

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE.

The meeting was called to order by Chairman Dan Johnson at 3:30 p.m. on March 24, 2003, in Room 423-S of the Capitol.

All members were present except:

Committee staff present: Raney Gilliland, Legislative Research Department
 Gordon Self, Revisor of Statutes Office
 Kay Scarlett, Committee Secretary

Conferees appearing before the committee:

Leslie Kaufman, State Director, Governmental Relations, Kansas Farm Bureau
Mike Beam, Sr. Vice President, Kansas Livestock Association
Mike Schultz, Executive Director, Kansas Cattlemen's Association
Daryl Larson, VP, Kansas Cattlemen's Association, and board member, Kansas Farmers Union
David Pfrang, member, Kansas Cattlemen's Association and R-Calf
Danni Beer, R-Calf United Stockgrowers of America (read by E. T. Anderson)
Wanda Kinney, Kansas Cattlemen's Association
Donn Teske, President, Kansas Farmers Union
Todd Johnson, Governmental Affairs Staff, Kansas Livestock Association
Larry Brack, President, Kansas Cattlemen's Association (written only)
Nathan Pike, member, Kansas Cattlemen's Association and R-Calf USA (written only)
Donald Cress, Council Grove (written only)
Donald Peterson, Council Grove (written only)

Others attending: See attached list

Representative Melvin Minor was welcomed to the committee. He replaces Representative Showalter.

Minutes of the March 17 and 19 meetings were distributed. Members were asked to notify the committee secretary of any corrections or additions prior to 5:00 p.m. March 26, or the minutes will be considered approved as presented.

Hearing and action on SCR 1609 - Concurrent Resolution urging the United States secretary of agriculture to enter into an agreement with the state of Kansas to give Kansas landowners a chance to clean up sericea lespedeza before penalizing them.

Chairman Johnson opened the hearing on **SCR 1609**. Raney Gilliland explained that this resolution urges the United States Department of Agriculture to enter into an agreement with the state of Kansas to avoid penalizing Kansas landowners who discover sericea lespedeza on CRP lands without first being given the opportunity to control the noxious weed.

Leslie Kaufman, State Director, Governmental Relations, Kansas Farm Bureau, presented testimony in support of **SCR 1609** stating that it is extremely important that government agencies work cooperatively, not punitively, with landowners to help control this invasive species. (Attachment 1)

As there were no other conferees, the Chairman closed the hearing and opened discussion on **SCR 1609**.

Representative Feuerborn moved to recommend SCR 1609 favorable for adoption. Seconded by Representative Faber, the motion carried.

Hearing and action on SCR 1610 - Concurrent Resolution urging that federal noxious weed dollars be made available for control of noxious weeds on CRP land in Kansas.

Chairman Johnson opened the hearing on **SCR 1610** and asked Raney Gilliland to explain the resolution. **SCR 1610** urges the United States Department of Agriculture to make additional federal cost-share dollars available to the state of Kansas for the control of noxious weeds. He explained that the Senate removed the restriction that this apply only to CRP land.

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MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE at 3:30 p.m. on March 24, 2003, in Room 423-S of the Capitol.

Leslie Kaufman, State Director, Governmental Relations, Kansas Farm Bureau, appeared in support of **SCR 1610** encouraging availability of federal cost-share dollars for control of noxious weeds. KFB is appreciative of the federal dollars that have already been channeled from USDA to Kansas and hopes to see additional monies available in the future. (Attachment 1)

Mike Beam, Sr. Vice President, Kansas Livestock Association, testified in support of **SCR 1610** to make additional federal cost-share dollars available for noxious weed control in Kansas. He reported that the U.S. Senate recently passed legislation (S. 144) authorizing \$100 million a year to states for invasive species control programs. A copy of this legislation is attached to his testimony. (Attachment 2)

There being no other conferees, the Chairman closed the hearing and opened discussion on **SCR 1610**.

Representative Feuerborn moved to recommend SCR 1610 favorable for adoption. Seconded by Representative Ostmeyer, the motion passed.

Discussion and action on SB 145 - Abolishing state board of agriculture.

Chairman Johnson opened discussion on **SB 145**.

Representative Feuerborn moved to amend SB 145 by removing the language in SB 145 and substituting the language in SB 46, as amended by the committee on March 19, and to rename the bill House Substitute for SB 145. SB 46 amends the Kansas pet animal act. Seconded by Representative Light, the amendment passed.

Representative Feuerborn moved to recommend SB 145, as amended, favorable for passage. Seconded by Representative Kassebaum, the motion carried.

Hearing and action on HCR 5017 - Concurrent Resolution urging USDA to implement country of origin labeling for beef.

Chairman Johnson opened the hearing on **HCR 5017**. Raney Gilliland reminded the committee that country of origin labeling of beef was included in the federal 2002 farm bill. He noted that it is a voluntary program until September 30, 2004, when it will become mandatory. He explained that this resolution urges the United States Department of Agriculture to work to capture both the Congressional spirit and intent of mandatory country of origin labeling of beef through the promulgation of rules that maximize benefits to both United States producers and consumers while minimizing costs to producers, processors, and retailers.

Mike Schultz, Executive Director, Kansas Cattlemen's Association, testified in support of **HCR 5017** for a common sense country of origin labeling law. The resolution clearly states that importing handlers must carry import documentation with each animal and provide that information to each buyer of that animal until the animal is slaughtered. The resolution is very direct in spelling out "label the imports," and unless U.S. cattle leave this country, they are all eligible for a U.S.A. label. With his testimony is a copy of KCA's comments to USDA on the Issuance of Guidelines for Voluntary Country of Origin Labeling. (Attachment 3)

Daryl Larson, Vice-President, Kansas Cattlemen's Association, and board member of the Kansas Farmers Union, appeared in support of **HCR 5017**. He feels this resolution is an important way for the state of Kansas to show support for Kansas producers. He believes that consumers have a right to know where their food comes from and producers in the United States should not be forced to prove that their livestock is of U.S. origin when it has never been out of the country. (Attachment 4)

David Pfrang, member of the Kansas Cattlemen's Association and R-Calf, testified in support of **HCR 5017**. He believes this resolution will help push the United States Department of Agriculture to act quickly to implement the country of origin labeling law the way Congress intended and ensure that U.S. consumers get the information they want about their food. (Attachment 5)

E. T. Anderson read testimony submitted by Danni Beer, R-Calf United Stockgrowers of America, in support of **HCR 5017**. Mr. Beer stated that USDA's burdensome guidelines released October 8, 2002, have been

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MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE at 3:30 p.m. on March 24, 2003, in Room 423-S of the Capitol.

the source of much confusion and misinterpretation for producers and the food industry. He quoted Secretary of Agriculture Veneman's instructions to her staff "to enforce the country of origin labeling law in a manner that will be the least burdensome for producers." Also reminding her staff that "there is nothing in the country of origin labeling law that requires third party verification." ([Attachment 6](#))

Wanda Kinney, Kansas Cattlemen's Association, appeared in support of **HCR 5017** and country of origin labeling. She discussed various products labeled and sold in the United States by country of origin. She stated that with 90-95% of the beef consumed in America having been produced here, it would be so simple to mandate that imports be identified and labeled as such. With her testimony she attached a list of countries and their labeling requirements for beef products. ([Attachment 7](#))

Donn Teske, President, Kansas Farmers Union, testified in support of **HCR 5017** and a country of origin labeling law. He believes the most practical and effective method to verify the country of origin for livestock is to accurately identify the minority of imported livestock ineligible for a U.S. label. He stated that this is already being done by federal agencies; it's just a matter of coordinating existing programs. ([Attachment 8](#))

