lot of movement of dairy animals from Canada into the U.S. and I would presume in the opposite direction as well. So it comes as no surprise that in an extensive and what could be very well be a very complex epidemiological investigation that some of those traces would lead back to Canada as well as to other locations in the United States.

Gina: Okay but at this point you don't have the records in place yet. Do you actually approve that?

Dr. DeHaven: It would be premature to speculate at this point on whether that investigation will lead us back to the birth herd in the United States or elsewhere. Again, that's the focus of our investigation at this point. I will say that the cooperation between the Canadian Food Inspection Agency and USDA during the BSE situation in Canada was a model to strive for. That communication in this situation has continued and I spoke on at least three occasions yesterday, Christmas Day with my counterpart in Canada so the lines of communication and cooperation are there and we are using them in this situation but we just can't speculate at this point as to where this investigation might lead us as we work to find that birth herd. So your second question let me again refer you to Keith Collins.

Keith Collins: Okay this is Keith Collins, USDA Chief Economist. Regarding the value of U.S. beef exports to Japan for calendar year 2002 we exported \$1.03 billion worth of beef, veal, prepared beef products in what's called variety meats off those organs. That accounted for about 32% of our total U.S. exports of beef, veal and prepared beef products and variety meats.

Gina: It's quite a significant drop then if that market's been cut off to you.

Keith Collins: Yes it would be a significant drop.

Gina: Okay, now as you know we here in Canada have been dealing – trying to open, reopen [call breaking up]

Dr. DeHaven: You're breaking up a little. We're going to have to go the next question. We just can't hear you so Operator next question please.

Operator: Your next question comes from Kathleen Carlson. Please state your company name.

Kathleen Carlson: Yes, good morning. New York Farm Bureau and two questions. I'd like to know if there's an estimate on the cost to farmers for implementing the microchip identification program based on what you know in other countries and Canada that have done so. The other question has to do with the [UI] dairy herd. This particular Index animal was originally a dairy cow and I'm wondering if dairy farmers should be on a particular ...

Mr. Curlett: Ma'am excuse me. This is Ed Curlett. This call is specifically for reporters. We do have information that we will make available to the Farm Bureau but for this specific call this is for reporters so with that we'll go to the next question. Thanks.

Operator: Your next question comes from Jackie Fadco. Please state your company name.

Jackie Fadco: I am from Farm Progress Publications and my first question is there any compensation for the farmers? Have you talked about any compensation for the individuals in Washington?

Dr. DeHaven: This is Dr. DeHaven. We can't answer that question yet simply because we don't know what the disposition of the Index herd would be or any of the

other animals that as part of this investigation might need to be sacrificed. I will say that historically in those situations where it becomes necessary to sacrifice animals as part of a disease outbreak an investigation indemnity that would compensate the owners for a portion of even up to fair market value of those animals has been customary but again it would be premature to speculate on what, if any animals might need to be sacrificed, or what level of compensation the owners might receive if that becomes necessary. Next question please?

Operator: Your next question comes from Jeff Sparshot. Please state your company name?

Jeff Sparshot: Hi, I'm with the Washington Times. [call breaking up]. First starting with the quarantine when did the quarantine start on the Sunnyside, Washington operation and are Mabton and Sunnyside the only two quarantines and do you expect future quarantines?

Dr. DeHaven: This is Dr. DeHaven. The Sunnyside operation, which is the bull calf feeder operation was placed under quarantine, if I'm not mistaken on December 24th, the day before Christmas, which was really the first day of our full investigation and one of our initial efforts of course was to find out where the calf from this cow had gone. So it's my understanding that that quarantine was placed on the 24th certainly at the latest it would have been sometime on the 25th.

Jeff: Mabton and Sunnyside are the only two that are quarantined?

Dr. DeHaven: At this point that is correct.

Jeff: Okay any future quarantines that you can speculate about?

Dr. DeHaven: We would place under quarantine as appropriate any facilities where there might have been some movement of this animal or prior locations where this animal might have been whether it might be a possible exposure to the infectious agent but here again, knowing that the disease is almost exclusively transmitted by consumption of contaminated feed we're talking about a disease with a four to six year incubation period. Most of the time the premises of greatest concern would be the birth premises for this infected cow because that is most likely where the exposure occurred. That premises when located would probably be placed under a quarantine or hold order pending further investigation and finding out more about what other animals, birth cohorts of this infected cow and where they might be.

Jeff: Thanks.

Dr. DeHaven: Next question Operator?

Operator: Your next question comes from Tam Moore. Please state your company name.

Tam Moore: Hi, Tam Moore from the Capitol Press. Two questions for Dr. DeHaven. First of all you made reference a couple of times to starting on the 23rd. When the Secretary made the announcement and you were on the call she stated that a test was returned in Ames on December 22nd could you clarify that and second part of this one, you said that a chronology was available on the website I'm having trouble finding it perhaps Ed could help some of us find our way to it. Third to Dr. Peterson was by the veterinary records at meat plant, was the animal ambulatory or non-ambulatory when presented for slaughter? Thank you.

Dr. DeHaven: This is Dr. DeHaven. In response to your first question about the test results. The samples went from the slaughter plant to our National Veterinary Services Laboratory in Ames, Iowa and they were received in Ames, Iowa on December 11th. We had some initial test results on the 22nd of December. As you might guess since we've not had the disease or any indication of the disease in this country prior to that time we ran those samples immediately and those results became available on the 23rd. So we considered our confirmed positive based on our NVSL or National Veterinary Services Laboratory results on the 23rd with International confirmation from the Weybridge Laboratory in the UK on the 25th. As far as the location of this background information and chronology of the situation it is available on our website. You can find that by going to www.aphis.usda.gov. You click on Hot Issues. So for the third question I'll defer to Dr. Peterson, the Food Safety Inspection Service.

