

The Hagstrom Report

Agriculture News As It Happens



USTR considering all options on COOL

A spokesman for the Office of the U.S. Trade Representative said today USTR is considering all options in reaction to the ruling for red meat by the World Trade Organization that the revised country-of-origin labeling regime has not satisfied issues raised earlier by Canada.

Meanwhile, groups on both sides of the issue suggested different approaches.

“While the WTO continues to affirm the right of the United States to require country-of-origin labeling for meat products, we are disappointed that the compliance panels have found that the country-of-origin labeling requirements for beef and pork continue to discriminate against Canadian and Mexican livestock exports,” the USTR spokesman said. “We are considering all options, including appealing the panels’ reports.”

A U.S. official added, “A negotiated solution, not further litigation at the WTO, is the most realistic path to getting this issue resolved in the near-term. Allowing this case to wait for resolution in Geneva will only prolong the market uncertainty we’ve seen on all sides of this issue.”

Senate Agriculture Committee Chairwoman Debbie Stabenow, D-Mich., said that interested parties should “work together” to resolve the issue.

“The World Trade Organization has once again ruled that consumers have a right to know where their food comes from,” said Stabenow. “We can spend decades litigating this issue at the WTO, or we can work together to find a solution that encourages international trade and gives consumers what they need to make choices for their families.”

In a news release, her office added, “While today’s WTO announcement ruled in favor of the U.S. on the fundamental legitimacy of country of origin-labeling-laws, it also raised concerns about the structure of the COOL program. Sen. Stabenow is committed to protecting the legitimacy of the COOL program and move beyond the litigation for the benefit of producers, processors, and consumers.”



Sen. Debbie Stabenow, D-

Canadian perspective

Canadian International Trade Minister Ed Fast and Agriculture Minister Gerry Ritz said, “Today’s WTO compliance panel’s report re-affirms Canada’s long-standing view that the revised U.S. COOL measure is blatantly protectionist and fails to comply with the WTO’s original ruling against it.”



Ed Fast

“The WTO’s clear and consistent findings in support of Canada’s position effectively supply a clear message to the U.S.: End this protectionist policy that creates economic harm on both sides of our border, and comply with your international trade obligations,” they said.

“The U.S. COOL policy hurts businesses and workers in both the U.S. and Canada,” they added. “The [Prime Minister Stephen] Harper government will continue to stand up for our farmers, ranchers and workers to bring this harm to an end.”

“Canada is deeply disappointed that the U.S. has so far been unwilling to make the changes required to respect their trade obligations. In light of today’s ruling, Canada calls upon the U.S. to enact legislative change to eliminate COOL’s discriminatory treatment against Canadian hogs and cattle.

“Canada will be watching this situation closely to ensure U.S. compliance in accordance with the WTO’s clear ruling. We will continue to fully assert our rights to achieve a fair resolution to our concern, including seeking authorization to implement retaliatory measures on U.S. agricultural and non-agricultural products if and as necessary.”



Gerry Ritz

Cattle and meat industry reactions

The United States Cattlemen’s Association, which favors labeling, called the ruling “disappointing” and urged the U.S. government to appeal it.

“While we will continue to review the WTO’s decision, we urge the U.S. Trade Representative to consider appealing the ruling if there are meritorious grounds to do so,” said USCA President Danni Beer. “In addition, we ask USDA to review the ruling to determine whether additional regulatory changes may permit the U.S. to come into compliance without weakening COOL.”

The National Cattlemen’s Beef Association, which opposes labeling, said that “COOL is a failed program that will soon cost not only the beef industry, but the entire U.S. economy, with no corresponding benefit to consumers or producers.

“NCBA has maintained that there is no regulatory fix to bring the COOL rule into compliance with our WTO obligations or that will satisfy our top trading partners. We look forward to working with Congress to find a permanent solution to this issue, avoiding retaliation against not only beef, but a host of U.S. products.”

The American Meat Institute and North American Meat Association, two meat processing groups, said “The WTO decision upholding Canada’s and Mexico’s challenge to the U.S. COOL rule comes as no surprise.”

“USDA’s mandatory COOL rule is not only onerous and burdensome on livestock producers and meat packers and processors, it does not bring the U.S. into compliance with its WTO obligations. By being out of compliance, the U.S. is subject to retaliation from Canada and Mexico that could cost the U.S. economy billions of dollars.”

“While the U.S. has the option to appeal the ruling, we encourage USTR and USDA to instead work together with the industry and Congress to amend the COOL statute so that it complies with our international obligations and brings stability to the market. Such a change would help restore strong relationships with some of our largest and most important trading partners.”

Food & Water Watch blames meatpackers

“This trade dispute also highlights how corporate special interests can use the WTO to evade democratic governance,” said Wenonah Hauter, executive director of Food & Water Watch.

“For the last 15 years, the U.S. meatpacking industry has tried to prevent consumers from knowing the source of their food,” she said.

“The industry opposed COOL in the Congress, the executive branch and the courts but COOL has survived the special interest attacks. This year, the meatpacking lobby sued to block the 2013 COOL rules and lost their legal case at the U.S. District Court, U.S. Court of Appeals and even a further en banc panel of Appellate jurists. The meatpackers also tried and failed to repeal COOL during the 2014 farm bill debate.”

“The meatpacking lobby has lost the COOL debate from the court of public opinion to the Court of Appeals to the halls of Congress so they are taking their complaint to the faceless unelected bureaucrats in Geneva,” said Hauter.

“When the meat cannot get its way here in America, it is trying to use the WTO to overturn the will of the American people.”

Public Citizen viewpoints

Public Citizen, a group often critical of the WTO, noted that “the WTO compliance panel decided that changes made in May 2013 to the original U.S. COOL policy in an effort to make it comply with a 2012 WTO ruling against the law are not acceptable and that the modified U.S. COOL policy still constitutes a ‘technical barrier to trade.’”

“The panel decided that the strengthened COOL policy afforded less favorable treatment to cattle and hog imports from Canada and Mexico, despite a 52 percent increase in U.S. imports of cattle from Canada under the modified policy. The panel stated that the alleged difference in treatment did not ‘stem exclusively from legitimate regulatory distinctions.’

“The United States has one chance to appeal this decision before the WTO issues a final, binding ruling. Under WTO rules, if the U.S. appeal fails, Canada and Mexico would be authorized to impose indefinite trade sanctions against the United States unless or until the U.S. government changes or eliminates the popular labeling policy.”

Public Citizen continued, “If the administration were to weaken COOL, U.S. consumers would lose access to critical information about where their meat comes from at a time when consumer interest in such information is at an all time high and opposition would only grow to the administration’s beleaguered trade agenda.”

“If the administration again were to seek to comply with the WTO by strengthening COOL, then Mexico and Canada – the two countries that challenged the policy – likely would continue their case, even though cattle imports from Canada have increased since the 2013 strengthening of the policy.

“The ruling further complicates the Obama administration’s stalled efforts to obtain fast-track trade authority for two major agreements, the Trans-Pacific Partnership and the Trans-Atlantic Free Trade Agreement. Both of these pacts would expose the United States to more such challenges against U.S. consumer, environmental and other policies.”