

# The North American Free Trade Agreement Animal Health Considerations

## The Impact of NAFTA on Animal Health Programs in the United States

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### Abstract

The NAFTA is a trade agreement among Canada, the United States and Mexico. If ratified, the agreement would phase out trade barriers between the countries over a fifteen year period. The agreement creates the largest trading bloc in the world.

Under the agricultural provisions of NAFTA, the U.S. has separate agreements on agricultural products with Canada and Mexico. Canada has separate agreements on agricultural products with Mexico.

The agreement provides a number of basic rights and obligations:

- Right to take sanitary and phytosanitary measures to protect human, animal and plant life or health.
- Right to establish levels of protection.
- Obligation to base sanitary and phytosanitary measures on scientific principles and sound risk assessments.
- Obligation to be non-discriminatory in establishment of sanitary and phytosanitary measures.
- Obligation to prevent unnecessary obstacles.
- Not employ disguised restrictions.

With these measures in place, why are we concerned about the introduction or dissemination of diseases from the other countries? Primary concerns are with Mexico and include the following:

- Disease control programs may not be equivalent to our own.
- Some diseases are present in Mexico at high prevalence rate.
- Some diseases of concern have been eliminated from the U.S.
- Risk assessments may not be adequate to indicate adequate protective measures.
- Can Mexico effectively control its other international borders?
- Reduction in trade barriers will increase numbers and classes of livestock moving between countries, thus increasing risk.

There are a number of diseases of concern in Mexico. Many are also present in the U.S. and are not included in regulatory programs. The diseases of greatest concern to the cattle industry include the vesicular diseases, screwworms, babesiosis, brucellosis and tuberculosis. This presentation will only discuss brucellosis and tuberculosis.

### Introduction

In order to effectively understand the potential impacts of NAFTA on animal health programs in the

U.S. we must first have some understanding of what NAFTA is intended to be.

NAFTA is a *trade agreement*. Its purpose is to help the United States (and Canada and Mexico) compete effectively in a global marketplace. NAFTA would create the world's largest trading bloc. The agreement covers an area from the Yukon to the Yucatan, an area with approximately 360 million people and an economy of \$6 trillion. Under the agreement, tariffs and other trade barriers to the movement of goods, services and money between the U.S. and the other two countries will be erased over the next fifteen years.

The NAFTA will create a free trade area (FTA) comprising the U.S., Canada and Mexico. Consistent with GATT rules, all tariffs will be eliminated within the FTA over a transition period. The NAFTA involves an ambitious effort to eliminate barriers to agricultural, manufacturing, and services trade, to remove investment restrictions, and to protect effectively intellectual property rights. In addition, the NAFTA marks the first time in the history of the U.S. trade policy that environmental concerns have been directly addressed in a comprehensive trade agreement.

Under the agricultural provisions of NAFTA, the U.S. has separate agreements on agricultural products with Canada and Mexico. Canada has separate agreements on agricultural products with Mexico. These agreements are not the same.

### Overview of the NAFTA Agreement

*What the agreement will do:*

- The NAFTA will result in the ultimate elimination of all tariffs, quotas, and licenses that act as barriers to agricultural trade between the U.S. and Mexico.
- It will give the U.S., and with some exceptions Canada, preferential access to the Mexican market.
- It will establish strong rules of origin to ensure that North American producers reap the primary benefits from NAFTA trade preferences.
- It will provide stronger protection for agricultural inventions, trademarks, and technologies.

- It will give U.S. firms the right to establish agricultural enterprises or acquire existing businesses in Mexico and Canada; essentially the same rights as Canadian and Mexican firms already enjoy in the U.S.
- It will create a fair, quick and effective process for resolving disputes on NAFTA violations among member governments; it also calls for a system to resolve private commercial disputes on agricultural transactions among the three countries.

*What the agreement does not require:*

- It does not affect U.S. quotas imposed under Section 22 of the Agricultural Act of 1933 for any country except Mexico, nor does it affect U.S. tariffs or other import protection for non-NAFTA countries; similarly, it does not lift Mexico's import licensing requirements, tariffs, and other import barriers for non-NAFTA countries.
- It does not require any changes in stringent U.S. standards for food safety, animal or plant health, or environmental protection, nor does it prevent the adoption of even tougher science-based standards.
- It does not exempt our NAFTA partners from meeting U.S. quality and grade standards for fruits, vegetables, and other products.

