

# For the Record

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Straight talk about antibiotic use in food animal production presented by ALPHARMA Inc., Animal Health

## A VICTORY FOR SCIENCE? DON'T POP THE CORK YET

Word leaked out in February that the World Trade Organization would soon rule that the European Union and six member countries were guilty of violating trade treaties by barring imports of genetically modified crops. Because the WTO ruled Europe didn't follow good science in barring the technology, free-trade advocates robustly cheered the long-awaited return of science to the overly politicized fight over fair trade.

Yet the ink had barely dried on the news reports before some European leaders were promising to defy the WTO and its ruling, in the name of appeasing activists and "protecting" their consumers from biotech's uncertain risk. The activist group [Institute for Trade Policy](#)—not coincidentally a member of the [Keep Antibiotics Working](#) campaign to outlaw most uses of antibiotics in U.S. food animals—criticized the WTO for letting itself be manipulated by multinational corporations into forcing dangerous "Frankenfoods" down the throats of world consumers. The WTO's timing, although probably more honestly coincidental, may have nevertheless likewise foreshadowed the next pending battle of science vs. politics in food trade: Only a month previously, Europe

had finished the decade-long process of outlawing the last permitted uses of "growth promoting" antibiotics for its own livestock producers.

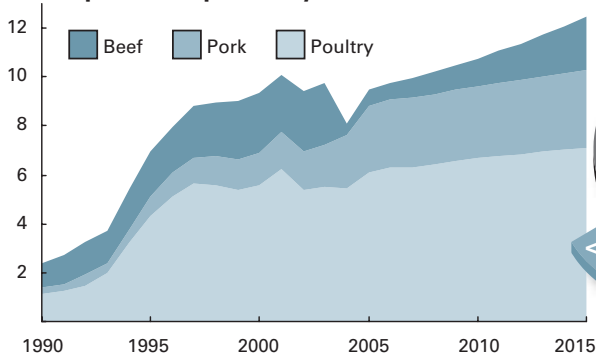
Those who see the WTO ruling as only a hollow victory take small comfort in the early 20th century U.S. historian Bernard De Voto's definition of pessimism: wisdom minus the nerve to recognize it as such. But the fight has just begun in the eyes of those who study the politics of trade protection, thinly and not so thinly disguised. Margot Wallström, for instance, the EU environment commissioner in 2001, reportedly openly conceded that the biotech moratorium was "an illegal, illogical, and otherwise arbitrary line in the sand"—her argument in *favor* of it. Europe's ban on the 50-year-old safe practice of using antibiotics is based on an equally politically willful act of ignoring science unless it yields up the politically acceptable result. Yet it's being used by opponents of the practice here and abroad, including the World Health Organization, as "proof" it's time for U.S. milk, meat and egg producers to give up the practice. When it comes to antibiotics as a potential non-tariff barrier to trade, February's celebration of science's victory could be sweet but short.

## A MARKET NOT TO BE TAKEN LIGHTLY

Despite a slowdown in their rate of growth during the last decade, export markets still consume a significant share of U.S. meat and poultry

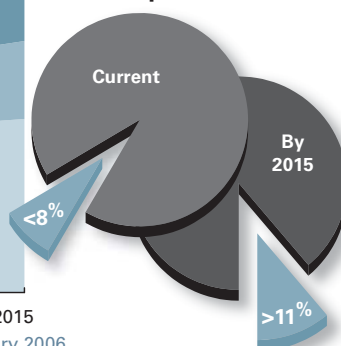
producers' annual production. The United States must continue to challenge "non-tariff" barriers to free trade in order to meet projected growth.

Billion pounds exported by U.S.



Source: USDA Agricultural Baseline Projections to 2015, February 2006.

Exports as percent of U.S. production



### Also in this issue

- Increasing evidence that those of you interested in protecting free trade in animal products produced using safe, proven tools like antibiotics can't afford to be ambivalent about the victory of politics over science
- When good science isn't good enough: How governments erect additional hurdles to protect inefficiency

### For the record...

When the world's governing trade body decided in February that Europe must open its market to biotech foods, it struck a blow for science in determining the validity of practices like genetic engineering and antibiotic use in animals. Right up to the point, that is, where Europe vowed to ignore it.

