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MBP Welcomes COOL Ruling

Manitoba Beef Producers (MBP) welcomes the World Trade Organization's (WTO) ruling on the US Country of Origin Labeling (COOL) legislation.

As a result of the ruling the US will be required to adjust its legislation to remove the non-tariff trade barriers.

Beef Producers in Manitoba and across Canada depend upon the free flow of cattle and beef across the Canada / US Border. This ruling is a huge win for our industry. It is an affirmation of the rules based trading system that underpins the beef industry.

COOL threatens the integrated North American supply chain – to the detriment of both the Canadian and US beef industries.

MBP thanks the Government of Canada for its efforts to defend Canadian livestock producers. In particular MBP singles out the Honourable Gerry Ritz, Minister of Agriculture and Agri-Food, and the Honourable Ed Fast, Minister of International Trade.

Without the efforts of these two Ministers, beef producers in Manitoba would have little hope that the costly trade restrictions imposed by COOL would be removed.

What impact has COOL has on Manitoba producers? In the year prior to the COOL regulations, Manitoba beef producers exported 280,912 head of feeder and slaughter cattle to the US. These cattle had a value of about \$277,000,000.

In the first year after COOL, Manitoba exports of slaughter cattle were down 60% and exports of feeder cattle fell by 33%.

While the WTO ruling is great news for beef producers in Manitoba, and indeed across the country, it is not the end of the process.

The ruling can still be appealed by the US Government. MBP is hopeful that the US Government has come to appreciate the integrated nature of the North American beef industry and understands that COOL hurt US producers and consumers too.

MBP, along with our national and provincial partners, will work with our counterparts in the US to move this issue to final resolution without further delay.

BACKGROUND

In 2008 the US implemented Country of Origin Labeling (COOL), which forced processors to segregate Canadian animals shipped to the US for slaughter. The law also mandates that slaughter plants process Canadian livestock separately and label the beef as "Canadian".

COOL restricts the flow of feeder and finished cattle and market hogs and significantly increased the cost of moving livestock across the border. The red tape at the border has decreased the demand for our cattle and reduced the price received by producers.

Cattle organizations, including the Manitoba Beef Producers and the Canadian Cattlemen Association, have worked closely with the Government of Canada to see the COOL changed in order to remove the discrimination against Canadian cattle and beef. We will continue this work until full access to US markets is restored.