For many years, the livestock industry in Canada and the U.S., especially for cattle and pigs, has been integrated, with animals moving both ways across the border for feeding and slaughter. But new U.S. country-of-origin labeling requirements may change this relationship.

There have been many twists and turns since a labeling requirement was first included in the 2002 farm bill. Seven years passed between that farm bill and when country-of-origin labeling finally took effect in the livestock industry. The impact of this new rule was immediate: In 2009, hog imports to the U.S. fell 32 percent. (Prior to that year, Canadian producers had increasingly sent their hogs for finishing in the U.S., where they could feed on cheaper grain.)

Those labeling rules ultimately had to be rewritten, as the result of challenges made by Canada and Mexico at the World Trade Organization and subsequent WTO rulings.

Under the revised rules, adopted earlier this year by the U.S. Department of Agriculture and just beginning to take effect in the livestock market, labels on various cuts of meat must show the animal’s location during each step in the production process — where it was born, raised and slaughtered. The USDA rules also ban the co-mingling of muscle cuts of meat that have different origins.

According to Ralph Eichler, a member of the Legislative Assembly of Manitoba, purchases of Canadian beef are likely to slow down in the coming months as the result of these changes. Many U.S. plants, he says, will not want to run two production lines — one each for Canadian and U.S. animals.

North Dakota Sen. Jerry Klein worries, too, about the impact of labeling on the U.S.-Canada trade market.

“We want to treat them well,” Klein says of the Canadian trading partners. “They buy a lot of our grain and farm equipment.”

Klein, a grocer, adds that there has been no demand among his customers in North Dakota for country-of-origin labeling. A customer has never asked him where the store’s beef or pork came from.

“They ask about the quality, the price and if the product is safe,” Klein says.

But proponents such as Minnesota Rep. Andrew Falk view labeling as a legitimate way to let consumers know how their food was raised and inspected.

“Almost everything, from glassware to china to clothing, is labeled,” says Falk, adding that it is “hard to believe that consumables like food, with a major impact on human health, shouldn’t be labeled.”

Political and legal wrangling about the new USDA rules is likely to continue for the foreseeable future.

In September, the WTO announced that it would put together a compliance pane (in response to a Canadian challenge) to determine whether the new labeling rule brings the U.S. into WTO compliance.

Meanwhile, state legislators are asking the U.S. Congress to intervene. Separate resolutions seeking congressional action have been passed this year by the Midwestern Legislative Conference and The Council of State Governments’ national Executive Committee.

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