# COULD ANTIBIOTICS FALL NEXT TO TRADE POLITICS?

When those European politicians boldly vowed in February to continue ignoring the WTO ruling that they must follow specific scientific procedure before refusing imports of genetically engineered foods, they had precedent to follow. Even though U.S. beef producers and their industry organizations won a

similar case in the late 1990s demanding Europe stop shutting out American beef raised using growth hormones, Europe has yet to knuckle under and open its markets to such beef—even as member countries struggle to supply the Union's growing gap between beef demand and what domestic producers can supply. Small consolation, but it's proof of the old saw that in politics, hard and fast rules usually bring only inevitable and swift defeat. On the contrary, to the "flexible" often go the spoils.

Despite a generally increasing liberalization of global trade, it's a trend toward politicizing the oversight of trade science which doesn't bode well for U.S. meat, milk and egg producers who refuse to surrender to pressure to end their use of the proven effective and safe practice of antibiotic use.

## REGULATORY AGREEMENTS

Recognizing an increasing trend toward both the desire to participate in global food trade and concerns about protecting individual countries' livestock and consumers from disease, the old [General Agreement for Tariffs and Trade](#), or GATT, turned its eye toward the sanitary control of agricultural trade during the "Uruguay Round" in the late '80s and early '90s. In 1994, GATT—which had by then morphed into today's [WTO](#)—signed the "Agreement on the [Application of Sanitary and Phytosanitary Measures](#)." Known today in shorthand as the SPS, the agreement set out the legal framework for an international trade that would remain both free and safe. Because the WTO is not a scientific organization—as it acknowledged in the February European biotech decision—it farms out that technical standard-setting to three other organizations: the International Plant Protection Convention for crops, the [Codex Alimentarius](#) for questions of public health and food safety, and the [World Organization for Animal Health](#) (known by its French acronym, OIE) for questions of animal health and zoonoses.

The new, formalized SPS process of liberalizing market access by establishing science-based food-safety regulations went a long way toward eliminating baseless regulations designed solely to restrict trade. Under the new rules, countries maintain their right to set the level of risk they're willing to accept when evaluating another's production practices, like antibiotic use. However, in signing the agreement, they likewise obligate themselves to either honor the WTO international standards or—in cases where they elect to set their own—back them up with science that demonstrates a legitimate risk really exists. Any regulation must also be proportional to that risk.

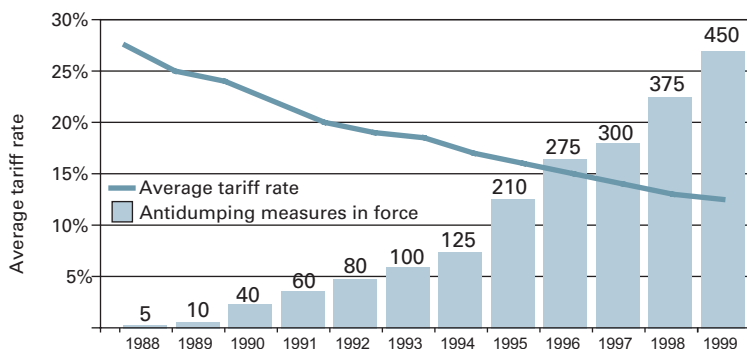
Yet politicians in the six EU member countries recently cited for unfairly availing themselves of SPS protections ignored a colossal body of evidence showing gene splicing creates no new risk vs. older crossing methods, including 81 different EU-funded research projects spanning fifteen years.

## UP NEXT...ANTIBIOTICS?

Considering Europe's finalization of its ban on production-level antibiotic use in January, which required a similar willingness of politicians to ignore their own scientists' studies showing no demonstrable risk from using antibiotics, that practice could

## Protectionism seeks its own level

Here's one illustration of today's stealth nature of trade protection, according to Brink Lindsey, director of the Cato Institute's [Center for Trade Policy Studies](#). As trade negotiators have worked to bring down tariffs, more countries, particularly developing ones, have turned to antidumping measures to protect domestic production.



