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national farmers union
In Union Is Strength

FOR IMMEDIATE RELEASE

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NFU OFFERS CONDITIONAL SUPPORT FOR NAFTA CHALLENGE

SASKATOON, Sask – The National Farmers Union (NFU) is offering conditional support to a multimillion dollar lawsuit against the American Government launched by a group of cattle producers in western Canada.

The legal challenge, announced last week by a group calling itself Canadian Cattlemen for Fair Trade, is being issued in an attempt to force the U.S. Government to reopen the border to Canadian live cattle exports. Under Chapter 11 of the North American Free Trade Agreement (NAFTA), damages can be sought by investors who have incurred losses due to a trade action by another country. The group estimates total damages to livestock farmers in Canada at \$2.2 billion.

NFU President Stewart Wells said while the Farm Union supports the producer-led initiative, the Canadian government should be leading the legal challenge. “We’ve always maintained that if the shoe was on the other foot, the Americans would have launched a NAFTA lawsuit immediately, and then used it as a lever in the negotiations. Our government shouldn’t be forcing financially hard-pressed farmers to assume the burden of legal costs.”

Wells warned that even if the legal challenge is successful, it could take months or even years to work its way through the court system. “This won’t solve the short-term problem of a glut of calves coming onto the market this fall,” he pointed out. “And in the long run, an open border won’t solve our long-term problem of packer concentration in the industry and over-dependence on a single export market.”

NFU Livestock Committee Chair Don Mills agreed the federal government must follow the farmers’ lead and challenge the US action under NAFTA. “If we as a nation are going to bind ourselves to these sorts of trade deals, then all parties have to be accountable,” Mills stated. “Obviously, in this case it appears the United States is not playing by the rules of the trade deal.”

Mills said the federal government should also put in place a floor price for stocker cattle so farmers can sell to feedlots this fall and be assured of a reasonable return. “The Alberta Auditor-General’s report clearly shows that the packers are making good money out of this crisis and can afford to pay an equitable price for cattle,” he said, adding the BSE crisis has clearly shown the flaws in the current marketing system and the need for structural changes. “Opening the border will help, but it won’t bring about long-term stability. We need independently-owned domestic packing capacity.”

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