

**National Grocers Association Calls on OSHA to Provide Assurances that
Ergonomics Guidelines for Retail Grocery Will Remain Voluntary New Measure
Would Replace Costly, Unworkable Mandatory Labeling Statute**

WASHINGTON, DC - June 15, 2004 - Food retailers and wholesalers across the U.S. urge Congress to replace the costly and unworkable mandatory country of origin labeling law with a voluntary program proposed in bipartisan legislation introduced today by House Agriculture Committee Chairman Bob Goodlatte (R-VA) and Ranking Member Charles Stenholm (D-TX).

“This legislation will give U.S. consumers and producers the benefits of country of origin labeling without the multibillion-dollar price tag and needless bureaucratic requirements of the current mandatory approach,” said Tim Hammonds, president and CEO of the Food Marketing Institute (FMI).

“The measure is a practical, commonsense solution to a law that would hurt all segments of the food industry - producers, processors, wholesalers and retail grocers - especially the industry's smaller companies,” said Thomas K. Zaucha, president and CEO of the National Grocers Association (N.G.A.).

The bill, titled the Food Promotion Act of 2004, directs the U.S. secretary of agriculture to develop voluntary country of origin labeling programs for produce, beef, veal, lamb, pork and seafood. Like the mandatory labeling law, the goals are to increase sales of U.S. products and inform consumers where these foods come from.

The voluntary law would cut costs by giving the secretary of agriculture the authority to recognize preexisting labeling programs. For example, the secretary could allow the industry to use state and regional product promotional programs already in place to show that products originated in the U.S. Most of these programs would be endangered under the mandatory law, which requires country labels.

The record-keeping provisions do not include the extensive third-party audits, two-year paper trails and other paperwork requirements in the mandatory law - measures that are redundant and unneeded, Hammonds and Zaucha said, given the requirements of current laws and enforcement measures under state and federal truth-in-labeling statutes.

A voluntary program, they said, gives the industry more flexibility to label the country of origin in the most cost-effective manner. The mandatory law holds retailers responsible for the labels when, in many cases, producers or packers could add country information without significantly revamping their operations.

“Congress needs to move quickly to enact this legislation,” said Zaucha. “Mandatory seafood labeling takes effect this September 30, while the mandate is delayed two years for the other products. This means that seafood will be subject to the mandatory law's prohibitive implementation costs, which could significantly reduce sales.”

“To skeptics of a voluntary program,” Hammonds said, “I would emphasize that today there is industrywide support for country of origin labeling. Once the industry took a close look at the mandatory law, we saw that it would fail. The high costs would hurt consumers, reduce sales and erode profits. Voluntary country of origin labeling will succeed where the mandatory law cannot.”

Food Marketing Institute (FMI) conducts programs in research, education, industry relations and public affairs on behalf of its 2,300 member companies - food retailers and wholesalers - in the United States and around the world. FMI's U.S. members operate approximately 26,000 retail food stores with a combined annual sales volume of \$340 billion - three-quarters of all food retail store sales in the United States. FMI's retail membership is composed of large multi-store chains, regional firms and independent supermarkets. Its international membership includes 200 companies from 60 countries.

N.G.A. is the national trade association representing the retail and wholesale grocers that comprise the independent sector of the food distribution industry. An independent retailer is a privately owned or controlled food retail company operating in a variety of formats. Most independent operators are serviced by wholesale distributors, while others may be partially or fully self-distributing. Some are publicly traded but with controlling shares held by the family and others are employee owned. Independents are the true “entrepreneurs” of the grocery industry and dedicated to their customers, associates, and communities. N.G.A. members include retail and wholesale grocers, state grocers associations, as well as manufacturers and service suppliers.