

COOL 'Stifling' North American Cattle, Hog Trade

by **Tom Johnston**, published on *Meatingplace.com*

(Jan. 8, 2009) — The mandatory country-of-origin labeling (mCOOL) law is choking imports of cattle from Canada and Mexico, according to livestock analysts.

Steve Meyer and Len Steiner said Thursday in their daily livestock report that, “so far the legislation has been quite effective, if you measure effectiveness by the degree to which it has been able to stifle cattle trade in North America.”

COOL went into effect Sept. 30, 2008, but Meyer and Steiner note that a grandfather provision in the last farm bill states all cattle imported into the United States before July 15 are of U.S. origin and those imported afterward are foreign.

“This ‘grandfather clause’ naturally had the most impact on feeder cattle imports, since by the time those animals came out of feedlots they would be considered of non-U.S. origin and be treated as such by packing plants,” the analysts said.

USDA data through 2008 show cattle imports from Canada and Mexico dropped sharply in the second half of the year.

From July 14 to Dec. 27, 2008, imports of Canadian feeder cattle and slaughter Canadian steers and heifers sunk, respectively, by 38% to 187,866 head and 35% to 262,929 head.

Whoa, Mexico

Imports of Mexican feeder cattle, most of which are shipped to southern U.S. feedlots, also plummeted. From July 14 to Dec. 20, they totaled 323,105 head, nearly 40% lower than the year-ago level.

“Ironically, the reductions in imports from both countries came at a time when a significant devaluation in the value of the peso and Canadian dollar normally would have been conducive of increased imports from these two countries,” said Meyer and Steiner.

Don't forget hogs

COOL hasn't discriminated. As the analysts note, live hog trade in North America “has been impacted just as severely.”

For example, the United States imported more than 10 million Canadian hogs and pigs in 2007, and the total for 2008 was just over 9 million. Annualizing the fourth-quarter figure suggests 2009 live swine imports will be roughly 6.5 million to 7 million head, the lowest tally since 2002, according to a *Dow Jones* report.

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