House
Legislative
Analysis
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BOVINE TB CONTAMINATION

Senate Bill 1282 (Substitute H-2)
First Analysis (11-12-98)

Sponsor: Sen. George A. McManus, Jr.
House Committee: Agriculture
Senate Committee: Farming, Agribusiness and Food Systems

THE APPARENT PROBLEM:

The United States Department of Agriculture (USDA) has suspended Michigan's tuberculosis (TB)-free status because one contaminated cow was found in a herd at Hubbard Lake in Alpena County, and also because there is evidence of the disease in a wide-ranging deer herd in northeastern Michigan. Cows are believed to catch TB from infected deer when the deer venture onto farms and the animals share a feed source. When one cow tests positive, then the farm's entire herd is slaughtered, as was the case with the 21-cow Hubbard Lake herd.

Although five other states have detected bovine TB in their cattle herds, no other state has reported the disease in its free ranging deer herd. The evidence of diseased deer here in Michigan has been collected by the Department of Natural Resources (DNR) in its statewide deer testing, disease education, and permit replacement program which has been underway since 1995.

The suspension of the state's TB-free status is a hardship for Michigan's 19,000 cattle farmers who must market their cattle. Although that status has been suspended, it has not been revoked. However, if a second infected cow is detected, Michigan will lose its USDA TB-free status altogether, a status the state has held since 1979. The status allows Michigan beef and dairy farmers to export livestock around the world. According to press reports, the state's livestock industry is worth about $894 million a year. It is estimated the loss of the status will cost cattle farmers about $120 million a year. (*Detroit News*, 6-21-98 and 9-11-98). If a second cow is found to have TB, then the USDA would require farmers throughout the state to test their cattle before they can be transported out of Michigan.

Currently, the Department of Agriculture is conducting a scientifically-based surveillance program to detect the presence of tuberculosis (TB) in herds of cattle, goats, captive deer, and captive elk throughout northeastern Michigan. The department inspectors already have tested 20,000 cattle and goats, as they work systematically from farm to farm throughout all or part of nine counties. The testing is necessary because in September 1998, the Michigan Agriculture Commission approved a quarantine that will restrict the movement of cattle, goats, captive deer, and captive elk in the area north of Michigan Highway 55 and east of Interstate 75. The quarantine will take effect January 1, 1999 and will be reviewed in six months.

The state officials who drafted the quarantine proposal that was approved by the Michigan Agriculture Commission have said that they hope the move would persuade the federal government not to strip Michigan of its status as a TB-free state. State officials call their pioneering regulatory approach "regionalization," an effort to persuade the USDA to designate livestock herds from contaminated areas differently than it would herds from non-contaminated areas. (See *BACKGROUND INFORMATION* for more detail.)

To that end, some have argued that the scientifically-based surveillance program for bovine TB and other reportable diseases should be extended statewide, that owners of the livestock that must be destroyed because it is infected with disease should be compensated by the state, and that the maximum amount per animal that may be paid as indemnification should be raised.

THE CONTENT OF THE BILL:

The bill would amend the Animal Industry Act to provide the director of the Department of Agriculture with the authority to develop and implement scientifically-based surveillance programs for reportable diseases under certain circumstances. The

director, with advice and consultation from the livestock industry and the veterinary profession, could establish such a program when he or she determined that it would aid in the control or eradication of a reportable disease or would assist the economic viability of the industry.

In addition, the bill would establish requirements for the importation and movement of certain livestock by doing the following:

-- Requiring captive cervidae (deer, elk, moose, and caribou living under the husbandry of humans) less than six months of age imported into the state, except those consigned to a slaughter facility, to have originated from an official tuberculosis accredited or qualified herd, or to remain at the destination on the interstate health certificate or certificate of veterinary inspection until the animal received a negative test for tuberculosis (TB).

-- Requiring that captive white-tailed deer and captive elk moving from one premises to another within the state to have originated from an official TB accredited or qualified herd or from a herd that had received an official negative TB test.

-- Requiring owners of a captive white-tailed deer or elk farm that did not possess an official TB accredited or qualified herd status to have captive cervidae, as well as cattle and goats in contact with these animals, tested for tuberculosis.

-- Requiring owners of captive cervidae ranches to have a veterinarian visually inspect the animals for evidence of TB, if the animals were removed from the herd.

-- Until January 1, 2001, requiring cattle or goats that are to be moved from one premises to another within the state to have either originated directly from a herd that had been accredited tuberculosis free or had an official negative test for bovine tuberculosis within 60 days prior to the movement.

The bill also would amend the method of indemnification for livestock that have been infected or exposed to disease or toxicological contamination. The percentage of the fair market value would be increased from 75 percent to 90 percent and the maximum amount per animal that may be paid would be increased from $1,250 to $3,000. The increase would be applicable until January 1, 2005. After January 1, 2005, indemnification would revert to the current level of 75 percent of the market value of the livestock with a maximum of $1,250 per animal.

Finally, until January 1, 2001, the director of the Department of Agriculture could restrict the movement of other species within the state without a negative official test for bovine tuberculosis.

MCL 287.703 et al.

BACKGROUND INFORMATION:

The quarantine region. The quarantine area designated by the Michigan Agriculture Commission includes all of Alcona, Alpena, Montmorency, Presque Isle and Oscoda counties, and parts of Otsego, Cheboygan, Roscommon, and Crawford counties. The quarantine requires a TB-free test of any animal slated for movement outside that area. The quarantine, which takes effect on January 1, 1999, will be re-evaluated in six months. The affected area is bordered by Interstate Highway 75 to the west, Michigan Route 55 to the south, and Lake Huron and the Straits of Mackinac to the east and north. Beginning on January 1, virtually all cattle, goats, captive deer and captive elk leaving this area must first be TB-tested.

