



Consumer Federation of America

**Written Testimony of Consumer Federation of America
Submitted to the
Livestock and Foreign Agriculture Subcommittee
Committee on Agriculture
U.S. House of Representatives
Washington, D.C.**

March 25, 2015

Consumer Federation of America (CFA) is pleased to submit testimony to the Livestock and Foreign Agriculture Subcommittee, Committee on Agriculture as part of the Subcommittee's examination of implications of potential retaliatory measures taken against the United States in response to meat labeling requirements. CFA is an association of nearly 280 nonprofit consumer organizations that was established in 1968 to advance the consumer interest through research, advocacy and education.

CFA has long supported mandatory country of origin labeling (COOL) for meat, poultry, pork, goat, fish and seafood, fruits and vegetables, nuts, and other agricultural commodities. CFA was actively involved in advocating for passage of COOL in the 2002 Farm Bill and was engaged in the negotiations to ensure passage of COOL in the 2008 Farm Bill. CFA has carefully followed the implementation of COOL by the U.S. Department of Agriculture, as well as the more recent proceedings at the World Trade Organization and in the courts.

Consumers Strongly Support COOL

More and more, consumers are seeking information about their food, including information about origin, ingredients, safety, nutrition, production practices, environmental impact, worker impact, and more.¹ COOL provides consumers with important information about the source of their food. If consumers wish to purchase food from a particular country or avoid foods from a particular country, COOL provides consumers with the information to be able to make an informed choice in the marketplace.

Consumers have a basic right to know where their food originated and numerous polls have shown strong interest from consumers in knowing the country of origin of foods they purchase (see Appendix A). A 2010 representative survey from Consumers Union found that 93 percent of consumers would prefer to have a country of origin label on the meat they buy.² A representative survey conducted by CFA in 2013 found that 90 percent of consumers thought that food sellers should be required to indicate on the package label the country of origin of fresh meat they sell. In addition, 87 percent agreed that

¹ Farm Futures, "Research Confirms Consumers Want More Food Info." December 11, 2013, via <http://farmfutures.com/story-research-confirms-consumers-want-more-food-info-0-105934>.

² Consumers Union, "Country of Origin Labeling Poll." October 4, 2010, via <https://consumersunion.org/research/country-of-origin-labeling-poll/>.

food sellers should have to list the country or countries in which animals were born, raised and processed.³

Opponents of COOL claim that informing consumers about where their food comes from will raise prices or that consumers do not want the information. Yet they have provided no credible evidence to support those claims. Further, the meat industry lost its lawsuit against USDA in the U.S. District Court which tried to halt implementation of the COOL regulations.⁴

WTO Dispute

Canada and Mexico challenged the COOL regulations at the World Trade Organization (WTO). The primary finding of the initial WTO dispute body was that the COOL law itself is trade-compliant, but the way in which it was implemented was not. WTO expressed concerns the COOL labels for meat cuts imposed a cost to imported livestock and meat that exceeded the consumer benefit. USDA then worked to write new regulations that would comply with our trade obligations.

CFA strongly supported USDA's changes to the COOL rule to address the concerns raised at the WTO.⁵ In revising the regulation, USDA took the appropriate step of providing consumers with additional information, requiring meat producers to specify on the label the country or countries in which the production steps of birth, raising and slaughter of the animal occur. This was an improvement in the labels as it provided consumers with more precise information about the production steps of the animal. The level of clarity and transparency to consumers justified the reasonable implementation burdens on exporters.

Canada and Mexico have argued that COOL discriminates against foreign livestock. CFA urges the Subcommittee to review a recent study by Robert Taylor, an agricultural economist at Auburn University, which clearly refutes these claims.⁶ Using public data, Dr. Taylor demonstrated that COOL had no negative impact on imports of slaughter cattle and COOL did not significantly affect imports of feeder cattle. Ultimately Dr. Taylor concluded that COOL has not had a negative impact on the Canadian cattle industry.

The WTO process is ongoing, with a final decision expected in mid-May. It is important to note that at each stage of the WTO process, the findings by the dispute panels have narrowed the concerns. Once a final ruling is issued, the WTO will enter the arbitration phase. Only after that phase will the WTO authorize sanctions. Considering the more narrow focus of each subsequent WTO ruling, it is likely that any sanctions will not be as severe as opponents of COOL are suggesting. As the WTO process is still ongoing, there is no need for Congressional action. CFA strongly urges this Subcommittee and Congress to not take any action to weaken or repeal COOL.

³ Consumer Federation of America, "Large Majority of Americans Strongly Support Requiring More Information on Origin of Fresh Meat." May 15, 2013 via <http://www.consumerfed.org/pdfs/CFA-COOL-poll-press-release-May-2013.pdf>.

⁴ Dumas, CR, "COOL Challengers Drop Lawsuit Against USDA." Capital Press, February 9, 2015.

⁵ Consumer Federation of America comments to USDA/Agricultural Marketing Service, April 9, 2013 via http://www.consumerfed.org/pdfs/CFA_comments_COOL_WTO_Changes.pdf.

⁶ C. Robert Taylor, "Preliminary Estimates of the Impacts of U.S. Country of Origin Labeling (COOL) on Cattle Trade." January 13, 2015 via <http://www.nfu.org/images/COOLReport1132015Final.pdf>.

Appendix A

Consumers Overwhelmingly Support Country of Origin Labeling

<i>Poll</i>	<i>Year</i>	<i>Question</i>	<i>Response</i>
Fresh Trends	2002	Percent who feel that fresh produce items, packages or displays should be labeled to identify country of origin	86%
National Farmers Union	2004	Do you think food should be labeled with country of origin information?	82% Yes
Public Citizen	2005	Do you favor or oppose requiring the meat, seafood, produce and grocery industries to include on food labels the name of the country where the food is grown or produced?	85% Favor
Food & Water Watch	March 2007	Should the food industry be required to provide [country of origin] information, or should the food industry be allowed to decide on their own?	82% Required
Consumers Union	July 2007	Imported foods should be labeled by the country of origin.	92% Agree
Zogby	August 2007	Consumers have a right to know the country of origin of the foods they purchase.	94% Agree
Consumers Union	November 2008	Country-of-origin labeling for products should always be available at point of purchase.	95% Agree
Consumers Union	October 2010	Consumers would prefer to have a country of origin label on the meat that they buy.	93% Agree
Consumer Federation of America	May 2013	Food sellers should be required to indicate on the package label the country of origin of fresh meat they sell.	90% Agree
		Food sellers should be required to indicate on the package label the country or countries in which animals were born, raised and processed.	87% Agree