



Back on the Burner

Country-of-origin labeling confronts cattlemen once again.

by *Boyd Kidwell*

Danni Beer, Chuck Anders and Gregg Loutzenheiser all want American consumers to know if the beef they buy is born and raised in the U.S. These ranchers are confident they produce the best beef in the world.

But tell Anders of Mullen, Neb., and Loutzenheiser of Flagler, Colo., that they may have to somehow verify the birthplace of each calf (possibly for the government), and they start scratching their heads.

“I’m riding the fence,” Loutzenheiser admits as he weighs the pros and cons of a mandatory labeling program.

“I wouldn’t want to see the government involved,” Anders says.

Beer, Keldron, S.D., is certain of her stance. “We need to differentiate our product. You see imports going up every year,” she points out.

In the news

Yes, country-of-origin labeling (often referred to as COOL or COL) is back on the front burner. The freshly proposed Meat Promotion Act of 2005 would change country-of-origin labeling from a mandatory obligation in late 2006 (as designated in the 2002 Farm Bill) to a voluntary meat-labeling program.

Internet help

These Web sites can provide additional information on country-of-origin labeling (COOL or COL) and the proposed National Animal Identification System (NAIS):

- ▶ www.countryoforiginlabeling.info
- ▶ www.ams.usda.gov/cool
- ▶ <http://animalid.aphis.usda.gov/nais>
- ▶ www.angussource.com

Farm and ranch groups are split on the issue. The American Farm Bureau Federation (AFBF) and the National Cattlemen’s Beef Association (NCBA) strongly support the Meat Promotion Act as a voluntary program that gives producers added market value instead of a costly federal mandate.

The U.S. Department of Agriculture (USDA) estimates the cost of a mandatory program in the billions of dollars. Most of its expenses would be borne by the U.S. meat and livestock industry.

“Mandatory country-of-origin labeling for meat would place significant new costs on beef, hog and sheep producers, with the largest impact falling on independent producers,” says AFBF President Bob Stallman.

He points out that country-of-origin labeling isn’t a food safety issue, but a marketing tool. Stallman, whose family raises cattle in Texas, calls the Meat Promotion Act a big step toward the worthy goal of promoting American-grown food products. However, he’s very concerned about the costs of a mandatory program being pushed back onto farmers and ranchers.

NCBA hails the Meat Promotion Act as a way to move country-of-origin labeling forward in a cost-effective manner. If consumers indicate a demand for meat labeled as produced in the U.S., businesses will respond with appropriate labeling programs, according to NCBA.

“This effort is going to separate the cattlemen who really want country-of-origin labeling from the folks who just want to keep talking about it. We say it’s time to get her done once and for all,” NCBA President Jim McAdams says.

The American Meat Institute (AMI) supports voluntary country-of-origin labeling as a cost-effective way for meat companies to provide information when their customers demand it. In support of the Meat Promotion Act, AMI President and Chief Executive Officer (CEO) J. Patrick Boyle calls mandatory country-of-origin labeling “simply un-American.”

Differing views

However, the National Farmers Union (NFU) calls the Meat Promotion Act simply an attempt to kill the mandatory labeling law that was part of the 2002 Farm Bill.

“Voluntary country-of-origin labeling is currently available and has been for a number of years,” says NFU President Dave Frederickson. “Yet companies that import cheaper, often lower-quality food products, have been unwilling to participate. Voluntary COOL is like having a voluntary speed limit — it’s not realistic.”

Ranchers-Cattlemen Action Legal Fund United Stockgrowers of America (R-CALF USA) says the Meat Promotion Act of 2005 undermines the democratic process and would deny consumers their right to make informed purchases based on country-of-origin.

“The meatpackers, retailers and their allied industry groups will stop at nothing to repeal mandatory COOL,” says R-CALF president Leo McDonnell. “Their claim that a voluntary program will work is ludicrous.”

McDonnell, who raises cattle in Montana, points out that legislation has been introduced into the House of Representatives that permits branding or permanently marking cattle as they enter the U.S. This

would make country of origin easier for the beef industry to determine, at very little cost.

What's at stake?

The stakes in the labeling issue are steadily increasing. During the past two years, U.S. beef imports have exploded as consumers gobbled up more beef, and U.S. cattle numbers remained relatively low.

Meanwhile, major cattle-producing countries are licking their chops to get more of the lucrative U.S. market. Australia and Canada are the biggest beef exporters to the U.S., with more than 1 billion pounds each. Canada has greatly expanded its processing capacity this year and could ship even more beef into the U.S. To the south, the tiny country of Uruguay has become a major supplier of beef to the U.S. by shipping in more than 400 million pounds in 2004. Brazil and Argentina also significantly increased beef exports to the U.S. during 2004. Overall, U.S. imports of beef are expected to continue their upward trend in 2005.

