

The Far Reaching Effects of BSE

Amy Jordison

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Mr. Keogh

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Abstract

Bovine Spongiform Encephalopathy (BSE) has greatly affected the Canadian economy since it first appeared. Those working alongside farmers, as well as farmers, were interviewed to get their perspective on why and how BSE has affected them. All sectors of the economy, whether directly or indirectly related to BSE, have been touched by the effects that BSE has had. Brandon has been greatly affected because it is a predominantly farming community. For years, Canada has depended on the United States too much for trade. No one thing by itself will solve this problem. Canada needs to explore new markets, lessen reliance on the United States, open more slaughterhouses, and develop a way to test live animals in order to recover and move on from the BSE crisis.

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The Far Reaching Effects of BSE

Introduction

Recently there has been much publicity about the current “mad cow crisis”. It will never be known what would have happened had BSE not come along, so it is difficult to pinpoint exactly how much the economy has been affected. It is undeniable though, that the Canadian economy has been greatly affected. There are many differing views on why Canada’s economy has been affected so much. Is it that we are too reliant on the Americans for trade, or is it something that was beyond our control - nothing could have been done to prevent the impact?

Many people, especially those not directly related to the farming community, do not realize the impact that BSE has had, or even fully understand what BSE is. What is BSE? Is there a need for as great a concern as the media has presented us with? How has the economy been affected? What has been done to help? Is there more that can be done?

People directly related to the beef industry, such as those involved with agricultural dealerships, were interviewed to get their perspective. Industries that are indirectly related to the beef industry were also researched. Farmers were contacted to find out how greatly they were affected. A questionnaire was sent to farmers, although few responded because of the busy season and the need to get everything done on the farm.

Findings

Basic Facts About BSE

BSE (short for Bovine Spongiform Encephalopathy) is a disease that affects the

central nervous system of cows (the brain and spinal cord). It is a degenerative disease with a 100% mortality rate. BSE is characterized by a long incubation period and a relatively short clinical course of neurological signs. Since the disease has a long incubation period, it does not normally occur in cows that are under thirty months of age. It is thought that it can be transmitted when cows eat ruminant feed, appear spontaneously, or be passed from cow to calf. Malformed infectious proteins, called prions, infect the brain and kill brain cells, creating gaps in the brain tissue.

It is very rare that a human will contract BSE. If they do, it shows up in the disease known as variant Creutzfeldt - Jakob disease (vCJD). The disease has the potential to be inactive for up to thirty years. Humans are thought to contract it from eating contaminated food (the brain and spinal cord), through blood transfusions, surgical instruments and electrodes that are applied directly to the brain that are insufficiently sterilized, and through growth hormones created from infected corpses (see Appendix B-1 for more information). The chances of contracting this disease are minute, as less than one person in a million dies of vCJD in a year (Science and symptoms, Dec. 19, 2003, Creutzfeldt-Jakob disease section, para. 2)

How the Crisis Started

In 1993, the first case of BSE in Canada was found in a cow in Alberta. The cow had been imported from the United Kingdom, where BSE was a large problem. For close to a decade, no more cases of BSE were found in Canada.

On May 20, 2003, the “mad cow disease” once again showed itself in full colour. A cow that had been staggering and was seen unfit for slaughter was euthanized. It was subsequently tested for BSE as a precaution. The test came back positive.

In December 2003, another animal that showed no signs of BSE slipped, was seriously injured, and was euthanized. The owner agreed to have the cow tested for BSE, as he received \$225. The test came back positive for BSE. This case especially shocked the public, as the cow was born after 1997. In 1997, there was a ban placed on ruminant parts being put into animal feed. It was designed to reduce the chances of BSE being spread. The discovery of this case of BSE meant that some of the feed that was thought to spread BSE was still in circulation.

When the first case of BSE was found in 2003, the U.S. and about 40 other countries quickly closed their borders to Canadian beef. Although the borders have since opened to some packaged beef, live ruminants continue to be under ban.