Todd Johnson, Governmental Affairs Staff, Kansas Livestock Association, presented testimony concerning **HCR 5017**. KLA policy supports a voluntary, market-driven approach to meat labeling; they oppose a mandatory government run program. He reported that during the development of voluntary guidelines, KLA communicated producer concerns to USDA (copy attached). KLA proposed that the least costly system of identification would be to utilize the already required identification of imported cattle; this identification would remain with those animals until slaughter. By default, those cattle not identified as imported cattle would be considered of U. S. origin. He also included a copy of a letter from KLA asking USDA for clarification of country of origin labeling guidelines. KLA suggested redirecting this resolution to Congress, rather than USDA, asking for further clarification of their intent of the law. A proposed resolution is included with his testimony. ([Attachment 9](#))

Leslie Kaufman, State Director, Governmental Relations, Kansas Farm Bureau, shared conceptual support of **HCR 5017**. She reported that overall KFB is pleased with the progress in implementing the country of origin labeling program, but does have some concerns about the proposed regulation. She stated that KFB and American Farm Bureau Federation are submitting formal comments to the Agricultural Marketing Service (AMS) of the USDA regarding the proposed guidelines for voluntary country of origin labeling. KFB believes there is a "model" certification program already in existence that the Agricultural Marketing Service should consider. KFB suggests that AMS use the Market Access Program (MAP) as a model. USDA has operated the MAP program for well over a decade with excellent results. She suggested that since an official docket is open at AMS, a copy of **HCR 5017** be sent, not only to USDA in general, but to the Agricultural Marketing Service USDA as well. ([Attachment 10](#))

Larry Brack, President, Kansas Cattlemen's Association, submitted written testimony in support of **HCR 5017** urging the United States Department of Agriculture to implement country of origin labeling. ([Attachment 11](#))

Nathan Pike, a member of the Kansas Cattlemen's Association and R-CalfUSA, provided written testimony in support of **HCR 5017** stating that the country of origin labeling bill, as written and signed by the president, was never intended to put the burden of proof and cost on the producers. ([Attachment 12](#))

Donald Cress, Council Grove, submitted written testimony in support of **HCR 5017**. He states that if country of origin labeling is allowed to function as the law was originally written, it would be fair to all parties concerned. ([Attachment 13](#))

Donald Peterson, Santa Fe Agricultural Services, Council Grove, provided written testimony in support of **HCR 5017** stating that country of origin labeling is the appropriate action to be taken for the benefit of the United States consumer and producer. ([Attachment 14](#))

As there were no opponents, the hearing on **HCR 5017** was closed. Chairman Johnson opened the floor for discussion.

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MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE at 3:30 p.m. on March 24, 2003, in Room 423-S of the Capitol.

Representative Larkin moved to amend **HCR 5017** to send a copy of the resolution to the Agricultural Marketing Service USDA, in addition to USDA in general, as proposed by Kansas Farm Bureau. Seconded by Representative Ostmeyer, the motion carried.

Representative Larkin moved to recommend **HCR 5017**, as amended, favorable for adoption. The motion was seconded by Representative Feuerborn. The motion carried.

Representative Feuerborn requested introduction of a committee bill with the same content as **SB 145**, as amended in the Senate, in regard to the appointment of the secretary of agriculture by the governor. Seconded by Representative Light, the motion passed.

The meeting adjourned at 5:15 p.m. No further meetings of the House Agriculture Committee are scheduled for the 2003 legislative session.

HOUSE AGRICULTURE COMMITTEE GUEST LIST

DATE: March 24, 2003

NAME	REPRESENTING
Mike Beam	Ks, LUSTK. ASEN,
Debra Duncan	KAHID
Rebecca Hunt	KS Dept of Agriculture
Donald Cross	KCA
Dominic Dabych	KCA
Opt Tatz	KCA
Don M. Reyer	KCA
Donna Bush	Ka Farmers Union
Charles Long	KCA
E. J. Anderson	KCA
John J. Cox	K.C.A.
Leonard Edelman	K.C.A.
Becki Rhoades	KS. Dept. of Comm. Ag Mktg.
Mike Loto	KCA
Mike Schatz	KCA
David E. Pfang	KCA
Leon W. Schroeder	KCA
Leslie Kaufman	KFB
Todd Johnson	KLA



Kansas Farm Bureau

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Public Policy Statement

HOUSE COMMITTEE ON AGRICULTURE

**RE: SCR 1606 and SCR 1610 – concerning
sericea lespedeza and CRP lands.**

**March 24, 2003
Topeka, Kansas**

**Presented by:
Leslie Kaufman, State Director
KFB Governmental Relations**

Chairman Johnson and members of the House Agriculture Committee, thank you for the opportunity to present testimony in support of SCR 1609 urging cooperation with landowners when sericea lespedeza is found on CRP land and SCR 1610 encouraging availability of federal cost share dollars for controlling sericea.

Control and eradication of noxious weeds is a concern of farmers and ranchers across the state. The past few years have seen a significant increase in the number of acres of land, particularly pasture and rangeland, infested with sericea lespedeza.

Our members strongly encourage all landowners, public and private, to control noxious weeds on their land. The following statements are included in our 2003 Farm Bureau Resolutions as part of our noxious weed policy:

- We support the current shared responsibility for compliance and implementation of the noxious weed law between landowners, counties and the state.
- All private landowners, including absentee landowners, governmental entities, railroads, rail trail sponsors and utilities holding or managing land should control and work toward eradicating noxious weeds.
- Control procedures and cost-share should include the use of herbicides, cultural practices and biological methods.

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Attachment 1

- To assist landowners in controlling all noxious weeds, including sericea lespedeza, we support additional state, federal, and industry funding that is required to increase research needed to develop more effective products, procedures and practices.
- We encourage the partnering of governments, on all levels, private landowners, agricultural chemical companies and others to implement effective control programs.

SCR 1609 and SCR 1610 are compatible with these policy positions and represent a commitment by the state to encourage increased federal cooperation addressing sericea lespedeza infestations. We appreciate the federal dollars that have already been channeled from USDA to Kansas and hope to see additional monies available in the future. It is extremely important that government agencies work cooperatively, not punitively, with landowners to help control this invasive species.

We appreciate the amendments made by the Senate Agriculture Committee on SB 1609 and support the amended version of both resolutions.

Thank you.



Since 1894

TESTIMONY

To: The House Agriculture Committee
Representative Dan Johnson, Chairman

From: Mike Beam, Sr. Vice President

Date: March 24, 2003

Subject: **SCR 1610** - Resolution supporting federal cost share for noxious weed control.

The Kansas Livestock Association (KLA), formed in 1894, is a trade association representing over 6,000 members on legislative and regulatory issues. KLA members are involved in many aspects of livestock production, including cow-calf/stocker enterprises, cattle feeding, seed stock production and diversified farming operations.

Kansas ranked third nationally with 6.6 million cattle on ranches and in feed yards as of January 1, 2002. The state's beef industry consumes 72% of the corn, 16% of the soybeans, and 60% of the hay grown in Kansas. Cattle sales typically generate nearly two-thirds of all annual agricultural receipts.

The Kansas Livestock Association (KLA) appreciates this chance to encourage legislative support for federal cost share assistance for noxious weed control in Kansas. We have appeared before this committee on several occasions in recent years to stress the economic challenges of controlling noxious weeds, especially sericea lespedeza, on pasture and rangeland. In some instances, the cost to apply herbicide for sericea lespedeza on grazing lands is over 70% of the annual rental income value.

