**R-CALF USA 2006 Position Paper:**
**Country of Origin Labeling for Beef**

- American consumers today are often unable to distinguish U.S. beef in the grocery store or in restaurants. Under current country-of-origin marking rules, meat products from the U.S., Canada, and Australia are often sold side by side with no distinguishing labels or other origin information. Even if consumers try to seek out U.S. beef, they have no way of knowing where the product they purchase comes from. In fact, it is easier for consumers to find out where their toys and clothes are manufactured than to learn the origin of the food they eat.

- The GAO has criticized the way USDA and Customs enforce current marking rules to allow much imported beef to bear no origin label. Congress sought to remedy these problems and allow consumers to make informed choices by mandating country-of-origin labeling (COOL) for beef and other products in 2002. The law only allows beef to bear a "U.S." origin label if the meat is wholly from animals born, raised, and slaughtered exclusively in the U.S.

- Origin labeling for meat has consistently received strong support in opinion polls. In addition, a number of studies indicate that there is a consumer preference for beef labeled with U.S. origin, and thus such labels may create a premium for U.S. product.

- Despite the potential benefits of COOL, implementation has been delayed until 2008. The delay is largely the result of an aggressive campaign against the law on the part of meatpackers, processors, and retailers. These groups argue that implementing mandatory COOL will be extremely expensive and burdensome. In addition, packers have attempted to undermine producer support for the law by claiming that it can only be implemented by passing exorbitant costs and legal liabilities down the production chain to cattle producers.

- COOL critics often cite the USDA's 2002 estimate that COOL would cost nearly $2 billion to implement. But this estimate has been widely criticized, including by the GAO:
  - The USDA estimate was based on 2 million agricultural producers creating new record-keeping systems, but less than 1 million of these are cattle producers affected by COOL.
  - The USDA estimate also failed to take into account existing record-keeping systems that contain much of the information required to implement COOL.
  - Finally, the USDA applied a labor cost to recordkeeping that appears high compared to normal farm labor costs.
  - A University of Florida study accounting for some of these problems found implementation costs for producers would be 80 percent less than estimated by USDA.

- Implementation costs may be even lower if processors are able to better distinguish U.S. and foreign cattle entering their production lines. Currently all cattle from Canada and Mexico are branded or arrive in sealed conveyances for health and safety reasons, and these animals account for nearly 100% of U.S. cattle imports. If import marking rules for cattle are revised to ensure that all imported cattle are clearly marked, it could be even simpler for processors to distinguish U.S. cattle for COOL purposes.

- COOL should be implemented without further delay. COOL allows informed consumers to exercise their preferences for U.S. product. Costs can be minimized by helping processors identify imported cattle and without imposing undue burdens on producers.