

September 4, 2008

The Honorable Bruce Knight
Under Secretary for Marketing and
Regulatory Programs
U. S. Department of Agriculture
Washington, D.C. 20250

Dear Under Secretary Knight:

Thank you for attending the unprecedented livestock industry meeting in Kansas City. Your presence and comments set the tone for the industry to “be bold” in developing ideas for implementation of the country of origin labeling (COOL) law.

As you witnessed, 70 representatives of over 30 livestock industry sector, species and food retail organizations and companies attended. Our principal goal was to reach agreement on universal language for affidavits and/or declarations of country of origin (CoO) to move origin claims along the livestock’s chain of custody/ownership to slaughter facilities to assure that meat “covered commodities” will be accurately labeled at retail. We understand that USDA has no authority to regulate livestock as live animals are not “covered commodities.” However, we want to provide our buyers with a framework they may rely on to comply with COOL. We sought the simplest, most effective, least burdensome and least costly approach for producers, marketing businesses, feeders and packers to use in implementing and complying with COOL. We were especially sensitive to the costs of paperwork to the industry.

We believe we have achieved our goal and wanted to inform USDA of our plans. Time is of the essence. The industry recognizes that steps must be taken today, with or without a final rule, to achieve compliance. Our plan builds on concepts discussed in the meeting and the flexibility offered in the interim final rule to the industry to develop our own systems.

This week, we began distributing the attached “continuous affidavit/ declaration of origin of livestock” to all sectors of the industry. We will be educating livestock producers, order buyers, livestock marketing businesses, and feedyards on the use and acceptability of “composite affidavits” to derive origin of animals. We also will be providing the industry with the simple clause entitled “origin declaration” to be used as a stand alone transaction specific declaration or to be placed on existing business documents to reference livestock origin. We also will be encouraging persons who sell to packer/processors to add language to their continuous affidavits that asserts the records will be maintained for one year from the date of delivery of the livestock and that access to specific records is permitted for compliance with a USDA audit.

It is also our intention to educate, inform, and encourage persons selling live animals to visually inspect *all* their livestock for markings of foreign origin. We all agree visual inspection for the presence or absence of foreign origin markings constitutes firsthand knowledge of the origin of those animals inspected and such inspection may be used to support an affidavit of origin. Given USDA’s long-term success with monitoring, inspecting, and marking foreign origin livestock, especially cattle entering this country, we believe this system provides a reliable basis for verification of origin. Visual inspection for markings to support affidavits of origin provides the industry with a tool to verify origin that builds upon

accepted and known practices in the industry; avoids burdensome paperwork and tracebacks; and is immediately available.

Visual inspection for verification of origin is particularly important to the trade during the period between July 15, 2008 (the date that technically declared all livestock present in the U.S. as U.S.-origin) and whenever the final regulation is published. Producers have placed livestock, particularly cattle, without all of the origin documentation that may be necessary. It would be very difficult and in some cases impossible to recreate the paper trail on many of these animals. We do not want livestock to become unmarketable because of a lack of paper trail on animals that were in the trade while the regulators and industry were working to outline what level of verification is necessary.

We intend to further review how brands, health markings, or livestock markings may be incorporated into this process to verify origin. It is our intent to provide more comments on these issues in the formal rulemaking process.

Finally, we intend to inform livestock operators of the animal identification systems that are NAIS compliant. Again, it is our intent to comment in the formal rulemaking process as to how breed records may also be used to verify origin.

This plan was the product of many persons representing many aspects of the livestock industry. We have the commitment of the parties listed below to implement COOL according to this plan. We believe it best serves every person in the supply chain from producer to consumer. Again, we appreciate your involvement in helping us reach consensus on this issue.

Sincerely,

Agri Beef Co.
American Farm Bureau Federation
American Foods Group
American Hereford Assn.
American Meat Institute
American Sheep Industry Assn.
Cargill Meat Solutions
Dairy Farmers of America
Farmland Foods
FPL Food
Greater Omaha Packing Co.
Harris Ranch Beef Co.
JBS Swift & Co.
John Morrell Co.
Kansas Cattlemen's Assn.

Kansas Livestock Assn.
Livestock Marketing Assn.
National Cattlemen's Beef Assn.
National Farmers Organization
National Farmers Union
National Livestock Producers Assn.
National Meat Assn.
National Milk Producers Federation
R-CALF USA
Smithfield Beef Group
Texas Cattle Feeders Assn.
Texas and Southwestern Cattle Raisers Assn.
Tyson Foods, Inc.
U. S. Cattlemen's Assn.