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# "Country of Origin Labeling Will Help Boost Montana's Ag Economy"

Max S. Baucus

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# United States Senate

WASHINGTON, DC 20510-2602

INTERNET: max@baucus.senate.gov http://www.senate.gov/~baucus

Country-Of-Origin Labeling Will Help Boost Montana's Ag Economy By Max Baucus, Montana's Senior U.S. Senator

Why is it that we know where our clothes are made but not where the food we eat is produced? And why is it non-agricultural American products command a premium because of labeling laws, when traditional agriculture products do not? These questions, and the recent discovery of an incident of mad cow disease in Alberta, have prompted new calls from agriculture producers and consumers for quick implementation of mandatory country-of-origin labeling on meat products. And I agree with them for several reasons.

I fought hard for these new labeling provisions in the 2002 Farm Bill. That's why I'm pleased the U.S. Agriculture Department will hold a listening session, at my request, on country-of-origin labeling in Billings on Friday June 6, from 1 p.m. to 4 p.m. at the Holiday Inn.

As Montanans and Americans, we have the right to know where our products come from, where they're produced. And, to add to that, country-of-origin labeling will give Montana livestock producers a boost because they produce the highest quality products in the world.

Ranchers, consumers, retailers, and meat packers all have a stake in this new law, and I encourage anyone who as an opinion or just wants to learn more to attend the USDA meeting on Friday.

As part of the 2002 Farm Bill, mandatory country-of-origin labeling requires that U.S. consumers be notified of the country in which their meat, fish, perishable fruits and vegetables are grown. I cosponsored the original country-of-origin legislation in the Senate, and as a senior member of the Senate Agriculture Committee, I strongly advocated for it as part of last year's Farm Bill.

Country-of-origin labeling will benefit Montanans in two ways:

- First, it will enable consumers to make informed decisions about their purchases at the grocery store.
- Second, it will add value to our domestic commodities, and in Montana that means beef, lamb, and pork. American agriculture, and Montana in particular, produces the highest quality products in the world. Our producers should be rewarded for their hard work and quality products.

Manufactured goods sold in the United States have carried mandatory country-oforigin labels since the 1930s. Today, as the landscape of international trade continues to change and expand, our nation's fruits, vegetables and meats need to carry the same important information.

- more -

The benefits of a workable country-of-origin labeling law are obvious. Unfortunately, the USDA has issued guidelines that make country-of-origin labeling burdensome, leaving some agriculture producers, who originally supported the law, asking for its repeal. That would be a mistake.

The USDA also issued an outrageous cost estimate of \$2 billion to implement country-of-origin labeling. In contrast, a study by the University of Florida estimates the labeling law will cost \$69 million to \$193 million. That's 90 to 95 percent less than the USDA estimate.

Although the law sets a framework for a simple, cost-efficient labeling system, the USDA is suggesting rules that seem as difficult as possible.

I'm also very concerned USDA didn't consult with producers and other proponents of country-of-origin labeling before releasing a cost estimate for the program – an estimate I still believe to be inflated. It appears the USDA consulted only with select opponents of mandatory country-of-origin labeling before moving forward. That's contrary to the very spirit in which we passed the 2002 Farm Bill: cooperation and working together.

In February, along with 11 other Republican and Democratic senators, I wrote to Agriculture Secretary Ann Veneman expressing my view that opponents and proponents, as well as producers and agriculture organizations, should have a seat at the table as we move to implement this important new program. Secretary Veneman responded by announcing listening sessions on country-of-origin labeling throughout the country. And I'm pleased one of those sessions is in Montana.

I hope that with balanced discussion and participation, we will reach a commonsense solution to successfully implement country-of-origin labeling in a way that is fair to Montana producers, helps create jobs, and boosts our state's agriculture economy.

Friday's meeting is our chance to participate in decisions that affect all of us. That's why I urge you to continue to be part of this ongoing discussion.

###

Max Baucus is Montana's senior U.S. Senator and a member of the Senate Agriculture Committee.

#### Kuban, Sara (Baucus)

From: Andrews, Sara (Baucus)

Sent: Tuesday, October 28, 2003 5:29 PM

To: Kuban, Sara (Baucus)

Country-of-origin labeling

You are a co-sponsor of a Daschle sponsored resolution that directs the Senate Agriculture Appropriations conferees to insist that no limits on the use of funds to enforce country-of-origin labeling be included in the conference report accompanying the bill. Other co-sponsors include Enzi, Johnson, Thomas, Harkin, Bingaman, Kerry, Grassley, Conrad, Dorgan, and Burns. This amendment is expected to pass.

