

PolicyPennings by Daryll E. Ray & Harwood D. Schaffer

US Country-of-Origin-Labeling: The political haggling continues

With the US House of Representatives in recess and a repeal of Country-of-Origin Labeling (COOL) attached to a highway bill in the US Senate but facing unified Democratic opposition and the support of a few Republicans, it is looking increasingly unlikely that any COOL legislation will see action before the end of the summer congressional recess. That doesn't mean that the issue is on the back burner, only that there are not enough votes in the Senate to move COOL legislation forward.

US COOL legislation requires that listed products, including beef and pork, are tagged with a label that says where the animal the meat came from was born, raised, and slaughtered.

The pressure for doing something about COOL is the result of a WTO ruling that the legislation discriminates against beef and pork coming into the US from Canada and Mexico because US packing plants limit the days that they will handle non-US animals or refuse to accept these animals at all. The packers claim that it is too difficult/expensive to keep track of animals requiring different labels in their plants.

The House has already passed COOL repeal legislation by a margin of 300-131 and its adoption by the Senate would move it forward. To force the issue in the Senate, Pat Roberts, a long-time opponent of COOL, added language repealing COOL for beef, pork, and chicken products to a must-pass extension of the highway bill. His amendment does not include provision for a voluntary COOL program. "We can continue to discuss voluntary labeling programs similar to those already in the marketplace once COOL is repealed, Roberts said.

Debbie Stabenow and John Hoeven have introduced a bill in the Senate that would repeal mandatory COOL legislation and replace it with a voluntary COOL program. In support of her legislation Stabenow said, "It would be a sad day and I believe irresponsible on our part if we move back to the days prior to COOL where we were labeling meat that was born in a foreign country and spent most of its life in the foreign country but then could somehow come in and be harvested here and be called a product of the United States."

As Stabenow pointed out, Canada also has a mandatory country-of-origin labelling law for food products. According to the Canadian Food Inspection Agency website (<http://tinyurl.com/ogkle8q>), "When a food product is wholly manufactured outside of Canada, the label must show that the product is imported.... In addition, it is mandatory to state the country of origin on some specific imported prepackaged products, such as...meat products.... For example, prepackaged cheese from the United States imported

into Canada is required to be labelled 'Product of United States.'"

When the COOL repeal was being debated in the House, Colin Peterson pointed out that the European Union also has country-of-origin labelling laws. Currently, Australia is currently considering the implementation of a country-of-origin law that would require a label to indicate the domestic percentage of a product. All of these laws come into action because consumers everywhere want to know the provenance of the products, including food, they buy and may have a preference for domestic products for a variety of reasons: they want to "buy local," they want to support the domestic economy with their purchases, they believe that domestic products are better whether or not that is true.

While some groups have come out in support of the Roberts legislation or the Stabenow/Hoeven provisions, there are those who are opposed to any action until the disputes resolution process comes to a conclusion; the US has challenged the level of the countervailing tariffs Canada and Mexico are asking for.

On July 28, 2015, a group of "142 farm, ranch, rural, faith, environmental, farmworker, manufacturing and consumer organizations" sent a letter to Roberts, Chair of the Senate Agriculture Committee, and Stabenow, the committee's Ranking Member, "respectfully urging [them] to reject both efforts to repeal the mandatory Country-of-Origin Labeling (COOL) law and any attempts to convert the COOL law into a voluntary program" (<http://tinyurl.com/ngukoks>).

The letter went on to argue, "It is premature for Congress to unilaterally surrender to saber-rattling from our trading partners in the midst of a long-standing dispute. COOL opponents have highlighted Mexico and Canada's threats of retaliation as if their aspiration to seek billions of dollars in penalties were already approved by the WTO. But these unapproved, unrealistically high retaliation claims are merely aggressive litigation tactics designed to frighten the United States—a standard practice in WTO disputes. Congress should not fall for it.

"The WTO can only authorize penalties based on the extent to which COOL caused a reduction in the volume and price of livestock imports. But the economic recession was the driving factor behind declining livestock imports, not the application of a simple label. Cattle imports are higher today than when COOL went into effect and hog imports are rapidly rebounding, even with COOL in place. This straightforward

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logic is buttressed by a recent economic report from Auburn University that demonstrates that COOL has not impacted the livestock trade and that any harm to our trading partners has in fact been negligible at most.”

At this point we are not ready to predict what the final action of Congress will look like. But we do believe that consumers are learning how to put pressure on grocery retailers and major restaurant chains to get what they want (see our three June, 2015 articles on animal welfare, <http://agpolicy.org/articles15.html>). No matter what Congress eventually does, if enough consumers want to know where their food comes from, they will find a way to get that information.

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