As a matter of information, the U.S. Senate recently passed legislation (S. 144) authorizing \$100 million a year to states for invasive species control programs. I've attached a copy of this legislation. This federal bill would help Kansas and we urge the Kansas Legislature and the Kansas Congressional delegation to support this bill.

Again, we support this resolution and other attempts by the Kansas Legislature, to find ways to help our state's landowners with this important issue.

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Attachment 2

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Bill 1 of 4

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Noxious Weed Control Act of 2003 (Engrossed as Agreed to or Passed by Senate)

S 144 ES

108th CONGRESS

1st Session

S. 144**AN ACT**

To require the Secretary of the Interior to establish a program to provide assistance through States to eligible weed management entities to control or eradicate harmful, nonnative weeds on public and private land.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the 'Noxious Weed Control Act of 2003'.

SEC. 2. DEFINITIONS.

In this Act:

- (1) NOXIOUS WEED- The term 'noxious weed' has the same meaning as in the Plant Protection Act (7 U.S.C. 7702(10)).
- (2) SECRETARY- The term 'Secretary' means the Secretary of the Interior.
- (3) STATE- The term 'State' means each of the several States of the United States, the

District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Commonwealth of the Northern Mariana Island, and any other possession of the United States.

(4) INDIAN TRIBE- The term 'Indian tribe' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(5) WEED MANAGEMENT ENTITY- The term 'weed management entity' means an entity that--

(A) is recognized by the State in which it is established;

(B) is established by and includes local stakeholders, including Indian tribes;

(C) is established for the purpose of controlling or eradicating harmful, invasive weeds and increasing public knowledge and education concerning the need to control or eradicate harmful, invasive weeds; and

(D) is multijurisdictional and multidisciplinary in nature.

SEC. 3. ESTABLISHMENT OF PROGRAM.

The Secretary shall establish a program to provide financial assistance through States to eligible weed management entities to control or eradicate weeds. In developing the program, the Secretary shall consult with the National Invasive Species Council, the Invasive Species Advisory Committee, representatives from States and Indian tribes with weed management entities or that have particular problems with noxious weeds, and public and private entities with experience in noxious weed management.

SEC. 4. ALLOCATION OF FUNDS TO STATES AND INDIAN TRIBES.

The Secretary shall allocate funds to States to provide funding to weed management entities to carry out projects approved by States to control or eradicate noxious weeds on the basis of the severity or potential severity of the noxious weed problem, the extent to which the Federal funds will be used to leverage non-Federal funds, the extent to which the State has made progress in addressing noxious weed problems, and such other factors as the Secretary deems relevant. The Secretary shall provide special consideration for States with approved weed management entities established by Indian Tribes, and may provide an additional allocation to a State to meet the particular needs and projects that such a weed management entity will address.

SEC. 5. ELIGIBILITY AND USE OF FUNDS.

(a) REQUIREMENTS- The Secretary shall prescribe requirements for applications by States for funding, including provisions for auditing of and reporting on the use of the funds and criteria to ensure that weed management entities recognized by States are capable of carrying out projects, monitoring and reporting on the use of funds, and are knowledgeable about and experienced in noxious weed management and represent private and public interests adversely affected by noxious weeds. Eligible activities for funding shall include--

(1) applied research to solve locally significant weed management problems and solutions,

except that such research may not exceed 8 percent of the available funds in any year;

(2) incentive payments to encourage the formation of new weed management entities, except that such payments may not exceed 25 percent of the available funds in any year; and

(3) projects relating to the control or eradication of noxious weeds, including education, inventories and mapping, management, monitoring, and similar activities, including the payment of the cost of personnel and equipment that promote such control or eradication, and other activities to promote such control or eradication, if the results of the activities are disseminated to the public.

(b) **PROJECT SELECTION-** A State shall select projects for funding to a weed management entity on a competitive basis considering--

(1) the seriousness of the noxious weed problem or potential problem addressed by the project;

(2) the likelihood that the project will prevent or resolve the problem, or increase knowledge about resolving similar problems in the future;

(3) the extent to which the payment will leverage non-Federal funds to address the noxious weed problem addressed by the project;

(4) the extent to which the weed management entity has made progress in addressing noxious weed problems;

(5) the extent to which the project will provide a comprehensive approach to the control or eradication of noxious weeds;

(6) the extent to which the project will reduce the total population of a noxious weed;

(7) the extent to which the project uses the principles of integrated vegetation management and sound science; and

(8) such other factors that the State determines to be relevant.

(c) **INFORMATION AND REPORT-** As a condition of the receipt of funding, States shall require such information from grant recipients as necessary and shall submit to the Secretary a report that describes the purposes and results of each project for which the payment or award was used, by not later than 6 months after completion of the projects.

(d) **FEDERAL SHARE-** The Federal share of any project or activity approved by a State or Indian tribe under this Act may not exceed 50 percent unless the State meets criteria established by the Secretary that accommodates situations where a higher percentage is necessary to meet the needs of an underserved area or addresses a critical need that can not be met otherwise.

SEC. 6. LIMITATIONS.

(A) **LANDOWNER CONSENT; LAND UNDER CULTIVATION-** Any activity involving real

property, either private or public, may be carried out under this Act only with the consent of the landowner and no project may be undertaken on property that is devoted to the cultivation of row crops, fruits, or vegetables.

(b) COMPLIANCE WITH STATE LAW- A weed management entity may carry out a project to address the noxious weed problem in more than one State only if the entity meets the requirements of the State laws in all States in which the entity will undertake the project.

(c) USE OF FUNDS- Funding under this Act may not be used to carry out a project--

(1) to control or eradicate animals, pests, or submerged or floating noxious aquatic weeds;
or

(2) to protect an agricultural commodity (as defined in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602)) other than--

(A) livestock (as defined in section 602 of the Agricultural Trade Act of 1949 (7 U.S.C. 1471); or

(B) an animal- or insect-based product.

SEC. 7. RELATIONSHIP TO OTHER PROGRAMS.

Assistance authorized under this Act is intended to supplement, and not replace, assistance available to weed management entities, areas, and districts for control or eradication of harmful, invasive weeds on public lands and private lands, including funding available under the 'Pulling Together Initiative' of the National Fish and Wildlife Foundation, and the provision of funds to any entity under this Act shall have no effect on the amount of any payment received by a county from the Federal Government under chapter 69 of title 31, United States Code (commonly known as the Payments in Lieu of Taxes Act).

SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

To carry out this Act there is authorized to be appropriated to the Secretary \$100,000,000 for each of fiscal years 2003 through 2007, of which not more than 5 percent of the funds made available for a fiscal year may be used by the Secretary for administrative costs of Federal agencies.

Passed the Senate March 4, 2003.

Attest:

Secretary.

108th CONGRESS

1st Session

S. 144

Kansas Cattlemen's Association

P.O.BOX 251
BREWSTER, KANSAS 67732

House Agriculture Committee Hearing
House Concurrent Resolution #5017
Country of Origin Labeling
March 24, 2003

Chairman Johnson and members of the committee,

My name is Mike Schultz, from Brewster, Kansas. I am Executive Director of the Kansas Cattlemen's Association. I own and operate a cow-calf operation and dry land farm. I own several other business ventures but the majority of income comes from agriculture. I am here today to ask for support and provide information on House Concurrent Resolution #5017. This resolution should be heard and then passed on to the entire legislative bodies of the House and Senate for what I believe should be unanimous support. We then can send a strong message to our Congressional members in Washington with a common sense Country of Origin Labeling law. Only then will we as U.S.A. producers be able to differentiate our product from imports for very little cost. Please give us that chance.