How the United States Has Been Affected

The United States promptly closed the border to Canadian cattle, meaning that they had a great decrease in the amount of cattle available for their packing companies. The United States meatpacking industry is now facing plant closures and severe job losses because they are without Canadian cattle, as can be seen in Appendix C-1 (Gorham, 2005c, p. A5). According to Pates, (see Appendix B-2), cull cow slaughter plants in Green Bay, Wisconsin and Washington State have closed due to the Canadian BSE crisis (Pates, 2004, We'll Find Markets section, para. 4).

One of the biggest meat packing plants in the United States, Rosen Meat Group, has had to cut its staff by 10%. They have suffered so many job losses that the payroll has gone down by almost \$2.5 million. Another packing plant in Iowa closed, putting 540 persons on unemployment. Experts in the United States are now concerned about the future beef trade between the United States and Canada, wondering if it will exist

anymore since Canadians are finding ways to survive without being dependant upon the United States (Janzen, 2005b, pp. A1, A2). For more information, see Appendix C-2.

How Western Canada Has Been Affected

Meat processing is the largest food processing industry in Canada. Canada's beef industry is worth an estimated \$30 billion. The impact of BSE has been felt in many sectors of the Canadian economy. Large numbers of businesses are linked, both directly and indirectly, to the cattle industry.

Almost overnight, Canada lost its export market. The market for calves went down, the market for cows over thirty months of age collapsed, meat rendering plants suffered cutbacks, and there was no export of live cattle allowed.

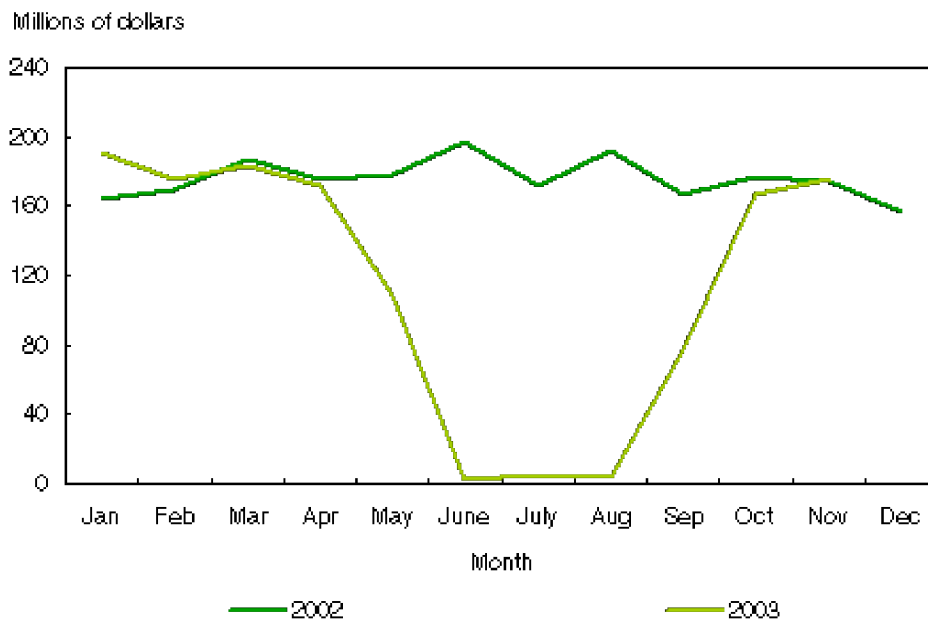
Beef producers across Canada have seen a dramatic increase in the number of cows on their farms. According to a Statistics Canada report (see Appendix D-1), in 2004 there was a record 14.7 million head of cattle, up 1.2 million from 2003 (Boame, Parsons & Trant, 2004, p. 1). As noted in Appendix C-3, as of January 2005, that number has exceeded 15.1 million head (Cattle, beef exports take nosedive thanks to BSE, 2005, p. A2). Cows that are over 30 months of age are accumulating at a rate of 400,000 animals per year according to a News Release from Beef Initiative Group (Beef Initiative Group, 2005, para. 2). The revenue from livestock between January and September 2003 went down 12.6% to \$11.8 billion, the biggest drop that Canada's beef industry had seen in a decade (Boame et al., 2004, p. 1).

