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Brazilian beef at risk?

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A RARE SITUATION—THAT'S how Josélio Moura, president, Brazilian Society of Veterinary Medicine, refers to the atypical case of "mad cow" disease detected in a dead cow in Paraná state. The cow died in 2010, but the information was only released by the Ministry of Agriculture, Livestock and Supply (MAPA) in December 2012. In fact, what made the case truly exceptional was that although investigation found that the animal was infected, the cow had no symptoms and the disease was not the cause of its death. Moura explains that "The big unknown is how the animal may have contracted the disease, since it was not fed with animal protein, the main way the disease is transmitted.

Since it was discovered, the episode, till then unheard of in Brazil, has raised questions about the damage it could cause to Brazilian beef exports, which were US$5.7 billion in 2012, representing 6% of total agribusiness exports. Government, trade associations, and experts, however,

guarantee that there is no need to worry and stress that the occurrence should not much affect the volume of beef exported in 2013. In January, foreign sales of the basic product were up 36.4% over January 2012, according to the Ministry of Development, Industry, and Foreign Trade (MDIC).

For the Dutch Rabobank, a bank active in world agribusiness, the market is still quite favorable for Brazil, since Brazil will have more supply than the United States, for example, which has low production due to a shortage of animals ready for slaughter. Guilherme Melo, an analyst at Rabobank Brazil, notes that "Brazil also competes with Australia, Paraguay, and Uruguay, but their production will be smaller. Argentina, which has high export capacity, loses because of its protectionism."

Since the confirmation of the single mad cow case, 12 countries —destinations for 5% of Brazil's beef exports in 2012— have announced full or partial trade restrictions on Brazilian beef.

However, although analysts see a positive picture, there is no denying that the case is a warning for Brazil that health protection is serious business. "Such episodes cause embarrassment to the Ministry of Agriculture and the Foreign Ministry. We had to give out necessary information to maintain markets, but the impact should be minimal," said Fernando Sampaio, executive director, Association of Brazilian Beef Exporters (Abiec).

Minimal but not zero. Since the confirmation of the mad cow case, 12 countries—destinations for 5% of Brazil's beef exports in 2012—have announced full or partial trade restrictions on Brazilian beef. This has made lots of extra work for the MAPA Secretariat of Agricultural Protection, which has been intensifying its efforts to answer questions about the incident and is sending diplomatic missions to major beef importers, such as Russia, the United States, the European Union, China, Iran, and Saudi Arabia.

According to MAPA, Brazil has a robust health monitoring system and the meat is safe for consumption. That statement was ratified by the World Organization for Animal Health (OIE), which has kept Brazil's status at "negligible" risk, meaning the probability of occurrence is very low. However, the OIE noted with concern the considerable delay before Brazil sent clinical samples for a confirmatory diagnosis to an OIE Reference Laboratory, and it recommended more careful monitoring. But MAPA's office of communication reports that "There is no technical support to justify the restrictions imposed by some countries, which is why

we believe that they should not persist for a long time, and there is no reason for other countries to follow that position. All the answers requested are being provided."

However, the case has caused Brazil to lose some credibility, and other countries may prohibit the entry of Brazilian beef. "Technically, there is no justification for the embargo, as the OIE recommends our product. So if Brazil cannot reverse these embargoes, it has every right to appeal to the OIE and the WTO," says Abiec's Sampaio.

Sebastião Guedes, director of animal health, National Cattle Council, believes the embargoes are not really for health reasons. In his opinion, "These countries are taking these measures mainly for commercial reasons. They are using the occurrence ... to try to bring down the price of Brazil's beef." He believes in any case that the worst has passed. But Moura adds, "The sin of Brazil was the delay in diagnosis of BSE. It is a fact that weighs negatively out there."

Considering the billions that agribusiness brings into the Brazilian economy, what is needed are investments in sanitary surveillance, more federal and state agricultural inspectors, and a larger laboratory network.

Pedro de Camargo Neto, president, Brazilian Association of Producers and Exporters of Pork, agrees: "Historically, Brazil reacts only after an incident happens, which is unacceptable. We need to act preemptively and not just respond to disasters." Moura and Camargo Neto both think that, considering the billions that agribusiness brings into the Brazilian economy, what is needed are investments in sanitary surveillance, more federal and state agricultural inspectors, and a larger laboratory network. As Moura says, "The country has an obligation to invest in agricultural defense. Today, there is a shortage of 7,300 veterinarians. We need laboratories that make quick diagnoses. The cow that died in Paraná southern state was a simple case, but what if it was something that could do serious harm to the public health?"