



Consumer Federation of America

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13

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Arthur S. Jaeger

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The Consumer Federation of America is pleased to comment on the Food Safety and Inspection Service's advance notice of proposed rulemaking concerning the definitions of domestically produced cattle and beef. CFA is an association of approximately 285 pro-consumer groups formed in 1968 to advance the consumer interest through advocacy and education. CFA's positions are determined by its members, who debate and vote on them at annual meetings, and by its elected board of directors.

CFA's policy resolutions have long supported country-of-origin and state-of-origin labeling of meat, poultry, seafood and fresh produce.¹ As a matter of choice, many consumers may wish to purchase meat from animals born and raised in the United States. Without mandatory country-of-origin labeling, these consumers are unable make an informed choice. In fact, under other USDA regulations, consumers could be misled into thinking some imported meat is produced in this country. That is because imported meat can also receive a USDA inspection seal and grade stamp under the voluntary meat grading program.²

As spelled out in the ANPR, the Agriculture Department's geographic labeling policies are confusing at best. Under FSIS regulations, beef products can be labeled "USA Beef" or "American Beef" only if they originate from cattle born, raised, slaughtered, and prepared in this country. But there is no *requirement* that they be so labeled. At the same time, under export rules, beef products prepared in this country apparently can be labeled "Product of the USA" even though they originate from cattle born beyond our borders. Under yet another set of regulations, meat and meat products purchased for the school lunch program *must* be "US produced." But, contrary to the voluntary "USA Beef" rules, meat from cattle fed here but born elsewhere qualifies as U.S. produced under the school lunch program. Finally, imported beef or beef products sold to consumers intact must note on their packaging their country of origin and

¹ *Consumer Federation of America 20001 Policy Resolutions*, page 61.

² Congressional Research Service Report 97-508: *Country-of-Origin Labeling for Foods: Current Law and Proposed Changes*, by Geoffrey S. Becker, March 27, 2001, page 3.

even the plant in which they were produced. But if the product is further processed in this country, the country-of-origin labeling requirement disappears.³

Under such inconsistent and contradictory rules, consumer confusion is unavoidable. If the label says "USA Beef," consumers can be assured the originating cattle were born and raised in this country. But little beef has this label and a label saying "Product of USA" offers no such assurance. If an imported beef product includes a country-of-origin statement, consumers can be assured the product is from that country. But the absence of a foreign label is no assurance that the product originated here. Perhaps the most common occurrence is no country label at all and that gives consumers no guidance, except that, as noted, the grade stamp and inspection seal may mislead them into thinking the product came from domestic cattle when in fact it did not.

Several food industry trade associations and two farm organizations have added to the confusion by proposed a voluntary "Made in the USA" label for retailers who want to promote and market U.S. beef. But to qualify, cattle need not be born in this country, but simply raised and fed here for 100 days before slaughter.⁴ Implementing this label would be a retreat from current voluntary FSIS country-of-origin labeling rules.

In answer to the questions posed at the end of the ANPR:

- Only cattle born, raised, slaughtered, and processed in this country should be considered products of the United States for labeling purposes. This is what most consumers would assume from either "Product of the USA" or "USA Beef" on a label. This definition would give those who wish to purchase only domestic-produced meat accurate information. This definition may also help domestic producers, many of whom are suffering from low prices, consolidation among processors, and weather-related problems.⁵ If so, that help could come at the expense of foreign producers and domestic processors who handle large amounts of imported livestock and meat.⁶ Trade retaliation arguments are a red herring. Numerous foreign countries, including many of our trading partners, have their own country-of-origin

³ Advance Notice of Proposed Rulemaking, Product Labeling: Defining United States Cattle and United States Fresh Beef Products, *Federal Register*, August 7, 2001, pages 41160-41161

⁴ Advance Notice of Proposed Rulemaking, page 41161

⁵ General Accounting Office Report GAO/RCED-00-44, *Beef and Lamb: Implications of Labeling by Country of Origin*, January 2000, page 20.

⁶ General Accounting Office Report GAO/RCED-00-44, page 20.

labeling requirements for meat.⁷ If our trading partners have these requirements, why shouldn't we?