Export Market

In years prior to the BSE crisis, about half of the cattle sold in Canada were exported as either live animals or meat. Beef exports became valueless as soon as the

international borders closed.

The United States was the biggest importer of Canadian beef. In years prior to the import and export ban on beef, Canada exported about 950,000 cattle to the United States a year (Canada, the United States and Japan, What's the beef?, 2003, para. 6). About 84% of all Canadian beef exports went to the United States in 2002. The United States imported 99.6% of the live cattle from Canada. The beef exports dropped dramatically in 2003 from where they had been in 2002 after the border closed. There was a decrease of 36% in dollar amounts and 39% in volume (Boame et al., 2004, p. 3). The Canadian beef meat exports in 2003 as compared to 2002 can be seen below.



Source: International Trade Division, Statistics Canada.

Meat Rendering Plants

Meat rendering plants are where the remainder of a cow that does not get slaughtered ends up. The bones, blood, hooves, guts, and other parts, end up in the rendering plants. The material produced in rendering plants is used in various products,

including cosmetics, pharmaceuticals, candies, and animal and pet food.

Canada has 27 rendering plants, earning about \$400 million a year. These plants use up approximately 2.5 million tonnes of the wastes produced in slaughterhouses. The government has recently passed laws stating that no animal food can contain ruminant parts. The protein produced in rendering plants that was once used in animal food can no longer be used. As outlined in Appendix B-5, the rendering plants have thus had to make severe cutbacks to accommodate this new law. (BSE Mad Cow: FAQ, 2004, Section 8, para. 1-7).

Bovine Semen and Embryos

In recent years, the bovine semen and embryo industry was worth nearly \$45 million. Four million doses of semen and approximately 5,000 embryos were exported around the world (Expert predicts long ban on Canadian cattle exports, 2003, para. 13). This industry has now come to a stand-still because the ban placed on Canadian cattle states that no living cow or any part of a cow can cross the international borders.

Pet Food Industry

Countries around the world are very leery of buying pet food products made in Canada because of the possibility that they contain and transmit BSE to other animals, as can be seen in the article "BSE scare expands to pet food". International markets, which import 80% of the pet food produced by Champion Pet Foods in Saskatoon, Saskatchewan, have closed their markets. Seven days after the first case of mad cow disease was found, Champion Pet Foods was forced to lay-off approximately two thirds of the production staff because of fear of contamination (BSE scare expands to pet food, 2003, para. 8, 10).

Agricultural Dealerships

Agricultural dealerships have suffered greatly. [REDACTED], Owner of [REDACTED] [REDACTED], a Case IH dealer in [REDACTED], Saskatchewan, (see Appendix E-1) has noticed a decrease of 50% in the livestock division. Although the ratio of livestock to grain was about 15% to 85% before BSE, they have seen many changes. Mixed farmers (grain and cattle operations) are “not willing to subsidize one side of the operation from the other”, according to [REDACTED]. Thus, both service and sales have been affected negatively. ([REDACTED]. Personal correspondence. March 14, 2005).

Price of Cattle and Calves

Between May and July 2003, the price of cattle and calves dropped almost 50%. The prices for culled cows (older cows that went to slaughter) went down drastically. Farmers did not want to sell their cattle for such low prices, but the slaughterhouses kept their prices up. The slaughterhouses were as busy as or busier than before because there was such a backlog of animals due to the export markets closing. The farmers were eventually forced to sell their cattle at low prices because they couldn't afford to keep them anymore (Boame et al., 2004, p. 5).

Consumers

Although the cattle prices dropped nearly 50%, consumers only saw retail beef prices decline about 14% between May and September 2003 (Boame et al., 2004, p. 6). [REDACTED], General Manager of [REDACTED] in Brandon, (see Appendix F-1) says that in his store, the beef prices “haven't really dropped. Sometimes possibly through inflation, they may have gone up” ([REDACTED]. Personal Interview. May 5, 2005)

Food retailers did not want to reduce the price of their beef, because shoppers

would just substitute one meat with another. Instead of buying poultry and pork, they would all buy beef. This would be devastating to the other meat industries.

