CCA plays pivotal role in successful WTO COOL case

On Friday, Canada’s cattle industry received the good news that the World Trade Organization (WTO) had ruled in favour of Canada and Mexico’s complaint against U.S. Country of Origin Labelling (COOL). The ruling supports Canada’s position that provisions of COOL discriminate against live cattle and hogs imported into the U.S. from Canada to the detriment of Canadian cattle producers. The Canadian Cattlemen’s Association (CCA) has maintained that since coming into effect in 2008, COOL has increased costs for U.S. companies that import live cattle thereby reducing the competitiveness of those Canadian cattle in the U.S. market. The WTO confirmed that COOL has had this effect.

The CCA is extremely pleased that the WTO has ruled in favour of Canada and Mexico’s complaint against COOL. At the Government of Canada announcement on Friday, we applauded Agriculture and Agri-Food Minister Gerry Ritz, International Trade Minister Ed Fast, and the Government of Canada’s legal team that presented an outstanding case on Canada’s behalf.

The CCA also played a major role in ensuring the successful outcome of today’s WTO ruling for Canada’s beef cattle producers. Throughout this process, the CCA has expended considerable time and resources in gathering the data and experts required for preparation of the case. CCA President Travis Toews said the favourable ruling from WTO speaks volumes about the level of effort the association expended in this process. “In my view, the CCA played a pivotal role in the success of the case,” he said.

Even before COOL was implemented, the CCA anticipated the harmful impact on the largely integrated North American market and asked the Government of Canada to challenge COOL at the WTO. In 2007, the CCA together with the Canadian Pork Council (CPC) provided a legal analysis to the Government of Canada to support the CCA/CPC’s request that a formal trade challenge to COOL be pursued, and worked with the Government of Canada in the development of its case. The formal WTO process was initiated in late 2008 and the Dispute Panel was officially established in November 2009.
The CCA worked closely with the Canadian government throughout the preparation of Canada's WTO submissions. The CCA’s legal counsel from Washington D.C., also provided significant assistance to the legal team, and we engaged a prominent economist from the University of California to prepare an economic analysis of the impact of COOL. To aid the preparation of the economic arguments, CCA coordinated and conducted surveys of Canadian cattle exporters and U.S. cattle buyers regarding the impact of COOL on their operations. Many of these producers provided statements that were invaluable to the conduct of the case and CCA thanks them for their cooperation.

CCA representatives travelled to Geneva, Switzerland, to attend both rounds of the Panel’s oral arguments to ensure the Government of Canada’s defense was as complete as possible. Between the rounds, the CCA worked with the legal team to provide written responses to the Panel’s questions and written rebuttals of the U.S. and third party statements. This is just a small example of the effort exerted by the CCA on this important case on behalf of Canadian cattle producers.

The work of obtaining change in U.S. legislation lies ahead. We hope the U.S. will decide that complying with the WTO ruling will be in its best interest. The CCA has worked closely with the U.S. industry and met regularly with lawmakers in Washington, D.C. in anticipation of the ruling to clearly communicate that we do not ask for the outright repeal of COOL but seek only those regulatory and statutory changes necessary to eliminate the discrimination that COOL has imposed to the comparative disadvantage of livestock imported into the U.S. vis-a-vis U.S. livestock.

If the U.S. chooses to disregard the WTO Panel’s judgement against it, then the CCA will work with the Canadian government through the appellate process, and, if necessary, regarding retaliatory options.

The CCA has been involved in a number of WTO actions, including this case against the U.S. and the case against Korea’s import restrictions on beef. These cases are lengthy and expensive, but when all other options have been exhausted, we are gratified that such a formal process is available. The CCA is committed to working with the Government of Canada to strongly defend the rights of Canadian beef cattle producers.

To read a summary of the COOL Panel findings, visit http://www.cattle.ca/media/file/original/1060_SummaryCOOLPanelFindings.pdf.

The benefits of BIXS cattle

Now that the Beef InfoXchange System (BIXS) has launched to cow-calf producers nationwide, it's only a matter of time before BIXS-registered cattle come to market. BIXS cattle arriving from a farm or ranch cow-calf operation to an auction market offer buyers a number of solid benefits and opportunities. These perks include the ability to link the animal and carcass information to support branded beef programs including producer, retailer, packer and regional brands.

