



# TEXAS CATTLE FEEDERS ASSOCIATION

5501 I-40 W.  
Amarillo, TX 79106-4617  
(806) 358-3681  
FAX (806) 352-6026  
info@tcfa.org  
www.tcfa.org

**James M. Peters**  
Chairman

**Walt Olson**  
Chairman-Elect

**Jason Hitch**  
Vice Chairman

**Ross Wilson**  
President & CEO

## DIRECTORS

Ed Attebury  
Kevin Bunch  
Kevin H. Buse  
Paul Colman  
Mike Engler  
Russell Goble  
Chris Hitch  
Shelby W. Horn  
Bo Kizziar  
Jim Lovell  
Rex McCloy  
Dal Reid  
Sid Sawyer  
Pete A. Scarmardo  
Patrick Schwab  
Mike Thoren  
Monty Wheeler

December 2, 2011

The Honorable Ronald Kirk  
United States Trade Representative  
600 17<sup>th</sup> Street, NW  
Washington, DC 20508

Dear Ambassador Kirk:

Texas Cattle Feeders Association (TCFA) respectfully requests that you not appeal the recent decision handed down by the World Trade Organization (WTO) in regard to the dispute filed by Mexico and Canada over the U.S. mandatory country-of-origin labeling (COOL) law. After reviewing the WTO report, it is clear that their decision was correct and based on solid analysis. Instead of expending the time and financial resources for an appeal, especially since it is unlikely the U.S. will prevail, we ask that you help us find a meaningful and effective statutory solution to bring the U.S. into compliance and protect our long standing and vitally important trade relationships with Mexico and Canada.

TCFA is an agricultural trade association representing 200 beef cattle feedyards in Texas, Oklahoma and New Mexico and approximately 5,000 cattle feeders across the United States. TCFA members feed and market around 6.5 million head of cattle annually, which equates to about 30% of the nation's fed beef. A number of our feedyards and cattle feeder members, especially those in South Texas and New Mexico, rely heavily on Mexican origin stocker and feeder cattle because of their proximity to Mexico, which does not have a comparable cattle feeding industry, and the insufficient numbers of U.S. origin cattle to fulfill customer requirements. It is important to note that these Mexican origin cattle are imported at an early age and spend the majority of their lives under the control of U.S. cattlemen. Likewise, these cattle achieve the great majority of their market value from grazing on U.S. pastures and being fed in U.S. feedyards prior to harvesting at a U.S. processing plant.

COOL has cost U.S., Mexican and Canadian cattle producers hundreds of millions of dollars in potential revenue with no discernible return benefit. Mandatory COOL has not produced an incentive for U.S. origin cattle as proponents promised. In fact, it has done the complete opposite, adding unnecessary costs throughout the production chain, confusing consumers and antagonizing Mexico and Canada, the two largest importers of U.S. beef.

In 2010, Mexican consumers purchased \$819 million of U.S. beef, followed by Canadian consumers who purchased \$733 million. Through September 2011, Mexican consumers have purchased nearly \$730 million of U.S. beef (a 25% increase over the same period in 2010), and Canadian consumers have purchased nearly \$788 million (a 50% increase over 2010). These two countries are vital to U.S. beef exports, and all three countries have benefited greatly from free trade.

The Honorable Ronald Kirk  
December 2, 2011  
Page Two

However, failure to comply with the WTO decision will further jeopardize these important trading relationships and provide Mexico and Canada with the ability to place retaliatory tariffs on U.S. goods – including U.S. beef. Likewise, if we fail to live up to our treaty obligations, it would send a signal to the rest of the world that the U.S. does not believe it is subject to the decisions of the WTO, undermining our ability to negotiate future trade agreements with other countries. Again, TCFA urges USTR not to appeal the recent WTO decision regarding red meat labeling under the U.S. COOL law. The only viable solution to this problem is to accept the WTO decision and work with Congress to develop a statutory remedy that will bring us into compliance with our treaty obligations, remove the discounts for Mexican-origin cattle, protect our ability to export U.S. beef around the world and provide consumers with a meaningful, accurate labeling program.

Sincerely,



Jim Peters  
Chairman