How Manitoba Has Been Affected

Manitoba has between 10,000 (Rance, 2004, pp. A1, A3) and 12,000 (Pates, 2004, Reykdals section, para. 10) cattle producers with just over 12.3% of Canada's cows (see Appendix C-4). As noted in Appendix C-5, this is the third largest beef cow herd in Canada. Approximately 78.8% of Manitoba's cattle exports are bound for the United States (Brown, 2005a, p. A3). Manitoba now has an overabundance of cattle to deal with because that market is completely gone.

Slaughter Capacity

Even with all of the cows that are in Manitoba, there are only two small federally inspected plants and 24 provincially inspected plants. Combined, approximately 18,700 head of cattle are slaughtered in Manitoba in a year; about the same number that are slaughtered in either of Alberta's two major plants in one week (Rance, 2004a, pp. A1, A3).

Manitoba beef, in general, is staying in Manitoba right now. Plants in other provinces are busy slaughtering cattle from their own ranchers, so they are not willing to help Manitoban farmers at present.

Other Animal Industries

The import and export ban that the United States imposed applied not only to cattle, but to all other ruminants. This included sheep, elk, bison, and goats, all of which are "very reliant on the U.S. market" according to Sarah Lewis, Manitoba Sheep Association President.

Manitoba has about 400 sheep producers, raising about 60,000 ewes. Before BSE, about 60% to 70% of Manitoba's ewes were exported to the United States. Now, producers are selling about 45% to 55% less than before the border closed. Sheep producers have no choice but to sell their animals, as the time from birth to ready-to-kill is about eight months (see Appendix C-6).

There are good markets for bison and elk, but there is nowhere that the animals can be slaughtered. Only limited facilities are available for bison and elk, so farmers are finding themselves in a very tough position (Nicholson, 2004a, p. A3).

There are around 500 goat farmers in Manitoba (see Appendix C-7). There are no proper processing plants for goats in Manitoba, so about 85% of the goat products were exported to the United States prior to BSE. These products are not wanted in this area, so there is no market for them. Adding to the frustration of the farmers is the fact that goats cannot even contract BSE. Many of the goat producers also raise cattle and sheep, so the negative effect of BSE has been greatly multiplied for them (Nicholson, 2004b, p. A3).

Veterinarians

Large-animal veterinary business has been suffering as some farmers are forced to turn animal health decisions into monetary ones. Dauphin Veterinary Clinic noticed that business has been down about 40% to 50% since the United States border closed. They had to eliminate one of the four veterinarians they had shortly after the border closed due to lack of business. Allan Preston, the Director of Veterinarian Services for Manitoba, conducted a poll on six veterinarian practices and saw that business had declined anywhere from 10% to 50% (see Appendix C-8).

The short-term solution of saving money on veterinarian bills is now showing up

in sick cattle. Grand Valley Animal Clinic's Dr. Sherry Wurtz in Brandon, says that "some people let it slide last year and it's showing up this year in sick cows or pneumonia" (Nicholson, Marcy, 2005j, p. A5).

Advertising

Although most areas of the economy have had negative effects because of BSE, the advertising sector related to the farming community has seen an actual increase.

██████████, an Advertisement Saleswoman at ██████████, (see Appendix F-2) has seen an increase of about 11% in her sales of advertisements.

According to ██████████, there have been more advertisements being placed in Manitoban newspapers from outside of the province. This could perhaps be because others know that with the increase in the size of the cattle herd, Manitoban farmers have more needs. Others see this as an opportunity to capitalize on the needs of Manitobans (██████████, Personal interview. April 20, 2005).

How Brandon Has Been Affected

Brandon is largely a farming community. There are many farmers and their families that live in or around Brandon. Many of these families have had to suffer the effects of BSE; however, it is not just the farmers have been affected by BSE. There are numerous other businesses and industries indirectly related to farming that are affected by BSE.

