Researchers in Canada announced Friday that they have found a possible test for BSE that can be carried out on live animals. Canada’s National Microbiology Lab in Winnipeg compared proteins in the brains of infected and healthy cattle and found a consistent difference in protein patterns. In a Reuters story on Friday, Dr. David Knox of Canada’s Public Health Agency said “We are hopeful that the knowledge that we’ve gained from this study will eventually lead to a live test.” That would be a big step toward eliminating this VERY RARE disease that has caused worldwide panic and, in our opinion, irrational trade distortions. Currently, BSE can only be identified from brain tissue from infected animals. BSE is caused by a mutant protein called a prion that damages the brains of infected cattle. It has been linked to a variant form of Creutzfeldt Jacob disease (vCJD) that was blamed for a number of deaths in Europe. Reuters quoted that number as 167 while a USDA site said 153.

Only one case of vCJD has been documented in the U.S. and that was a woman who is believed to have contracted the disease while living in the UK. Canada has now seen 14 BSE cases while the U.S. has had 3 cases.

BSE-related trade restrictions have had major impacts on both the Canadian and U.S. beef sectors. From a Canadian-U.S. perspective, many of these impacts have resulted from unreasonable import restrictions mainly by Japan and Korea. Those are somewhat behind us now though age restrictions still apply to the cattle used for products shipped to those countries. A simply, cost effective test could put this entire episode behind us, so this news is potentially important to all world beef markets.

Last week’s employment figures are cause for concern regarding the U.S. economic situation according to RDLB president Dr. Robert Dieli who runs Mr. Model Online, a macroeconomic forecasting service and website. The number that made headlines last week was the original June data indicated that payrolls had fallen by 62,000. That was revised in August to –51,000 and then dropped to -100,000 last week. The household survey indicated another 40 basis point increase, to 6.10%, in the unemployment rate. The jobless figures “are going to complicate the discussion of what to do next at the September 16th Federal Open market Committee (FOMC) meeting.” That group, which sets key interest rates that banks pay for money from the Fed and from each other, had stated in August that the upside risks for inflation were more of a concern than was the downside growth risks. Lower payrolls and a rising unemployment rate might change that view but an August GDP growth rate of 3.3% does nothing to stifle inflation fears. The September Producer Price Index will be published on September 12 before the next FOMC meeting. September data for the Consumer Price Index will not be published until September 19.