



September 14, 2020

Federal Trade Commission
Office of the Secretary
600 Pennsylvania Avenue, NW
Washington, DC 20580

Re: MUSA Rulemaking, Matter No. P074204; released for public comment July 16, 2020

Dear Chairman Simons and Members of the Commission:

On behalf of the nearly 200,000 family farmer, rancher and rural members of National Farmers Union (NFU), I am pleased to submit comments to the Federal Trade Commission (FTC) regarding 'Made in USA' (MUSA) and other unqualified U.S.-origin claims on product labels. NFU supports the proposed rule that would prohibit marketers from making unqualified MUSA claims by incorporating established FTC guidance on U.S. origin claims on labels and allowing the FTC to seek civil penalties for violations.

Several existing MUSA claims being made in the U.S. marketplace with respect to livestock products are harming farmers and ranchers and misleading consumers about the true origins of the animals contained in those products. American consumers overwhelmingly express the desire to know where their food comes from and most Americans indicate understanding MUSA claims to mean that all parts of a product originated within the U.S.

Thus, NFU supports the standard called for in the FTC proposed rule to "prohibit marketers from making unqualified MUSA claims on labels unless: (1) Final assembly or processing of the product occurs in the United States; (2) All significant processing that goes into the product occurs in the United States; and (3) All or virtually all ingredients or components of the product are made and sourced in the United States."¹ FTC's MUSA standard applies to "all products advertised or sold in the U.S.," including agricultural and food products.² Finalizing the rule can help prevent and deter the mislabeling of products and set an example for agencies with primary oversight and enforcement of agriculture and food labeling. Additionally, the FTC's standard is aligned with NFU's position that, with respect to livestock, a product must be derived from an animal born, raised, and harvested in the U.S. in order to be labeled "Made in USA" or "Product of USA."

¹ 16 CFR Part 323: Made in USA Labeling Rule; Request for Public Comment. <https://www.ftc.gov/policy/federal-register-notice/16-cfr-part-323-made-usa-labeling-rule-request-public-comment>

² FTC. *Complying with the Made in USA Standard*. December 1998.

Mislabeling of agricultural products is harming farmers and ranchers, and misleading consumers

NFU has been a stalwart proponent of mandatory country-of-origin labeling (COOL) for meat. NFU's grassroots, member-driven policy states that mandatory COOL "is a valuable marketing tool for producers, and it allows consumers to know where the meat products they consume are born, raised, slaughtered, and processed."³ NFU also supports the mandatory COOL rules in effect for other agricultural products, such as dairy, produce, honey, and nuts. In the absence of mandatory COOL, NFU policy supports maintaining robust voluntary labeling standards.

The current misuse of voluntary product label claims, including "Product of USA" and "Made in USA," are highly misleading to consumers and financially injurious to family farmers and ranchers. Currently, the U.S. Department of Agriculture (USDA) Food Safety and Inspection Service (FSIS) Food Standards and Labeling Policy Book presents standards that do not require a meat product to be born, raised, and slaughtered in the U.S. to be labeled "Product of USA."⁴ The standard permits imported animals that are processed in the U.S. at USDA-inspected slaughter facilities to be labeled as "Product of USA." Due to the significant number of cattle imported from Canada and Mexico, many beef products of foreign origin are being represented with some variation of a MUSA claim.

In response to a petition submitted by U.S. Cattlemen's Association in October 2019, FSIS stated that:

"permitting imported meat products that are further processed in a federally-inspected establishment to be labeled 'Product of USA' may be misleading to consumers and may not meet consumer expectations of what 'Product of USA' signifies. FSIS also agrees that to address these issues, the Agency needs to establish clear parameters that prescribe which meat product may voluntarily be labeled with U.S. origin statements, such as 'Product of USA' or 'Made in USA.'"⁵

The current standard used by USDA-FSIS to regulate the labeling of meat products is clearly insufficient.

Consumers want to know where their food comes from

Research has consistently demonstrated that consumers desire to know the origin of their food. A 2017 poll demonstrates that 89 percent of a representative sample of American adults

³ National Farmers Union, *Policy of the National Farmers Union*, March 2019.