## Pushing against the trend toward 'Random Trade Limiting Actions'

David Meeker, who helped author [NRC's landmark](#) 1999 benefit and risk analysis of animal antibiotics, has coined the term "random trade limiting action" for the rash of food-safety related actions in the previous decade to control poultry imports, ranging from:

- Russia's refusal to accept shipments because production facilities used the wrong building style, weren't sited on paved roads and didn't keep lids on all their garbage cans.
- Europe's 1997 ban on the almost universal U.S. practice of using chlorine-based disinfectants in poultry processing.
- Mexico's locking out of U.S. imports because of the presence of exotic Newcastle disease—which came to the United States from Mexico in the first place.

Why have RTLAs become such a powerful protectionist tool? Meeker, who now oversees scientific issues for the [National Renderers' Association](#), suggests:

- They're easy to enact.
- Because the burden falls on the exporting country to disprove the RTLA, removing one can be time-consuming, expensive and may ultimately not be jus-

tified by the volume of potential sales.

- Because they're based on the precautionary principle, RTLAs can take advantage of whatever hot Internet topic is currently frightening consumers.

## WHAT DO WE DO?

Based on experience fighting such trade barriers both in his current position and previously with the National Turkey Federation, Meeker suggests producers must:

- Be prepared—and willing—to oppose them when they're not based on sound science.
- Insist trade negotiators build pre-determined dispute settlement mechanisms into all free-trade agreements.
- Enforce existing agreements that aren't being adhered to.
- Ensure U.S. regulators remain faithful to science-based regulation, so our approvals can stay above question. It's hard to convince European regulators they shouldn't use junk science to bar imports of U.S. meat produced with antibiotics, he notes, when we have U.S. lawmakers introducing equally [scientifically weak legislation](#) here.

be the next trade dispute similar to beef hormones. The U.S. producer's use of antibiotics in animal production has come under scrutiny during trade negotiations. Russia, for instance, set a series of strict antibiotic residue testing and monitoring standards in 2002 which in many cases exceeded what FDA required for U.S. poultry, in the process cutting the value of their imports from this country by more than 40 percent. Mexico, likewise, rejected tons of pork at the border in late 2002 over concerns about sulfamethazine residues which were later deemed unwarranted, costing the U.S. pork industry millions.

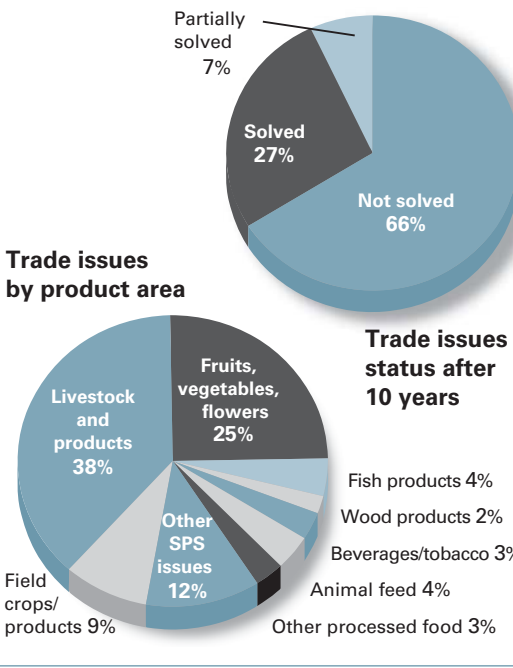
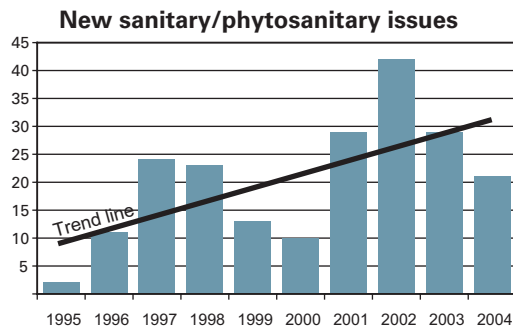
So far, no formal trade barriers have been erected solely on the basis of concerns that antibiotic use in livestock poses a threat to the effectiveness of human drugs—the clarion call of the movement both here and abroad to outlaw their use. Still, the fact that Europe has now made their illegality for that purpose a done deal, combined with the fact Denmark, the world's largest net pork exporter, is using it as a selling point, likely means the question isn't "if?" but "when?"

