



UNITED STATES - NEWS SCAN

USDA announces final rule on COOL – 2009/01

The U.S. Department of Agriculture has released details of the final regulation for the mandatory country-of-origin-labeling program required by the farm bill. Implementation of mandatory COOL became effective for all covered commodities on September 30, 2008 under an interim rule. Since then Canadian cattle and hogs entering the U.S. have been discounted (by as much as ninety dollars per head of cattle). Major packing plants were concerned about whether they could incorporate Canadian hogs into their production runs and in November only two packers were taking Canadian hogs. Canada said that the labeling rule posed an unfair technical trade barrier that makes U.S. meatpackers less willing to buy Canadian cattle and only at lower prices. In December 2008, Canada took the first step in challenging the U.S. regulation before the World Trade Organization. Mexico joined the trade challenge in mid-December but the WTO complaint was later withdrawn as it related only to the interim rule.

Under the final rule American processors have more flexibility in the use of Canadian hogs and the treatment of different classes of Canadian cattle. In particular key changes will eliminate the discounts imposed by U.S. processors on Canadian origin pigs since the law's implementation. It also allows in a single production day the commingling of those Canadian animals exported directly for slaughter and those raised and fed in the United States.

Recognizing to some extent that COOL significantly disrupts the Canada-US trade relationships and challenges North America's global competitiveness may explain some of the new changes. As the new rule may alleviate some of the pressure for now, the Canadian meat industry will remain focused on assessing the impact of COOL on its producers. If Canada decides to challenge the final rule it will have to file a new complaint with the WTO. The rule becomes effective March 16. The full text of the final rule will be published in the Federal Register on January 15.

Sources and links of interest:

www.ams.usda.gov/cool

News Release: USDA issues final rule on mandatory country of origin labeling

http://www.usda.gov/wps/portal/!ut/p/.s.7.0.A/7.0.1OB/.cmd/ad/.ar/sa.retrievecontent/c/6.2.1UH/.ce/7.2.5JM/p/5.2.4TQ/d/1/th/J.2.9D/s.7.0.A/7.0.1OB?PC.7.2.5JM_contentid=2009%2F01%2F0006.xml&PC.7.2.5JM_parentnav=LATEST_RELEASES&PC.7.2.5JM_navid=NEWS_RELEASE (January 12, 2009)

COOL interim final rule effective March 15, 2009

<http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5070926> (January 16, 2009)

Summary of the changes

<http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5074847> (January 16, 2009)