This amendment is in response to the House action to ban the use of funds to enforce the meat portion of country-of-origin labeling. Bonilla was the leader behind this action in the House Agriculture Appropriations Committee. Congressman Rehberg and Darlene Hooley of Oregon offered an amendment on the House floor to repeal this provision. It failed by 15 votes. A successful Senate vote on the resolution and the close House vote should signal to conferees that Congress supports country-of-origin labeling and intends to continue the implementation process as intended.

On Monday, the USDA released their 200-plus pages of proposed rules for country-of-origin labeling. They revised their inflated cost estimate from \$1.9 billion to \$582 million. This is still too high. The proposed rules are an improvement over the previously released proposed guidelines, but there is still work to be done to make sure that implementation is not over burdensome to producers, packers and retailers. You will be working with USDA and all of these groups during the comment period to create a simple and cost effective program. You are disappointed that the USDA spent the time to come up with a cost estimate but failed to complete a benefits analysis of country-of-origin labeling. Even with USDA's inflated cost estimates, it would only take a 1-5% increase in market share to recoup the costs associated with the program.

Country-of-origin labeling passed in the Farm Bill. You were an original co-sponsor. Manufactured goods sold in the United States have carried mandatory country-of-origin labels since the 1930's. Most of our major trading partners, including Europe and Japan, already require American producers to provide this information on our agricultural exports. Today as the landscape of international trade continues to change and expand, our nation's fruits, vegetables and meats need to carry the same important information.

Country-of-origin labeling will have two primary benefits. First, it will add value to our domestic commodities. American agriculture produces the highest quality products in the world, and they should be rewarded for that. Second, it will enable consumers to be knowledgeable about their purchases at the grocery store.

Following today's announcement by the United States Department of Agriculture that their original cost estimate for country-of-origin labeling was too high, Senator Max Baucus reiterated his commitment to work with the agency, producers, retailers and packers to make

United States Department of Agriculture today released proposed rules and a revised cost-estimate for country-of-origin labeling. Senator Max Baucus, said he will continue working with the agency, agriculture producers, retailers and packers to make changes to the rules before the law goes into effect on September 30, 2004.

Earlier this year, Baucus, Montana's Senator on the Senate Agriculture Committee, called USDA's proposed cost estimate for the country-of-origin labeling program "inflated and ---." The proposed rules released today lowered the cost estimate from \$1.9 billion to \$582 million. "I am glad

"The proposed rules that USDA released today are an improvement over the proposed guidelines, however, we still have a long way to go to ensure the program is implemented in a simple and cost efficient manner," Baucus said.



# The <u>Truth</u> about Country-of-Origin Labeling!

#### Reps. Rehberg and Hooley Lead COOL Fight in the House

When the House of Representatives considers the FY2004 agriculture appropriations bill **July 14**, Reps. **Dennis Rehberg**, R-Mont., and **Darlene Hooley**, D-Ore., will offer an amendment to strike language that blocks U.S. Department of Agriculture funding for implementing country-of-origin labeling on meat and meat products. Americans for Country-of-Origin Labeling, a coalition that represents approximately 50 million consumers and agriculture producers nationwide, has rallied behind Rehberg and Hooley in their effort to protect the consumer-right-to-know program.

#### **NFU and AFBF Unite in Letter to Congress**

In a letter to the House of Representatives July 10, National Farmers Union and American Farm Bureau Federation reiterated commitment to protecting COOL and urged House members to vote to protect the law. Together, NFU and AFBF represent the majority of the nation's agriculture producers. Click here for the full text of the letter.

#### Myth: U.S. consumers do not care about country of origin labeling.

**Truth:** Numerous surveys indicate that consumers overwhelmingly support country-of-origin labeling and will pay a market premium for U.S. products because labeling provides additional product information, increased consumer choice and fulfills a desire to support American agriculture.

#### **Consumer Corner**

- Sixty-eight percent of consumers questioned in the survey say they would pay more for food grown in the United States rather than abroad.
- Seventy-four percent of respondents said they thought the United States should not buy all its food from other countries even if it's cheaper than food produced and sold domestically.
- Four out of five U.S. consumers surveyed believe U.S.-grown food is fresher and safer than imported food.
  - -- Food from our Changing World: The Globalization of Food and How Americans Feel About It, North Carolina State University, February 2003. <u>Click here</u> for the full survey.

