



May 22, 2015

The Honorable K. Michael Conaway
Chairman
House Committee on Agriculture
1301 Longworth House Office Building
Washington, DC 20515

The Honorable Collin Peterson
Ranking Member
House Committee on Agriculture
1301 Longworth House Office Building
Washington, DC 20515

Dear Chairman Conaway and Ranking Member Peterson:

On behalf of National Farmers Union (NFU), I am writing in opposition to H.R. 2393, a bill that repeals important country-of-origin labeling (COOL) for meat. As this legislation moves to the House floor, I encourage you to vote against it.

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 food over other food, they ought to have the information available to make that determination.

We are a farm organization representing a large number of cattle producers who know market distinction is important. COOL is one such marketing tool that allows domestic producers to proudly claim, "born, raised, and slaughtered" in the U.S. This simple and commonsense label demonstrates to consumers that all of those jobs associated with the beef industry are jobs that are right here in the U.S. These jobs keep American ranchers on their ranches and keep input suppliers and meatpackers employed domestically. The COOL label allows consumers to choose to support U.S. farming and ranching, as well as industry.

Congress initially passed this law to provide a level playing field for domestic producers. The United States Department of Agriculture (USDA) inspection stamps placed on meat products led consumers to believe that they were purchasing domestic meat even when it was imported. The U.S. is the world's largest importer of meat. COOL allows domestic producers to clearly and accurately promote their meat as of domestic origin. The label has integrity, and Congress should do everything in its power to maintain COOL.

Much attention has been paid to Canada's wish list of items for retaliation against COOL – a targeted list to scare particular members of Congress into sacrificing our domestic laws and sovereignty over threats. Despite the World Trade Organization's (WTO) ruling on Monday, May 18, Canada and Mexico are not yet authorized to retaliate. The WTO arbitration process will begin in the next month and continue for another couple of months, at the very least. Only at the conclusion of the arbitration process might Canada be authorized to retaliate. While Canada and Mexico have claimed several billion dollars of harm against their economies, this has yet to be proven and yet to be authorized. The WTO will consider all of the evidence about the trade implications of COOL when assigning a dollar figure for retaliation. This part of the process is essential. If Canada and Mexico cannot prove damages, they will not be authorized to retaliate. There is compelling evidence that this may be the case. Dr. Robert Taylor of Auburn University analyzed the impact of COOL on Canadian and Mexican cattle exports to the U.S. and found that COOL had no impact on trade. Even if the law is not WTO-compliant, if the damages are zero, Canada and Mexico cannot retaliate.

The House Agriculture Committee has inserted itself prematurely and extensively into the WTO process. Many members of Congress said this was in response to threats of retaliation. The Committee-passed bill even extended well beyond the scope of the dispute, including chicken, ground beef and ground pork. The WTO explicitly stated that COOL on ground meat was WTO-compliant. Chicken was never a part of the WTO dispute. This was a telling action by the House Agriculture Committee to repeal WTO-compliant labels due to the personal opposition by a few members of Congress to the law. Unfortunately, the committee succumbed to these scare tactics and voted for repeal of a popular public law.

Repealing chicken as one of the covered commodities for COOL is setting the stage for allowing unlabeled chicken from China into the U.S. 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. The U.S. has imported rice gluten and milk powder tainted with the industrial chemical melamine from China, and the Food and Drug Administration (FDA) has a long-standing investigation into pet deaths attributed to pet treats from China. China, in the not too distant past, has had infant formula adulterated with melamine that killed six infants, and toxic pet food that killed thousands of animals. 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 importation of fresh, chilled, or frozen chicken from China.

I encourage Congress to allow the WTO process to conclude before interfering. Canada and Mexico are several months away from authorized retaliation, and even that is not a certainty. Allowing the arbitrator to rule is essential in order to force Canada and Mexico to prove economic harm, which they will have a difficult time proving, and to bring Canada and Mexico to the table to negotiate a solution

that will work for all. This time frame, in particular, is a critical point in the dispute process where all parties are encouraged to negotiate a solution. Congress should allow the process to play out.

I strongly encourage you to support America's consumers and her farmers and ranchers and vote no on H.R. 2393. Please do not hesitate to contact me or my staff if you have any questions at 202-554-1600.

Sincerely,



Roger Johnson
President

cc: House Agriculture Committee