

By: Lucio III

H.R. No. 1702

R E S O L U T I O N

1 WHEREAS, The Farm Security and Rural Investment Act of 2002,
2 more commonly known as the 2002 Farm Bill, included provisions
3 requiring country of origin labeling (COOL) for beef, lamb, pork,
4 fish, perishable agricultural commodities, and peanuts; and

5 WHEREAS, In response to widespread controversy, the United
6 States Congress agreed to delay full mandatory implementation of
7 COOL; although labeling requirements under a final rule are taking
8 effect on March 16, 2009, agriculture secretary Tom Vilsack has
9 called for voluntary compliance under stricter guidelines, warning
10 of a possible tightening of regulations at a later time; and

11 WHEREAS, The United States Department of Agriculture has
12 estimated that incremental costs of compliance with the final rule
13 will reach \$2.6 billion in the first year for growers, producers,
14 processors, wholesalers, and retailers; in the 10th year after
15 implementation, the estimated cost to the United States economy
16 would be more than \$211 million in higher food prices and reduced
17 food production; meanwhile, the USDA has concluded that economic
18 benefits associated with COOL implementation are likely to be
19 small; and

20 WHEREAS, Current evidence does not suggest that consumers are
21 willing to pay a premium price for food items bearing the United
22 States origin label, or that United States producers will be able to
23 recoup costs associated with COOL compliance through higher prices;
24 and

1 WHEREAS, COOL is a marketing program, not a food safety
2 measure, as evidenced by the fact that it is administered by the
3 Agricultural Marketing Service (AMS) of the USDA rather than its
4 Food Safety and Inspection Service or Animal and Plant Health
5 Inspection Service; and

6 WHEREAS, COOL regulations are extremely burdensome for the
7 cattle industry; cattle are not considered a covered commodity
8 under COOL regulations, but producers are obligated to provide
9 origin information in order for retailers to verify the origin of
10 meat; cattle are often bought and sold several times and move
11 through a complex and diverse set of stocker and feedlot production
12 systems involving a high degree of sorting and commingling, which
13 increases the difficulty of tracking domestic and imported cattle;
14 and

15 WHEREAS, Mexico and Canada, the top two export markets for
16 U.S. beef, have both filed complaints against COOL provisions with
17 the World Trade Organization; in December 2008, Mexico briefly
18 banned imports from 30 U.S. meat plants in a move widely considered
19 to be a protest against COOL, which drove cattle futures sharply
20 lower at the Chicago Mercantile Exchange; and

21 WHEREAS, Texas leads the nation in cattle production; the
22 industry contributes as much as \$16 billion annually to the state
23 economy, and it is vitally important that normal trade relations
24 continue with key beef export markets; the COOL provisions are
25 harmful both to trade relations and to the overall economic
26 viability of the cattle industry as well as to consumers, who can
27 expect to see prices rise as a result of higher production costs;

1 now, therefore, be it

2 RESOLVED, That the House of Representatives of the 81st Texas
3 Legislature hereby respectfully urge the United States Congress to
4 repeal mandatory country of origin labeling provisions from federal
5 law as soon as practicable; and, be it further

6 RESOLVED, That the chief clerk of the Texas House of
7 Representatives forward official copies of this resolution to the
8 president of the United States, to the speaker of the house of
9 representatives and the president of the senate of the United
10 States Congress, to the secretary of agriculture, and to all the
11 members of the Texas delegation to the Congress with the request
12 that this resolution be officially entered in the Congressional
13 Record as a memorial to the Congress of the United States of
14 America.