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Defeat of proposed legislation

In July 2003, the United States House of Representatives defeated by a vote of 202-199 an amendment to the Fiscal Year 2004 Agricultural Appropriations bill (enacted shortly thereafter as the Consolidated Appropriations Act of 2004) which would have prohibited meat packers from passing through inspection any "nonambulatory livestock." The legislation was earlier proposed as an amendment to the Farm Security and Rural Investment Act of 2002, but was later offered as an amendment to the Fiscal Year 2004 Agricultural Appropriations bill. Although the amendment had been passed by the Senate, the Conference Committee on December 9, 2003, stripped the provision from the Agricultural Appropriations bill which then was passed.

The proposed legislation, entitled the "Downed Animal Protection Act," in addition to prohibiting an establishment covered by the FMIA from passing nonambulatory livestock through inspection, would also have prohibited an entity covered by the legislation from moving nonambulatory livestock while the livestock was conscious and would have required covered entities to humanely euthanize such livestock. Nonambulatory livestock would have been defined to mean "any cattle, sheep, swine, goats, or horses, mules or other equines, that

are unable to stand and walk unassisted." The Secretary of Agriculture would have been directed to promulgate regulations to provide for the humane treatment, handling and disposition of nonambulatory livestock by a covered entity, including the requirement that nonambulatory livestock be humanely euthanized. The term "covered entity" would have included a stockyard, a market agency, a dealer, a slaughter facility and an "establishment." The term "establishment" would have been defined to include any firm covered by the FMIA.

Future developments

The discovery (and later confirmation) of BSE in the U.S. in December 2003 is likely to lead to the invalidation of the existing USDA regulations that allow meat from downed livestock to enter the human food supply when the merits of Baur are addressed by the federal district court on remand. It is also likely to provide strong support for the Congress to reconsider the Downed Animal Protection Act and other policy steps (including increased testing, if not required testing, for all cattle, tightened rules on the feeding of animal by-products to bovine, a system for tracing livestock, Country of Origin Labeling and legislation that gives the federal government power on a mandatory basis to order a recall) to assure consumers (and import nations) that the U.S. meat supply is safe.

World Bank study: China becomes dependent on imports to feed its population. Really?

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The World Bank report, 2003 Global Economic Prospects: Realizing the Development Promise of the Doha Agenda, concludes that under a "pro-poor" scenario "a deal to lower global trade barriers could add more than \$500 billion a year to global incomes by 2015, lifting 144 million people out of poverty." In a previous column we reported that, by our calculations, this scenario models a drop in crop production in the European Union (EU) of between 50 percent and 70 percent for crops like oilseeds, wheat and other grains.

These numbers are breathtaking and, at the very least, would represent a 180 degree departure from the food self-sufficiency original raison d' tre of the European Common Agricultural Program (CAP). Such model results tend to be debatable, if not unreasonable, because they flow from the pursuit of a single objective: least-cost food production—totally ignoring the nature of agriculture and the unique importance of food in societies worldwide.

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World Bank study: China becomes dependent on imports to feed its population. Really?, continued from page 5

In this column let's see what the World Bank's food-cost minimization model would predict for the world's largest developing country, China and its 1.3 billion people.

Under the "pro-poor" scenario, the World Bank shows total Chinese agricultural production dropping by 5 percent. This appears relatively insignificant until one looks further into the numbers. A researcher at the Center for Chinese Agricultural Policy estimates that under trade liberalization the animal agriculture sector in China will grow at a compound rate of 2.28 percent annually above the baseline. This would suggest an increase in livestock production of 22 percent above baseline by 2015.

If Chinese total agricultural production is projected to go down while livestock production is expected to go up, crop production must be taking the hit. In fact, given available numbers, crop production would have to drop by over 20 percent from the baseline.

The net result of this more than 20 percent drop in crop production is twofold.

First, under this scenario, China would become a net importer of as much as 20 percent of its consumption needs for seeds and grains. Here again we are talking about a 180 degree flip in attitude about food policy; this time a change in food policy by, arguably, the most food-security-conscious country in the world, China.

Second, with 50 percent of its 1.3 billion citizens directly engaged in agricultural production, a drop in crop production of more than 20 percent would put one whale of a lot of people out of work, some would say upwards of 100 million in addition to the 100 million currently displaced rural workers.

Given the level of agricultural research going on in China and the pronouncements by Chinese government officials concerning future agricultural production intentions, it is also possible that China may be a larger net exporter in 2015 than it is today, trade liberalization or not.

If there is anything we have been good at during the last decade or two, it's underestimating the ability of the Chinese to produce, store and export.

... and justice for all

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