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CONVERSATIONS ON COOL ARE HEATING UP

Country of Origin Labeling or COOL is the next biggest topic being talked about in the 2002 Farm Bill. The USDA Agricultural Marketing Service has announced dates and locations for the listening sessions on the Country of Origin Labeling law. Nebraska will host one of 12 listening and education sessions across the country. The meeting is Thursday, May 8, 2003 at Kearney at the UN-K campus from 1:00 p.m. to 4:00 p.m. I will host a satellite downlink of the session so anyone local can "listen in" to the speeches and testimony.

If you want to testify at the hearing, you will need to go to Kearney or provide written testimony or you can hear the testimony via satellite at my office. Each session will include a presentation by a USDA official on various aspects of the law, as well as a question and answer session. After an initial presentation by USDA, the public input session will begin. All parties will be allowed three minutes to deliver their comments. No preregistration is necessary but participants wishing to speak must sign in. Participants will be asked to provide their name and affiliation. Participants will speak in the order in which they signed in. More information is at: http://www.ams.usda.gov/coolsessions.htm

Country of Origin Labeling means as a consumer, you will be able to determine if you are buying imported meat. COOL applies to whole muscle and ground product of beef, pork and lamb, seafood, perishable commodities (fresh/frozen fruits and vegetables) and peanuts. The law does not apply to poultry. Processed products are excluded. COOL does not apply to food service establishments (e.g. restaurants, hotels, convention centers, hospitals, nursing homes, etc.), and butcher shops and retailers with annual sales less than $230,000. For supermarkets, COOL will apply to fresh or frozen whole muscle and ground meats but will not apply to deli foods; canned or cooked products; and fresh or frozen processed products.

Whole muscle beef products will be labeled in one of the following general ways:

- PRODUCT OF USA: Only if the animal was born, raised and processed in the United States.

- MIXED ORIGIN: For example, "from animals born and raised in country x and processed in the USA" or "from animals born in country x, raised and processed in the USA."

-IMPORTED: for example, "product of country x."

Much of the current debate about COOL is centered around how it will be implemented, how certification will work, how much the program will cost the industry and if this will be offset by additional demand at the retail level. A recent study showed that 73% of consumers participating in a controlled experimental auction would pay a premium of 11 percent and 24 percent more for hamburger and steak respectively, if labeled for country of origin. (Umberger et al.) That study also identified a premium for steak guaranteed to originate from the United States. Regardless whether consumers would actually pay more, there isn't too much more market share to be had. Approximately 90% of beef and pork consumed in the United States is from domestic animals.

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As it stands now, COOL laws will be implemented on September 30, 2004, therefore, producers selling to a packer would need documentation on origin. There's the big question. What documentation will be required and will there be a third party verifier, and if so, who? This means producers should be documenting country of origin on calves born this spring.

USDA is suggesting producers use their own records they normally keep. Calf tag number, date and location of birth, along with other information routinely collected (birth weight). But that's the rub, it is very unclear what records will be required to sell livestock to a processor to the "undocumented" market. This means 800,000 cow-calf producers, plus stock operators and feeders might need certain kinds of records.

I worked with the commodity provisions of the Farm Bill this year and this one also sounds like a real mess. In my opinion, there are existing records on imported animals, why can't those records be good enough? Make it unlawful for anyone that does not submit imported records with our local producers defaulting to born, raised and slaughtered in the USA. It's a liability issue beginning at the retailer going all the way back through the chain to the farmer and rancher. Country of Origin Labeling is turning into farm of origin records. For more information on this debate, go to an excellent website at: http://agecon.unl.edu/mark/cool.htm

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