

## WHY THE UNITED STATES SHOULD IMMEDIATELY REINSTATE COOL FOR BEEF

- In April 2017, President Trump issued his *Buy American Hire American* Executive Order to help stimulate America's economy.
- Citizens, however, cannot choose to buy American beef because the World Trade Organization (WTO) ruled against our U.S. Country-of-Origin Labeling (COOL) law and Congress repealed COOL for beef rather than allow the U.S. to negotiate a diplomatic remedy after the adverse ruling.
- Recognizing that lower-cost imports reduce the value of domestic meat animals, current U.S. labeling law requires COOL labels on chicken, lamb, goat meat, fish and shellfish, and venison. Beef and pork are now outliers and consumers cannot distinguish beef produced exclusively in America versus beef produced in whole or in part in a foreign country.
- The U.S. is the world's largest beef importer. Each year importers ship about 2 million cattle and 3 billion pounds of beef into America from more than 15 countries. These imports are direct substitutes for U.S. cattle and beef and represent about 20% of U.S. beef production. These imports put tremendous downward pressure on domestic cattle prices because the price of cattle is highly sensitive to changes in supplies, particularly imported supplies.
- Not only is beef being sold in the U.S. without an origin label; but also, the "Product of USA" label is being applied to imported beef that undergoes only minor processing in the U.S. and to beef derived exclusively from imported cattle from Canada and Mexico.
- When COOL for beef was in effect in 2014, cattle prices paid to American cattle farmers and ranchers reached historic highs. In 2016, the year after COOL for beef was repealed, U.S. cash receipts from the sale of cattle fell \$17 billion when compared to 2014.
- When COOL for beef was in effect, the rural economy was significantly stimulated by the resulting higher cattle prices. This was because:
  - The U.S. cattle industry has the greatest impact on Rural America because it is the largest segment of American agriculture, generating about \$70 billion annually.
  - America has 915,000 farms/ranches with cattle and calves, representing over 40% of the nation's total of 2.2 million farms and ranches.
- Reinstating COOL for beef would:
  - Strengthen the domestic cattle industry by allowing consumers to support America's live cattle supply chain.
  - Prevent ongoing industry consolidation by promoting competition at the retail counter.
  - Prevent consumer deception caused by affixing the USA label on beef derived from foreign cattle.
  - Provide consumers with more choices and more pricing options.
  - Allow consumers to express their nationalism/patriotism.
  - Allow consumers to selectively avoid beef from countries that may have food safety problems.
  - Create new opportunities to rebuild America's cattle herd and to attract new entrants into the ranching sector as undifferentiated imports could no longer be used to fill domestic supply gaps.
- When COOL is restored for beef, Rural America's economy will strengthen as citizens begin complying with President Trump's directive to "Buy American" beef.