



Update by the Canadian Cattlemen's Association (CCA) regarding the United States Department of Agriculture (USDA) releasing its interim final rule for the implementation of mandatory Country of Origin Labeling (COOL)

July 29, 2008

The USDA released its rule for the implementation of mandatory COOL late in the day on July 28, 2008. The 223 page document can be found [here](#). The entire document will be published in the Federal Register on Friday. The release of this rule will now provide cattle and beef producers in Canada and the U.S. some details as to what they have to do to comply with the new law once it comes into effect.

In terms of content, one of the CCA's main questions had been whether beef from animals exclusively born, raised and slaughtered in the U.S. would be forced to be identified with U.S. origin. Fortunately, there does appear to be flexibility to use the multiple COOL label for all livestock; including those born and raised in the U.S. Although we are pleased to see some flexibility with respect to tracking cattle by birthplace, we continue to be concerned that new costs will be introduced into the cattle raising and beef processing systems with little benefit. CCA's concern is that Canadian cattle producers will bear the brunt of these costs.

There also appears to be an initial grace period in two respects. Firstly, any beef produced or packaged before September 30, 2008, does not have to be labeled with COOL. Secondly, the USDA will conduct education and outreach programs for the first six months (to the end of March 2009). Such outreach does not preclude enforcement or prevent a new Administration from taking a different approach in January but as a practical matter, the current Administration does not plan to conduct enforcement.

Another concern had been whether the multiple COOL labels would have to identify the origin of each stage of production; such as born in Canada, raised and slaughtered in U.S. or born and raised in Canada, slaughtered in U.S. The USDA says that labels may identify the country of each production step if there are verifiable records available but that it is not mandatory to do so.

The rule also contains further details on things such as record keeping requirements, reliance on identification tags or tattoos, the placement and size of the labels, etc. The labels must be legible and conspicuous and easy to read without strain but they don't necessarily need to be in any particular location on the package.

Although the USDA states in the rule that it is fully consistent with the U.S. trade obligations, we do not agree that this is the case. We feel that this mandatory COOL requirement is a violation of U.S. obligations under NAFTA and WTO. The CCA will continue to call upon the Government of Canada to press our trade rights and seek the repeal of this law. We believe that a trade challenge is the only remaining avenue.

The USDA will accept comments on this rule for 60 days after publication.

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For further information, contact:

John Masswohl
Director of Government & International Relations
Canadian Cattlemen's Association
Phone: 613.233.9375 x 22
Email: masswohlj@cattle.ca

For media inquiries, contact:

Natalie Arnier
Communications Coordinator
Canadian Cattlemen's Association
Phone: 403.275.8558 x 410
Email: arnierin@cattle.ca