

PolicyPennings by Daryll E. Ray & Harwood D. Schaffer

Will COOL for red meat (and perhaps chicken) be revised or repealed?

Country of Origin Labeling (COOL), which currently requires intact cuts of meat to be labeled according to where the animal it came from was born, raised, and slaughtered, is back in the news. On Monday, May 18, 2015 the Appellate Body (AB) of the World Trade organization (WTO) rejected an appeal by the US and ruled “that the recordkeeping and verification requirements of the amended COOL measure impose a disproportionate burden on producers and processors of livestock that cannot be explained by the need to provide origin information to consumers, and that the exemptions under the amended COOL measure support a conclusion that the detrimental impact of that measure on imported livestock does not stem exclusively from legitimate regulatory distinctions.” In addition, a consideration of the COOL labels leads the [AB] to conclude “that the amended COOL measure is more trade restrictive than necessary.”

The amended COOL measure that the AB references is a regulation issued March 28, 2013 that replaced a previous regulation that provided consumers with less information about the piece of meat they were purchasing with regard to where the animal was born, raised, and slaughtered. We wrote four articles in 2013 that provide more information about the changes that were made in labeling requirements in an attempt to meet WTO objections (<http://tinyurl.com/jw7vkk3>). A full history of the trade dispute over the implementation of the US COOL program can be found at the WTO website (<http://tinyurl.com/muh373s>).

In response to the AB ruling, Robert Stallman, President, American Farm Bureau Federation said, the “Farm Bureau will carefully review the decision and then determine recommended actions. We will work with Congress, USDA [United States Department of Agriculture] and USTR [United States Trade Representative] to reach the goal of an effective COOL program that conforms to international trade rules” (<http://tinyurl.com/myqb5yc>).

COOL legislation was written primarily in response to livestock producers who wanted to be able to differentiate their product from imports in the belief that consumers would be willing to pay more for a product that was produced in the US. It was also supported by consumers and consumer groups who argued that they should be able to determine where their food comes from.

Opposition primarily came from the processors who wanted to be able to source meat from wherever they could get it the cheapest. The processors also argued that implementing COOL would increase their paperwork costs as they tracked each animal from

purchase to the muscle cut that the consumer saw in the meat case at their local grocery store.

In a DTN article titled, “House Ag to Mark Up COOL Bill: Bill Would Repeal Country-of-Origin Labeling for Beef, Pork, Chicken,” Jerry Hagstrom wrote, “Since country-of-origin labeling has been required, US slaughterhouses have segregated Canadian and US animals or in some cases refused to accept those from Canada.” On the same day that it marker up the bill (H.R. 2393, Wednesday, May 18, 2015, the House Ag Committee voted to repeal COOL for beef, pork, and poultry by at 38-6 vote. The legislation was supported by the California wine industry that felt it would be subject to significant retaliatory tariffs by Canada if COOL was not repealed.

The US Cattlemen’s Association President Danni Beer said, “This legislation is a gross overreach of congressional authority. Not only does the proposed legislation attempt to circumvent an ongoing case at the [WTO], regarding COOL, it also extends the criteria by which to repeal COOL. The addition of chicken to the list of products to be affected by the repeal is disturbing since chicken was not a part of the original WTO case filed by Canada and Mexico against COOL. Opponents of COOL are encouraging Congress to limit consumer information and are exploiting a ruling by the WTO before the international trade process has been completed. Congress does not need to insert itself until statutory action is necessary. For USCA, the centerpiece of COOL has been, and always will be, the consumers’ right to information about how and where their food is produced and US ranchers’ right to differentiate their product from that of a generic commodity in which the identity of US beef would be lost forever” (<http://tinyurl.com/l9tgybn>).

In opposition to the bill repealing COOL, Roger Johnson, President of the National Farmers Union wrote a letter (<http://tinyurl.com/l68574r>) to the House Ag Committee Chair and Ranking Member saying, “Consumers, across all states and congressional districts, are demanding more and more information about their food. Consumers are making decisions about their food purchases based on local economics, nutrition, health, safety, environment, and labor standards. Regardless of what motivates consumers to purchase certain foods over other food, they ought to have the information available to make that determination.”

Johnson also pointed out, “Repealing chicken as one of the covered commodities for COOL is setting the stage for allowing unlabeled chicken from China

Cont. on p. 2

Originally published in *MidAmerica Farmer Grower*, Vol. 36, No. 22, May 29, 2015
Reproduction Permission Granted with: 1) Full attribution to Harwood D. Schaffer and Daryll E. Ray, Agricultural Policy Analysis Center, University of Tennessee, Knoxville, TN;
2) Copy of reproduction sent to Information Specialist, Agricultural Policy Analysis Center, 309 Morgan Hall, Knoxville, TN 37996-4519

Will COOL for red meat (and perhaps chicken) be revised or repealed?

Cont. from p. 1

into the US. China has sought approval to export chicken to the U.S. Already it can export processed chicken to the U.S. as long as the chickens were slaughtered in an approved country, like the U.S., Chile, or Israel, and shipped to China for further processing. But China is also seeking approval to export its own chickens to the U.S. Today, those products would bear a “born, raised, slaughtered in China” under the mandatory country of origin labeling.

“China’s food safety oversight is notoriously lax.... If H.R. 2393 passes, consumers will be unable to vote with their pocketbook and avoid Chinese chicken if and when the USDA approves the importa-

tion of fresh, chilled, or frozen chicken from China.”

Stay tuned, the vote by the House Ag Committee will undoubtedly not be the last word on this issue that has seen many twists and turns since its initial approval in the 2002 Farm Bill.

Harwood D. Schaffer is a Research Assistant Professor in the Agricultural Policy Analysis Center, Institute of Agriculture, University of Tennessee. Daryll E. Ray is Emeritus Professor, Institute of Agriculture, University of Tennessee, and is the former Director of the Agricultural Policy Analysis Center (APAC). (865) 974-3666; Fax: (865) 974-7484; hdschaffer@utk.edu and dray@utk.edu; <http://www.agpolicy.org>.