A questionnaire that was filled out by farmers in the area showed how greatly the economy has been affected (see Appendix G-1A). For example, 10 farmers out of the 12 surveys returned (see Appendix G-1L) said that had the BSE crisis not happened, they would have replaced a major asset, such as a vehicle or tractor which they were not able

replace (BSE Questionnaire, 2005). This translates to loss of business for agricultural dealerships and car dealerships.

Agricultural Dealerships

Agricultural dealerships that sell farm equipment have been hit hard by BSE as can be seen in Appendix C-9. Sales at Shoal Lake Farm Equipment Ltd. have been down roughly 50% since the BSE crisis began according to the owner (Nicholson, 2004f, pp. A1, A3).

According to [REDACTED], Branch Manager of [REDACTED], (see Appendix F-3) “overall, as an industry, the sales numbers are less than half of what they should be as far as new equipment goes” ([REDACTED]. Personal interview. April 17, 2005).

Compared to the Case IH dealer in Saskatchewan previously mentioned, the dealer in [REDACTED], has seen a much greater impact. The ratio of livestock related to grain related business was about 50% to 50% before the BSE crisis. One of the Co-Owners, [REDACTED], (see Appendix F-4) says that “we’ve certainly noticed a decline in business, well, a lack of interest in our livestock production equipment”. They have noticed a decline in both their service and sales departments, to the point that they had thought of laying employees off; however, it has not come to that point yet ([REDACTED]. Personal interview. April 11, 2005).

[REDACTED], a farmer in the area, (see Appendix F-5) admits that “all [of] our equipment needs major repairs, but you can’t afford to go out and buy something new” ([REDACTED]. Personal interview. April 19, 2005). Obviously, this is hurting the dealerships in the area of selling new equipment.

One might expect that service shops would see an increase in business. However, [REDACTED], Service Manager at [REDACTED], (see Appendix F-6) says that “guys are cutting corners wherever they can, and fixing their own equipment is one corner that they...have started cutting” ([REDACTED]. Personal interview. April 25, 2005).

Car Dealerships

Car dealerships are used to having ups and downs in their business; however, since the BSE crisis, they have noticed more downs than ups according to Appendix C-10. Farmers cannot spend money on new farm trucks or vehicles, as they are using whatever limited income they have to keep their farms running. Kelleher Ford in Brandon has noticed that fewer farm families are buying new vehicles (Brown, 2004b, pp. A1, A3).

Retail Stores

Employees at the Shoppers Mall in Brandon have noted that there are just as many people coming in, but they are spending less money than they did prior to the BSE outbreak. Kim James, Mall Manager, says, “Our traffic is strong but sales are flat, which is indicative of farmers not spending money”. People are watching where they are spending their money that much more now and trying to avoid spending it on frivolous things (Brown, 2004b, pp. A1, A3).

Grocery Stores

Grocery stores across Canada have been negatively affected by BSE. In Brandon, this is very true. According to [REDACTED], General Manager of [REDACTED], “it could be upwards of 50% of our customers are rural”. When farmers do not have excess money to spend, nonessential food items will be cut from their grocery lists.

Although meat buying practices have returned to normal, BSE cause a great change. [REDACTED] notes, “When the first case of BSE came up... there was a drastic drop in beef.” It has since returned to normal, but “there is still the odd customer that will inquire about where the beef is from. They’re still very much conscious of it.”

([REDACTED] . Personal interview. May 5, 2005).

Charities

Donations to charities have decreased since the BSE crisis began (see Appendix C-11). Many of the former sponsors cannot donate, as they have been hit by BSE and simply do not have any extra money to spend. One of these charities, the Sun Fund for Kids, is now unable to send as many unprivileged children to camp this year as they have in the past due to the decrease in donations (BSE crisis impact Sun Fund, 2005, p. A2).

How Farmers Have Been Affected

The farming community has been devastated by the affects of BSE. The farmers have had to deal with more debts on their books and more cattle on their farms. Young farmers that are just starting out have problems some others do not. According to the article “Farms were more diversified in past”, they have loans that are due, but no banks will lend them money due to their current situation (Nicholson, 2005c, p. A3). They have little cash flow and nothing to lean back on. Older farmers are quickly going through their equity while trying to survive.