Dr. Peterson: Thank you. Dr. Peterson of FSIS. The question was the animal non-ambulatory and the animal was on its sternum. It was alert but it would be what we would consider non-ambulatory and following the anti-mortem examination by our veterinarian the animal was allowed to proceed to slaughter and at slaughter the findings of our veterinarian was entirely consistent with a quite recent birthing difficulty. And by that I mean there was findings of hemorrhage in the pelvic canal as well as an enlarge uterus and so yes, the animal was non-ambulatory but the postmortem diagnosis was consistent with the information that we also received separately from APHIS.

Mr. Curlett: Hi, this is Ed Curlett. I'd just like to say we've got time for about two more questions and then I'll pass along another announcement after this.

Operator: Yes, your next question comes from Sharon Livingston. Please state your company name.

Sharon Livingston: I'm not a reporter so it's probably not pertinent. Tam Moore represents my area. I'm very concerned about the specified risk materials I hope that you're getting that information out. Thank you.

Dr. DeHaven: Yeah next question please.

Operator: Your next question comes from Keith Noonis. Your line is open and please state your company name.

Keith Noonis: Yes, this is Keith Noonis with Meat and Poultry Magazine and my question is for Dr. Sundlof. Dr. Sundlof you mentioned that you do inspections annually and I'm curious ...[call breaking up]

Mr. Curlett: Operator we're going to have to cut in here. We can't hear you, you're breaking up Sir so with that let's get to the next question.

Operator: Your next question comes from Doug Rogers. Please state your company name.

Doug Rogers: Yes, my name is Doug Rogers and I'm with the News Commercial in Collins, Mississippi. I have three questions. The first was, was the cattle a Holstein cow and if so wouldn't that aid in tracing the animal back by its registration number to its birth herd? The second was just to clarify something that we've seen. If an animal has BSE and it is in a herd of animals it is not transferred from animal to animal is that correct? And third, the 800 producers of beef in the United States what type of protection do we have for those producers in terms of price?

Dr. DeHaven: Thank you. This is Dr. DeHaven and I think we will make I was going to say the last question. We'll make this the last three questions, if you will and then

I would like to make a kind of a closing statement before Ed Curlett gives us information on the – presumably on the next call. As to whether or not this cow was a registered Holstein quite honestly we don't know at this point or at least we don't know at this level. I'm assuming that that would be one of the areas that our investigative team onsite will be following up on. We do know that she was of the Holstein breed and you are certainly correct if she is a registered Holstein that could go a long way in terms of helping us identify where the birth herd might have been so I think it's a safe assumption at this point that that would be one of the things that our task force would be following up on. I would speculate that because that hasn't come up that she probably was not but nevertheless she was of the Holstein breed and we would pursue that avenue if she is registered. In terms of animal-to-animal transmission it's not believed to be a means of spreading this disease. By far and away the most likely means of spread of the disease is by an animal consuming protein that came from an animal that is infected with the disease. So hence the scientific basis for our ruminant-to-ruminant feed ban. There has been some speculation that there may be transmission from cow to calf and so international standards suggest that as part of the investigation any offspring born to an infected cow should be sacrificed and not go into the food chain or otherwise kept from going into the food chain so casualty contact, if you will animal to animal contact on the farm is not known to be a means of spreading this disease. And the third question I would defer to Keith Collins, our Chief Economist.

Keith Collins: This is Keith Collins again. Yes, regarding your question about what form of price protection livestock producers have there is no price support program for

cattle in the United States as there is for some crops. Cattle producers in the United States have long prided themselves on their independence and their market orientation. What that means is they're generally responsible for their own risk management, their own price risk management in the marketplace and they can do that by forward pricing their animals using futures markets and other mechanisms. So producers hopefully have some protection using those kinds of vehicles. They do not have such price protection are possibly going to suffer some losses. I would point out however, that we are fortunate at least from an economic point of view that at the time this incident has occurred cattle prices have been record high. So the price declines the producers are likely going to face, while in fact will cause them some financial difficulty, will probably bring prices back to a level that they've been in the past year or so.

Dr. DeHaven: With that if we can wrap up in the interest of time. I want to thank all of my colleagues here in USDA. Steve Sundlof with FDA for your participation and certainly all of you in the media for your very good questions. I can assure you that we will be proceeding as aggressively and quickly as we can with this investigation and we will be providing you periodic updates as that investigation progresses. In the meantime, we are also evaluating our BSE program in this country, considering all of the options but in the meantime I think it's important that we emphasize that the U.S. consumer has every reason to remain confident in the safety of U.S. beef. In this particular case the specified risk materials, those tissues of greatest risk were removed and did not go into the human food chain. We've had in place for a number of years a feed ban that would preclude transmission of the disease from animal

to animal. The Food Safety Inspection Service has issued a recall but they have done so more out of an abundance of caution, not because of any relative risk knowing that the recall is focused on meat products and we know scientifically that meat is not one of the tissues where the infectious agent, the prion is known to reside. So again, we will proceed with the investigation. We'll consider any changes to the programs that we have that may be appropriate now that we have had this positive but in the meantime we're encouraged by the confidence in our consumers and think that that confidence in the safety of U.S. beef is well founded. With that, let me pass the baton to Ed Curlett for logistics on the next call.

Mr. Curlett: Thank you Sir and again I'd like to thank everyone for being on the call. Information on the next briefing will be posted on the website and through email. We haven't nailed that down yet but that notification will be made. There's plenty of time and also a full transcript of today's briefing will be put on the website and again for the daily update or the update on the epidemiological investigation you can find that on the USDA APHIS website, you can get to that website by going to www.usda.gov website. With that thank you and talk to you soon.

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