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One Year Later:

One battered industry and how some Alberta ranchers are trying to bounce back

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PETER MANSBRIDGE (HOST) :

- And "One Year Later:" One battered industry. How some Alberta ranchers are trying to bounce back.

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It's do or die.

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A feature report from Margo McDiarmid on the first anniversary of the mad cow crisis. -

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- We'll be back after the break with this story...

JIM ROBB (ANALYST) :

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Just what could make matters worse for the Canadian cattle industry? Margo McDiarmid has the answer in a feature report exactly a year after the mad cow crisis began. -

PETER MANSBRIDGE (HOST) :

Cattle ranchers would call it an annus horribilis, a horrible year for their industry. A year ago today, that one case of mad cow disease was reported on an Alberta ranch and the U.S. border was slammed shut to Canadian beef. Since then, thousands of cattle have been slaughtered and tested. Beef producers have lost millions of dollars, and the crisis still isn't over. Even though no other cases of B.S.E. have been found in Canada, the U.S. border remains closed to live cattle. So some Alberta ranchers have taking matters into their own hands. "The National's" video journalist Margo McDiarmid has a feature report on their survival plan one year later.

MARGO MCDIARMID (REPORTER) :

It's another dry year in northern Alberta. Fierce winds have been blowing for days. There's little promise for farmers like Neil Peacock who are looking at the coming year. A long winter is stretching into a miserable spring.

NEIL PEACOCK (FARMER) :

The wind is horrible. It's blowing all the feed away. I'm going to have to refeed them again today. At 60 bucks a bale, that gets to be expensive. (To a cow): Are you going to have your baby today? Oh, yeah, you're close. (Interview): This is your make or break time of the year. These little things are supposed to be your revenue, you know, your money. So you want to make sure that you get every one that you can and keep it alive.

MARGO MCDIARMID (REPORTER) :

And, sure enough, there's trouble. A cow has just given birth, and the calf isn't moving.

NEIL PEACOCK (FARMER) :

The sack is still on the head. It just broke there. Perfect. We can hang back now. The calf's out of danger.

MARGO MCDIARMID (REPORTER) :

A rare bit of good news for Neil Peacock. He doesn't know what he'll do with this crop of calves. New additions to a herd he can't sell. In this year of mad cow disease, his animals have been worth only half their normal value. Right now, life is a struggle for everyone. Neil Peacock's home in the Peace River region is in a prime ranching area. There's a good living to be made with long growing days and rich soil. But on May 20th, 2003, this area in northern Alberta made international headlines. One cow just down the highway from Peacock's farm tested positive for B.S.E., bovine spongiform encephalopathy. Canada became the newest member of the club of countries with mad cow disease. Those three words changed the lives of thousands of people and threw North America's beef industry into turmoil. After that cow was found, the American border closed to all live Canadian cattle. Producers lost billions of dollars. Now they're desperate, and they're looking for other places to sell their beef. Some think if they test all their cattle, maybe they can find some new markets.

NEIL PEACOCK (FARMER) :

Welcome to the membership drive meeting for the Peace Country Tender Beef Co-Op. My name's Neil Peacock.

MARGO MCDIARMID (REPORTER) :

That's why farmers have left their fields on this warm spring afternoon to sit in this legion hall. They've come to hear Neil Peacock talk about a project. Hundreds of ranchers have set up a co-op to slaughter their own beef. At the very core of the project is their plan to test every animal for B.S.E. They think it will save their industry.

NEIL PEACOCK (FARMER) :

All cattle are going to be tested for B.S.E., irregardless of age, 100%.

MARGO MCDIARMID (REPORTER) :

The co-op has drawn up detailed plans. Animals will be raised without hormones. They will be individually slaughtered. They'll have a private lab to test and track every carcass. They've found customers in Canada, and they claim there's a big demand in Japan where all the beef has to be tested and in Europe.

NEIL PEACOCK (FARMER) :

We'd buy your meat and but why? Because you're testing it for B.S.E. It's not going to have growth hormones. You're tracking. So they're hearing this stuff as well. That's going to cause people to come to us, and the end purchasers of our product know this.

FARMER :

What is this mound of dirt?

NEIL PEACOCK (FARMER) :

That's the town lagoon.

MARGO MCDIARMID (REPORTER) :

Members of the co-op's board of directors are hoping to get their slaughterhouse built by this winter. They are certain there's growing momentum for their idea that mad cow disease has brought about a shift in public opinion on food safety.

NEIL PEACOCK (FARMER) :

The public has lost the confidence in their food. You listen to the news, and they're killing 400 million chickens. Sure, we've only found one mad cow in Canada. If there's one, I would suspect there's others. People are genuinely concerned about the safety of their food, and I think that everybody has the right to expect safe quality food.