Eight out of 12 farmers that completed questionnaires know someone who has given up farming because of BSE (see Appendix G-1D). The children of those people may have had an interest in farming, but now that has been taken away because of BSE. (BSE Questionnaire, 2005)

Wayne Buhr, a Credit Officer with Westoba Credit Union, says that cattle farmers are borrowing as little money as possible as they try to wait out the crisis. Many farmers have had to restructure previous loans. Farms that were once worth \$2.5 million are now worth less than \$1 million (Brown, 2004d, para. 8).

According to a report done by Statistics Canada entitled “Canada’s beef cattle sector and the impact of BSE on farm family income” (see Appendix D-2), the average family that operates on a single beef cattle farm would have lost an average of \$20,000 due to the BSE outbreak. According to that report, “about 10% of families that run beef cattle farms would see their gross operating revenues fall below \$10,000” should the revenues drop by the projected amount (Mitura & Di Pietro, 2004, p. 20).

Since the BSE outbreak, seven out of 11 farmers that responded to a questionnaire have had to supplement the family’s income by getting jobs outside of the farm (see Appendix G-1F). Many have had to make cutbacks to the farm and their families because of the financial effects of BSE. Financial challenges, closely followed by stress, have been the greatest challenges placed on farming families (BSE Questionnaire, 2005).

One McCreary-area farmer (see Appendix C-13) said, “The creditors will take my place. I’ll have to go on welfare. I’m 53 years old, I have a Grade 11 education and I’ve farmed since I was 17 years old, when my dad died and I took over the farm” (Brown, 2004d, pp. A1, A3). Many farmers are in similar situations.

With all the problems that farmers are facing, the Manitoba Farm and Rural Stress Line received 100% more calls in 2003 than they did in 2002. As can be seen in Appendix E-2, 140 out of the 262 farm-related calls in 2004 to the Manitoba Farm and Rural Stress Line were directly related to BSE (The Manitoba Farm and Rural Stress

Line. Personal correspondence. May 3, 2005). [REDACTED], Program Manager at the Manitoba Farm and Rural Stress Line, (see Appendix C-14) says that “now people aren’t talking so much about the border, but how will I survive the next year or two” (Nicholson, 2004h, pp. A1, A3).

According to [REDACTED], a Brandon-area farmer with a Bachelor of Science in Agriculture who works in the agriculture industry, (see Appendix F-7) farmers are quite often told to diversify – to raise cattle and grow crops simultaneously ([REDACTED]. Personal interview. April 23, 2005). That approach generally works quite well, because when one commodity is down, farmers have the other to rely on. Farmers who have taken this advice are now facing a huge challenge. Grain prices are low at the same time that cattle prices are down, so they have been hit twice as hard. There is nothing for them to rely on for money coming back into the operation so that they can stay afloat.

What Has Been Done To Help

Dauphin Slaughterhouse

Ranchers Choice Beef Cooperative currently has plans to open a slaughterhouse in Dauphin. It will be able to handle about 270 cull cows per day on a single shift, the supply of cull cows that Manitoba has. Manitoban beef producers will now have a place that cull cows and bulls can be slaughtered, as there was no place for this to be done in significant numbers before (Pates, 2005, para. 3).

According to Appendix C-15, the plant is already in the process of being built as semi-trailer loads full of parts from a plant in the United States are being transferred to Canada. (Janzen, 2005a, pp. A1, A3). The plant needs to get up and running as soon as possible so that Manitobans will have a place to process their own cattle. With the

unpredictability of the border opening, it is essential that Manitobans have a guaranteed place for their cattle to be slaughtered.

Federal Government Funding

Many people close to the beef industry feel that the federal government is not doing enough to help the beef industry. They have provided some monetary support to the cattle producers in the amount of \$300 million, (see Appendix C-16) but this will not solve the underlying problems that the industry is facing (Brown, 2005e, pp. A1, A7).

The federal government has initiated many BSE Recovery Programs, many of which work in conjunction with provincial BSE Recovery Programs. These programs ensure that cattle producers that owned cattle as of May 20, 2003 and had sold the cattle were entitled to a certain amount of compensation.