#### Resources

NFU-AFBF Congressional Staff Briefing – Informative presentation on COOL for congressional staff

AgriTalk COOL Debate between NFU's Tom Buis and American Meat Institute's Patrick Boyle



"We have put in place in this country, comprehensive consumer quality protections designed to assure that U.S. agriculture products, including meat, pass every exacting standard for food safety and quality. The American consumer has confidence in these products, U.S. agriculture products. It, therefore, makes no sense to fail to provide the U.S. consumer with the information to know whether the food item they are considering was grown here or half way around the world. If it's good for T-shirts, it's good for T-bones." -- Congressman Earl Pomeroy, D-N.D., at a House Committee hearing

#### Kuban, Sara (Baucus)

From: Andrews, Sara (Baucus)

Sent: Monday, July 14, 2003 4:03 PM

To: Roberts, Sara (Baucus); Kaiser, Barrett (Baucus); Sara Kuban (Baucus)

Subject: RE: country-of-origin letter

With changes

July 14, 2003

The Honorable Herb Kohl
Ranking Member
Senate Appropriations Subcommittee
on Agriculture
126 Hart Senate Office Bldg
Washington, D.C. 20510-0001

Dear Senator Kohl:

I write today to reiterate the importance country-of-origin labeling and the need to retain funding in the Senate Agricultural Appropriations bill for the implementation of this law.

Today, the House voted to deny implementation of country-oforigin labeling. I find this appalling and I strongly urge you to fund implementation of country-of-origin labeling in the Senate Agricultural Appropriations spending bill.

Country-of-origin labeling passed with wide bi-partisan support as part of the 2002 Farm Bill. I fought hard for these new labeling provisions. Country-of-origin labeling will give American livestock producers a boost because they produce the highest quality products in the world. And as Americans, we have the right to know where our products come from and where they're produced. I am outraged that the House would prohibit the implementation of a law that was passed by Congress and signed by the President.

If implemented in the way I, and the rest of Congress, intended, country-of-origin labeling will provide a premium for Montana's and the United States' high-quality agricultural products. American agriculture produces the highest quality products in the world. Our producers should be rewarded for their hard work and quality products.

Once again, I request that country-of-origin labeling implementation be funded in the Senate Agriculture Appropriations Subcommittee spending bill. Thank you for your time and consideration of this important matter.

----Original Message-----**From:** Roberts, Sara (Baucus)

Sent: Monday, July 14, 2003 4:00 PM

To: Andrews, Sara (Baucus); Kaiser, Barrett (Baucus)

Subject: RE: country-of-origin letter

A few comments within.

----Original Message----

From: Andrews, Sara (Baucus)
Sent: Monday, July 14, 2003 3:27 PM

**To:** Kaiser, Barrett (Baucus); Roberts, Sara (Baucus)

Subject: country-of-origin letter

Importance: High

Let me know what you think

I write today to reiterate the importance country-of-origin labeling and the need to retain funding in the Senate Agricultural Appropriations bill for the implementation of this law.

Today, the House voted to deny funding for the implementation of country-of-origin labeling. I find this appalling and I strongly urge you to fund implementation of country-of-origin labeling in the Senate Agricultural Appropriations spending bill.

Country-of-origin labeling passed with wide bipartisan support as part of the 2002 Farm Bill. I fought hard for these new labeling provisions. Country-of-origin labeling will give American livestock producers a boost because they produce the highest quality products in the world. And as Americans, we have the right to know where our products come from and where they're produced. {I am outraged that the House Agricultural Subcommittee would prohibit the implementation of a law that was passed by Congress and signed by the President.}—no longer the subcommittee—now the full house.

If implemented in the way I, and the rest of Congress, intended, country-of-origin labeling will provide a premium for Montana's and the United States' high-quality agricultural products. American agriculture produces the

highest quality products in the world. Our producers should be rewarded for their hard work and quality products.

Once again, I request that country-of-origin labeling implementation be funded in the Agriculture Appropriations Subcommittee spending bill. Thank you for your time and consideration of this important matter.

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# UNITED STATES SENATOR ◆ MONTANA

# MAX BAUCUS

### PRESS RELEASE

Contact Bill Lombardi (406) 449-5480/Barrett Kaiser (406) 657-5915

June 4, 2003

# BAUCUS URGES CAUTION ON MAD COW ANNOUNCEMENT

Statement of Senator Max Baucus:

"The announcement today that five bulls from Alberta were sold to a farm in Montana is troubling, but it's important to note that it is highly unlikely they were contaminated with BSE.

"The news today is cause for concern, because Montana's economy relies heavily on agriculture and livestock sales, but we must proceed with caution and rely on fact-based science. And it's important to remember that BSE has never been found in the United States.

"I have every confidence in Montana and USDA officials that they are working diligently to trace the movements of these bulls, and I'm certain we'll know more soon. I stand ready to assist state and federal officials in any way I can.

"I've asked President Bush to dispatch a high-ranking USDA official to Montana as soon as possible. And I've asked for a detailed USDA report on the status of the investigation and next steps by close of business Thursday.

"Finally, I have invited Secretary Veneman to meet with the entire Montana Congressional Delegation as soon as possible to ensure the safety and vitality of Montana's livestock industry."