

Canada Begins WTO Consultations with U.S. on COOL

On Dec. 1, 2008, the Canadian government announced it would seek formal consultations with the U.S. under the World Trade Organization (WTO) dispute settlement process on country-of-origin labeling (COOL).

NCBA hopes the U.S. and Canadian governments can work together and resolve this issue in a way that doesn't hurt the business climate for U.S. beef producers. NCBA will closely monitor this situation, and as COOL is implemented in the U.S., we will continue to monitor the effect of COOL on domestic demand for beef. If we determine that COOL is negatively affecting beef producers, we've pledged to work with Congress to alter the law as necessary.

In a release announcing the move, Canada's Minister of International Trade Stockwell Day explained the decision: "While Canada is firmly

committed to a cooperative trading relationship, we believe that the country-of-origin legislation is creating undue trade restrictions to the detriment of Canadian exporters."

The Canadian Cattlemen's Association (CCA) applauded the decision, claiming that COOL lowers prices for Canadian cattle up to \$90 per head.

The WTO consultation is a first step that allows the parties to resolve trade disputes through formal discussions. The U.S. has 10 days to reply, but the actual consultation will last for 30 days. If at the end of 30 days the consultations have failed to resolve the issue, the matter can be referred to a WTO dispute settlement panel.

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