This resolution should help eliminate all of the misleading rhetoric and propaganda about the third party verification and cost on mandatory country of origin labeling. Remember, we are only in the rulemaking period offered by USDA. So with correct information, how can all of these costs and verification issues be more than just scare tactics? A majority of producers believe in Country of Origin labeling just the way this resolution was written. First, I want to give you the exact wording from the Farm Bill language that passed on Mandatory Country of Origin Labeling. These line items are taken exactly as it was written in Subtitle D no rhetoric just the facts:

"SEC. 282. NOTICE OF COUNTRY OF ORIGIN

"(1) REQUIREMENT - Except as provided in subsection (b), a retailer of a covered commodity **shall** inform consumers, at the final point of sale of the covered commodity to consumers, **of the country of origin of the covered commodity**.

"(2) **UNITED STATES COUNTRY OF ORIGIN** - A retailer of a covered commodity **may designate** the covered commodity as having a United States country of origin only if the covered commodity -

"(A) in the case of beef; is **exclusively** from an animal that is exclusively born, raised, and slaughtered in the United States (including from an animal exclusively born and raised in Alaska or Hawaii and transported for a period not to exceed 60 days through Canada to the United States and slaughtered in the United States);

"(d) **AUDIT VERIFICATION SYSTEM** - The Secretary **may require** that any person that prepares, stores, handles, or distributes a covered commodity for retail sale

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Attachment 3

maintain a verifiable record keeping audit trail that will permit the Secretary to verify compliance with this subtitle

Where in Subtitle D does it say producers shall provide an audit trail to Origin of Producer? It does say that retailers under item (2) United States Country of Origin “**MAY DESIGNATE** United States Country of Origin”, but it does not say **SHALL**. **It does say SHALL in item (1) addressing all other covered commodities.**

Remember in item (2) only those exclusively born, raised and slaughtered are eligible as United States Country of Origin and the USDA just finished taking public comments on the wording of the Mandatory guidelines.

This resolution clarifies and specifically states what KCA has supported and worked on for over four years. It does state that importing handlers must carry import documentation with each animal and provide that information to each buyer of that animal until the animal’s life is ended. HCR 5017 is very direct in spelling out LABEL THE IMPORTS and unless U.S. cattle leave this country, they are all eligible for a U.S.A. label. It allows U.S. producers to market our beef with a U.S.A. label no different than Tyson labeling their product. The reasons are very simple: First, cost would be minimal and rewards for every segment of the USA cattle industry would be significant. Second, only those cattle moving in and out of our country would be verified, documented and tracked.

In closing, today we all are offered a choice from here on out. You are either working for the U.S.A. producers or the importers. We ask that you support and pass this resolution in a timely manner, then proceed with allowing this resolution to become a legislative bill to give further direction to the USDA during the rule making process of Mandatory Country of Origin Labeling. I have included KCA’s recommendations for your reference to the USDA’s Issuance of Guidelines filed during the comment period. I now stand for questions.

Respectfully submitted,

Mike Schultz KCA Executive Director

February 19, 2003

From: Michael L. Schultz
Co-Founder, Past President and Executive Director
Kansas Cattlemen's Association
P.O. Box 251
Brewster, Kansas 67732

To: Country of Origin Labeling Program
Agricultural Marketing Service
USDA STOP 0249
1400 Independence Ave. SW
Washington, DC 20250-0249

USDA Country of Origin Labeling Staff:

Re: Comments from the Kansas Cattlemen's Association on the Issuance of Guidelines for Voluntary Country of Origin Labeling

The Kansas Cattlemen's Association (KCA) is pleased to offer and provide comments on the issuance of guidelines for the voluntary implementation of the mandatory country of origin labeling law (Act). KCA appreciates USDA's solicitation of public input in its efforts to maintain continuity between implementation of both voluntary and mandatory labeling.

KCA is a non-profit state cattle/beef producer association. KCA is an affiliate member and fully supports R-CALF USA for national representation. Our KCA members are located in 24 states representing over 1300 producers who have ownership or control of well over 1 million head of cattle in the U.S.A.. KCA has seen a rapid growth in membership in 2002 increasing by 65% and supporting revenues are up by 349%. This is unmatched in the industry! KCA's main interest is on restoring competitive markets and fair trade matters of interest to cow-calf operators, backgrounders, independent feedlot operators as well as restoring profitability back to the rural communities together with the farmer and rancher.

KCA also wants to help by having provided as an attachment a current and non biased study whereby showing the producer and consumer support in Country of Origin Labeling (**See the Attachment: Beef Study**). This study had a 40% response by a private company doing the work and expense. KCA's only influence was to provide the idea for a study in that we now have information available that is accurate and credible on issues in agriculture. The study only accessed and used what they thought would be a non supporting group, being those with incomes of over \$100,000.00.

We would like to point out those systems already in place will ease the transition to mandatory country of origin labeling. For example, beef bound for the school lunch program is already certified for domestic origin, slaughter plants already segregate beef by grade, and those grade labels already follow products to the grocery store meat counter. In addition, imported meats and produce are already required to be labeled by country of origin at their port of entry and those labels follow products to retail outlets.

Remembering that several states already require retail country of origin labeling for various food products and the cost of these programs has been very modest.

Cost of implementing Country of Origin Labeling will be nothing in comparison as to what we as U.S.A. producers will receive by fair labeling laws and competing in a global market allowing everyone to differentiate product from those who import. Remembering those who import into the U.S.A. are allowed access to the best market in the world and have an unfair advantage since they do not have to label their product whereby allowing imports to be sold currently in the United States as United States born, fed and slaughtered cattle and beef.

KCA also fully understands the current market power and dominance of the few BIG retailers in the food retail industry involved in this process. For a precise understanding about grocery retailing market power and dominance go to www.friendsforfairness.com by Charlie McVean from Memphis, TN.

The USDA has had a voluntary geographic labeling program since at least the early 70s, though the program was not widely used. The reason for this appears to be that unless all segments of the beef industry jointly participate to affect a geographic label, any one of the distinct industry segments can disqualify a product's eligibility by simply declining to participate in the program. In other words, labeling under the program would only occur if the live cattle producer voluntarily substantiated that the animal's origin was a specific geographic region; the processor voluntarily agreed to segregate the product to maintain the integrity of the geographic substantiation throughout the processing phase; and the retailer voluntarily agreed to affix the appropriate geographic label on the product. The new voluntary labeling program will require this degree of inter-industry cooperation in order to be successful.

To accomplish this heightened level of cooperation, USDA must provide an incentive to encourage each of the three industry segments to participate in the voluntary program. Lacking a more creative solution to impart such needed incentives within the present industry structure, and given the fact that country of origin labeling is scheduled to become mandatory in two years, KCA supports R-CALF USA in guidance in that they recommend that USDA adopt interim rules with which to implement mandatory labeling from the outset. However, pending the September 30, 2004, implementation date for mandatory labeling, the retailer's decision regarding whether to retain the country of origin label upon final sale of the product would be left voluntary. In support of this recommendation, it should be noted that the mandate for labeling is a mandate on the retailer of the covered commodity, but the retailer is necessarily dependent upon the product's origin identification and segregation by the two principle upstream suppliers – packers and producers.

KCA accepts and supports the following comments and statements by R-CALF USA:

R-CALF USA, therefore, offers the following comments with an eye toward the establishment of comprehensive country of origin labeling rules to allow any retailer, inclusive of exporters and food service establishments, the opportunity to label beef and ground beef at their discretion, beginning September 30, 2002. R-CALF USA's specific comments include only beef and cattle but could be applied to lamb and lambs and pork and hogs. It views the process of establishing guidelines to accommodate beef and cattle as necessitating the following four distinct categories.