MARGO MCDIARMID (REPORTER) :

But the plan for this little co-op way up in northern Alberta has stirred up strong reactions from other cattle producers. It raises the controversy of whether all cattle should be tested for B.S.E. Not everyone agrees that's a good idea. There's the fear if you test more cattle, you'll find more sick ones. This is where they're looking for B.S.E., but this lab isn't as busy as it should be. The Alberta government has spent millions to upgrade this facility so it can be a key testing location, part of the nation-wide effort to get a handle on the disease. It relies on farmers to report sick animals and to have the brain tissues brought here by a vet or a rendering company, but many beef producers have stopped calling to have their animals tested.

DR. GERALD OLLIS (ALBERTA'S CHIEF PROVINCIAL VETERINARIAN) :

The fact of the matter is there's a serious concern, a fear I think in the farming community of finding another case of B.S.E. in Canada and what might be the repercussions because of that.

MARGO MCDIARMID (REPORTER) :

Dr. Gerald Ollis is the top vet for the Alberta government. He's been immersed in the B.S.E. crisis, and now he's warning that some producers are burying their animals on their farms.

DR. GERALD OLLIS (ALBERTA'S CHIEF PROVINCIAL VETERINARIAN) :

If I put myself in a producer's spot and say do I want to have this animal tested, for the good of the industry down the road, or do I not want to because, if it's positive, I'm going to hurt all my neighbours and friends and relatives, that's a very, very difficult choice for that producer to make.

MARGO MCDIARMID (REPORTER) :

It appears many are listening to Alberta Premier Ralph Klein who said last summer that self-respecting farmers with sick animals would simply shoot, shovel, and shut up. It means fewer animals are being tested for B.S.E. in this provincial lab now than before the disease was discovered.

DR. GERALD OLLIS (ALBERTA'S CHIEF PROVINCIAL VETERINARIAN) :

I'm not saying we're going to find another case, but, if we do more testing, the risk of finding another one is there. And we have to find some way of alleviating the fear in the beef industry of the consequences associated with finding another one should that happen.

MARGO MCDIARMID (REPORTER) :

Neil Peacock understands why beef producers are nervous about the co-op's plan to test its animals, but he thinks they should be more pragmatic, get on with the testing, stop worrying it will ruin their industry.

NEIL PEACOCK (FARMER) :

If you test every animal, what's the big deal if you do find them? It's like going through a sack of potatoes and you find a rotten one. Do you shut down the industry because you find a rotten potato? No. You dispose of the rotten potato and you continue on.

MARGO MCDIARMID (REPORTER) :

One of Canada's leading experts on B.S.E. thinks this country should test as many animals as it can. David Westaway is a specialist in neuro-degenerative diseases at the University of Toronto. He says Canada isn't getting to the root of its B.S.E. problem.

DAVID WESTAWAY (UNIVERSITY OF TORONTO) :

One should do what one can to deal with these diseases. You can't just let them sit on the sidelines and stick your head in the sand and hope they'll go away. That is not a valid course of action. You have to be vigilant and go and seek them out.

MARGO MCDIARMID (REPORTER) :

Westaway suspects that the underlying reason for why Canada has not tested more animals is because of what we might find.

DAVID WESTAWAY (UNIVERSITY OF TORONTO) :

As one pursues a larger testing program, you will find out what the situation is, and it is possible that there could be some rather embarrassing discoveries, that the baseline rate of the disease is higher than we've been led to expect.

MARGO MCDIARMID (REPORTER) :

The Canadian Food Inspection Agency in Ottawa does not support widespread testing. Federal vet Dr. Gary Little is part of the team that has wrestled with the B.S.E. crisis for the past year.

DR. GARY LITTLE (CFIA VETERINARIAN) :

Certainly the indications and the science tell us that 100% testing is not the route that we need to go.

MARGO MCDIARMID (REPORTER) :

Little says that's because testing and ensuring meat safety are two very different things. He claims meat safety is enforced by removing parts called specified risk materials, parts like the brain, spine, and stomach that could contain B.S.E. are cut off meat before it's packaged for consumers. Other countries don't think that's enough. Japan also tests all its animals. Europe tests millions every year. But in North America, the theory is you can have an infected cow but still have safe meat.

DR. GARY LITTLE (CFIA VETERINARIAN) :

That is the preventative measure that's in place. Removing those tissues safeguards the beef and beef products.

