



HOUSE COMMITTEE ON AGRICULTURE — DEMOCRATS

June 2015

COOL REPEAL

Just two days after the World Trade Organization (WTO) ruled against the U.S. Mandatory Country of Origin Labeling (COOL) requirements for meat, the Agriculture Committee passed H.R. 2393. The legislation would repeal labeling requirements for beef, pork and chicken.

Ranking Member Peterson is opposed to H.R. 2393

PREMATURE ACTION

H.R. 2393 is a rash, premature reaction to the WTO ruling. Rather than take the time to thoughtfully consider next steps H.R. 2393 was rushed through the Agriculture Committee just two days after the WTO ruling.

The legislation goes further than the WTO ruling by repealing labeling for chicken which was not addressed.

POTENTIAL FOR RETALIATION

H.R. 2393 would not prevent retaliation as there is little likelihood of the legislation passing the Senate.

There are several steps that have to occur before retaliation would take place with the process likely lasting for several months. The United States, Canada and Mexico must agree on an Arbitration Panel that will have 60 days to produce a ruling.

Given past action and recent comments from USTR, it is unlikely the Arbitration Panel will rule on COOL retaliation within their 60 day window. For example, it took 15 months for the Arbitration Panel to issue a ruling in the U.S.-Brazil cotton case.

The total amount of retaliation is not yet known. Canadian and Mexican retaliation claims are fear tactics, a standard practice in WTO disputes.

Canada's claims of \$3 billion in economic loss due to COOL are unfounded. The study cited by the Canadians is based on unsubstantiated and not publicly available data. For comparison, U.S. studies, showing little if any economic harm from COOL, are based on publicly available information from the USDA. The WTO can only authorize penalties based on actual losses.

The economic recession was the driving factor behind the decline in Canadian and Mexican livestock imports to the United States not COOL.

A 2015 study by Auburn University Professor C. Robert Taylor found that COOL had no impact on Canadian and Mexican cattle imports. Cattle and hog imports from Canada and Mexico are higher now, with COOL in place than before the law took effect.

The United States, Canada and Mexico could still reach an agreement to avoid retaliation through the WTO arbitration process.

COUNTRY OF ORIGIN LABELING ALREADY EXISTS

More than 60 other countries have successfully implemented mandatory labeling requirements. Congress should look to these programs for workable solutions.

Recent Canadian legislation, in fact, makes investments in developing traceability systems such as animal identification, premises registration and movement reporting for livestock.

COOL is currently in place in the United States for fruits, vegetables, seafood, peanuts, pecans, ginseng, macadamia nuts, lamb, venison and goat meat but not for beef, pork or chicken.

CONSUMERS WANT COOL

Consumers are increasingly seeking more information about food source and production methods and want to make food purchases from a trusted source.

A 2013 Consumer Federation of America found 90 percent of Americans strongly support mandatory COOL for fresh meat and strongly favor requiring meat to be labeled with specific information about where the animals were born, raised and processed.

A 2010 Consumers Union study shows that 93 percent of consumers would prefer to have the country of origin label on the meat they buy.

BROAD SUPPORT FOR COOL

More than 200 farm, rural, faith, environmental, labor, farmworker and consumer organizations have spoken out against H.R. 2393 and in support of common sense food labeling.

In a June 8 letter to members of the House the organizations wrote, “We oppose any legislation that would repeal any portion of the COOL law. We urge Congress to stand up for America’s consumers, farmers and ranchers by rejecting any effort to unilaterally repeal a popular food label even before the WTO process has concluded.”