Part I: Determining Eligibility of Beef Derived From Live Cattle Slaughtered in the United States for the United States Label

Part II: Segregating Domestic and Imported Beef During the Processing/Slaughtering Phase To Retain the Proper Country of Origin Label

Part III: Communicating Information Regarding the Origin of Beef from Packer to Retailer, Maintaining an Auditable Trail of that Communication, and Achieving Compliance Through Enforcement and Fines

Part IV: Labeling Beef with Multiple Countries of Origin, Including Live Cattle Transshipped from a Third Country

R-CALF USA previously submitted comments on Part I to USDA on May 31, 2002. R-CALF USA will summarize its May 31, 2002, submission here and will thereafter address Part II through Part IV.

PART I: Summary of R-CALF USA's May 31, 2002, Submission on Determining the Eligibility of Beef Derived From Live Cattle Slaughtered in the United States for the United States Label

The preponderance of live cattle slaughtered in the United States are born, raised, and slaughtered in the United States and, therefore, eligible for the United States label. It is only through the physical act of importing a live animal from a foreign country that causes a disqualification for the United States label. This single disqualifying factor for eligibility for the United States label is already tracked by USDA-APHIS for other purposes, principally safety, through health certificates. These health certificates can be combined with the issuance of a certificate of importation to provide clear evidence that an animal has been imported. Moreover, these health certificates and the proposed Certificate of Importation would

identify the importing country. In addition, the practice of physically identifying imported live animals is currently accomplished with permanent ear tags affixed to Mexican live cattle imports, cattle tested for Brucellosis, as well as U.S. cattle exported to Canada, and this practice could readily be expanded to include imports from all countries.

To accomplish the objective of determining eligibility of live cattle slaughtered in the United States for the United States label, R-CALF USA recommends:

1. USDA should require all importers of cattle to obtain an import permit. Each permit holder would be required to file an annual report. All subsequent buyers of imported cattle should also be required to obtain a permit and would be subject to reporting requirements.
2. USDA should require that all animals imported into the United States be affixed with a permanent ear tag similar to the tag used on Mexican cattle, the tag required by the Canadian Food Inspection Agency (CFIA) and approved by the Canadian Cattle Identification Agency (CCIA), or the Brucellosis tag used in the United States. Color-coded ear tags could be used to denote the country of import. Imported fat cattle destined for slaughter and transported in sealed trucks could be exempted from this requirement, provided these cattle were accompanied by proper import documentation. [Note addition of CCIA since original submission]
3. USDA should issue a "Certificate of Importation" for all imported cattle, with each certificate referencing the original USDA-APHIS health certificate accompanying the imported cattle.
4. The copy of the Certificate of Importation should be required to remain with any of the imported cattle that are transferred to any new owner at the time of resale, or to the packer at time of slaughter. [Note addition of a "copy" of the certificate to remain with any imported cattle. This is a revision to the original submission.]
5. At the time of transfer from the permit holder to another buyer, the permit holder would report the sale to USDA and the buyer would have a reasonable time period with which to obtain a permit. If the transfer were to a packer, the packer would additionally submit a report of slaughter of the transferred cattle to USDA.
6. Packers should be required to file quarterly reports of all imported cattle slaughtered during the year. [Note change in reporting frequency. Original submission suggested annual reports.]

USDA should conduct annual audits of both permit holders and packers to ensure proper disclosure of all live cattle ineligible for the United States label upon delivery to the packer. [Note change in audit frequency. Original submission suggested periodic audits.]

R-CALF USA believes this proposal represents a reasonable, efficient and low-cost means of determining the eligibility for a United States label, or a label denoting the country from which the cattle were imported. In the event that USDA finds it necessary to verify the origins of domestic cattle, R-CALF USA recommends that a system of affidavits be used similar to that presently used by producers to certify that they have not fed ruminant byproducts to their cattle.

A complete copy of R-CALF USA's May 31, 2002, submission of Part I is attached.

PART II: Segregating Domestic and Imported Beef During the Processing/Slaughtering Phase To Retain the Proper Country of Origin Label

According to the official listing of USDA domestic product suppliers dated July 19, 2002, there are 49 U.S. beef packing plants eligible to provide meat products to the Federal Purchase Program. USDA approves these plants as either Domestic Only facilities or facilities with approved Segregation Plans. In addition to many smaller packers, included on the list are plants owned by the nation's four largest packers:

ConAgra, Excel, IBP, and National Beef. This model can be applied to all other U.S. packing and processing facilities following certain modifications needed to accommodate the Act.

Packers, processors, wholesalers and retailers have demonstrated their ability to segregate separately labeled products as exemplified by the numerous branded beef products in the market place today. The segregation of products to enable the proper labeling of muscle cuts of beef and ground beef can be readily accomplished using the industry's present models and technology.

A. USDA should mandate that meat processors that process both domestic and imported live cattle and beef implement an approved segregation plan.

USDA should modify the current model employed by the audit and approval program presently used in the Domestic Origin Verification Program of the Audit, Review, and Compliance Branch for establishing processor eligibility to supply meat and meat products to the Federal Purchase Program as contractors and/or subcontractors. The program would require slight revisions to comport with the new country of origin labeling law. The revisions would include:

1. The "Domestic Origin Verification Program" should be renamed "Country of Origin Verification Program."
2. The proposed Country of Origin Verification Program should be made mandatory under interim rules beginning on September 30, 2002.
3. Revise the definition of domestic product to include only products manufactured from livestock exclusively born, raised, and slaughtered in the United States. There should be no change in the USDA's treatment of United States territories and possessions.
4. The current Segregation Plan under the Domestic Origin Verification Program should be revised to include:
 - i. A plan to segregate and to retain the identity of meat derived from cattle exclusively born, raised, and slaughtered in the United States, and
 - ii. a plan to segregate animals transported from an importing country directly to a United States slaughter plant and to retain the identity of the importing country on the resulting beef (to accommodate fed cattle arriving in sealed trucks without ear tags), and
 - iii. a plan to segregate and to retain the identity of beef derived from cattle ineligible for the United States label by virtue of spending a portion of their life cycle in a foreign country.
 - iv. a plan to segregate and to retain the origin designation of imported beef or beef products intended either for further processing or for purposes of commingling with either domestic beef or beef products or beef or beef products from yet another importing country.
5. Revise both the annual compliance audit and quarterly surveillance audit to include each of the plans listed in 4. i. through iv. above.

B. USDA should mandate that meat processors which exclusively process animals exclusively from livestock born, raised, and slaughtered in the United States to register with the proposed Country of Origin Verification Program and to immediately report if its domestic only status is changed.

Packing and processing facilities that do not currently handle imported cattle, beef, or beef products should register with the Country of Origin Verification Program as a Domestic Only facility. If the

Domestic Only facility plans to begin handling imported cattle or beef products, it must first obtain approval of a Segregation Plan as discussed in A above prior to handling any imported cattle or beef.

PART III: Communicating Information Regarding the Origin of Beef from Packer to Retailer, Maintaining an Auditable Trail of that Communication, and Achieving Compliance Through Enforcement and Fines

A. Communicating Information Regarding Origin of Beef from Packer to Retailer

The procedures for monitoring compliance and enforcement should not and need not be onerous. The determination and conveyance of origin designation from the live cattle producer, backgrounder, feeder, and importer to the packer, along with establishing an auditable trail for ensuring compliance was discussed in Part I. The determination and conveyance of origin designation for imported beef carcasses, beef, and beef products from an importing country to a U.S. packer, processor, wholesaler, or retailer in their original shipping container is achieved under the current trade law administered by the USDA Food Safety Inspection Service (FSIS). It is only the actions subsequent to the removal of the products from their original shipping container that the USDA must address in connection with the Act.

