Canadian Cattlemen's Association

# Industry Update

## COOL and the CCA so far…

The final interim rule is now in effect for implementing mandatory Country of Origin Labelling (COOL) legislation. Released by the United States Department of Agriculture (USDA), the rule details the requirements for the industry in Canada and the U.S. The USDA website provides additional guidance.

The CCA and the Canadian Pork Council issued joint comments to the USDA, contesting the legislation, echoed by the National Cattle Feeders Association. Our concern continues regarding this law inflicting new costs into the cattle-raising and beef-processing systems, with little benefit, and Canadian producers bearing the brunt. For example:

- Segregation of Canadian cattle, either in U.S. feedlots or packing facilities, now mandatory, is already impacting the industry. Although some flexibility exists in using the so-called "multiple origin" label where Canadian and U.S. born cattle are co-mingled, some U.S. packers are electing to restrict some facilities to U.S. born cattle only. Canadian cattle now have fewer marketing options and have to be trucked much greater distances.

- Identification requirements for imported live animals starkly contrast rules applied to U.S. born livestock. Canadian cattle require extensive records from field to processor, relying on BSE mandated identification tags or tattoos, in contrast to U.S. born animals which require no similar tracking or identification processes.

- 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.

The current U.S. Administration indicates it plans to offer education and outreach programs for the first six months - until March 31, 2009. However this doesn't preclude the next Administration from taking a different approach when it assumes office. It is important for everyone to make their best effort to comply with the new provisions.

Although the USDA states that the rule is fully consistent with U.S. trade obligations, we don't agree. We believe that COOL violates U.S. obligations under the North American Free Trade Agreement (NAFTA) and the World Trade Organization (WTO). Efforts to reverse some of the USDA's interpretations are underway by COOL proponents in the U.S. Congress and Senate. However, the CCA is particularly concerned that a new Administration in 2009 might take the opportunity to make COOL even more trade restricting.

We continue to call upon the Government of Canada to press our trade rights and seek the repeal of this law. The Conservative Government plans to take action, according to Minister Ritz, who announced during the federal agriculture debate on September 29, that he will initiate a WTO trade panel once COOL is implemented. We expect the Government to follow-up on that commitment.

To make a strong legal and political case at the WTO level, requires tangible proof. Starting now, we ask that producers and processors thoroughly document evidence of trade injury and notify their provincial association or the CCA. Over the coming weeks, we will keep you posted on COOL developments, including updates on issues of trade injury.

To learn more about COOL, including it's impact on trade, visit "**www.cattle.ca**" and click on "COOL Updates". For impact on the meat product trade and issues facing packers and processers, visit "**meatcool.info".**