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The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
U.S. Capitol H-232
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
U.S. Capitol H-204
Washington, DC 20510

Dear Speaker Pelosi and Minority Leader McCarthy:

On behalf of the largest producer-only cattle trade association in the United States, we strongly encourage you to condition your approval of the new U.S.-Mexico-Canada Agreement (USMCA) on the restoration of mandatory country-of-origin labeling (COOL) for beef and pork offered for sale to U.S. consumers.

Mandatory COOL is vitally important to independent U.S. cattle producers because it is their only means of offering consumers a choice – to either choose to purchase the best beef in the world produced under the more stringent U.S. health, safety and environmental standards by American cattle producers, or purchase beef produced under lesser standards in foreign countries.

Without mandatory COOL, importers source cheaper imported beef from over 20 foreign countries and they source live cattle from Canada and Mexico. They then can offer all of this cheaper-sourced beef to consumers as if it were produced by American farmers and ranchers. This occurs because the 2015 repeal of the COOL law for beef and pork eliminated the requirement that all imported beef retain its foreign label through retail sale. And, because current law allows all beef that is processed in a U.S.-based packing plant to bear a “Product of U.S.A.” label.

This means that all the beef derived from the approximately two million live cattle imported from Canada and Mexico can be labeled as a U.S. product, as can the three billion pounds of foreign beef imported into the U.S. from a multitude of foreign countries when the importer repackages the beef in a U.S. processing plant.

This is patently unfair and deceptive to U.S. cattle farmers and ranchers and to U.S. consumers. It also unjustly enriches importers who benefit by passing off cheaper, undifferentiated imports to unsuspecting consumers as if it were American born, raised and harvested.

The powerful meatpacking lobby opposes mandatory COOL because it represents the financial interest of the importers who are receiving windfall profits at the expense of hard-working American farmers and ranchers.

Including the restoration of COOL for beef and pork in the USMCA eliminates the potential threat of World Trade Organization sanctions for two reasons: First, it was Canada and Mexico that

challenged the COOL law for beef and pork and if they sign the USMCA with COOL included, they cannot simultaneously reignite their WTO challenge. Second, the WTO challenge criticized only the labeling of beef derived from imported cattle. Because the U.S. only imports cattle from Canada and Mexico for purposes of slaughter, no other country would have standing to complain about the COOL law if it were reinstated in the USMCA.

The Trump Administration overlooked this entire matter when it negotiated the USMCA, primarily because it was so heavily influenced by the entrenched meatpacking lobby who used the Administration to achieve their goal of continually building an undifferentiated, global supply chain for their cattle and beef inputs. The meatpacking lobby won the day by convincing our trade negotiators that the U.S., Canada and Mexico beef supply chain is currently integrated and must remain so.

This is nonsense. What the meatpacking lobby means by an “integrated North American beef market” is that they want to continue sourcing lower-cost cattle and beef from whichever country they choose and then pass the resulting beef onto unsuspecting American consumers as a “Product of U.S.A.”. The USMCA granted their wish by solidifying for them an expanded, more globalized supply chain with which to manage both their input costs and supply volumes. Obviously, this will continually stymie the American cattle industry’s ability to rebuild its lost cattle herd, its lost producers, and will continually deter new entrants in our U.S. cattle industry.

It is sad but true that while the USMCA made substantial improvements for many sectors of the U.S. economy, it did absolutely nothing to empower the largest segment of American agriculture – the U.S. live cattle industry – to rebuild itself within a competitive, transparent marketplace. Instead, it strengthened the hand of dominant, global meatpackers, empowering them to shun competitive market forces through lack of transparency and to manage cattle and beef supply chains for their financial benefit.

It should be a fundamental right for all Americans to know under which country’s food safety regime their food was produced. Today, for beef and pork, American consumers cannot obtain that information even if they ask and American cattle producers have no means to cause beef purveyors to label their USA product. American consumers and cattle producers are reliant upon Congress to rectify this injustice.

For the foregoing reasons, the 5,000-plus members, from 42 states, of R-CALF USA strongly urge you to condition your approval of the new USMCA on the restoration of mandatory COOL for beef so U.S. cattle farmers and ranchers can begin to compete in their own marketplace and U.S. consumers can begin supporting the American economy by choosing to buy American beef.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Bullard". The signature is fluid and cursive, written over a horizontal line.

Bill Bullard, CEO