Now with this brief background on NAFTA, let's look specifically at animal agriculture and more specifically at the safeguards for the movement of animals within the trade area. The agreement provides a number of basic rights and obligations as follows:

**Right to Take Sanitary and Phytosanitary Measures** - Each country may adopt or maintain measures necessary to protect human, animal and plant life or health, including measures more stringent than the international standards.

**Right to Establish Level of Protection** - Each country has the right to determine its own level of protection.

**Scientific Principles** - Each country shall ensure that any sanitary or phytosanitary measure that it adopts maintains or applies is:

- a. based on scientific principles, taking into account relevant factors including, where appropriate, different geographic conditions;
- b. not maintained where there is no longer a scientific basis for it; and
- c. based on a risk assessment, as appropriate to the circumstances.

**Non-Discriminatory Treatment** - Each country must ensure that sanitary and phytosanitary measures the country adopts do not arbitrarily or unjustly discriminate between its goods and like goods of the other countries, where identical or similar conditions prevail.

**Unnecessary Obstacles** - Each country must ensure that sanitary and phytosanitary measures are applied only to the extent necessary to achieve the desired level of protection, taking into account technical and economic feasibility.

**Disguised Restrictions** - No country may adopt, maintain or apply sanitary or phytosanitary measures with a view to, or with the effect of, creating a disguised restriction on trade between the countries.

If these measures are in place and working effectively, why are we concerned about the introduction or dissemination of diseases from the other countries of the NAFTA? Our primary concern is with Mexico, not with Canada. The following are some of our concerns:

1. Many of the Mexican disease control programs are not equivalent to our own.
2. Some of the diseases of concern are present in Mexico at a much higher prevalence rate than in the U.S.. Some have been eliminated from the U.S..
3. Future entry requirements must be based on scientific principles and a *risk assessment*. How do we measure risk? Who will do the risk assessment? What factors will be used to measure the risk?
4. Entry requirements may be geographical, rather than country wide. This could require additional control measures for movement into or out of a geographical area. is this possible or feasible?
5. Can the country of origin (Mexico) effectively control its other international borders and its shorelines to assure that diseases or parasites do not enter from some other country? Diseases and parasites of concern are present in many Central and South American countries.
6. Less restrictive trade barriers will increase the number and classes of animals moving between the countries, thus increasing risk.

## Diseases of Concern

Here again, our concern is primarily with Mexico. Canadian programs are generally felt to be equivalent to our own and the primary diseases of concern are under control or have been eliminated from Canada. Many diseases of concern do exist in Mexico. I will not enumerate all of them. There are at least forty diseases and parasites of concern to livestock and poultry, existing in Mexico (WHO, 1991). Many of these are also present in the U.S. and Canada and are not included in disease control programs. The greatest concerns, from the standpoint of this discussion would include vesicular diseases (currently the only vesicular disease present in Mexico is Vesicular Stomatitis), screwworm (recently found and eliminated), babesiosis (fever ticks), brucellosis and tuberculosis. Although all of these diseases and parasites are of concern, there is not adequate time to discuss them all, therefore the remainder of my presentation will deal with brucellosis and tuberculosis, which are of greatest concern.

### *Brucellosis*

Brucellosis infection rates in many areas of Mexico are quite high. In the past this has posed little concern to the cattle industry of the U.S. because the primary imports from Mexico have been steers. For many years, the Mexican government would not allow the exportation of female cattle. In recent years, provisions have been made to allow the feeding of intact female cattle through the "in bond" provisions, whereby the cattle are fed in quarantined feedlots and returned to Mexico for slaughter. Currently there is increasing pressure to allow the importation of intact female feeder cattle to destinations other than quarantined feedlots. Under NAFTA there could be increased incentive for the movement of breeding cattle from Mexico.

We must devise mechanisms to assure that imported intact cattle are brucellosis free or that they are restricted to quarantined destinations.

The brucellosis situation does concern us, but not to the extent that we are concerned about some other diseases. We do have easily conducted, effective, accurate blood tests for brucellosis and, in most areas of the country, we have a cattle population that is highly vaccinated. We also have an effective brucellosis surveillance program in effect. These factors make brucellosis reasonably easy to deal with. Currently USDA is reviewing the brucellosis import requirements for possible revision.

