

Mexico were exported from the United States for purposes other than slaughter.<sup>3</sup> We can expect, therefore, that the annual value of not purebred cattle exported to Mexico that will be affected by this final rule will be approximately \$44 million (\$70.77 million multiplied by 0.62).

This final rule will have a negligible economic impact on exporters of sheep and goats shipped to Mexico, as over 99 percent of sheep and 96 percent of goats from the United States to Mexico are intended for slaughter and are not, therefore, covered by the certificate category and user fee established in this document.

#### *U.S. Ruminant Exports to Canada*

Ruminants exported to Canada that do not require testing or vaccination are feeder cattle from Hawaii, Montana, and Washington; sheep and goats intended for immediate slaughter; and some purebred cattle, sheep, and goats, depending on the health status of the State or herd from which the animal originated and the time of year the animals are shipped.

Canada requires feeder cattle imported from most States to be tested for tuberculosis and anaplasmosis, and requires certain feeder cattle to be tested for brucellosis and bluetongue. Brucellosis testing is not required for steers and spayed heifers and official calfhood vaccinates that were vaccinated with Strain 19 vaccine. For all other cattle, brucellosis testing requirements depend on the brucellosis status of the animal's herd and State. Currently, all States except Missouri and Texas are classified as brucellosis Class-Free. As a result, feeder cattle exported to Canada from all States except Missouri and Texas are exempt from brucellosis testing. Bluetongue testing requirements depend on whether the animal comes from a low-, medium-, or high-incidence State and/or the time of year the animal is exported. For example, feeder cattle imported into Canada between October 1 and December 31 are not required to be tested for bluetongue, regardless of the State of origin.

As an alternative to the foregoing testing requirements, Canada accepts shipments of untested feeder cattle under its Restricted Feeder Cattle Program.<sup>4</sup> To participate in this program, a State must meet certain requirements, including being free of brucellosis and tuberculosis and

classified as a low risk for bluetongue, and must submit to Canada summary data for anaplasmosis. Currently, Hawaii, Montana, and Washington are allowed to export untested feeder cattle to Canada under the Restricted Feeder Cattle Program. Cattle imported by Canada under this program may only enter the country between October 1 and March 31.

Testing requirements for breeding cattle exported to Canada depend on an animal's particular circumstances. For example, brucellosis and anaplasmosis testing requirements depend on the health status of the herd and State, and bluetongue testing requirements depend on the State's classification and/or the time of year the animal is exported to Canada. Breeding cattle need not be tested for tuberculosis if the entire herd from which the animal originated is tested within the 12 months preceding exportation.

Sheep and goats exported to Canada for immediate slaughter need not be tested for bluetongue. For all other sheep and goats, testing for bluetongue depends on the status of the exporting State and/or the time of year of the export. For example, Canada does not require sheep and goats exported from any State between October 1 and December 31 to be tested for bluetongue, assuming that the animals have resided only in the United States or Canada.

As shown in table 1, "not purebred cattle," which predominantly consist of feeder cattle, account for the single largest category of ruminants exported to Canada that could be affected by this final rule. Because Hawaii, Montana, and Washington are the only States currently allowed to export feeder cattle to Canada without tests or vaccinations under the Restricted Feeder Cattle Program, we can expect that exporters of ruminants from those three States will be most affected by this final rule. Table 2 shows approximate average annual values of feeder cattle exported to Canada from Hawaii, Montana, and Washington, 1999–2001. These values are for cattle classified under Harmonized Schedule code 010290 (not purebred), and, therefore, may include animals exported for immediate slaughter and other not purebred animals; however, the majority of cattle under this classification are imported by Canada under its Restricted Feeder Cattle Program for feeding and subsequent slaughter.

TABLE 2.—APPROXIMATE AVERAGE ANNUAL VALUES OF FEEDER CATTLE EXPORTS TO CANADA FROM THE STATES OF HAWAII, MONTANA, AND WASHINGTON, 1999–2001

Hawaii .....	\$2,383,000
Montana .....	84,999,000
Washington .....	8,821,000
Total .....	96,203,000

Source: Industry Canada, Trade Data Online, based on data obtained from Statistics Canada and the U.S. Census Bureau, U.S. Department of Commerce.

**Note:** Values are for Harmonized Schedule code 010290—Bovine, live—Not Pure-bred, which are predominantly feeder cattle, but may include other cattle. The values, therefore, are only approximate feeder cattle values.

Montana's livestock exporters, in particular, have benefitted from the Restricted Feeder Cattle Program. A total of 127,643 restricted feeder cattle were shipped to Canada from Montana during the 1999–2000 season. In the 2000–2001 season, Montana shipped 133,240 head.<sup>5</sup> The total value of feeder cattle exported from the three States to Canada, shown in table 2 to be approximately \$96 million, comprises two-thirds of the approximately \$146 million shown in table 1 for all "not purebred cattle" exported to Canada.

Statistics on other ruminants exported to Canada and affected by this final rule are not available. However, as mentioned above, exports of such ruminants, which include certain breeding stock, are not nearly as important as exports of not purebred cattle.

#### *The User Fee Increase and Ruminant Export Values*

The total value of ruminant exports that could be affected by this final rule and for which statistics are available is approximately \$140 million annually. This figure accounts for about 54 percent of the cattle, sheep, and goats exported from the United States.<sup>6</sup> However, even though a sizable percentage of U.S. ruminant exports may be affected by the user fee increase, we do not expect that this final rule will have a significant impact on a

<sup>5</sup> Montana Department of Livestock.

<sup>6</sup> Feeder cattle exports to Canada from Hawaii, Montana, and Washington (\$96 million) + not purebred cattle exports to Mexico (\$44 million) = \$140 million. (Overcounting of affected cattle and smallstock shipments to Mexico is assumed to be balanced by undercounting of affected cattle and smallstock shipments to Canada.) All U.S. exports total about \$260 million (Table 1).

<sup>3</sup> APHIS, CEAH, 1999–2001.

<sup>4</sup> Canadian Food Inspection Agency, Client Services Information Sheet No. 14, Restricted Feeder Cattle from the United States.