The Cull Animal Program was announced on November 21, 2003. This program helps cattle producers deal with older animals that need to be culled from their herd (Mitura & Di Pietro, 2004, p. 32).

There has also been a Stranded Beef Program put into place (see Appendix B-8). This program “pays for the storage and demurrage of Canadian beef that is sitting in bonded warehouses in foreign markets, held up by the ban” (\$79 million more in mad cow aid, 2003, para. 5).

Provincial Government Funding

As of March 2, 2005, the province of Manitoba (see Appendix B-9) has provided \$116.25 million to Manitoban farmers as a part of BSE funding (Manitoba News Release, 2005b, Support to Producers section). The government has been supportive of the slaughterhouse being constructed in Dauphin and has invested around \$14 million in the

plant (Manitoba News Release, 2005b, para. 4).

Besides contributing monetarily, the province has announced different types of services that are helpful to farmers. One such service is a free cattle and other ruminant deadstock pickup service. The carcasses that are picked up are tested for BSE. This initiative has allowed Manitoba to be the first province to reach and exceed its testing goal. This provides scientific proof that Manitoba remains a BSE-free province. This program also saves producers the cost of disposing of carcasses (Manitoba News Release, 2005a, para. 1, 2). See Appendix B-10 for more information.

Niche Markets

Beef producers are focusing on a natural beef niche market that will be independent of the United States market, according to Appendix C-17. The natural beef would be sold within Canada and farmers would be able to take home 92% net profits. Prior to the BSE outbreak, Canadian farmers did not supply Canada with beef, as the financial return in the United States was better. But a natural beef niche market seems to intrigue Canadians. It is hoped that Canadians will accept this plan and latch onto it as an alternative for Canadian beef producers (Nicholson, 2005e, p. A3).

Traceability

In the grain industry, producers are growing identity preserved crops so that the crops can be traced back to which producer grew that commodity on which section of land. [REDACTED], a Brandon-area farmer with a Bachelor of Science in Agriculture who works in the agriculture industry, feels that this will come into play in the cattle industry as well ([REDACTED]. Personal interview. April 23, 2005).

The Canadian Cattle Identification Agency (CCIA) implemented a cattle tracking

program in January 2002 (see Appendix B-11). When an animal leaves its herd of origin, it must have a tag placed through its ear that identifies where it came from. If BSE is found, the CCIA can then access information about the particular cow and find out where it came from. According to the CCIA, this reduces the number of herds that need to be tested for BSE by about 90% (Tracking Canada's cattle, 2003, para. 2, 3, 5, 7).

Student's Perspectives

Brandon is a community that is largely driven by farming and the industry related to it. BSE has been something that has been talked about constantly because it concerns so many people; however, students from grades nine to twelve do not seem as concerned with BSE and how the economy has been affected (see Appendix G-2A). Out of 100 Crocus Plains students that were surveyed, only 69 said that they had heard of BSE. All of these students knew that BSE affected mainly cattle. The grade twelve students seemed the most knowledgeable - 24 out of the 28 surveyed had heard of BSE (see Appendix G-2B).

Although the majority of students knew a few basic facts about BSE, such as that it stands for Bovine Spongiform Encephalopathy - 40 out of 69 (see Appendix G-2C), few knew how greatly Brandon's economy has been affected by BSE. On a scale of 1 to 10, with 10 being the greatest, students who had heard of BSE thought that Brandon's economy had been affected a 6.23 (see Appendix G-2H). This number was slightly higher in how farmers have been affected (see Appendix G-2G). On a scale of 1 to 10, with 10 being the greatest, students who had heard of BSE thought that farmers had been affected a 7.01 (BSE Student Survey, 2005). According to [REDACTED], a counsellor at The Manitoba Farm and Rural Stress Line, (see Appendix F-8) farmers have been

affected by about a 9 (The Manitoba Farm & Rural Stress Line. Personal interview. April 19, 2005).

