

# Country-of-Origin Labeling

## Explanation by Texas Cattle Feeders Association

A tremendous number of articles have been written about country-of-origin labeling (COOL). Some have been factual and some have not. The purpose of this article is to provide information on the Act that created COOL and try to answer some of the questions.

### Key Provisions of the Act and Conference Report:

- Section 282(a)(1) “a retailer of a covered commodity shall inform consumers at the final point of sale...of the country of origin of the covered commodity.” Conference Report states “This applies to both imported and domestically produced commodities.”
- Section 282(a)(2) “a retailer...may designate...United States country of origin only if...in the case of beef, is exclusively from an animal that is exclusively born, raised and slaughtered in the United States.”
- Section 282(d) “The Secretary may require that any person that prepares, stores, handles or distributes a covered commodity for retail sale maintain a verifiable recordkeeping audit trail that will permit the Secretary to verify compliance with this....” The Conference Report states “Those who prepare, store, handle or distribute a covered commodity shall maintain a verifiable recordkeeping audit trail.”
- Section 282(e) “Any person engaged in the business of supplying a covered commodity to a retailer shall provide information to the retailer indicating the country of origin of the covered commodity.”
- Section 282(f)(1) “The Secretary shall not use a mandatory identification system to verify the country of origin of the covered commodity.”
- Section 285 “This subtitle shall apply to the retail sale of a covered commodity, beginning September 30, 2004.”

### USDA Actions

On October 11, 2002, USDA published guidelines for the voluntary country-of-origin labeling, which became effective on the date of publication. USDA stated, “Development of mandatory regulations will begin in April 2003 and will likely be based on these voluntary guidelines....Comments on the guidelines must be received by April 9, 2003.”

On November 21, 2002, USDA issued an estimate of recordkeeping costs associated with implementation of voluntary country-of-origin labeling. The estimate is \$1.97 billion for all commodities. Comment period for the estimated recordkeeping costs ended February 21, 2002.

On March 5, USDA announced a series of listening and education sessions in 12 states to gain more public input and provide interested parties information about COOL. Those states are: California, Florida, Louisiana, Minnesota, Missouri, Montana, Nebraska, North Carolina, Pennsylvania, Texas, Washington and Wyoming.

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### Key Points:

- Country-of-origin labeling is voluntary until September 30, 2004, when it becomes mandatory. Legislation will be required to change or delay implementation of the mandatory provisions of the Act.
- The Act will require retailers to provide country-of-origin labeling on both domestic and imported muscle cuts plus ground beef, lamb and pork. Fish, peanuts and other perishable agricultural commodities will also be labeled. Poultry is exempt.
- About 50% of total U.S. beef sales will not be labeled because foodservice (restaurants, cafeterias, delis, etc.) and processed beef sales are exempt.
- Beef designated as U.S. country-of-origin must be born, raised and slaughtered in the U.S.
- Any person supplying beef to the retailer must provide country-of-origin information.
- USDA shall not use a mandatory identification system to verify origin, but a retailer or a supplier is not prohibited from using mandatory identification.
- Congress did not define a “verifiable recordkeeping audit trail,” but stated that those who prepare, store, handle or distribute beef shall maintain a verifiable recordkeeping audit trail.
- It is difficult to believe that Congress didn’t intend for retailers, packers and producers to maintain records that can be audited and verified by USDA to ensure compliance with the Act.

### TCFA Position

TCFA supports voluntary and adamantly opposes mandatory country-of-origin labeling. Our position is based on the premise that, if benefits exceed costs, voluntary labeling would be supported by the market. Also, why should the beef industry have to bear the costs of tracking all cattle and beef when approximately 50% of beef sold in the U.S., as well as poultry, will be exempted from labeling? Mandatory programs are only needed when consumer demand will not pay for the increased costs.

### Call to Action

Contact your Congressman and Senators—urging them to rescind mandatory country of origin labeling.

Tell your feeder cattle suppliers that you will require documentation on where the cattle are “born and raised” for all cattle that have a projected sale date of September 30, 2004 or later. Specific recordkeeping requirements of producers, auction markets and order buyers are unknown at this time.

3/14/03