

Minister
of Agriculture and
Agri-Food



Ministre
de l'Agriculture et de
l'Agroalimentaire

Ottawa, Canada K1A 0C5

JUN 23 2015

Quote: 213704

The Honourable Pat Roberts
Chairman of the Senate Committee on
Agriculture,
Nutrition and Forestry
United States Senate
109 Hart Senate Office Building
Washington, DC 20510-1605
USA

The Honourable Debbie Stabenow
Ranking Member
Senate Committee on Agriculture
United States Senate
731 Hart Senate Office Building
Washington, DC 20510-1605
USA

Dear Chairman Roberts and Senator Stabenow:

In advance of the June 25, 2015, meeting of the Senate Committee on Agriculture, Nutrition and Forestry, I would like to provide Canada's views on Country of Origin Labeling (COOL) and trade retaliation for the consideration of the Committee.

As you are both aware, the long dispute over COOL has caused significant harm to the integrated livestock industry on both sides of the border, and risks causing significantly more harm should Congress not repeal the legislation forcing Canada to impose retaliatory tariffs. The time has come to get a clean fix to resolve this issue once and for all.

Following a fourth consecutive, and final, decision siding with Canada, on June 4, 2015, Canada formally requested World Trade Organization (WTO) authorization to impose over CAN\$3 billion in retaliatory tariffs on U.S. exports. As the WTO has previously found Canada's economic analysis, prepared by internationally recognized University of California Davis economist Dan Sumner, regarding COOL's discrimination to be robust, Canada is confident in its assessment. Added to this is Mexico's request to impose CAN\$870 million (US\$713 million). As you may be aware, Canada will soon be in a position to apply retaliatory tariffs on a range of U.S. goods such as beef, pork, ethanol, cherries, corn as well as manufactured products.

It is now up to the U.S. Senate to take constructive action to avoid imposing additional pain on U.S. exporters. The only way to avoid retaliation will be to end the segregation that discriminates against our livestock exports. For Canada, legislative repeal of COOL is the only approach that will achieve this end. Canada is supportive of Chairman Michael Conaway's bill (H.R. 2393) that received strong bipartisan support in the U.S. House of Representatives. Other approaches such as a legislated "voluntary" label or a generic label are not satisfactory outcomes for Canada and would force Canada to impose retaliatory tariffs, as early as late summer.

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Canada

The United States Department of Agriculture has already recognized that COOL has cost the U.S. livestock and meat industry \$1.8 billion with no benefit to consumers, and these costs will rise exponentially if this is not resolved by late summer. With this important finish line fast approaching, it is essential that the U.S. Senate repeal COOL for meat before the beginning of its summer recess in order to avoid any further economic impacts.

Thank you for your consideration of my letter, and please do not hesitate to let me know if you would like further information.

Sincerely,

A handwritten signature in black ink, appearing to read "Gerry Ritz". The signature is fluid and cursive, with a large initial "G" and "R".

Gerry Ritz, PC, MP

c.c.: Members of the Senate Committee on Agriculture, Nutrition and Forestry