

# Meat producers sue over U.S. labelling laws

'Beef is beef' says lawsuit against country-of-origin laws

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The Canadian Cattlemen's Association is among eight livestock and meat-packing industry groups that have filed a lawsuit against U.S. meat labelling laws. (Canadian Press)



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Eight American and Canadian meat and livestock groups have filed suit against the U.S. Department of Agriculture over revised meat-labelling laws.

They called the so-called country-of-origin labelling rules "capricious and arbitrary" and argued the USDA is exceeding its mandate in putting them into effect.

The rules, which took effect May 23, require meat labels to detail where

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 American Meat Institute news release

(Note:CBC does not endorse and is not responsible for the content of external links) animals used for meat were born, raised and slaughtered.

The lawsuit is backed by the Canadian Cattlemen's 'Beef is beef, whether the

Mazatlan'

-law suit against USDA

steer or heifer was born in

Montana, Manitoba or

the Canadian Cattlemen's Association, Canadian Pork Council and North American Meat Association, as well as the American Association of Meat Processors, American Meat

Institute, National
Cattlemen's Beef Association, National Pork Producers Council and
Southwest Meat Association.

The U.S. rule revisions violate the U.S. Constitution by compelling speech in the form of the labels that does not directly advance a government interest, the meat industry groups said.

"Beef is beef, whether the steer or heifer was born in Montana, Manitoba or Mazatlan," the complaint says.

"All livestock and meat process at federally inspected establishments in the U.S....are subject to the same health and safety requirements," the filling continues.

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In addition to the labelling requirement, the law prohibits processors from mixing meat from animals that come from different countries. The USDA created the stricter labelling laws to replace COOL laws implemented four years ago that were challenged under World Trade Organization

"This rule's been in place since 2009 and almost immediately overnight we saw very significant price impact. Canadian cattle were suddenly devalued in the U.S. marketplace by about \$25 to \$40 per head," said John Masswohl of the Canadian Cattlemen's Association.

"People who buy and process cattle don't want to deal with those additional costs," he said.

## Price impact on cattle

Masswohl said the number of U.S. processors that will handle Canadian cattle has been reduced, in part because of the logistical challenge of labelling correctly.

The Canadian Pork Council estimates the U.S. labelling policy is costing hog producers about \$500 million per year, including the discounts pork producers are offering to grocers to compensate for the increased labelling and weighing costs.

The groups involved in the lawsuit say the rules will fundamentally alter the meat industry and will particularly hurt meat companies located along the U.S.-Mexico and U.S.-Canada border.

Many U.S. producers ship meat to be processed at these plants, but that practice would likely stop under the new laws, the suit says. Retailers would be more likely to seek out products with simpler labels that show meat was born, raised and processed in the U.S., it argues.

The new rules were put forward after Canada and Mexico launched a WTO challenge to the U.S. COOL labelling laws estalished four years ago and won.

U.S. imports of Canadian cattle and pigs declined after COOL laws were implemented.

Agriculture Minister Gerry Ritz has said Ottawa could seek retaliatory compensation from the U.S. for the new laws under WTO mechanisms.

"If this doesn't get resolved, this is on a path of Canada either retaliating by putting a tariff on U.S. exports or seeking compensation," Masswohl

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DOW	15291.66	-8.68
NASDAQ	3520.76	16.50
SP 500	1652.62	0.30
TSX-VENTURE	879.24	2.18

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