

USDA Not Allowing Free Markets to Decide about Mad Cow Disease Testing

Leonard E. Burman

The nonpartisan Urban Institute publishes studies, reports, and books on timely topics worthy of public consideration. The views expressed are those of the authors and should not be attributed to the Urban Institute, its trustees, or its funders.

Document date: July 02, 2004
Released online: July 02, 2004

CHERYL GLASER, anchor: McDonald's wants to be able to trace 10 percent of its beef purchases from farm to table by the end of this year. It's a move aimed at reassuring Mickey D's customers about the safety of the burgers they munch on. Some companies want to take other steps to reassure customers about the rare, brain wasting disease called mad cow, but commentator and policy analyst Len Burman says the government keeps getting in the way.

LEN BURMAN: This administration has an almost blind faith in the private sector's ability to solve social problems. Forty-plus million people without health insurance? Just get the government out of the way! Failing schools? Give folks vouchers so they can shop around. Social Security going under? Private accounts are the answer.

Some of us have doubts about blanket private sector solutions, but often markets are the solution to thorny public policy issues. Take the case of mad cow disease. It's deadly and it's extremely rare. The USDA has taken many steps to protect the public including randomly testing a fraction of the nation's cattle herds. But it's not clear how much the government should spend on such a remote threat.

Into this policy quandary steps Kansas meat packer, Creekstone Farms. Creekstone proposed the perfect solution: The company spent half a million dollars of its own money on a testing facility, and it wants to test every animal in its herd for about \$18 per cow. Is peace of mind worth a few extra cents per pound of beef? Let the market decide. Oh, but not so fast, says the USDA. It won't let Creekstone perform the tests. The logic? They say US herds are already safe, and if Creekstone does it and consumers are willing to pay, everyone else have to follow suit.

Huh? The USDA is preventing consumers from having a choice because they think they might take it? The fact is this administration is just like its predecessors. It has no problem interfering in markets when an important constituency asks for help. Tax breaks for manufacturers, steel quotas, farm subsidies and hundreds of other special provisions all tilt markets in favor of one group or another. Now we can add meat packers to the list. Free markets are great, except when they're working. In Washington, this is Len Burman for MARKETPLACE.

GLASER: Len Burman is co-director of the Tax Policy Center and a former Treasury official in the Clinton administration. Your comments? Send them to letters@marketplace.org.

Other Publications by the Authors

- Leonard E. Burman

Usage and reprints: Most publications may be downloaded free of charge from the web site and may be used and copies made for research, academic, policy or other non-commercial purposes. Proper attribution is required. Posting UI research papers on other websites is permitted subject to prior approval from the Urban Institute—contact publicaffairs@urban.org.

If you are unable to access or print the PDF document please [contact us](#) or call the Publications Office at (202) 261-5687.

Disclaimer: The nonpartisan Urban Institute publishes studies, reports, and books on timely topics worthy of public consideration. The views expressed are those of the authors and should not be attributed to the Urban Institute, its trustees, or its funders. Copyright of the written materials contained within the Urban Institute website is owned or controlled by the Urban Institute.

