

## WHY THE U.S. SHOULD IMMEDIATELY PASS M-COOL FOR BEEF (S.2716)

- In April 2017, Former President Trump issued his *Buy American Hire American* Executive Order to help stimulate America's economy. In January 2021, President Joe Biden issued his *Buy American* Executive Order to accomplish the same goal.
- Citizens, however, still cannot choose to buy American-born and -raised beef because Congress repealed Mandatory Country of Origin Labeling (M-COOL) for beef in 2015. Since that time, consumers have been deprived of their right to choose beef produced in their preferred country.
- Recognizing that lower-cost imports can reduce the demand for domestic meat animals, current U.S. labeling law requires M-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 second largest beef importer. Each year importers ship about 2 million cattle and 3 billion pounds of beef into America from about 20 countries. These imports are direct substitutes for U.S. cattle and beef and represent about 20% of U.S. beef production. These imports can reduce the demand and price of domestic cattle because demand and price are sensitive to changes in supplies, including 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., such as being unpackaged and repackaged, and to beef derived exclusively from imported cattle from Canada and Mexico.
- When M-COOL for beef was in effect in 2013-2015, 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 In 2016, the year after COOL for beef was repealed, U.S. cash receipts from the sale of cattle fell \$17 billion when compared to 2014.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 M-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 \$67 billion in cash receipts 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 M-COOL for beef by passing the "American Beef Labeling Act of 2021 (S.2716) 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.