### *Tuberculosis*

In order to fully understand the tuberculosis threat

from Mexican cattle we need to have an understanding of the current tuberculosis situation in the U.S.

The incidence of Bovine Tuberculosis is rising in the United States. There is concurrently an alarming rise in the incidence of tuberculosis in the human population, however, the incidence of tuberculosis in humans is not related to the increasing incidence in animals.

I will discuss some of the causes of this increase in incidence, some of our concerns and possible solutions. The Bovine Tuberculosis Eradication Program began in the United States in 1917. In 1918 the incidence of the disease in cattle was 5%. From 1917 until 1965 the program consisted in down the road testing and milk ordinance testing. In 1965 the program was changed to a slaughter surveillance program, coupled with epidemiological tracing of positive animals and testing of herds of origin. In 1990 the incidence of bovine tuberculosis was 0.015%, but is on the increase.

There are three primary areas of concern, including tuberculosis in cervidae, camelidae and exotic hoofstock; tuberculosis in dairy cattle in the El Paso milkshed; and tuberculosis in imported Mexican cattle. Although tuberculosis in cervidae, camelidae and exotic hoofstock has no direct implication to NAFTA, it is important to understand this aspect of the bovine tuberculosis problem in the U.S.. We must solve the tuberculosis problem in these species at the same time we are solving the other aspects of the tuberculosis problem.

### **Tuberculosis in Cervidae, Camelidae and Exotic Hoofstock**

*Exotic Hoofstock* — From 1967 through 1991, 104 cases of Bovine Tuberculosis have been diagnosed in exotic hoofstock from 19 zoos in 13 states. Excess animals may be sold into private hands and through auctions.

*Camelidae* — Bovine tuberculosis has been rare in camelids. Most cases have been seen in collections of animals that contain other species that are infected.

*Cervidae* — Since 1984 fourteen herds have been found to be infected. Most of these herds were discovered since 1990 when tracebacks from Canada indicated that bovine tuberculosis in captive cervidae in that country was imported from the U.S.

### **Problems and Concerns**

Testing procedures have not been adequately evaluated in most of these species.

The Caudal Fold test was shown to be ineffective in cervidae.

Interest in propagation of these species has risen dramatically. The value of the animals is often very high.

Prior to 1990 state regulatory authority was lacking or inadequate in most states, resulting in uncontrolled movement.

There is limited federal authority to control movements of animals.

There is no indemnity.

There have been five cases of transmission between captive cervidae and exotic hoofstock and cattle.

The number of native freeranging deer and elk has increased dramatically in the United States. Some experts speculate that the large numbers of animals in wild populations are sufficient to allow tuberculosis to become endemic in these herds if introduced. There have been four episodes of tuberculosis in freeranging deer in North America, two of these were in the U.S. (New York in 1934 and 1961) and two in Canada.

### **Solutions**

Develop testing procedures for exotic hoofstock

Evaluate current testing recommendations for camelids. Develop and implement improved tests.

Change testing procedure for cervids. In 1990 USDA/APHIS/VS issued testing recommendations for the use of the Single Cervical Test in cervids and for handling responders. In 1992 a new Guideline for control of tuberculosis in cervids was implemented and a Uniform Methods and Rules has been proposed.

Evaluate new tests for cervids;

ELISA

BTB

Develop state regulatory authority for importation, testing and quarantine. At least 41 states have some regulatory authority. Interstate movement requirements vary from state to state and will continue to do so until adequate federal authority exists to control interstate movements.

### **Tuberculosis in Dairies in the El Paso Milkshed**

This area of Texas and New Mexico has approximately 30,000 dairy cattle on approximately 34 dairies. Tuberculosis has been present in dairies in

the area since 1985 when ten herds were found to be infected. Five were in Texas and five in New Mexico.

This area has the largest foci of infection in the U.S.. Currently five herds in the area are infected. A sixth herd was depopulated in January of this year. Currently all of the infected herds are on the Texas side. Recently an additional dairy herd has been found to be infected in south Texas. This herd is not in the El Paso milkshed. The epidemiological investigation is not complete at this time, so the source of infection or spread from the herd is not known.

