

Meatpacking Execs Tell Producers of COOL Challenges

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

(Nov. 24, 2008) — Speaking at the Texas Cattle Feeders Association's annual convention, executives with Tyson Foods, Cargill Meat Solutions and JBS-Swift & Co. told producers of the difficulties that packers are having while trying to comply with mandatory country-of-origin labeling law.

Chief among the panel's concerns was the ability to ensure that cattle coming into their plants are properly segregated. John Keating, head of Cargill Beef North America, said packers want to avoid passing higher costs onto consumers. "We're going to ask your (cattlemen's) help to make sure that cattle are not commingled when they get to us," he said in a TCFA press release. "When they get to the plants, we have to make sure that we can keep them separate, so that we can run the cattle as cheaply as we can to get (product) to the consumers."

One of the uncertainties associated with COOL law, said Tyson Fresh Meats Senior Group Vice President Jim Lochner, is whether the effort to minimize costs will "require segmentation of plants or days to harvest." He said Tyson aims to "minimize any revenue differentials" among the different labeling categories.

In addition to COOL, the packer panel touched on a variety of other issues, including expanding export markets. Wesley Batista, president and CEO of JBS-Swift, said China and Russia are the most promising of the emerging markets. Currency adjustments will challenge the effort to increase exports, but he noted that exports thrived in the past even when exchange rates were even more disadvantageous.

"All of us in this industry need to work to expand demand both here in the United States and outside the United States," he said. "This is key for us. If we expand demand, we will have a better business for all of us."

Other issues discussed by the panel were excess capacity in the packing and feeding sectors, finding ways to better serve diverse demographic groups and how to work together to strengthen food safety across the industry.