



FACT SHEET

Bipartisan Senate COOL Compromise: The Only Real Solution for Food Labeling

Overview: In 2002 and 2008, Congress passed mandatory Country-of-Origin Labeling (COOL), a popular labeling law that says muscle cuts of meat, and fruits and vegetables, must be labeled with the country's name where they were produced. Mexico and Canada subsequently filed claims at the World Trade Organization (WTO) charging that COOL was causing a decrease in volume of their livestock exports to the U.S. The WTO has repeatedly taken issue with the way COOL has been implemented, and arbitration is currently underway. While NFU remains steadfast in its support of COOL, Congress is likely to take action prior to the conclusion of arbitration. Responding to the threat of retaliatory tariffs, the U.S. House of Representatives recently voted to repeal COOL, and the issue is now before the Senate.

Solution: A bipartisan Senate compromise bill – known as the Voluntary COOL and Trade Enhancement Act and sponsored by Senators Stabenow, D-Michigan, and Hoeven, R-North Dakota – completely repeals mandatory COOL, thus putting to rest the complaint by Canada and Mexico, and puts in its place a voluntary labeling system that could allow consumers to know the origin of their food. The U.S. Trade Representative has noted that repealing the mandatory requirement and replacing it with a voluntary system has the "potential to constitute compliance with U.S. WTO obligations." This is a win-win scenario for all parties involved because:

Canada and Mexico Win: Canada and Mexico have made clear that a voluntary labeling system in the U.S. would be a working solution. During the 2012 WTO Appellate Body Report, Canada and Mexico both suggested voluntary labeling as a way to resolve the issue. "When its mandatory it creates that segregation and discriminatory price system," said Canadian Minister of Agriculture Gerry Ritz in August of 2014. "If you do a voluntary label, which we do in Canada under product of Canada, you don't have that trade sanctioned problem."

U.S. Consumers Win: The new voluntary system maintains integrity of the 'Made in the USA' brand and will prevent meat packers from deliberately deceiving consumers as they have in the past. A decade's worth of polling shows unequivocal strong support among consumers for food labeling.

U.S. Producers Win: Producers have consistently argued that COOL labels allow them to, in effect, put their names on the food they produce. This still leaves that option open.

Democracy Wins: The Senate compromise, supported by Senators Hoeven, Stabenow, Heitkamp, Grassley, Klobuchar, Thune, Brown and Enzi is a great idea that allows consumers to have access to the information they have requested. Canada has a similar voluntary system in place.

Producer Groups Against Food Labeling Win: Surprisingly, along with the multinational meatpackers who fund them, a few producer groups have opposed food labeling. This voluntary system gives them the option not to participate.

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