#### WHAT NEXT?

At this point, negotiations over the use of antibiotics have been pushed to the backstage in favor of the "Big Three" of farm trade negotiations: domestic price supports, export tariffs and market access. But the issue hasn't gone away. In reaction to the World Health Organization's recent call to end the practice of using antibiotics in livestock if they're also used in humans, and WHO's requirement that Codex and OIE to get involved in the process, OIE is actively soliciting input from the international veterinary community to develop a list of antibiotics that are critical to veterinary medicine. Although the list is recognized as being valuable in defending use of animal antibiotics against WHO's efforts, the possibility also exists it could be used to start culling those not considered "essential." Although many argue that the regulatory systems of most countries already consider the potential for an animal drug to contribute to resistance against human drugs—including the United States—concern remains that Codex could ultimately side with the precautionary factions that believe the unproven risk justifies action. We cannot afford the luxury of ambivalence once science is abandoned to political decision-making.

### Increasing level of SPS-related trade action

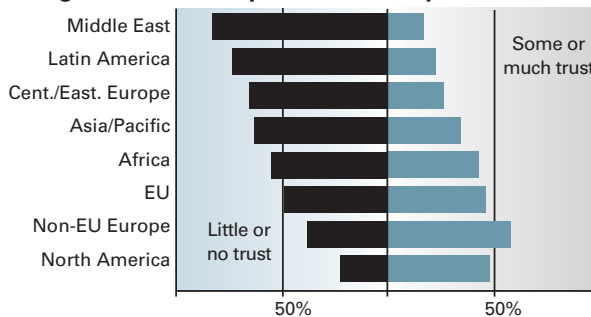
Statistics from the World Trade Organization compiled by the Denver-based U.S. Meat Export Federation show the number of SPS-related challenges—the largest share of which are aimed at livestock and meat—are on the increase.



### The importance of understanding how other cultures view the role of government and regulators

Cultural differences make a difference in willingness to accept what the government says is OK vs. not OK. It may help explain why European regulators have faced virtually no pressure from their private veterinarians over loss of antibiotics, while U.S. veterinarians vocally oppose a ban. A 2002 study of 36,000 citizens in 47 countries reported by Washington's Center for Strategic and International Studies showed only in the United States and non-EU European countries did a majority trust the national legislature to look out for society's interests.

#### Trust government to operate in society's best interest



#### For the record...

Antibiotic use in livestock makes a politically sensitive wedge for trade protectionists to bar U.S. exports. We can't afford the luxury of ambivalence once the scientific oversight process becomes politicized.

# PREVENTING SPS-RELATED TRADE SABOTAGE

NICK GIORDANO, INTERNATIONAL TRADE COUNSEL, NATIONAL PORK PRODUCERS COUNCIL, WASHINGTON, D.C.



The Uruguay Round WTO Agreement and various bilateral and regional free trade agreements the United States has recently entered into have removed or reduced many of the traditional forms of import restriction on agricultural

products—such as tariffs, quotas and levies. In some cases, a particular SPS measure may have already existed on a given product, but was irrelevant because the traditional barrier prevented trade. In other cases, however, new SPS measures are being imposed by governments in response to pressures from domestic producers for alternative import protection.