MARGO MCDIARMID (REPORTER) :

The CFIA has increased its tests on animals, up to 30,000 annually by next year, but that's only a fraction of the 14 million cattle in the country. It says scientifically it only needs to test a certain percentage to get a handle on the disease. That's why it doesn't support the co-op's plans to test all animals.

DR. GARY LITTLE (CFIA VETERINARIAN) :

What additional value would testing 100% have in terms of the consuming public? They would be under the understanding that somehow tested beef is somehow safer and, on the basis of the current testing technologies that exist today, that, in fact, would not be true.

NEIL PEACOCK (FARMER) :

The writing's on the wall telling us, wake up, change what you're doing.

MARGO MCDIARMID (REPORTER) :

The problem is the ranchers' co-op needs the CFIA to approve its tests for B.S.E., and the federal agency isn't keen to do it. It's more interested in keeping Canada in line with what other countries, like the U.S., are doing. But ranchers like Nora Paulovich don't agree with it. It's why she comes to these meetings. She was one of the first people to get involved in the co-op. She and her husband raise beef and lost tens of thousands of dollars when the prices dropped. She doesn't trust Canada's biggest beef trading partner.

NORA PAULOVICH (CATTLE PRODUCER) :

Maybe they will open the border eventually, but then they might find another B.S.E. cow and say it was Canadian origin and slam it shut again. So I would like to not be dependent on them for my marketing.

MARGO MCDIARMID (REPORTER) :

The U.S. is keeping an eye on what's happening here in Canada. It recently shut down a similar proposal to test all animals by an American rancher. The project got in the way of the U.S. Government's attempts to get its meat back into Japan and to convince the world that there's no need to test all beef.

JIM ROBB (ANALYST) :

We're very concerned on this side of the border that if Canada sort of runs their own direction on this testing area, that then it puts the U.S. position at jeopardy, especially with trying to reopen the Asian markets.

MARGO MCDIARMID (REPORTER) :

Here at the livestock marketing information centre in Denver, Colorado, they're watching what's going on in Canada very carefully. The centre provides analysis and projections for the U.S. Government and the beef industry. Analyst Jim Robb says American cattlemen are against widespread testing because it could be expensive, and they fear consumers would think untested meat isn't safe. They're prepared to pressure Canada's ranchers to toe the line.

JIM ROBB (ANALYST) :

I think it would cause significant trade friction between the two countries, additional trade friction.

MARGO MCDIARMID (REPORTER) :

Back in Alberta, Neil Peacock knows his co-op could trigger some international trade sniping, but, at this point, he doesn't really care.

NEIL PEACOCK (FARMER) :

Now, I know I get patted on the head and told, you don't understand, little boy, and maybe I don't. To me it seems straightforward. We have a situation where we can't process enough meat in Canada. We have a situation where consumers are concerned about the safety of the food. To me it seems pretty much straightforward. You build a plant, and you give the consumers what they want.

MARGO MCDIARMID (REPORTER) :

And members of the co-op are doing a little political arm-twisting of their own.

NEIL PEACOCK (FARMER) :

It's our industry and we're not going to let one person ruin it for us.

MARGO MCDIARMID (REPORTER) :

They're meeting with a member of parliament, David Kilgour, one of only two Liberal MPs in Alberta. With a federal election call days away and with Liberals looking for votes in the West, he's listening carefully.

DAVID KILGOUR (ALBERTA LIBERAL MP) :

What can I do to help?

RANCHER :

Money. (Laughter)

DAVID KILGOUR (ALBERTA LIBERAL MP) :

I had a feeling that it was coming down to that. How much?

RANCHER :

Got a blank cheque?

MARGO MCDIARMID (REPORTER) :

The ranchers want some federal money to build their plant, and they want some political pressure on Canada's Food Inspection Agency to let them test their animals. David Kilgour is eager to help.

DAVID KILGOUR (ALBERTA LIBERAL MP) :

I think that the prime minister wants the west to be heard. He knows that this is a vital industry. My first job was on a cow/calf operation when I was 16. I mean, it's part of all of our backgrounds. I think that it would be very hard to say no to this kind of proposal.

MARGO MCDIARMID (REPORTER) :

Meanwhile, Neil Peacock is just trying to get through this dry spring. But he knows if his plans for the co-op don't work out, this could be his last season as a farmer.

NEIL PEACOCK (FARMER) :

It's do or die. That's what it is, do or die. Hopefully we do and we don't die.

MARGO MCDIARMID (REPORTER) :

But then northern Alberta isn't a place where anyone gives up easily. For farmers who survived the last difficult year of mad cow disease, just knowing there's still a chance to get back on their feet is hope enough for now. For "The National," I'm Margo McDiarmid near Sexsmith, Alberta.