BIXS-registered cattle come with tangible benefits like birthdates, which are registered as an actual birthdate or as a calving start date. These birthdates have been validated as age verified with the Canadian Cattle Identification Agency (CCIA) – Canadian Livestock Tracking System (CLTS), providing an extra level of assurance that buyers of age verified animals are getting what they pay for.

As an optional program, BIXS participants can indicate whether they are trained and/or registered on the Verified Beef Production (VBP) On-Farm Food Safety program. This status of the originating farm or ranch can be associated with BIXS-registered animals.
BIXS-registered cattle can come with optional data including vaccination specifics such as vaccine brand name; date of administration; booster date; and whether the animal is on a commercial vaccination program. Other information may include the date and method of castration and dehorning; weaning date and weights, specific information on breed/cross; dam and sire information; pre-marketing feeding program and whether the animal is bunk broke and to what feed; and herd mineral program specifics. Information on whether the animal has had growth promotants or antibiotics and other optional input information may also be available. In time, detailed carcass data on an animal basis will be available.

Through this information, a BIXS-registered animal can tell a story about the herd health, genetics and production management protocols of the BIXS-registered cow-calf producer that brought it to market. In general, BIXS-registered producers want to know how well their animals met end market specifications and how their animals graded out. They likely keep good records and are apt to use the information they glean from BIXS to adapt their management and breeding programs to better meet the demand of up-chain participants, including consumers. BIXS producers see the value in using BIXS data to re-evaluate their practices and drive overall improvements at their cow-calf operation.

So, what is a BIXS animal arriving at a Canadian auction market? Plain and simple - it’s a traceable age-verified data-backed animal.

Funding for BIXS has been provided by Agriculture and Agri-Food Canada through the Agricultural Flexibility Fund.

**Forage, grasslands key to a competitive livestock industry and healthy environment**

Two of the top environmental issues today are mitigating climate change and safeguarding biodiversity. Grasslands and forages play a huge and often under recognized role in addressing these two issues.

Globally grasslands cover 3.4 billion hectares (ha) of land and store 8 per cent of the world’s carbon. In Canada alone 36 million ha of the land base (or 3.6 per cent) is dedicated to use for livestock grazing and production. Needless to say, the beneficial environmental and economic impacts of livestock production are significant. The more we study these important lands, the more we realize the benefits grasslands and forages bring to clean air, clean water and biodiversity.

The benefits and opportunities of forages and grasslands in Canada are the focus of the Canadian Forage and Grassland Association (CFGA) Conference and meeting in Saskatoon on December 13-14. Speakers include Brad Wildeman, President, Pound-Maker; Board Chair, Canada Beef and a former CCA president. Wildeman will be speaking to the value of forage and grasslands in Canada’s beef industry.

The CCA is a member and supporter of the CFGA. Visit http://www.cattle.ca/action-news/2011/links/2011-CFGA-Confrence-and-AGM.html to learn more about the conference and to register.

**Antimicrobial Resistance: If you don’t believe us, ask THEM**

The previous issue of Action News summarized an antimicrobial resistance study that was funded by the Beef Cattle Research Council and Alberta Beef Producers. The study was carried out by the Public Health Agency of Canada, Agriculture and Agri-Food Canada, the University of Colorado and Feedlot Health Management Services, and found
that multidrug resistance and resistance to drugs of Very High Importance in human medicine is below 3 per cent in bacteria isolated from feedlot cattle. Visit http://www.cattle.ca/media/file/original/1053_Antimicrobial_use_and_resistance_in_feedlot_cattle_Nov_2011.pdf to review that study.

The project developed a model framework for routine on-farm surveillance of antimicrobial use and resistance in feedlot cattle. With adequate long-term program funding, the Canadian Integrated Program for Antimicrobial Resistance Surveillance (CIPARS) initiative could incorporate this on-farm component on a permanent basis. The CIPARS program currently monitors antimicrobial resistance in bacteria in cattle arriving at abattoirs, as well as in retail beef, and provides similar data for chickens, turkeys, pigs and humans.

The 2008 CIPARS report was released recently, available at http://www.phac-aspc.gc.ca/cipars-picra/2008/index-eng.php. Similar to the feedlot data, the CIPARS report indicates that the prevalence of multidrug resistant bacteria and resistance to Category 1 drugs of Very High Importance in human health are below 2 per cent in beef cattle arriving at abattoirs, as well as retail beef.