The discussion in Part II above describes an approved Segregation Plan that packers and processors must adopt and USDA must approve if they are recipients of imported beef or beef products. The requisite approval by USDA of the Segregation Plans contemplated in Part II includes approval of the procedure to be used to retain the origin designation throughout the slaughter and processing stage, not unlike the current practice presently used for the current Federal Purchase Program.

Retailers must rely upon the accurate conveyance of a product's origin designation from either the imported product's original shipping container, a wholesaler (who may receive the product in its original shipping container or from a packer or processor), a processor (who may receive the imported product in its original container or from a packer), or a packer (who may also receive an imported product in its original container, from a live cattle producer, or from their own live cattle inventories). In all cases, the retailer's ability to accurately label a product is dependent upon the accuracy of information communicated by upstream suppliers. Therefore, USDA's plan for monitoring compliance and for enforcement beyond the reporting requirements for phase of live cattle suppliers (Part I) and the implementation of a Segregation Plan (Part II) should focus on the accurate conveyance between the retailer and the packer/processor supplying the product.

B. Maintaining an Auditable Trail of the Communication Regarding Country of Origin

In addition to the reporting of imported cattle discussed in Part I, and the Segregation Plan Audits discussed in Part II, USDA should require reporting from all persons who supply imported beef carcasses, beef and beef products (beef importers) to U.S. processors, wholesalers, and retailers. Such reporting should include the volume and nature of imports along with the name of the purchaser. This reporting will enable USDA to ensure that imports arriving in the form of beef carcasses, beef, and beef products are funneled into the same food distribution system as are products derived from imported live cattle, all of which would be subject to USDA's oversight. In the case of retailers and wholesalers, conventional documentation accompanying purchases that identifies product sources would suffice for maintaining an auditable trail.

C. Achieving Compliance through Enforcement and Fines

Monitoring compliance at the retail level could be accomplished with a cooperative agreement between USDA and each state's food safety inspection programs. In establishing such a program, USDA should review the program instituted by the state of Florida to implement its state's preexisting labeling law. It is R-CALF USA's understanding that the Florida model for monitoring compliance is relatively streamlined and involves periodic spot checks of retail stores conducted by state employed inspectors. Monitoring compliance at the packer/processor level could be accomplished with a cooperative agreement with state programs that inspect state inspected plants, and by USDA inspectors that already

inspect USDA inspected plants. Again, a periodic spot check of the accuracy of the labels could be conducted on products leaving the plant.

If USDA receives a complaint regarding inaccurate labeling or if periodic spot checks reveal discrepancies, USDA should conduct an investigation to identify the party or parties responsible for the non-compliance.

Truth in labeling should not be taken lightly. The U.S. cattle industry has spent nearly \$1 billion under a government-mandated program for research, promotion, and education, in part to strengthen consumer confidence in beef. The U.S. cattle industry was also a global leader in pursuing regulations to ban the feeding of ruminant byproducts to prevent outbreaks of BSE. Country of origin labeling is the best tool U.S. producers have to maintain consumer confidence in beef derived from the U.S. cattle herd if a disease such as BSE is ever detected in imported beef products. Therefore, R-CALF USA recommends a stringent and progressive penalty schedule for individuals who violate the Act.

During the initial and voluntary phase of the Act's implementation, fines should be sufficient to act as a meaningful deterrent to inaccurate labeling, but also realistic in recognition of unforeseen difficulties that may arise during start-up. Therefore, R-CALF USA recommends that fines be progressive with the first finding of a party willfully affixing an inaccurate label during the first year of voluntary labeling leading to a written warning. Fines sufficient to discourage violations should apply to subsequent violations and repeated offenders should face a suspension from handling imported cattle, beef, and beef products.

PART IV: Labeling Beef with Multiple Countries of Origin, Including Live Cattle Transshipped from a Third Country

The Act establishes a standard for determining a United States origin from birth to slaughter, but does not include further processing of beef as a criterion for determining such origin. Therefore, if imported beef carcasses, beef, or beef products are further processed, i.e., removed from their container or packages and cut up, and/or repackaged by a United States processor, the final product shall retain the original country of origin label of the country from which the derivative beef carcasses, beef, or beef products was imported and the "United States" shall not be included on the label.

With respect to criterion that is included in the Act, there are two options USDA may want to consider regarding the contents of a label associated with muscle cuts of beef or ground beef at the retailer, including exporter, level. R-CALF USA believes Congress made it very clear about what muscle cuts of beef may have a United States label and that ground beef must be labeled with its country of origin. Given Congress's mandate, R-CALF USA recommends that USDA implement the first option, Option A, below as an interim rule. Option A meets Congress's mandate and does not require any additional level of international harmonization than what currently exists in order to be nondiscriminatory.

Option A

The United States label shall be reserved exclusively for beef derived exclusively from cattle born, raised, and slaughtered in the United States. Muscle cuts of beef and ground beef either imported or derived from imported cattle shall bear the label of the country from which the beef or cattle were imported, regardless of the length of time the cattle spent in the importing country or in the United States during any phase of its production cycle. The single exception would be the provision within the Act concerning the transport of cattle from Alaska and Hawaii. A ground beef label, however, would include each country from which any of the commingled beef or beef product originated, i.e., either listing each country included in the specific ground beef product or each country from which the grinder sources its beef for grinding. The "United States," however, should only be listed on the ground beef label if beef derived exclusively from cattle born, raised, and slaughtered in the United States was commingled in the final ground beef product.

Under current international harmonization of country of origin labeling, Option A is an appropriate means of implementing the labeling requirements of the Act. Lacking further international harmonization, any

variation of Option A would be discriminatory toward any imported beef or beef product derived from animals not slaughtered in the United States. Such imported beef or beef products would be relegated by current international standards to bear only the label of the country in which it was either slaughtered or transformed. Therefore, should the United States attempt to afford muscle cuts of beef or ground beef derived from cattle slaughtered in the United States with a multi-country label based on where the cattle spent its distinct production phases, e.g., born in the United States, raised in Canada, and slaughtered in the United States, such beef from imported cattle slaughtered in the United States would receive preferential treatment by having a more descriptive label.

In addition, any deviation from Option A, i.e., a multiple label for animals born in one country and perhaps fed and slaughtered in another, would require the United States to track the various production phases of cattle while they reside in a foreign country or countries in order to afford the resulting muscle cut of beef or ground beef with a more descriptive label depicting where the animal spent its various production phases. Because the United States does not have the authority to require such tracking of imported animals in foreign jurisdictions, another mechanism must be instituted if a multiple label denoting where cattle that produced the imported beef was born, raised, and slaughtered.

Option B

If the United States and its foreign trading partners were to harmonize international standards for labeling to allow the delineation of where cattle were born, raised, and slaughtered, Option B, would be available for USDA's consideration.

Under this option, USDA would further define the individual terms: born, raised, and slaughtered. Once these individual terms are defined, beef could be eligible for a multi-country label reflecting the respective countries in which the animal underwent its various production stages. For example, beef derived from an animal born in the United States, fed in Canada, and slaughtered in the United States could be labeled "Born in the United States, Fed in Canada, and Slaughtered in the United States." Similarly, beef carcasses, beef, and beef products imported into the United States would bear labels denoting the country or countries in which the derivative spent its various production stages. Thus, all cattle, beef, and beef products would be treated equitably with respect to labeling regardless of the country in which the cattle were slaughtered or processed, and the consuming public would be afforded more descriptive information regarding the specific origin of the beef they purchase.