Conclusion

As can easily be seen, BSE is not something that just affects the farmers that raise cattle. It has a far reaching effect on many industries that some would think have nothing to do with the beef industry. The impact of BSE has been felt on almost every industry that is out there. Farming is an important part of life as Canadians. We as Canadians depend on the farmers to feed us and supply us with much needed commodities. The impact that BSE has had on the economy can be felt in many areas of life. Canada needs to be able to do something in this regard so that the entire country is never hit by something so hard again.

Brandon is predominantly a farming community, meaning that when something affects farmers, it will eventually reach other sectors of the economy. Farmers in this area have been severely affected. Industries closely related to farmers, such as agricultural dealerships, have also been impacted greatly. While they have been affected, those related to the farming community have not felt the impact as much; however, all citizens in Brandon will be touched by the effects that BSE has had.

The governments, both provincial and federal, have tried to widely publicize the fact that they are helping Canadian farmers; however farmers are not seeing this help the same way. All 12 of the farmers (see Appendix G-1Q) that completed questionnaires said that the federal government has not done enough to help soften the impact of BSE for them. Eleven out of 12 farmers (see Appendix G-1P) feel that the provincial government has not helped them in the face of BSE. Nine out of 11 farmers (see

Appendix G-10) feel that the municipal government should have done more to help the local farmers (BSE Questionnaire, 2005).

On January 7, 2005, the Canadian Food Inspection Agency (see Appendix B-12) made an announcement that the risk of cattle carrying infection to the human food chain is “very low” (Timeline of BSE in Canada and the U.S., 2005, para. 9). There really is no risk to humans of contracting the disease, unless they eat the cow’s brain or spinal cord, yet many people have become deathly afraid of eating beef meat for fear of contraction. Among others, [REDACTED], Co-Owner of [REDACTED] in Brandon, believes that “it’s something that the media has blown out of proportion” ([REDACTED]. Personal interview. April 11, 2005). Like many other things, the media has found an area of concern with the public and has run with it. There is room for concern over BSE, but it is not as huge as most people are led to believe.

Recommendations

The root of the BSE problem is the over reliance Canada has on the United States for the sale and slaughter of Canadian beef. American-owned packers slaughtered over 80% of Canada's cattle (Beef Initiative Group, 2005, para. 2). The United States have great control over the beef in Canada because of the monopoly they have on the industry.

Even if the border would open to live cattle, the industry would not regain its momentum. Trade relations between the United States and Canada have been forever changed by the BSE outbreak. The trust that there was previous to BSE between Canada and the United States is now gone.

Canada needs to open more slaughterhouses and packing plants so that reliance on the United States is lessened. Manitoba in particular, needs to focus on niche markets. There are many markets that are available for farmers to go to, but there needs to be a sincere effort put forth to find them. If Manitoban cattle producers go head-to-head with the big players in the market, the plants will be steam-rolled out of business by big U.S.-owned packers and the Alberta plants (Pates, 2004, Waiting for Relief section, para. 8).

The federal government has not done a lot to help the cattle producers in Canada. The government has provided some monetary help, but they have the power to do more. They should be taking the initiative to help build slaughterhouses to lessen the reliance that the Canadian beef industry has on the United States.

The governments, both federal and provincial, are making small payments to farmers, but it is not helping in such small amounts. For example, to a farmer with 200 head of cattle, a payment of \$4,000 does nothing. It would be far better to pool all of the money that would get paid out into one big pot and use it for the betterment of the

industry as a whole, such as in an effort to build new slaughterhouses.

Presently, there is no way to test a live animal for BSE. Tests are done on the animal's brain to determine whether or not it is infected with BSE, so it must be killed first. Labs around the world are competing to find a way to test live animals for BSE. If there is ever found a way that BSE can be diagnosed in live animals, it will greatly reduce the consumer's worries about getting BSE from animals, as they will be able to be tested before reaching the kill floor of a slaughtering house.

No one thing by itself is going to pick the beef industry up. All of the major components, such as building more slaughterhouses in Canada, developing a way to test live animals, and finding new markets, need to work together to accomplish what needs to be done. International cooperation and agreement must be reached before anything can proceed. The cattle industry needs to set standards that are followed world-wide so that all countries can be in agreement in this regard because BSE is an international problem.

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