But a new and equally troubling justification for some SPS measures is being used by some governments. It is the argument that a restriction on imports is necessary to respond to “consumer concerns.” As this argument goes, a valid scientific basis for an SPS measure is not necessary as long as it is designed to address a consumer fear and is not protectionist in its intent. The validity of the consumer concern is presumably not relevant. Variations of this argument, along with the “precautionary principle” have been used by the European Union to defend its import ban on U.S. beef, its moratorium on approvals of new products of biotechnology, and even the prohibition on antibiotics in feed.

Of particular concern to U.S. pork producers is the twisted use of meat inspection requirements to restrict imports. In the ultimate of frustrations, we may celebrate one day the opening of a new pork market after a trade agreement, only to find out the next day our exports have actually been reduced or shut down completely because of bogus meat inspection issues. This is one reason we are so pleased with the recent free trade agreement with Peru. As part of these negotiations, Peru undertook commitments to recognize the U.S. meat-inspection system as equivalent and to accept for import meat inspected and approved under that system.

On a slightly brighter note, what once was a rarity—one country challenging another’s SPS measure—has now become at least somewhat routine. The Uruguay Round SPS Agreement established rules to prevent their use as disguised trade barriers. Since the United States first brought and won the EU hormone case under that agreement, at least six others have been brought against other WTO members. Even Europe has gotten into the act, filing a case against Australia’s quarantine regime for pork and poultry. These dispute settlement challenges have established valuable jurisprudence on a number of issues, perhaps most importantly on the requirement that science-based risk assessments be the basis for measures that affect trade interests.

## For the record...

Progress is slowly being made in protecting free trade from sabotage based on weak claims about food safety. But hurdles still remain.

## For the Record,

sponsored by a grant from ALPHARMA Inc., Animal Health, is designed to help unite the industry and provide a unified, rational message on behalf of producers whose freedom to use safe, effective, economical production methods is at stake. Working together, we can set the record straight on antibiotics.

Questions or comments? Contact Steve Kopperud at [skopperud@poldir.com](mailto:skopperud@poldir.com). Want to read past issues or link to more information on this issue? Visit us online at [www.alpharmaah.com](http://www.alpharmaah.com).

## FACING THE ‘FOURTH HURDLE’

Follow this: Europe’s agricultural minister once wrote, “The Government does not think it likely that the EU will ban foods or processes for subjective reasons, although on occasions the reasons for any such ban may not be purely scientific.”

Again, please?

More than 15 years ago, Europe’s Parliament officially recognized—even if stopping short of committing it to legislation—the legitimacy of what’s now known as “the fourth hurdle.” It says a medicine intended for use in animals, if it’s only for improving productivity and not disease control, must pass four hurdles—not the traditional three—in order to win approval. No.1, it must be safe. No. 2, it must be pure. And No. 3, it must be effective. But the new, fourth hurdle would require it also be proven to be environmentally benign and not socioeconomically damaging.

How that new hurdle would pit U.S. vs. European cultures was never more stark than in the fate of BST, the genetically engineered hormone designed to increase milk production. In addition to the usual safety discussions, debate soon turned to the impact BST’s overnight increase in the milk supply would have on small dairies. In this country, BST went on to win approval—following a 90-day economic study of its effects on milk price supports—in spite of those concerns. In Europe, it was banned explicitly because of them, despite reassurances by the EU veterinary committee that milk from treated cows was safe.



European regulators deemed BST safe, yet banned its use anyway. The political reason? BST’s market impact would favor U.S.-style intensive dairying over small farms. On-farm antibiotics could be in for the same contradictory trade action.

The question of regulating products based on their impact on traditional farm and market structures has also entered Europe’s debate over antibiotic use, although it hasn’t been posed as a reason for restricting imports—yet. The WTO’s SPS agreement specifically prohibits cultural, ethical and environmental concerns from being used to prohibit imports. It does, however, allow countries to demand imported foods be labeled as having been produced using them. That labeling end-around has opened up a Pandora’s box of questions. Can Europeans demand all meat imports be labeled as not having been confinement raised? Raised only using union labor? Fed only non-genetically engineered corn and beans?