The disease and testing. Bovine TB is a slow-growing, bacterial disease that most commonly infects the respiratory system. This disease is most commonly spread from infected animals to susceptible animals in confined or overcrowded environmental conditions. Scientists believe bovine TB has occurred in northeast Michigan because of unique populations and deer congregating at feeding sites. The disease is spread primarily by close contact--it's usually exhaled or coughed out by infected animals and then breathed in by others. The risk of exposure is greatest over prolonged periods of time in enclosed areas, like barns. The TB produces no visible symptoms, but creates yellowish, pea-sized lumps or lesions on the lungs and rib cage. To test for the disease, a small amount of tuberculin, a sterile laboratory product made from TB bacteria, is injected under an animal's skin, much like a skin test for people. An infected animal will show a reaction within three days. If an animal is suspected to have TB, its herd and farm are quarantined for further testing. Cultures are taken and shipped to the USDA's lab in Iowa. Confirmation of infection takes up to 12 weeks.

Slaughter of a contaminated herd. If one cow tests positive for TB, the entire herd is slaughtered, as was

done with the 21-cow herd belonging to a farm family in Hubbard Lake. The herd's owners received $15,400 in compensation from the state. After a herd is slaughtered, the farm is disinfected, and a farmer must wait up to a year before new cattle can be brought in.

Testing clinics. In addition to its farm-to-farm cattle and goat herd testing program, the MDA also held a free bovine TB testing clinic during October, in order to test the herds belonging to farmers in the region. The clinic, held at the Oscoda County Fairgrounds, was open to all cattle and goats that had not been tested within the last 60 days. The testing clinic was held by MDA as part of the transition toward required TB-testing, which becomes effective in northeast Michigan on January 1, 1999.

Other states and protectorates. Four states and one protectorate--California, New Mexico, Pennsylvania, Puerto Rico, and Texas--have been put on modified accredited TB-free status by the USDA, which means that others states that buy beef or dairy cows from them must require that the animals be tested for TB before they cross state lines.

Health risk. According to the Department of Community Health, bovine TB poses few health risks to consumers. Since Michigan has required milk pasteurizing for decades, only those who drink raw milk incur a small risk. In addition, it is highly unlikely that one would contract TB by eating the meat of an infected animal, if the meat is thoroughly cooked until it is no longer pink, and its juices are clear, not red or pink.

FISCAL IMPLICATIONS:

According to the House Fiscal Agency, the bill would increase state costs associated with the changes in indemnification procedures. This effect would be indeterminate, and would depend upon the number and value of the animals destroyed. To provide some idea of the costs, the fiscal year 1997-98 budget contains a $250,000 general fund appropriation to indemnify livestock owners for animals destroyed as a result of bovine tuberculosis. So far, over $28,000 of this amount has been expended. (11-6-98)

ARGUMENTS:

For:

The instance of bovine tuberculosis discovered in the northeastern part of this state necessitates action be taken to contain the disease and prevent contamination from spreading to other parts of the state. Bovine tuberculosis is a contagious disease and, by restricting the movement of potentially infected livestock, the risks of further spread of the contagion can be limited.

The bill will give the director of the Department of Agriculture the authority to set up scientifically-based surveillance programs to monitor the entire state and prevent further spread of the disease. If the state can limit the area of infection, then it is hoped that the state will be able to persuade the federal government not to strip Michigan of its status as a TB-free state and to designate livestock herds from contaminated areas differently than it would herds from non-contaminated areas.

If Michigan fails to contain the spread of bovine tuberculosis, the state will likely lose it's currently suspended TB-free status. The suspension of the state's TB free status is already a hardship for Michigan's 19,000 cattle farmers who may already find markets in other states restricted. However, if Michigan loses its USDA TB-free status altogether, Michigan beef and dairy farmers would be required by the USDA to have their cattle tested before the cattle could be transported out of Michigan. According to the press reports, the state's livestock industry is worth about $894 million a year. It is estimated the loss of the status will cost cattle farmers about $120 million a year.

Finally, the bill provides for a temporary increase in the amount allowed as reimbursement for livestock that are destroyed by the state due to infection. The amount would help to make certain the indemnification for the loss is fair and would also, because it provides less than 100 percent of the fair market value, encourage efforts to limit the risk of contamination and would limit the risk that unscrupulous persons might attempt to pad the amount of their loss.

Against:

The bill's provisions requiring testing of almost all livestock before it is moved within the state are somewhat excessive. So far the problem only seems to exist in one area of the state and, while the surveillance testing throughout the state is certainly wise, testing of every cow before it is moved within the southern part of the state seems excessive. The tests required can be costly and it would be a waste of resources to require such tests for every animal from the southern part of the state (where no problems have yet occurred), before it was transported to a fair or show.

Against:

Either the amount paid to indemnify livestock owners for their loss is currently adequate and therefore does not need to be increased or the amount is inadequate and should be increased. There is no good reason to provide a temporary increase in the maximum amount and the percentage paid per animal. Why should an owner who has his or her livestock destroyed after January 1, 2005 be entitled to a significantly lower payment than someone's whose herd is destroyed on December 31, 2004? Changes to the amount paid for indemnification should not be subject to a sunset date.

POSITIONS:

The Department of Agriculture supports the bill. (11-5-98)

The Michigan Farm Bureau supports the bill. (11-6-98)

The Michigan Milk Producers Association supports the bill. (11-10-98)

Analyst: J. Hunault/W. Flory

■This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.