



The Mandatory Country-of-Origin Labeling Law is imminent...

TOP SEVEN REASONS

WHY the current law doesn't work, and MUST be fixed now!

The current mandatory law will damage our livelihood. Cattlemen are a proud lot, and we are proud of the beef we produce. Labeling our products, especially U.S. beef, helps to strengthen consumer demand. We support a marketing program to promote American beef. *But the current mandatory labeling law forces additional burdens on us, and doesn't achieve the program's intent.*

1. **The paperwork and documentation requirements in the current law are unclear.** All livestock producers will need to provide verifiable information at sale regarding where animals were born and raised. Producers will be responsible for maintaining an acceptable recordkeeping system, as well as bearing the costs of audits to ensure the accuracy of the information. Although the current law does not specify what kinds of records or documentation are required to comply with the law, we are told that self-certification will not satisfy the requirements.

Because the law does not specify what kind of recordkeeping is required, packers and retailers could demand impossibly complicated documentation. The American Meat Institute is telling its packer members that they should demand the following from livestock producers:

- documentation of where the livestock purchased were born and raised;
 - affidavit or declaration with each load of livestock purchases stating that there is a verifiable audit trail in place that identifies where the livestock in each load were born and raised;
 - access to records so that the packer can perform audits as necessary to satisfy retail customers, ensuring that an accurate record-keeping system exists and that it has been or is being verified by an acceptable third-party; and
 - indemnity for the packer for liability incurred from inaccurate information supplied by the producer.
2. **There is no exemption for cattle born prior to the effective date of the law.** If Congress fails to make any changes to the current law this year, most calves born this year will need to meet the criteria established by the law when those calves are marketed in the Fall of 2008. Many customers will want country-of-origin information on cattle purchased this fall (calves currently on the ground and cows intended for slaughter) and may have more specific requirements. It will be difficult – if not impossible – for producers to meet the law's requirements for calves NOW when USDA hasn't even written the final rule yet.
 3. **If the government insists on making this marketing program mandatory, producers must have liability protection.** As U.S. ranchers, we are proud to be successful entrepreneurs, living the American dream. This law allows the government to mandate how we market our products, and give others access to our personal ranch records, instead of allowing us to manage our own marketing and promotion. In addition, producers who are unable to comply, or are unsure of HOW to comply because of complicated government-written rules, will be hit with penalties and fines. Mandating an American label seems very un-American to us. Producer-led and market-driven efforts offer the greatest benefit for producers and consumers.
 4. **The current law exempts too many products.** Under the current country-of-origin law, nearly 75 percent of meat products will go unlabeled because only imported products sold at grocery stores are covered, and poultry is exempted altogether. All processed products, products used in food service

(including restaurants) and poultry will remain unlabeled. This law MANDATES that cattle producers comply with costly and complicated regulations while many other sectors of the meat industry are exempted. How does a labeling program help inform consumers if it doesn't label anything?

5. **The costs to producers could put many small operators out of business.** The original concept of country-of-origin labeling was to help – not hinder – U.S. cattle producers. USDA's cost benefit analysis says the mandatory program passed as part of the 2002 Farm Bill could cost up to \$3.9 billion in the first year alone. We are disappointed that some members of Congress wish to support the current law, which will cost U.S. family ranchers and consumers billions of dollars.
6. **Our trading partners have long opposed mandatory country-of-origin labeling.** Top export markets have indicated they would retaliate if mandatory labeling goes into effect. In addition, the current legislation may be found to be illegal under NAFTA and by the World Trade Organization.
7. **Some support the mandatory country-of-origin labeling law because they think it will ensure food safety.** All beef that is sold in the United States, whether grown domestically or imported, must be inspected and deemed safe for human consumption. The United States has the safest food safety system in the world, and all U.S. and imported beef is USDA-inspected. This legislation only places a label on the origin, and does not have any bearing on the actual safety of the product. Our food is made safer by the intense firewalls and regulations we have in place in this country, by a top-notch animal health surveillance system that is second to none in the world, and by bio-security regulations that get tighter and more efficient everyday.

Solution:

America's cattlemen are looking to work with Congress on an alternative approach to remedy the mandatory country-of-origin labeling law. A market-driven, producer-led country-of-origin labeling program, like so many that currently exist and have been proven successful, will allow producers to participate at their choosing without incurring unnecessary costs.

Living with this law as it is currently written will prove detrimental to my business while providing no real value to consumers. This is not the way country-of-origin labeling is supposed to work!

Cattlemen are hoping Congress will find a way to re-work the law so it helps – not hinders – the profitability of cow-calf producers.