### **Problems and Concerns**

High reactor rate and a low rate of recovery of lesions and organisms.

Some experts contend that the skin tests are ineffective in diagnosing TB in areas of very low prevalence.

Source of the disease has not been identified.

Inter herd spread?

Common source?

Outside source?

Mexican source?

Approximately 1/2 of the infected herds released from quarantine were subsequently found to be reinfected (still infected).

### **Solutions / Potential Solutions**

Assign full time tuberculosis epidemiologist to the area (done spring of 1993)

Allow judgement in developing herd plans and working with individual producers.

Modify testing procedures. The Gamma Interferon blood test was approved as a supplemental test this spring.

Complete epidemiological investigation to determine source of infection

Undetected animals in released herds

Introduction

Mexico - animals, humans, birds

Calf raising lots

Other

Improve indemnity for infected and exposed animals (currently \$450.00 - \$750.00)

Herd depopulation

purchased additions

**Tuberculosis in Cattle of Mexican Origin**

In 1982 it was observed that the percentage of tuberculosis cases identified in the slaughter surveillance program and traced to feedlots had risen from 32% in FY 1978 to 96% in FY 1982. The number of tuberculosis cases in steers increased from 70 in FY 1988 to 285 in the first half of 1992. In FY 1992 83% of the 217 feedlot cases were in cattle of Mexican origin.

The number of imported Mexican origin cattle has increased from 329,071 in FY 1982 to 1,185,676 in FY 1991. Mexican ranchers need to market their cattle in the U.S.

**Problems and Concerns**

By our standards, Mexico does not have an effective national tuberculosis program.

Current U.S. entry requirements for steers consist of a single caudal fold test conducted within 60 days of entry, "M" branding and a federal entry certificate issued at the POE.

Exposed cattle are entering the U.S.

Mexican cattle are widely distributed after entry.

Mexican cattle are pastured with or in contact with native cattle.

Transmission from imported Mexican cattle to native cattle has occurred in at least two cases and is suspected in several others.

The incubation period for TB can be long. May not see results of exposure for years.

**Solutions / Potential Solutions**

Help Mexico develop a viable, effective TB program.

Current Mexican initiative is an industry driven initiative that is being implemented state by state.

Consists of down the road testing, quarantine and retesting of infected herds, and certification of free herds.

Need to develop:

- Supplemental tests.
- Slaughter surveillance.
- laboratory support for histopath and culture.

Evaluate effectiveness of Mexican tuberculin against U.S. tuberculin.

Evaluate Mexican testing procedure against U.S. procedure.

Modify import requirements.  
NCA/USAHA resolutions

These resolutions call for (1) the development of a joint U.S./Mexican Tuberculosis Commission which will address the tuberculosis problem in Mexican cattle, (2) the imposition of a test at the border on imported Mexican cattle or provisions for a 60 day quarantine and retest of imported cattle (except for cattle from Sonora), (3) the individual (Mexico) eartag identification of imported Mexican cattle, (4) the requirement for an interstate Certificate of Veterinary Inspection for the movement of Mexican origin cattle from the border to state of final destination, (5) the imposition of a test requirement on breeding cattle from Mexican Tuberculosis Free herds.

Consider state regulatory changes to:

- Control entry of imported cattle into the state.
- Require retest of roping steers.
- Restrict destinations of grass and feeder cattle.
- Require retest of breeding cattle.

State regulatory agencies have the right and authority to impose tougher regulations on Mexican origin cattle than those imposed by USDA.

**Conclusions**

- NAFTA is a trade agreement. It will be ratified. International movements of livestock will be increased. Whether we like or dislike the provisions of the agreement, we need to be prepared to do everything possible to safeguard our industries.
- There are provisions for sanitary and phytosanitary measures for the protection of our industries.
- We must assure that trade considerations do not override disease control needs.
- We must assure that the scientific tools used to test and certify animals are sufficient for the purpose.
- We must assure that risk assessments are based on sound principles, that all pertinent facts are gathered and that the evaluation of all factors is accurate and complete.
- We must assure that Mexican animal health programs meet or exceed appropriate international standards and that the programs are affectively applied in Mexico.
- Unless all of these factors are effectively applied to NAFTA we will see introduction of diseases from Mexico.