Meat Groups: COOL Rules Could Start Trade War

DIRK LAMMERS, Associated Press

In this Nov. 2, 2013 file photo, various cuts of beef and port are displayed for sale in the meat department at a discount market in Arlington, Va. Cattle groups from the U.S. and Canada are upset that a new Farm Bill passed by the House on Wednesday, Jan. 29, 2014, fails to make changes to country-of-origin labeling requirements. The rules require detailed labels about the origins of beef, pork and chicken sold in U.S. stores. **(AP Photo/J. Scott Applewhite, File)**

SIOUX FALLS, S.D. (AP) — Meat and livestock groups upset that Congress opted in the new farm bill not to back off from mandatory country of origin labeling requirements are worried the issue could start a trade war with Canada and Mexico.

Previous labeling rules required only the country of origin to be noted, such as "Product of U.S." or "Product of U.S. and Canada." New rules that took effect last year require that labels for steaks, ribs and other cuts of meat include clear information about where the animals were born, raised and slaughtered. Labels must specify, for example, "Born in Mexico, raised and slaughtered in the United States."

"That's a really big label on a package of meat that doesn't really guarantee anything," said Cory Eich, president of the South Dakota Cattlemen's Association.

Country of original labeling supporters, including consumer groups, environmental groups and some independent farmers, say the requirements give consumers valuable information. But livestock groups and meatpackers say it's costly to have to segregate and track animals along the entire supply chain.

Eldon White, executive vice president of the Texas and Southwestern Cattle Raisers Association, said a number of his group's members along the border have ranches in both Texas and Mexico, and those operations typically use the same bulls between ranches. Having to split calves by birth nation cuts down on profit, he said.

"The quality of the cattle is identical, and yet the cattle coming from Mexico are being discounted between $40 and $70 a head because of the additional bookkeeping requirement," White said.

Eich, a cow-calf rancher from Canova, S.D., said country of origin labeling too often is incorrectly portrayed as a food safety issue, as all meat sold in the United States

is inspected by the U.S. Department of Agriculture. He noted the dozens of voluntary marketing programs, such as Certified Angus Beef, that allow consumers to buy whatever they want.

"It's perceived sometimes that we're against country of origin labeling, and it's not that," Eich said. "We're against the mandatory part."

Senate Agriculture Chairwoman Debbie Stabenow, D-Mich., said the farm bill is a huge win for ranchers, as it includes a permanent livestock disaster assistance program, a livestock forage program and export assistance. But some of the groups came in to the House and Senate wanting to repeal country of origin labeling and "there was no way," she said.

"The votes were not there in either body to do that," Stabenow said during a Jan. 28 farm bill conference call. "And so we moved forward to achieve what we could together."

Congress' decision not to address the issue has drawn criticism from Canadian officials, who say the country may retaliate by imposing tariffs on a wide range of American products.

Federal Agriculture Minister Gerry Ritz and International Trade Minister Ed Fast said the detailed origin labels drive up the price of Canadian exports and undermine competitiveness, causing about $1 billion a year in losses. A public hearing before the World Trade Organization is set for Feb. 18 in Geneva.

"By refusing to fix country of origin labelling, the U.S. is effectively legislating its own citizens out of work, and harming Canadian and American livestock producers alike by disrupting the highly-integrated North American meat industry supply chain," the ministers said last week in a statement.

Kenny Graner, a farmer and rancher with a 250-head cow herd in North Dakota's Morgan County, said he is surprised by Canada's reaction to the labeling mandate because most residents of the United States' northern tier know that the quality of the breeds are nearly identical.

"Canada is just 100 miles north of us," said Graner, president of the Independent Beef Association of North Dakota. "They have the same genetics and quality of beef that we have. Canada should be wrapping themselves around country of origin and wanting to distinguish themselves separate from Mexico, Brazil, Argentina, Australia."

A half dozen national meat groups expressed their concern about the trade threats in a Jan. 27 letter to the ranking members on the House and Senate agriculture committees.

The American Meat Institute, the National Catttleman's Beef Association, the National Chicken Council, the National Pork Producers Council, the National Turkey Federation and the North American Meat Association said they offered many

solutions and all were rejected. The groups say the sorting requirements add too many costs for meatpackers.

"This retaliation will be crippling to our industries and threaten the long-term relationship with two of our most important export markets," the groups wrote. "COOL is a broken program that has only added costs to our industries without any measurable benefit for America's livestock producers."

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Associated Press writer Mary Clare Jalonick in Washington and Betsy Blaney in Lubbock, Texas, contributed to this report.

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http://www.foodmanufacturing.com/news/2014/02/meat-groups-cool-rules-could-start-trade-war