

ACTION ALERT
January 14, 2004

**Key Vote Next Week on Country of Origin Labeling:
Tell Your Senators to Support the Omnibus Bill,
Send the Message – Mandatory Labeling Must Be Repealed**

Your action is needed immediately to secure an important victory for our industry's efforts to win repeal of the costly and burdensome mandatory country of origin labeling program before it takes effect in 2004. When the **Senate returns next week, the first item of business is an omnibus budget bill, a catch-all spending bill for numerous government agencies, which also includes a two-year delay on implementation of mandatory country of origin labeling, for all products except for farm-raised fish and wild fish.** Senate Democrats, however, have threatened to filibuster the bill, citing mandatory labeling as a major point of disagreement. **When the Senate reconvenes on January 20, Democrats are expected to filibuster the budget bill (H.R. 2673), and a cloture motion to end the debate will require 60 votes. Strong grassroots support from our industry is vital to securing the 60 votes needed to shut off the filibuster and pass the bill.**

Winning passage of the omnibus budget bill will not only delay implementation of the mandatory labeling program, it will also send the strongest possible message to Congress that the mandatory country of origin labeling program is costly, burdensome, misleading to consumers, ineffective, and must be repealed.

Proponents of Mandatory Labeling Seize on BSE Case

The vote has also taken on new importance in light of the recent BSE incident, which is being cited by proponents of labeling to support their case. But any attempt by supporters of mandatory country of origin labeling to tie either September 11 or the BSE incident to their marketing proposal is seriously misleading, and a disservice to the American consumer. **The fact remains that mandatory country of origin labeling is simply a marketing program – it has nothing to do with food safety.**

Let's look at the facts. For more than a decade, USDA has had in place an aggressive surveillance, detection and response program for BSE. Late last year, a single cow in Washington State tested positive for BSE, and its origin was traced to Canada. USDA acted swiftly to identify the animal, recall meat from it and others slaughtered with it, and trace its origin. Not only did the safeguards and firewalls in place work to protect public health, USDA took additional actions to further strengthen our protection systems, including: banning downer animals from the food supply; holding animals that have been tested for BSE until confirmation is received that the animals have, in fact, tested negative; banning cattle central nervous system

parts from entering the food supply; banning the practice of air-injection stunning; and prohibiting the use of mechanically separated meat in human food. **USDA has said that beef is absolutely safe to eat, and every reputable expert on the subject agrees that there is no added risk from eating meat.**

What would mandatory food labeling add to this safety system? Absolutely nothing. The simple fact is that country of origin labeling does not provide valid information regarding food safety, because it does not provide the traceability required to permit the government to rapidly respond to a contamination or disease outbreak. There are no recordkeeping requirements for livestock producers, because cattle, hogs, and sheep are not covered commodities. The law only requires suppliers to provide country of origin information to retailers, including the “born, raised, and slaughtered” information required to make U.S. origin claims for the covered commodities (beef, pork, and lamb). The labeling law does not call for a “command and control” type system, in which USDA would conduct certification and audit programs, confirm the applicable claim at the beginning of the process, then track and control the movement of the product throughout the rest of the marketing chain. In fact, the law specifically precludes USDA from imposing this type of control to enforce labeling.

Since mandatory labeling cannot claim to be a food safety program, is it an effective way to inform consumers? Absolutely not. If this program was about ensuring a more safe food supply or informing consumers, why does it cover beef sold in a supermarket but not a hamburger served in a restaurant, a school, or a nursing home? Why are beef, lamb and pork covered but not chicken or turkey? The mandatory labeling program excludes almost one-half of consumers’ sources of fresh and frozen muscle cuts of beef, veal, lamb, pork and fish, fresh and frozen fruits and vegetables, and peanuts by exempting from labeling food sold outside of retail grocery stores. That leaves such sources of food as restaurants, fast-food outlets, military commissaries, hospitals, schools, cafeterias, airlines, trains, as well as small grocery stores, convenience stores, and others, without labels. What’s worse, the country of origin information that supermarket retailers would be required to provide could cause some consumers to incorrectly attribute greater risks to products from a specific country than is justified. As USDA put it, “If this sentiment causes enough consumers to avoid this product and consequently pay a higher price for a competing country’s product, the result would lead to a decline in consumer welfare.”

Grassroots Action Needed Immediately

N.G.A. has sent a letter to all Senate offices, restating our industry’s opposition to mandatory labeling and our support for the two-year delay. N.G.A. has also continued to work closely with other food industry groups, including agricultural producers and manufacturers, to build support for repeal of the current program and its replacement with a voluntary labeling system. **Just last month, House Agriculture Committee Chairman Bob Goodlatte (R-VA) said Congress will begin working this year to write a new voluntary labeling law to replace the mandatory system.** It is clear that momentum is growing on Capitol Hill to stop this burdensome and costly labeling program. This is an important opportunity for our

industry to demonstrate the extent of its opposition to labeling and to demonstrate its grassroots strength.

Contact your Senators **immediately.** All Senate offices can be reached through the Capitol Switchboard at (202) 224-3121, or you can look them up on the web at www.senate.gov or www.congress.org. When you contact your Senators, tell them:

- **Vote for the omnibus budget bill (H.R. 2673)**
- Mandatory country of origin labeling is **too costly** – up to \$3.9 billion in industry-wide costs for the first year alone
- Mandatory labeling is **only a marketing program**, it is **not a food safety measure** – it would do nothing to improve food safety, let alone protect the public from BSE – and it should be voluntary
- **Industry cannot comply by September 30, 2004** – USDA's comment period on the proposed rule has not yet ended, and it's already too late to properly label some items already in the production pipeline

If you require further information or assistance, please do not hesitate to contact Mike Mason, N.G.A. Director of Public Affairs, at (703) 516-0700, or mmason@nationalgrocers.org.

If you have questions or need additional information, contact Tom Wenning at publicaffairs@nationalgrocers.org.

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