

Country-of-Origin Meat Labeling

ISSUE: The effective date of the mandatory country-of-origin meat labeling (MCOOL) provision, in the 2002 Farm Bill, is delayed until September 30, 2006. The delay allows time for the pork industry to develop a voluntary country-of-origin meat labeling (VCOOL) program.

WHY IMPORTANT: The MCOOL provisions contained in the 2002 Farm Bill will cost the pork industry \$500-\$800 million, resulting in higher consumer prices and lower demand for pork. The MCOOL law will reduce pork exports, further impacting the pork industry. Smaller, independent producers will disproportionately bear the increased paperwork and tracking requirements necessary under MCOOL. A VCOOL program will allow those producers interested in participating in local, state, and regional programs to do so without the negative impact of burdensome federal requirements.

STATUS: The FY 2004 Omnibus Appropriations Bill, signed by the President on January 23, 2004, delayed the effective date of the MCOOL law until September 30, 2006. NPPC is working with a coalition of meat-only interests, The Meat Promotion Coalition (MPC), to replace the MCOOL program with a VCOOL program for meat. The MPC now includes the American Farm Bureau Federation which recently changed its public policy position regarding MCOOL and meat products. NPPC is also working with a larger coalition across the food chain, including retailers and fruit and vegetable interests, to replace the MCOOL program with a VCOOL program for all covered commodities.

BACKGROUND: The 2002 Farm Bill contained MCOOL provisions which could have gone into effect September 30, 2004 requiring pork products and other covered commodities to be labeled indicating where the source livestock were (1) born; (2) raised; and (3) slaughtered. To be labeled a "Product of the U.S.", meat must have been derived from animals born, raised and slaughtered in the U.S. The 2002 Farm Bill, however, exempts poultry from the same labeling requirements giving poultry products a competitive advantage over pork products in the meat case. In addition, the law also exempts the labeling of food sold in restaurants, which accounts for nearly 50% of food sold in the U.S. NPPC has actively lobbied members of Congress and the Administration to ensure that pork producers' concerns about a mandatory program are heard.

NPPC POSITION: NPPC supports the repeal of the MCOOL program and supports replacing it with a workable VCOOL program for hogs and pork that will allow producers to take advantage of the consumer market for labeled products if they choose. NPPC opposes mandatory labeling requirements that will negatively impact and unduly burden America's pork producers.

THE OTHER SIDE: National farm organizations, family farm activists, and consumer activist groups contend that U.S. consumers have a “right to know” where their meat is born, raised, and slaughtered and will pay a premium to know. They argue that current programs such as the Domestic Verification Program for the National School Lunch Program or the voluntary “Born and Raised in the U.S.A.” are model programs. These programs do not contain the same verification standards and penalties in the current MCOOL law.

ACTION NEEDED: Pork producers should urge their lawmakers to take action to replace the burdensome and costly MCOOL law with a market-driven meat VCOOL program, this year. Members of Congress can support pork producers by co-sponsoring and voting for the “Meat Promotion Act of 2005”, respectively HR. 2068 and S. 1333. Pork producers should urge their lawmakers to vote against any resolution that would either reaffirm the September 2006 deadline or push that date back to earlier in 2006.

OUTLOOK: NPPC is currently working with House Agriculture Committee Chairman Bob Goodlatte (R-VA) on moving H.R. 2068 through the House Agriculture Committee and the full U.S. House of Representatives. In addition, a parallel bill that replaces the current MCOOL provisions with VCOOL provisions for all covered commodities (including fish and produce) has been introduced in the Senate (S. 1300) and we anticipate a similar bill to be introduced in the House. The purpose of introducing two separate bills covering meat is to increase the opportunity for final resolution of this issue prior to the September 2006 deadline.