May 1, 2003

Country of Origin Labeling Program
Agricultural Marketing Service, USDA
Stop 0249 Room 2092-S
1400 Independence Ave., S.W.
Washington, D.C. 20250-0249

To Whom It May Concern:

- The intention of the Country of Origin Labeling (COOL) law is very worthy. The unfortunate part of the mandatory law for beef is cow/calf, stocker producers and everyone else up the chain through the retail supermarket will be required to maintain extensive, auditable record keeping systems in order to ensure compliance.

- The costs of such systems will result in a tremendous economic burden to producers. Several economic analyses have been done and estimate the costs to the beef industry as high as $8.9 billion.

- If premiums are not paid for U.S. beef these costs will eventually be passed down to producers. Studies and surveys on consumer preferences have not adequately shown that the U.S. producer will be rewarded for the costs borne by this very burdensome program.

- Food service establishments – fast food outlets, restaurants, etc. – are exempt from the law. Apparently, the law was designed to give consumers buying beef at a supermarket a choice about where the beef they purchase comes from. However, the law does not provide consumers who purchase beef at food service establishments – where approximately 80 percent of the imported beef is consumed – that same choice. Approximately 50 percent of the beef consumed in the U.S. is at food service establishments. Consumers will seldom be given the opportunity to actually discriminate against foreign beef and reward U.S. ranchers.

- Country of origin labeling becomes mandatory on September 30, 2004. Calves alive today will produce the beef that must comply with the law on this date. Proposed regulations for the mandatory program have not been published for comment and it will be even longer before final regulations will be in place. Calves that will fall under with the mandatory program will soon begin changing ownership, if they have not already. This situation leaves cow/calf and stocker producers in a terrible situation of marketing a calf that may not be able to comply with the law. Any chance to establish the proper verifiable audit trail will likely be lost once that calf is sold and is commingled with calves from other farms and ranches.

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- Congress should repeal the mandatory aspect of the COOL law and a voluntary system should be developed that will allow labeling to be utilized when the marketplace determines that benefits will exceed costs.

Sincerely,

Bob B. Gayle
(Signature)

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