⁴ USDA-FSIS, Office of Policy, Program and Employee Development. *Food Standards and Labeling Policy Book*. August 2005. <https://www.fsis.usda.gov/wps/wcm/connect/7c48be3e-e516-4ccf-a2d5-b95a128f04ae/Labeling-Policy-Book.pdf?MOD=AJPERES>

⁵ USDA-FSIS Final Response to Petition. March 26, 2020. <https://www.fsis.usda.gov/wps/wcm/connect/dba58453-e931-4c1d-9b4e-fb36417049ce/19-05-fsis-final-response-032620.pdf?MOD=AJPERES>

avored requiring food sellers to indicate on the package label the country of origin of fresh meat they sell.⁶ Furthermore, 88 percent of adults favored requiring food sellers to indicate on the package label the country or countries in which animals were born, raised, and processed.⁷ More recently, a survey of a representative sample of American adults showed that 87 percent of American think that beef and pork should have a label listing its country of origin, with fairly consistent support across age groups, party identification, and areas of residence (rural, suburban, and urban).⁸

Additionally, a 2013 survey found that 57 percent of Americans agree that “Made in America” means that all parts of a product, including any natural resources contained in it, originated in the United States.⁹ Thus, FSIS’s current “Product of USA” standard fails to provide consumers sufficient information about the food they purchase, and may mislead more than half of consumers about the origin of those products.

Current labeling standards and enforcement put U.S. family farmers and ranchers at an unfair disadvantage in the marketplace. The standards allow multinational corporations and foreign interests to take advantage of market opportunities that should be reserved solely for U.S. family farmers and ranchers. In the case of beef, farmers face an oligopolistic marketplace; in 2017, just four companies controlled 83% of packing and processing for beef.¹⁰ These same four companies, Tyson Foods, JBS SA, Cargill, and National Beef/Marfrig, all rely heavily on imported meat and meat products.

FTC should finalize the proposed rule to protect U.S. family farmers, ranches, and consumers

NFU’s members rely on fair, transparent, and competitive markets for their livelihoods. Mislabeling of agricultural products reduces the financial return to farmers when consumers prefer products of U.S. origin. Mislabeling also reduces consumer confidence and trust in the products they purchase. The FTC proposed rule on MUSA and other unqualified U.S.-origin claims on product labels is a welcome development. We urge FTC to finalize this rule and vigorously enforce it.

⁶ Consumer Federation of America. “Large Majority of American Strongly Support Requiring Origin Information on Fresh Meat.” July 24, 2017. https://consumerfed.org/press_release/large-majority-of-americans-strongly-support-requiring-origin-information-on-fresh-meat/

⁷ Ibid.

⁸ Lake Research Partners. “Results from a National Online Survey Around Rural and Agricultural Issues.” Designed by Lake Research Partners, administered by CARAVAN in a national online omnibus survey. Conducted July 20-31, 2020 using a demographically representative sample of Americans 18 years of age or older.

⁹ FTC. *Made in the USA, An FTC Workshop: Staff Report of the Bureau of Consumer Protection*. June 19, 2020. https://www.ftc.gov/system/files/documents/reports/made-usa-ftc-workshop/p074204_-_musa_workshop_report_-_final.pdf

¹⁰ USDA-AMS, Packers and Stockyards Division. *Packers and Stockyards Report, 2018*. <https://www.ams.usda.gov/sites/default/files/media/PSDAnnualReport2018.pdf>

Additionally, we urge USDA-FSIS to swiftly amend its labeling standards with respect to beef to reflect the “all or virtually all” standard as articulated in this proposed rule. We would also encourage collaboration between FTC and USDA regarding an update to the FSIS standards.

Thank you again for the opportunity to submit comments. If you have any questions or would like to further discuss NFU’s position, please contact Aaron Shier, NFU Senior Government Relations Representative, via e-mail at ashier@nfudc.org or by phone at 202-554-1600. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Larew". The signature is fluid and cursive, with the first name "Rob" being more prominent than the last name "Larew".

Rob Larew
President