COOL Gets Cool Reception During Panel Discussion

*By **Ann Bagel Storck** for Meetingplace.com on 1/30/09*

Trade problems, challenges with segregation of cattle and higher production costs were among the problems with mandatory country-of-origin labeling identified during a panel discussion Thursday at the Cattle Industry Convention and Trade Show in Phoenix, according to a news release from the U.S. Meat Export Federation.

Panelists included USMEF Economist Erin Daley, National Meat Association CEO Barry Carpenter and Cody Easterday, a cattle feeder from Pasco, Wash.

Trade issues

Daley addressed the impact of COOL on live cattle trade and problems the issue could create in the U.S.-Canada-Mexico trade relationship. She said Mexico and Canada combined to account for about $2 billion in U.S. beef export purchases last year — about 60 percent of the worldwide 2008 total.

"In addition to the large volume of variety meats that we export to Mexico, rounds are a very popular item in that market," Daley said. "Rounds also make up a large portion of our exports to eastern Canada. It would be very hard to absorb these products into the domestic market."

She said the U.S. processing industry will have even more excess capacity if live cattle imports from Canada and Mexico continue to decline. This drags down the industry's level of efficiency, making it more difficult for U.S. beef to compete in global markets with exports from countries such as Australia and Brazil.
Daley said the "mixed origin" label required under COOL also creates difficulties for U.S. beef exports because it is not accepted by any major trading partners.

Cattle segregation

Easterday said COOL is causing major problems for cattle producers in the Northwest, especially the segregation requirements for cattle at the point of slaughter.

"Sometimes our feedyard might be 30 to 40 percent Canadian cattle, but sometimes it's zero," he said. "If packers have to set aside certain days for killing Canadian cattle, that kind of seasonality creates major problems."

Carpenter agreed the major drawback of COOL is not with the labeling, but with the segregation of cattle. He said COOL adds significant production costs, "without any recognizable benefits."

Carpenter said the final COOL rule, which is set to take effect March 16, is designed to minimize the amount of segregation required at slaughter, but it is still unclear if the final rule will take effect as scheduled.