



August 6, 2015

The Honorable Pat Roberts  
Chairman  
Committee on Agriculture, Nutrition & Forestry  
United States Senate  
Washington, DC 20510

The Honorable Debbie Stabenow  
Ranking Member  
Committee on Agriculture, Nutrition & Forestry  
United States Senate  
Washington, DC 20510

Dear Chairman Roberts and Ranking Member Stabenow:

National Farmers Union (NFU) represents family farmers and ranchers across the country. Our grassroots policy, enacted by delegates to our annual convention, has supported country of origin labeling (COOL) for more than two decades. Our support of the need to protect the integrity of origin labels remains unwavering.

The U.S. Chamber of Commerce recently wrote to you regarding the multiple approaches to resolve the dispute at the World Trade Organization (WTO). NFU supports the bipartisan approach by Senator Hoeven and Ranking Member Stabenow that would preserve the definition of a product of the U.S. and prevent packers and retailers from mislabeling food that does not meet this definition.

The Chamber of Commerce fears retaliation and the impacts it would have on its member businesses. The Chamber might be pleased to learn that the \$3 billion of retaliatory tariffs claimed by our Canadian friends are tremendously overstated. The U.S. Trade Representative recently provided a report to the WTO that highlighted several flaws in the Canadian and Mexican reports and more accurately estimated a level of retaliation closer to \$90 million. I hope the Chamber would update their interactive state-by-state map to reflect the more accurate numbers from the U.S. Trade Representative.

Regardless of the figure that the WTO may authorize in retaliation, retaliation is not a desirable outcome. For that reason, NFU supports the Hoeven-Stabenow amendment as a trade compliant solution to the WTO dispute. The voluntary program will allow for those who would like to use an origin label to continue to do so, while preventing labels from being misused or misleading.

Canada and Mexico may not like the U.S. definition of what a product of the U.S. is, but it is our sovereign right as a nation to determine and maintain that definition, especially in the context of a voluntary program. If packers do not want to segregate, they do not have to. It will not be required, contrary to the Chamber's claim; it is completely voluntary. Canadian Agriculture Minister Gerry Ritz even argued during the WTO process that the U.S. should adopt a voluntary label as a means of resolving the dispute.

It is important to remember that WTO obligations work both ways: the U.S. must come into compliance to meet its obligations to Canada and Mexico, but the two countries seeking changes are not permitted to retaliate if our Congress passes a solution to the issue. The U.S. Trade Representative said that both options being debated in the Senate – the Roberts amendment and the Hoeven-Stabenow amendment – “have the potential to constitute compliance with U.S. WTO obligations.” Secretary of Agriculture Tom Vilsack has also praised the bipartisan compromise bill.

The WTO would be permitted to, and has historically considered, any new legislation that changes the provisions that were found to be out of trade compliance. The amount of any arbitration could be completely eliminated when considering a change from a mandatory program to a voluntary program. The WTO sees retaliation as a last resort and a temporary solution while parties can work towards a solution that works for everyone. We have found that solution – it is the Hoeven-Stabenow amendment.

Sincerely,

A handwritten signature in black ink, appearing to read "Roger Johnson". The signature is fluid and cursive, with the first name "Roger" being more prominent than the last name "Johnson".

Roger Johnson  
President