

Trade Talk

9 a.m. session, Tuesday, Dec. 6, 2005

Presenter: Jim Robb, Livestock Marketing Information Center

RAPID CITY, S.D. (Dec. 6, 2005) — During Tuesday's industry issues session of the 2005 Range Beef Cow Symposium, Jim Robb of the Livestock Marketing Information Center gave what he called an "economist's perspective" on the trade picture. Robb acknowledged that trade is complex and full of interrelationships. He added that, as we've seen with the incidence of bovine spongiform encephalopathy (BSE), disease can have a huge impact on trade.



Animal disease preparedness is essential for trade opportunities, said Jim Robb of the Livestock Marketing Information Center. [PHOTO BY LYNN GORDON]

"We've lost \$4 billion per year. That's the economic impact," he said of the United States' closed border for exporting beef due to BSE.

Robb cited BSE, avian influenza and foot-and-mouth disease (FMD) as the "big three" diseases that can influence the future of the beef industry. As an example, he said if avian influenza were identified in this country, borders would likely be closed to poultry. Thus, the U.S. would have to absorb its domestic production. Beef chuck and round prices could be negatively affected because of excess poultry available for domestic consumption.

Robb recommended the U.S. prepare for disease outbreaks. As one solution he suggested the beef industry be able to regionalize. By doing so, the entire industry may not be closed to exports. Brazil did this in managing FMD outbreaks. Robb explained that areas with the disease are closed to exports, but the remainder of Brazil is still able to maintain markets and trade.

"Maybe ID (animal identification) is the answer to regionalization," Robb suggested.

"Traceability and verification programs are something beef producers have to be part of down the road," he added. "It takes a long time to build export markets, and we can lose it quickly due to disease."

In learning from BSE, Robb said, "We've learned it takes longer to fix export markets than we think. If we did it over, I think we'd test every animal immediately and not lose those export markets."

Of the future, he added, "If disease outbreak happens again, we need to do things differently."

For more about the Livestock Marketing Information Center visit www.lmic.info.

— by Kindra Gordon, field editor, Angus Productions Inc.
© Copyright 2005 Angus Productions Inc.

Editor's Note: *This article was written under contract or by staff of Angus Productions Inc. (API), which claims copyright to this article. It may not be published or distributed without the express permission of Angus Productions Inc. To request reprint permission and guidelines, contact Shauna Rose Hermel, editor, at (816) 383-5270 or shermel@angusjournal.com.*