
News Release

Canada Wins World Trade Organization Case on U.S. Country-of-Origin Labelling

WTO decision will benefit Canadian farm families, livestock industry and economy, ministers say

(November 18, 2011) The Honourable Ed Fast, Minister of International Trade and Minister for the Asia-Pacific Gateway, and the Honourable Gerry Ritz, Minister of Agriculture, today met with livestock producers and processors at Soderghen Ranches Ltd., one of Canada's largest purebred seedstock cattle ranches. The ministers welcomed the clear victory for Canada's livestock industry represented by the WTO ruling that the U.S. Country-of-Origin Labelling (COOL) measure is inconsistent with its WTO trade obligations.

"Today's WTO decision is good news for workers and families in Canada's world-class livestock industry, and further proof that our government's commitment to defending Canadian interests in every sector of our economy gets results," said Minister Fast. "This decision recognizes the integrated nature of the North American supply chain in this vitally important industry. Removing onerous labelling measures and unfair, unnecessary costs will improve competitiveness, boost growth and help strengthen the prosperity of Canadian and American producers alike."

"Our government has always stood shoulder to shoulder with our cattle and hog producers against any unfair treatment, such as country-of-origin labelling, and today marks a clear win for our industry," said Minister Ritz. "This day has been a long time coming but, by working closely with our cattlemen and pork producers, we have paved the way for a stronger and more profitable livestock industry."

The U.S. COOL measure has forced the livestock industry in Canada and other countries that trade with the U.S. to go through a lengthy labelling and tracking system with an unnecessary paperwork burden and additional red tape. It has led to disintegration of the North American supply chain, created unpredictability in the market and imposed additional costs on producers on both sides of the border. Thirteen WTO country members have joined as third parties in the

dispute. The U.S. will now be required to bring its measures into conformity with its WTO obligations. However, if the WTO decision is appealed, it could delay the outcome.

Canada and the United States enjoy the largest bilateral trading relationship in the world, with two-way trade in goods and services reaching \$649 billion last year. Agriculture and agri-food bilateral trade accounted for \$35 billion of this total. Reducing obstacles to trade has contributed to mutually beneficial supply chains, making both countries more competitive domestically and internationally. All told, the jobs of over eight million Americans depend on trade with Canada, and over two million Canadian jobs depend on trade with the U.S.

For the full findings and for more information on the WTO dispute settlement process, please visit: www.wto.org/english/news_e/news11_e/384_386r_e.htm

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A backgrounder follows.

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Backgrounder - WTO Panel on U.S. Country-of-Origin Labelling

On November 18, 2011, a WTO panel released its final report determining that the U.S. country-of-origin labelling (COOL) measure discriminates against foreign livestock and is inconsistent with the United States' WTO trade obligations.

Timelines

- On September 30, 2008, the COOL measure legislation was implemented by the U.S. on an interim basis and came officially into force on March 16, 2009.
- On December 1, 2008, Canada initially requested WTO consultations with the U.S.
- Consultations were held on December 16, 2008 with participation from Mexico.
- On June 5, 2009, Canada held a further round of consultations with the United States on COOL. The consultations did not resolve the issue.
- On October 7, 2009, Canada requested a WTO panel, and on November 19, 2009, the panel was established.
- On May 20, 2011, the WTO panel provided its interim report to the parties to the dispute on a confidential basis.
- On July 29, 2011, the WTO panel provided its final report to the parties to the dispute on a confidential basis.