This option would also help to identify the true origin of cattle that had been transshipped into an importing country from a third country prior to arriving in the United States, provided the definition of the term "raised" contemplated such transshipments.

CONCLUSION

Some have spread fear about the cost of country of origin labeling and more recently the Agriculture Department has ignored government regulations and industry practices that already cover most of the expenses associated with country of origin labeling. In a meeting in which USDA representatives have conceded the controversial \$1.9 billion government estimate is very preliminary.

"It doesn't mean that that number is the ultimate number," said Agricultural Marketing Service Director A.J. Yates. Yates and others made two major concessions about the USDA estimate in the meeting:

- It should be reduced to reflect those who do not supply the retail market.
- It should be reduced to reflect country of origin records already being kept by producers, industry, and government.

These two changes would bring down the USDA estimate substantially, Americans for Country of Origin Labeling said in its letter. The release of these unsupported cost estimates could mislead members of Congress and undermine support for labeling. "We at KCA would like for USDA to integrate country of origin labeling into pre-existing systems currently used in the food and agriculture sector, to require that a

competent study be performed by third party researches on costs and benefits, and to use the "Beef Study" to minimize the burden on the American food producer to the greatest extent practicable."

KCA also wants to encourage that the burden and cost of Origin be given to the importer of product and we know it works both ways in trade but in the U.S.A., foreign imports are about 8% of the market. We have allowed importers U.S. market access at no cost and reduced our U.S. Cattle industry cow herd to now at a level of less than 95 million head. We as producers care about fair competition and we have produced a safer product with the regulations in doing business in the U.S.A. The bottom line is our Beef checkoff has collected over 1.1 Billion dollars to promote beef which should have been used to "promote USA Born Fed and Slaughtered Beef" that this is the reason for Country of Origin Labeling.

Another issue is a time frame for compliance, being a recommendation for the U.S. producer we should take into consideration a 12 month period for cattle/beef to be labeled as U.S.A. origin and only those purchased or raised prior to this set date will be grandfathered into the program.

KCA appreciates the opportunity to submit these comments and looks forward to working with USDA as it proceeds to first establish and implement voluntary guidelines and then to promulgate final rules for the implementation of mandatory country of origin labeling. If you have any questions please feel free to contact our office at 877-694-2906 Monday thru Friday 8:00a.m. - 5:00p.m..

Respectfully submitted,



Michael L. Schultz
Executive Director
Kansas Cattlemen's Association

House Ag Committee
HCR # 5017
Country of Origin Labeling
Hearing Testimony

Chairman Johnson and committee members,

I'm Daryl Larson, a farmer and rancher from McPherson Co. I'm currently serving as Vice-President of the Kansas Cattlemen's Association and as a board member of the Kansas Farmers Union. Both of these organizations represent true grass-root producers that have directly paid their membership dues because we know these organizations are working for both us and the consumers of Kansas.

I am here today to speak in favor of HCR 5017. This resolution is a very important way for the state of Kansas to show support for all Kansas producers as well as all producers in the USA. The consumers of our country have a right to know where their food comes from and we as producers in the USA should not be forced to prove that our livestock is of US origin when it has never been out of this country. The people that are profiting from the imports are the ones that should pay the bill for the privilege to sell those imports in this country. We, as producers, have been cheated out of profit for way too long by the very people that are doing every thing in their power to now confuse this issue and put the burden of Country Of Origin Labeling on us.

I urge you to do what is right and pass this resolution and then work as hard as possible to get it to the US Congress, the USDA and any other agency that has control over our lives in this matter.

Respectfully submitted,
Daryl A Larson
1704 16th Ave.
McPherson, KS 67460

HOUSE AGRICULTURE COMMITTEE
Testimony by David Pfrang
House Concurrent Resolution No. 5017
March 24, 2003

Mr. Chairman and members of the committee,

My name is David Pfrang. I'm an independent cattle producer from Goff, KS in Nemaha county. I'm a member of KCA and R-CALF. I'm one of the very few remaining producers who raises cattle from start to finish at home.

I bleed red, white & blue. I support what our troops are doing in Iraq. I support President Bush. I deeply respect all the veterans for what they sacrificed or were willing to sacrifice for this nation. Above all, I'm proud of our American flag. That's why I want to see it on my product!! We raise the best and the safest product in the world.

I realize that our government, our packers and other organizations are trying to "scare" the American producer and feeder into something that is **not** in the Country of Origin labeling bill. And that is--- total identification of the product from grocery store to producer.

USDA is staying very busy telling us how expensive and troublesome this program will be, rather than doing the job they're paid to do-- implement the law in the least-cost and most practical manner possible while strengthening American agriculture.

AMS (Agricultural Marketing Service) announced that the cost of COOL would be \$2 billion. Documents revealed that AMS consulted with only 3 industry trade organizations to generate the estimate. The three trade organizations were National Meat Association, National Pork Producers Council and the National Food Processors Association. All three of these organizations plus NCBA and USDA opposed COOL language in the final version of the Farm Bill.

The Country of Origin bill states "**country**" of origin--- not "**producer**" of origin. USDA's declaring that producers must implement a record-keeping system to comply with the labeling guidelines has no foundation in the law. Producers need only provide the information of **origin**.

The system of labeling imports is already in the works. All products coming in from overseas are required by law to be labeled. Of the total live cattle processed in the U.S.A., 8% of that is imports. Of that 8%, Mexican cattle are branded on the jaw, fat cattle from Canada come down in trailers, and APHID

(Animal Plant Health Inspection Dept.) has records on the rest. So..... **What seems to be the problem here??!!**

Think of it as a deck of cards. All imports are represented as spades, while our domestic products are hearts, diamonds and clubs. When the imports get to the U.S., they're shuffled in with our domestic products. USDA steps in and says it will take around \$2 billion just to sort them out and put them in order again. (in other words, label the imports.) Common sense says just identify your spades!!

American consumers deserve to know where their foods are produced, and it's a shame that USDA's first actions on this important law have been so distorted and damaging. This bill will push the USDA to act quickly to implement the law the way Congress intended and ensure that U.S. consumers get the information they want about their food supply.

Thank you.

A handwritten signature in cursive script that reads "David E Pfanz". The signature is written in black ink and is positioned below the text "Thank you."

Testimony for Resolution No. 5017
By Danni Beer, Rancher and
R-CALF USA COOL Committee Chair

R-Calf United Stockgrowers of America (R-CALF USA) is a nonprofit association representing U.S. Cattle producers in the areas of trade and marketing. R-CALF USA is dedicated to ensuring the continued profitability and viability of the U.S. cattle industry. R-CALF's membership consists primarily of cow-calf operators, cattle backgrounders and independent feedlot owners. It has 8400 members located in 43 states, and the organization has over 35 local and state association affiliates including the Kansas Cattleman's Association.

Thank you to the Kansas House Agriculture Committee for letting my testimony be read here today, and also for addressing this very important issue facing cattle producers in your state. House Concurrent Resolution No. 5017 is identical to Resolution No. 1007 passed by the South Dakota State Legislature with only one member voting against the resolution. Later that member indicated that he had voted "no" by mistake and was very apologetic to the members of the South Dakota Stockgrowers Association. We applaud the South Dakota legislature and your efforts as well, in directing the United States Department of Agriculture on this important issue.

