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**national farmers union**  
*In Union Is Strength*

**FOR IMMEDIATE RELEASE**

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**TODAY'S SENATE REPORT ON BSE HITS AND MISSES**

**GRANTON, Ont.**—Canada's Standing Senate Committee on Agriculture and Forestry today released an interim report entitled "The BSE Crisis—Lessons Learned for the Future." The report contains important insights into the crisis and its possible solutions. But while promising in some respects, the quality of the report is uneven.

At its best, the report correctly identifies the causes of the BSE crisis.

"...the discovery of a single case of BSE clearly indicated two main weaknesses of the Canadian cattle industry: its huge dependence on cattle export and the concentration of its packing sector." (Senate Committee report, page 11)

"It's very significant that the Senate of Canada has admitted that export dependence and packer concentration are the primary causes of the BSE crisis," said Ont. NFU Coordinator Don Mills.

The Senate Committee, however, was less successful at crafting solutions. In its first of two recommendations, the Committee identifies the need for additional, farmer-owned processing capacity and more competition. "The government should create the appropriate environment for new [value-added beef processing] ventures to thrive in our marketplace," recommends the Committee report. While agreeing with the recommendation, Mills questioned the Senators' understanding of current government policy. "Since 1989, nearly all of Canada's farmer-owned grain handling co-ops, and half of our dairy co-ops have been wiped out. Through deregulation and trade agreements, which promote economic integration and market concentration, the government has created an economic 'environment' that is often toxic to co-operatives and farmer-owned processing ventures," said Mills.

The Senate Committee acknowledged the need for governments to help create "competitive tension" in the packing sector. But Mills commented that "It's hard to take such statements seriously, just weeks after the federal government approved Maple Leaf's takeover of Schneider's—giving Maple Leaf a near monopoly on hog slaughter in two of Canada's main hog-producing provinces."

Mills was also critical of the Committee's recommendation that Canada needs additional trade rules. "Trade agreements such as the NAFTA and WTO don't help farmers. The U.S. has repeatedly bent and broken trade agreement rules: it has launched 11 attacks against Canada's Wheat Board; they've countervailed our wheat and they are threatening to countervail our hogs; one case of Potato Wart caused the U.S. to close its border to Maritime potatoes and one case of BSE had the same effect on live cattle," said Mills.

Mills was also critical that the Committee report contained no real recommendation on testing cattle for BSE. "Canada's continued refusal to test cattle at risk—cattle over 30 months of age—flies in the face of the key lessons learned from the BSE crisis in the UK and EU," said Mills.

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