While offering valuable information to consumers, country-of-origin labeling would not cause major expenses for cattle ranchers and farmers, according to a study by the International Agricultural Trade & Policy Center (IATPC). It would cost less than 1¢ per pound (lb.), says the study, written for the center by a team of economists from five universities.

Any increase in cost would be offset by improved consumer confidence, the study states. With increasing imports, American consumers are becoming more interested in where their food comes from, adds John VanSickle, a University of Florida ag economist and lead author of the study.

Labeling reduces the risk and cost of food-safety problems by providing information that makes food recall efforts easier, VanSickle says. He adds that recently implemented country-of-origin labeling of seafood is going very smoothly.

"Our study shows that, according to the labeling law, producers themselves would not be subject to USDA jurisdiction; only those who supply covered products directly to retailers would be covered," VanSickle says. "This eliminates the regulatory burden for farmers and ranchers who sell live animals or raw crops to processors or wholesalers."

Facing the future

It's hard to say for certain when or if the Meat Promotion Act will be passed. House Agriculture Committee Chairman Bob Goodlatte (R-Va.) introduced the legislation with 33 co-sponsors.

"Unfortunately, no one has made a clear case to me that mandatory COOL does

anything to help producers," Goodlatte says. "The voluntary approach in this bill ensures that those who are paying the cost of the regulations will be doing so because they have determined that there is an added benefit provided by the program."

The Meat Promotion Act has solid support in the House of Representatives, but could become bogged down in the Senate. Even if the Meat Promotion Act isn't passed, language has been placed into a House Agriculture Appropriations spending bill that would delay the implementation of mandatory country-of-origin labeling until September 2007.

Regardless of how you feel about the issue, this is a good time to consider ways to verify when and where your cattle were born. If it remains mandatory, it is presently scheduled to begin Oct. 1, 2006. Cattle buyers may want to know well before that date if animals can be verified as born and raised in the U.S. One reason Goodlatte introduced a voluntary approach is that there is still a lack of consensus on how the labeling provisions can be implemented. Time is quickly running out for release of guidelines, since calves born this year could require country-of-origin verification.

Individual identification (ID) may not be necessary to meet requirements, but there will have to be records to show where animals originated.

And, don't confuse country-of-origin labeling with the USDA National Animal Identification System (NAIS). Country-of-origin labeling is a retail labeling law; the NAIS is an animal



Action plan

- ▶ Keep records of calves born on your farm or ranch.
- ▶ Include location and date of birth in records.
- ▶ Track the Meat Promotion Act of 2005 as it works through Congress.
- ▶ Contact your representative and senators to share your views on the issue.
- ▶ Find ways to verify calf birthplaces.



disease-monitoring system, says Ted McCollum of Texas A&M University.

USDA's proposed NAIS includes a January 2008 deadline for livestock premises registration. By that time, all premises must be registered. But, under the proposed system, only the USDA Animal and Plant Health Inspection Service (APHIS) and state animal health agencies would have access to the NAIS database. APHIS and the state animal health agencies won't be implementing and enforcing the program for country-of-origin labeling.

With both country-of-origin labeling and NAIS on the horizon, it seems like the time has arrived to have verifiable records of calves born on U.S. farms and ranches. Before long, the argument over mandatory or voluntary labeling could become a moot point. As consumers demand to know where their food comes from, retailers will respond accordingly with traceback systems.

"The European Union (EU) has traceability programs in place for a lot of food providers," VanSickle says. "In due time, we're going to get there, one way or another."



Ready and willing

By using the AngusSourceSM program, Chuck Anders of Mullen, Neb., and Gregg Loutzenheiser of Flagler, Colo., should have a leg up on whatever form of country-of-origin labeling (often referred to as COOL or COL) program goes into effect.

Anders sold 191 AngusSource calves at Valentine, Neb., in December 2004. His steers topped the sale at \$4 per hundredweight (cwt.) more than the average price. In 2005 Anders is tagging 320 Angus-sired calves and plans to market them late in the year. AngusSource visual tags are \$1 each, and matched sets of visual and radio frequency identification (RFID) tags are \$3.25 each, with a minimum purchase of 25.

In order for cattle to be identified with AngusSource program tags, they must be enrolled in the AngusSource program by the ranch of origin, sired by registered Angus bulls and have known group age. At sale time, AngusSource provides listings on a Web site (www.angussource.com) and notifies buyers on its list with a description of the cattle available.

Loutzenheiser is expanding his AngusSource enrollment from 150 calves in 2004 to 250 calves in 2005. Although he's unsure about which way he wants to see country-of-origin labeling implemented, Loutzenheiser hopes AngusSource records can help prove his calves are born in the U.S.

"Using AngusSource is like killing two birds with one stone," the Colorado rancher says.