R-CALF USA 2007 Stampede Fact Sheet:

Country of Origin Labeling for Beef

- A top priority for R-CALF USA in 2007 is to work with Congress to ensure that mandatory country-of-origin labeling (COOL) for beef is implemented no later than September 30, 2007.
- American consumers today are often unable to distinguish U.S. beef from imported product. Meat products from the U.S., Canada, and Australia can be sold side by side with no distinguishing labels or other origin information. Even consumers who want to seek out U.S. beef too often 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.
- Congress sought to remedy these problems by mandating COOL for beef and other products in the 2002 Farm Bill. 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.
- Though COOL was passed into law five years ago, 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 claim that mandatory COOL will be overly expensive and burdensome, and they argue that COOL 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.
  - 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.
  - Recently-implemented COOL regulations for fish and shellfish simplify producers' record-keeping requirements, and could provide a useful model for implementing COOL for beef.
- Implementation costs may be even lower if processors are able to better distinguish U.S. and foreign cattle entering their production lines. Currently cattle imported 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. Stronger import marking rules could permanently require uniform marking of all imported cattle, making it even simpler for processors to distinguish U.S. cattle for COOL purposes.
- COOL has been on the books for five years, and it 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. It is time to make the law of the land a reality for U.S. cattle producers.