

Policy Pennings by Dr. Daryll E. Ray

Canada and BSE: It isn't "rocket" science

The decision by the USDA to reopen the U.S. border to live cattle imports on March 7, 2005, continues to reverberate throughout the cattle industry and general farm organizations. The National Cattlemen's Beef Association (NCBA) has backed off its original support for the USDA decision saying, "What action NCBA ultimately takes on handling the reopening of the Canadian border will be decided by" its members. In the face of some questions at its annual meeting, American Farm Bureau Federation (AFBF) President Bob Stallman defended the decision to open the border arguing that the decision should be based on science and not economics. Many members of both organizations want to link the opening of the US border to Canadian imports with Japan's opening its markets to US beef.

The first of several criteria that have been used in the argument over the re-opening of borders that were closed following the discovery of bovine spongiform encephalopathy (BSE) in Canada and then the US has been a call for the use of "sound science" as a means of fashioning the decision making process as a matter of "objective fact." This notion recalls high school days when we had to memorize physics formulas that would tell us things like how long it would take in a vacuum for a rock dropped from given distance to hit the earth. Once we were told the distance, everyone in class was expected to come up with the same answer. It was very objective.

Those who urge the use of "sound science" in decisions like the opening of borders after the discovery of BSE are relying on our general impression of the objectivity of science. But in this case it is not "rocket" science and the calculation of how long it would take a rock to hit the earth. It is a matter of risk assessment and probabilities. While the determination of probabilities may be a fairly straight forward matter, the assessment part is a human enterprise and different people will draw different conclusions from the same data set. The problem is not that the Japanese are unwilling to use "sound science." Rather it is a matter that because they have BSE in their cattle herd, they assess the data differently than we might. This is no different than the person who refuses to use an airline because of the fear of a crash, but gets into an automobile without giving it a second thought. We make these kinds of assessments day in and day out.

Stallman argued that "You can't have a linkage based on economics and have success long-term." The fact is that economics is ultimately intertwined with the decision making process. The difference is that some cattle feeders

are looking at short-term economics, while Stallman is looking at the long-term economic picture. Similarly, Stallman is looking at this issue from the perspective of the whole agricultural sector while the cattle producers are looking at it from the perspective of the beef market. Global trade can be good for agriculture as a whole and still have a negative impact on a given agricultural product. The issue is not economics vs. no-economics, rather it is a matter of perspective: long-term vs. short-term and sector vs. sub-sector.

The one issue that has been ignored is the matter of consumer preference. Growing up we were told that liver was good for us. Back in the days before there were so many toxic chemicals in common use we were told that scientific studies proved that liver was better for us than burgers and fries. But scientific studies aside, burgers tasted better and we took a pass on liver and onions. Not so long ago, many involved in commercial agriculture were arguing that "sound science" did not support the claims being made by organic producers. Today, organics is one of the fastest growing agricultural sectors and everyone is trying to get on board. There is a whole section in the supermarket dedicated to organic products.

Lest we forget, consumers are the reason why producers produce things. Whether it is Japanese consumers who want their beef tested for BSE, kids who want hamburgers and fries, individuals who prefer organically grown produce, or Americans who want to know the country of origin for the meat they eat, we forget the importance of the customer at our peril. Ask Detroit what happened in the 70s when domestic automakers ignored customer preferences and failed to produce what the market place wanted.

It comes down to this: In a market economy, producers and consumers do not necessarily view a procedural statement like "based on sound science" as a trump card that "folds" all other considerations. And that is probably a good thing.

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