- Any of the alternative phrases listed in the ANPR—Product of the USA, USA Beef, US Cattle, or Fresh American Beef—are acceptable terminology in that they all suggest cattle born, raised, slaughtered and processed in this country. But, to avoid consumer confusion, USDA should authorize a single term for this definition, rather than the current range of terms.
- Verification may not be the costly obstacle that some fear. The General Accounting Office concluded that country-of-origin labeling would increase costs for both industry and government but that “the magnitude of these costs is uncertain.”⁸ An Agriculture Department study added that the cost of verification and enforcement of country-of-origin labeling “may not exceed what is now being spent on federal inspection or it could be millions of additional dollars.”⁹ USDA inspectors are already present in meat and poultry plants nationwide and all meat entering this country must already be marked by country of origin.¹⁰ Slaughter plants already segregate beef carcasses by grade and grade labels already follow products to the retail level.¹¹ In 80 U.S. plants, beef bound for the school lunch program is already verified for domestic origin. That triggers 250 government verification audits per year at an estimated cost of \$450 per plant.¹² How costly would it be to add county-of-origin verification to inspectors’ duties in all plants and require country-of-origin labeling along with grade labels? Florida instituted country-of-origin labeling in 1979. It reports that this program is “economical” and “not costly if conducted by the same inspection authority that is usually in food stores.”¹³ Florida put statewide industry compliance costs through 1998 at less than \$300,000 per year. If USDA assesses meat companies for verification costs, these costs could well be passed on to consumers at retail. CFA feels this cost would be a reasonable tradeoff to assure accurate labeling of all domestic and imported beef products.

⁷ Food Safety and Inspection Service, *Mandatory Country of Origin Labeling of Imported Fresh Muscle Cuts of Beef and Lamb*, January 2000, page 25.

⁸ General Accounting Office Report GAO/RCED-00-44, page 2.

⁹ Food Safety and Inspection Service, page 2.

¹⁰ General Accounting Office Report GAO/RCED-00-44, page 8.

¹¹ Food Safety and Inspection Service, page 11.

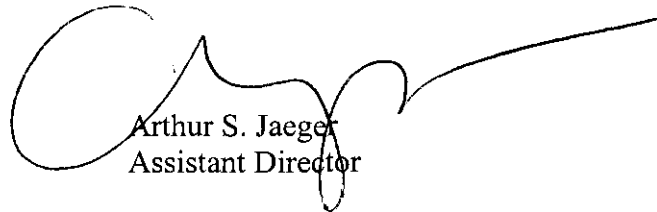
¹² Advance Notice of Proposed Rulemaking, page 41161.

¹³ Florida Department of Agriculture & Consumer Services fact sheet, *Country of Origin Labeling*, page 1.

- Consumers have overwhelmingly supported country-of-origin labeling in studies and polls over the years, including two recent surveys by Wirthlin Worldwide for the National Cattlemen's Beef Association.¹⁴ Unfortunately, confusing and inconsistent USDA labeling rules prevent consumers from making an informed choice between U.S. and imported products. What's needed is a mandatory program with a uniform, consistent definition for domestic origin. That definition should be "born, raised, slaughtered and prepared in the United States." At least two bills pending in Congress would impose such a system. They are S. 280, the Consumer Right-to-Know Act of 2001, sponsored by Senator Tim Johnson, and H.R. 1121, the Country of Origin Meat Labeling Act of 2001, sponsored by Congressman Earl Pomeroy. CFA has endorsed both bills. Permitting a "Product of the United States" label on beef originating from cattle raised elsewhere but processed in this country is misleading. So is a "US Beef" label on meat from cattle born elsewhere but fed 100 days in this country. Also needed is clarification that the USDA grade stamp and inspection seal do not, by themselves, indicate domestic beef.

CFA appreciates the opportunity to offer its views on this and looks forward to working with FSIS to see that meaningful country-of-origin labeling regulations are implemented.

Sincerely,



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¹⁴ Food Safety and Inspection Service, page 26.