



Position on Implementation of Country-of-Origin Labeling (COOL) Under the Interim Final Rule

NCBA worked to help craft a compromise between producers, processors, and Congress on country-of-origin labeling (COOL) that was included in the 2008 Farm Bill. Our efforts on this compromise were based on the need to craft a COOL program that was not burdensome to producers, did not penalize cattle producers just because of the geographic location of their operation, and provided information to the consumer on the origin of the beef they purchase. We fully support the compromise that was reached, and worked to ensure it was passed.

For almost four months, NCBA has been working to inform and educate the cattle industry on what will be expected of them when COOL is implemented on October 1, 2008. Our education effort was stepped up after the publication of the Interim Final Rule on August 1, 2008, when we finally had a better idea of the actual requirements. NCBA has worked with producers, livestock auction markets, packers, and retailers in order to prepare them for COOL implementation. Our outreach has been through magazines, TV shows, webinars, conference calls, newsletters, and direct meetings. In addition, NCBA worked with our partners in the livestock industry to craft and approve a standardized affidavit that can be used across the country to help streamline the process of making an origin claim on cattle being bought and sold in the marketplace.

Even with all of this effort, there remains quite a bit of apprehension from all segments of our industry on what will actually happen during the first six months of implementation, outreach, and education by USDA's Agricultural Marketing Service (AMS). With that, NCBA has these basic principles we are asking people to keep in mind:

- With implementation only days away, we cannot support any action that throws further chaos into the markets or which further confuse producers who have been preparing for COOL under the current interim final rule.
- Any change to the law would result in the writing of a new rule and a delay in implementing COOL. The cattle industry has spent months preparing for COOL with producers, packers, and retailers all making management decisions and investments that cost them money. A delay in COOL will not only be a hit to the bottom line, especially to producers who made management decisions to source cattle from other places, but also to the confidence of the consumer who has been expecting COOL.
- We do not support any action that would result in cost of compliance increases. We have been successful with the affidavit process to make this as simple and cost-effective as possible for cattle producers. Any increase in costs to producers, especially during these tough economic times, is unacceptable.
- We do not support any action that would have a negative impact on our beef trade with foreign countries. The beef industry has spent years trying to establish or re-open our foreign markets and we will not support any action that jeopardizes that. We will monitor our trading partners' reaction to COOL after implementation to ensure it does not impact beef exports.
- We support allowing the consumers and the marketplace to direct COOL. More importantly, NCBA members will be watching the meat cases as closely as anybody, and if the results of labeling are not satisfactory, BE ASSURED that NCBA will work to correct the problem. We must let the marketplace work out the kinks, and right now we have no indication how the retailers will or will not label beef.
- We encourage Congress to pay close attention to COOL implementation over the next six months to see how product is labeled and how the consumer reacts to labeling. If after that time Congress and the industry conclude that adjustments to COOL need to be made, NCBA will work closely with Congress to determine the legislative changes needed to correct the problems.