

Canadian Embassy



Ambassade du Canada

01 OCT - 2001 14:23

501 Pennsylvania Avenue, N.W.  
Washington, D.C. 20001

October 9, 2001

FSIS Docket Clerk  
U.S. Department of Agriculture  
Food Safety and Inspection Service  
Room 102 Cotton Annex Building  
300 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20250-3700

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**Re : Docket #00-036A**

The Government of Canada welcomes the opportunity to comment on this advance notice of proposed rulemaking to clarify the definition of "United States cattle" and "United States fresh beef products" for labelling purposes. Canada is concerned that new, narrower definitions could have serious economic and trade impacts on the North American cattle and beef industry.

A voluntary country of origin labelling program based on restrictive definitions for U.S. cattle and U.S. fresh beef products, such as beef derived from cattle born, raised, finished and slaughtered in the United States, will be very costly and difficult to implement. Meat packers who process both Canadian and U.S. cattle will face higher production costs associated with the segregation and preservation of product identity if they choose to participate. These higher costs will likely be passed to consumers in the form of higher retail prices or to producers in lower purchase prices. To the extent that some firms will stop importing Canadian cattle and beef products to avoid higher production costs, such a labelling program would create a *de facto* barrier to trade. Bilateral cattle and beef trade reached more than US\$2.1 billion last year.

The proposed voluntary country of origin labelling program will also undermine the development of common labelling practices between Canadian and American beef. For example, the Canadian Food Inspection Agency applies the same criteria as FSIS for labelling beef and beef products as well as further processed products originating from cattle born and raised in the U.S. but slaughtered in Canada. In fact, the same rules apply to a number of

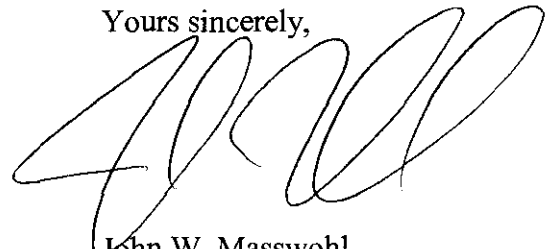
products of all sorts traded between Canada and the U.S. If adopted, the voluntary country of origin labelling program will counter the progress made by both of our countries in this area.

The development of new definitions for U.S. cattle and U.S. fresh beef products under this regulatory exercise could also conflict with the work underway in the Agricultural Marketing Service to create a voluntary "Beef : Made in the USA" certification program in response to an industry petition. Ample opportunity for confusion and resultant access problems for Canadian cattle and beef products could arise if two sets of definitions for labelling purposes are developed separately.

Finally, stricter and narrower rules of origin for labelling U.S. cattle and U.S. fresh beef products would run counter to our two countries' common objective of strengthening the integration of the North American cattle and beef industry. The highly successful Restricted Feeder Cattle Program is one example of real progress toward facilitating reciprocal trade, which benefits producers on both sides of the border. From October 1, 2000, to March 31, 2001, more than 209,000 head of U.S. feeder cattle were imported into Canada under this program. Ensuring the expansion of the North American cattle and beef industry will require continued co-operation between Canada and the United States.

I would urge you to seriously consider the negative trade impacts of adopting a more restrictive definition for "United States cattle" and "United States fresh beef products" and to ensure that any changes are consistent with U.S. international trade obligations.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'J. Masswohl', written in a cursive style.

John W. Masswohl  
First Secretary (Agriculture)