



UNITED TO GROW FAMILY AGRICULTURE

August 15, 2018

FSIS Docket Clerk
United States Department of Agriculture
Food Safety and Inspection Service (FSIS)
Room 2534 South Building
1400 Independence Ave SW
Washington, DC 20250-3700
Attention: Ms. Mary Porretta, Petitions Manager
Email: Mary.porretta@fsis.usda.gov

Re: Letter in support of the June 12, 2018 petition for change to the Food Safety and Inspection Services Standards and Labeling Policy Book on “Product of U.S.A.”

Dear Ms. Porretta,

On behalf of the nearly 200,000 family farmer, rancher, fisher and rural members of National Farmers Union (NFU), I am pleased to submit this letter in support of Petition 18-05. NFU supports the request brought forth by the Organization for Competitive Markets and American Grassfed Association that the United States Department of Agriculture (USDA) Food Safety and Inspection Service (FSIS) modify its Product of U.S.A. labeling standards.

NFU has long been a proponent of mandatory country-of-origin labeling (COOL) for agricultural products. In reference to COOL, our member-driven policy states “in order to qualify and be labeled as U.S.-produced...Meat products must come from an animal born, raised, slaughtered, and processed in the United States.”¹ Regarding the distinction between mandatory COOL and voluntary labeling standards, our policy asserts the “same labeling standards...should be maintained to benefit producers and consumers in any voluntary program.”²

The current standards outlined in the FSIS Standards and Labeling Policy Book³ do not require a product to be born, raised, or slaughtered in the United States to be labeled “Product of U.S.A.” Instead, any product that is simply processed in the U.S. can be labeled “Product of U.S.A.”⁴ This standard allows beef that is born, raised and slaughtered in another country to be labeled “Product of U.S.A.” provided it

¹ “Policy of the National Farmers Union,” March, 2018.

² Id.

³ “Standards and Labeling Policy Book,” *U.S. Department of Agriculture Food Safety and Inspection Service*. Office of Policy, Program and Employee Development. Aug. 2005.
<https://www.fsis.usda.gov/wps/wcm/connect/7c48be3e-e516-4ccf-a2d5-b95a128f04ae/Labeling-Policy-Book.pdf?MOD=AJPERES>

⁴ Id.

passes through a USDA-inspected plant. FSIS's current practice allows for product labeling that misleads consumers and places U.S. ranchers at a market disadvantage.

Research consistently illustrates consumers' desire to know the origin of their food. A 2016 Consumers Union poll indicated that 93% of consumers want to know if their meat is from outside the United States.⁵ Sixty percent of consumers want labels to include where the animal was born, raised, and slaughtered.⁶ FSIS's current "Product of U.S.A." labeling standards not only fail to provide accurate information regarding consumer preferences, they allow for deception.

Current policy allows foreign interests and multi-national corporations to take advantage of market opportunities that should be reserved for U.S. family farmers and ranchers. This unfair market advantage financially harms U.S. beef producers who currently find themselves in a highly consolidated marketplace. Today, four companies, Cargill, Tyson, JBS and National Beef, control over 80% of the beef market.⁷ All four of these multinational corporations depend on imported meat and meat products.

According to NFU's Farmer's Share publication, cattle producers have seen their retail earnings decline by 50% since 2014. Today, U.S. cattle producers receive only \$0.22 of the retail food dollar.⁸ Corporate consolidation and vertical integration in the beef industry, and the repeal of mandatory COOL have all contributed to the decline in market value for U.S. beef producers. Mislabeling has further added to the financial challenges family farmers and ranchers face. The Federal Meat Inspection Act (FMIA) states that misbranded meat or meat food products "result in sundry losses to livestock producers."⁹

USDA has a responsibility to correct "Product of U.S.A." labeling standards. Both the FMIA and FSIS regulations clearly prohibit meat and meat product labels that are misleading to consumers. The FMIA states that a label is "misbranded...if its labeling is false or misleading in any particular."¹⁰ Furthermore, FSIS regulations state that no product shall bear a label that "gives any false indication of origin or quality."¹¹

Current labeling practices do not satisfy the requirements of the Federal Meat Inspection Act or federal regulations. FSIS standards also allow for labeling that deceives the consumer and places U.S. family farmers and ranchers at a market disadvantage. FSIS must amend its labeling standards to restrict use of the "Product of U.S.A." label exclusively to meat and meat products that derive from animals born, raised, slaughter and processed in the United States.

⁵ "Food Labels Survey: 2016 Nationally-Representative Phone Survey," *Consumers Union*. Apr. 2016. https://www.consumerreports.org/content/dam/cro/news_articles/health/PDFs/ConsumerReports-Food-Labels-Survey-April-2016.pdf

⁶ Id.

⁷ "2016 Annual Report." *U.S. Department of Agriculture Food Safety and Inspection Service*. Packers and Stockyards Program. 2016. https://www.gipsa.usda.gov/psp/publication/ar/2016_psp_annual_report.pdf

⁸ "Farmers Share of Retail Food Dollar Hits New Low," *National Farmers Union*. May 2018. <https://nfu.org/2018/05/04/farmers-share-of-retail-food-dollar-hits-new-low/>

⁹ 21 U.S.C § 602.

¹⁰ 21 U.S.C. § 601(n)(1).

¹¹ 9 CFR § 317.8(a).

After careful review and consideration, NFU fully supports Petition 18-05. If you have any questions or would like to further discuss NFU's support, please contact Matt Perdue, NFU Government Relations Representative, via e-mail at mperdue@nfudc.org or by phone at 202-554-1600. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Roger Johnson". The signature is fluid and cursive, with the first name "Roger" and the last name "Johnson" clearly distinguishable.

Roger Johnson
President