



UNITED TO GROW FAMILY AGRICULTURE

**TESTIMONY OF ROGER JOHNSON  
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**AND**

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UNITED STATES CATTLEMEN'S ASSOCIATION**

**SUBMITTED TO THE  
U.S. HOUSE OF REPRESENTATIVES  
WAYS AND MEANS SUBCOMMITTEE  
ON  
TRADE**

**REGARDING ADVANCING THE U.S. TRADE AGENDA: BENEFITS OF EXPANDING U.S. AGRICULTURE  
TRADE AND ELIMINATING BARRIERS TO U.S. EXPORTS**

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WASHINGTON, D.C.**

**Submitted Testimony of Roger Johnson and Jon Wooster  
President, National Farmers Union  
President, United States Cattlemen's Association  
Before the House Ways and Means Subcommittee on Trade  
Concerning the U.S. Trade Agenda: Benefits of Expanding U.S. Agriculture Trade and  
Eliminating Barriers to U.S. Exports  
June 25, 2014**

**Introduction**

On behalf of the family farmers, ranchers, fishermen and rural members of National Farmers Union (NFU) and the United States Cattlemen's Association, thank you for the opportunity to submit testimony on trade and the agriculture sector. Organized in 1902, NFU represents around 200,000 producers nationwide. We have members in all 50 states with organized divisions in 32 states. Our grassroots membership comprises agricultural producers in all sectors of the agricultural economy, including livestock producers, commodity growers, fishermen, specialty crop producers, and organic farmers.

The U.S. Cattlemen's Association, established in 2007, represents a nationwide membership of cow-calf producers, backgrounders and feedlot operators.

Our members believe that trade policy should help U.S. producers gain greater market access, increase the quality of life for the citizens of all parties in a trade agreement, and provide other mutual economic, social and governance benefits. NFU takes a holistic approach to trade. There is much to be gained from trade, and foreign markets have the potential to increase demand for American products. At the same time, in today's marketplace consumers are demanding to know significantly more information about where their food comes from. NFU and USCA strongly believe that U.S. trade policies should benefit producers at the same time as they should respect consumers' right to information.

**Country-of-Origin Labeling (COOL)**

In any present or future trade agreement, Country-of-Origin Labeling (COOL) must be protected. Consumers have overwhelmingly demonstrated that they want more information about the origin of the food they eat. In fact, a 2008 Consumer Reports poll found that 95 percent of consumers support COOL on processed and packaged foods at the point of sale.<sup>1</sup>

While providing valuable information to consumers, COOL also serves as an excellent marketing opportunity for America's ranchers. Several studies have shown that consumers are more likely

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<sup>1</sup> "Food Labeling Poll". Consumer Reports. November 11, 2008.  
<[http://greenerchoices.org/pdf/Food%20Labeling%20Poll-final\\_rev.pdf](http://greenerchoices.org/pdf/Food%20Labeling%20Poll-final_rev.pdf)>

to buy American-made products than foreign-made products. For example, a 2013 Boston Consulting Group study found that “93 percent said that they would pay more for U.S.-made goods in order to keep jobs in the U.S., and 80 percent said that buying U.S. products demonstrates patriotism.”<sup>2</sup> Similarly, a 2012 Perception Research Services survey found that when having seen the “made in the USA” claim, 73 percent of respondents say the claim influences their purchase decision.



**Figure 1:** A compliant COOL label, 2013.

COOL was first put in place in the 2002 farm bill and then amended in the 2008 farm bill. The law required labeling of the source of nearly all muscle cuts and ground meat, along with fish, fruits, vegetables, nuts and a variety of other generally unprocessed products. For five years, appropriations riders prohibited the implementation of COOL, which was again included in the 2008 Farm Bill. The final COOL rule took effect in 2009. COOL is now in line with our World Trade Organization (WTO) obligations. In 2009, Canada and Mexico challenged the U.S COOL law in front of the WTO. This was despite the fact that Canada, as well as 70 other WTO countries, have COOL laws of their own. The WTO appellate body found that the law itself was not out of compliance, and it supported consumers’ right to information. WTO simply ruled that the implementation of the COOL law did not sufficiently achieve the goal of providing consumers with accurate information.

In reaction to this ruling, the U.S. Department of Agriculture (USDA) enacted rules to require processors to label the production steps “Born, Raised, and Harvested” (See Figure 1). This

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[https://www.bcgperspectives.com/content/commentary/consumer\\_products\\_retail\\_that\\_made\\_in\\_usa\\_label\\_may\\_be\\_worth\\_more\\_than\\_you\\_think/](https://www.bcgperspectives.com/content/commentary/consumer_products_retail_that_made_in_usa_label_may_be_worth_more_than_you_think/)

administrative action addressed the concerns of the WTO while also providing consumers with additional information regarding the production steps.

Despite evidence to the contrary, some constituencies continue to claim that COOL is overly burdensome-costing American jobs and driving up prices. Industry-supported studies claimed that COOL would cost \$1.6 billion for the beef and pork industries. In 2013 these constituencies called COOL “onerous, disruptive, and expensive.” These groups have been proven wrong, and COOL does not hinder products from moving across borders. A 2013 analysis by USDA found that changing COOL labels and eliminating flexibility for meatpackers to commingle animals would cost between \$52.1 million to \$137.8 million—far short of the unrealistic expectations made by those fighting against COOL.<sup>3</sup>

NFU and USCA strongly oppose any changes to COOL that would undermine enforcement, implementation, legal defense or study of the law.

### **Conclusion**

We look forward to working with the U.S. House of Representatives Ways and Means Subcommittee on Trade to achieve fair returns for farmers and ranchers in trade agreements and provide consumers with information on the origin of the food they consume. Thank you for the opportunity to submit testimony.

Sincerely,

Roger Johnson  
President  
National Farmers Union

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<sup>3</sup> Butschli, Jim. “Made in the USA Influences Shoppers”. Perception Research Services. September 13, 2012. <[http://www.prsresearch.com/fileUploads/PackagingWorld\\_2012MadeintheUSA.pdf](http://www.prsresearch.com/fileUploads/PackagingWorld_2012MadeintheUSA.pdf)>