Cool Response to U.S. From Canadian Livestock Producers

CALAGARY, AB – The Canadian Cattlemen's Association (CCA) and the Canadian Pork Council (CPC) officially submitted joint comments, to the U.S. Department of Agriculture (USDA), claiming country-of-origin labeling (COOL) legislation discriminates against Canada's 100,000 livestock producers.

COOL will squeeze more dollars out of Canada's 90,000 beef cattle producers and 9,000 hog producers say the two groups, whose comments were echoed by the National Cattle Feeders' Association (NCFA), representing Canada's provincial cattle feeder organizations.

Travis Toews, CCA Foreign Trade Committee Chair, says the legislation violates World Trade Organization (WTO) rules and that there is a high degree of uncertainty over the extent of the impact as the playing field changes frequently.

"The law seems to be open to interpretation on a weekly basis, depending on comments and questions submitted to the USDA," Toews said. "The constantly changing regulatory landscape is creating confusion among producers and packers. We have already seen disruption occurring in the markets and expect more negative impact on volume and prices, as some traders adopt a 'wait-and-see' approach to Canadian cattle markets."

"The potential for trade-damaging effects with COOL looms over North America's highly-integrated markets," added Jurgen Preugschas, CPC President. "Already, one of our major U.S. customers announced they will cease purchasing pigs born outside of the U.S. when COOL enforcement begins. The industries in both countries stand to lose economic opportunities."

Toews says that a single sudden market shift is not expected from COOL; however the increased cost of record keeping for producers and processors, plus expenses incurred by animal segregation in processing plants, will eventually show in the market. "Consumers don't want to pay more for their food, so the additional cost must be absorbed somewhere. The American meat processing industry anticipates the $3.9 billion price tag for instituting this practice is only the beginning of increased costs to the industry."

The Canadian groups site some obvious flaws in COOL. Processed food labelling unfairly targets ground meat, hamburger and patties — a big concern for U.S. retailers and processors too. "We believe that meat which undergoes further processing in a U.S.

facility, whether ground or combined with other ingredients, should no longer be called Canadian," Toews continued. "Also, the potential for inconsistencies within the paper trail exists, as it applies to domestic or imported animals, including animal identification requirements."

The industry groups will continue to press the Canadian government to take action against the U.S. at the WTO level, says Toews. During a recently-televised debate, the federal Agriculture Minister, Gerry Ritz, announced plans to initiate a WTO Panel on COOL. Toews added, "Tangible evidence will be required to develop the legal and political case, so we are asking producers and processors to document any impact they experience as a result of COOL."

To keep up-to-date with COOL and the Canadian livestock industry's response, visit the CCA website regularly at: www.cattle.ca. Click on "COOL Updates".

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