



Canadian Cattlemen's Association

News Release

Canadian government takes a stand against mCOOL

April 29, 2009

Calgary – Canadian beef cattle producers received welcome news from Canada's Minister for International Trade, Stockwell Day, when he stated during his trip to Washington, D.C. yesterday that Canada will request new consultations at the World Trade Organization (WTO) over mandatory Country-of-Origin Labelling (mCOOL), in early May.

Canadian Cattlemen's Association (CCA) President, Brad Wildeman, agrees that Canada needs to take this step and supports Minister Day in taking a strong position on mCOOL, "It is disappointing that we couldn't reach a solution with the United States (U.S.) – especially since Canada is the top buyer of U.S. agriculture exports year after year. But there really seems to be no other option left for Canada. The CCA and our federal government have worked hard via diplomatic means and advocacy, but it appears achieving resolution to this problem isn't very high on the U.S. priority list. It's an unfortunate situation, but I am pleased that our government is clearly articulating Canada's position and standing up for our cattle producers."

The CCA's main beef with mCOOL is the U.S. lack of acknowledgement that the act of transforming a live animal into meat is a substantial operation - one which should result in the meat acquiring the origin of the country where the transformation occurs. The costly repercussions resulting from this denial means many U.S. cattle buyers avoid purchasing Canadian animals to minimize the expense in managing Canadian cattle separately from U.S.-born animals. Those Americans that do continue to buy Canadian cattle are offsetting the extra handling costs by paying less for Canadian cattle than those born in the U.S.

CCA Vice President and Foreign Trade Chair, Travis Toews, said, "This impasse is exactly why we established trade agreements years ago. We've tried first to mitigate and reason our differences out but ultimately, if the U.S. continues this disincentive for our cattle, we will have to seek a ruling under the WTO. My hope is that just initiating this case will cause the U.S. to reconsider whether this law is worth a battle with their best customer."

As the top export market for U.S. agricultural exports for well over a decade, in 2008 Canada purchased US\$16.2 billion American agriculture and seafood exports. This translates into nearly US\$500 per Canadian consumer.

Canada and Mexico have been the two countries most negatively impacted by the mCOOL law since it came into effect in September 2008. The CCA estimated the original impact under the 'interim final rule' amounted to a loss of \$90 per head for the period from October 2008 to March 2009. Although interest in purchasing Canadian cattle has improved after the 'final rule' came into effect in March, buyers continue to discount prices.

For more information on implications of mCOOL to Canada – U.S. trade of Canadian cattle and beef, visit our website at www.cattle.ca.

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