Sec. 281 of the Agriculture, Conservation and Rural Enhancement Act of 2002 amends the Agricultural Marketing Act of 1946 to require Country of Origin Labeling for beef and other covered commodities at the point of sale to the consumer. It is important to note that this is not mandatory until Sept. 30, 2004. In guidelines released Oct. 8, 2002, USDA explains a very burdensome program for U.S. producers, wholesaler and retailers to participate in the voluntary labeling program which is to be in place until Sept. 30, 2004. Though these are only guidelines to a "voluntary" program, it was very disappointing that USDA is setting a program that hinders U.S. producers, wholesalers and retailers. These guidelines have been the source of much confusion and misinterpretation for producers and the food industry.

One major confusion has been that USDA will require a third party to verify that each animal was born and raised on each individual ranch in the U.S. to be labeled "Product of the USA". Many in the industry, media and even USDA county extension agents, including ones in Kansas, have given reference to requiring third party verification. Recently though, A.J. Yates, Administrator for USDA's Agricultural Marketing Service (AMS) said, "Ms. Veneman instructed her staff to enforce the Country of Origin Labeling law in a manner that will be the least burdensome for producers." According to Yates, Secretary Veneman also reminded USDA staff that "there is nothing in the Country of Origin Labeling law that requires third party verification. We are prohibited from requiring any form of mandatory identification of livestock, but we are given the task of proving animals are born, raised and slaughtered in the United States." These comments were all received after the state of South Dakota sent their Resolution in regard to COOL to USDA.

HCR 5017 is not about supporting or repealing mandatory Country of Origin Labeling. It is about helping Kansas livestock producers by giving them equity with import producers on the requirements of country of origin labeling. The 2003 Kansas legislature is given the opportunity to stand united for the producers, packers and retailers of the state of Kansas and the U.S. by adopting HCR 5017.

Thank you again for your time,

Danni Beer

R-CALF USA

House Agriculture Committee
March 24, 2003
Attachment 6

Testimony March 24, 2003 COOL

Mr. Chairman and members of the committee, I'm Wanda Kinney and am a beef cattle rancher from Osage County. I'll be speaking on behalf of Kansas Cattlemens Association on the subject of COOL or Country of Origin Labeling.

A bit of family history: The original Kinney brothers came to Osage County in 1855. They left their Illinois home and arrived on April 24, 1855. They broke up prairie, got their crop in and fenced it with a good 6 rail stake and rider fence. The second white male child born in Osage county was Lewis Kinney, my husband's great great grandfather. Our farm was registered in 1861. The first fat cattle noted to be shipped out of Osage county were for his great grandfather and they got a cash market price of 1 ½ cents per pound, so we've come a long way, but our costs of production has also risen considerably! We are the 5th generation to raise cattle on the ranch, our eldest daughter and family the 6th generation are in partnership with us in some of the operation. So, to that respect we are not newcomers to the beef cattle business.

About 2 years ago, I first heard of COOL and thought, cool! The argument from the co-worker was that you as producers will have to bear the cost of the program. What cost don't we bear? We're proud of our cattle and register a brand that is renewed every five years with the Kansas Animal Health Department – that's a cost. If we belong to one of the breed associations, there is a registration fee, also a cost. Thinking of bookkeeping, if some do belong to a particular association, the pedigree paperwork hassle is a geneology chart as long as your arm! Just read thru some of the spring production sales to verify. And, those proud people think nothing of it!

“Why are we battling the system? If there is no problem labeling where a candle, hairbrush, toothpaste, or even fish sticks come from for that matter, why is it such a big issue to have to label where the beef is from?” Any household item that you pick up to use has a label – “Made in China”, or “Made in Taiwan”. Shoes, where do all our cattle hides disappear to? The shoes are mostly made in Brazil for instance – and we buy them! Fruit this time of year is labeled “from Chile”. (advertisement)

With 90-95% of the beef consumed in America having been produced here, it would be so simple to mandate the imports to be identified and labeled as such. Attached is a document listing countries and the requirements that must be on our beef products labels that go into the specific countries.

We have grandchildren in the public school system and I certainly would like to think they are served safe, wholesome beef products of the USA. How many times have we here in America been faced with very serious outbreaks of E.coli and other bacteria? We need an accountability system.

COOL will be a big undertaking for all of us but if we use some “horizontal mentality” which would mean we work with all the producer groups across the table, it won't be a monumental task. We in the cattle producing business like to think of ourselves as somewhat intelligent or we wouldn't have survived this long!

House Agriculture Committee
March 24, 2003
Attachment 7

Metal eartags, buttons, or some other simple numbered system could be easily used as identifying marks. Meril, Bayer, or other companies would love the business to develop and sell the markings I'm sure. All Mexican cattle into the USA now have metal ear tags. It need not be a complicated system.

You need to remember that most of the people who voted for COOL in the farm bill of 2002, represent urban constituents not cow/calf producers. In other words, we producers aren't alone in wanting this. As one activist groups lobbyist said, "now we could trace E.coli back to the farm."

In closing, - do all of you have those irritating little tags inside your shirts? I'm not much of a clothes horse, and few probably don't care where the shirt came from, but personally I do. Lee, Wrangler, Levi, and others have been sold out to Mexico, Bangladesh, Turkey or wherever. It has to be mighty cheap or something really eye appealing before I buy other than "Made in USA". God Bless America!

Wanda Kinney
Kansas Cattlemen Association
13055 Berryton Road
Carbondale, Kansas 66414

The information contained is accurate as of July-29-2001 to the best of our knowledge.

COUNTRY OF ORIGIN LABELING¹

Country Country of Origin Labeling Updated

X	Argentina	To register products, label must include country of origin, importer and registration number	11/1997
X	Australia	Shipping containers must be marked "Product of USA"; no packaging requirements noted	4/2001
	Austria	EU: 1 st step (9/2000) label must have Member State or third country of the slaughterhouse 2 nd step (1/2002) label must include origin – where animals were born and reared	6/2000
	Bahrain	Packaged meat must be labeled with country of origin.	6/2000
	Belgium	EU: 1 st step (9/2000) label must have Member State or third country of the slaughterhouse 2 nd step (1/2002) label must include origin – where animals were born and reared	6/2000
	Brazil	Country of origin must be submitted by exporter through broker for labeling preparation by importer/broker and submission for gov't approval	11/2000
X	Canada	The country of origin is mandatory for all meat labels	06/2001
	Chile	Product labels must include country of origin	03/2000
	Denmark	EU: 1 st step (9/2000) label must have Member State or third country of the slaughterhouse 2 nd step (1/2002) label must include origin – where animals were born and reared	6/2000
	Egypt	The name and address of the <i>importer</i> must be printed in Arabic on a label	10/1998
	Finland	EU: 1 st step (9/2000) label must have Member State or third country of the slaughterhouse 2 nd step (1/2002) label must include origin – where animals were born and reared	6/2000
	France	EU: 1 st step (9/2000) label must have Member State or third country of the slaughterhouse 2 nd step (1/2002) label must include origin – where animals were born and reared	03/2001

¹ This document was prepared by the Law Offices of Stewart & Stewart on July 30, 2001. Stewart & Stewart is located at 2100 M Street, NW, Washington, DC 20037. The phone number is (202) 785-4185, and the fax number is (202) 466-1286. To contact Stewart & Stewart via email, send inquiries and comments to general@stewartlaw.com.

	France requires that all consumer-size packages have French labels indicating the full name and address of producer, packager or EU-recognized importer and the country of origin.	
Germany	EU: 1 st step (9/2000) label must have Member State or third country of the slaughterhouse 2 nd step (1/2002) label must include origin – where animals were born and reared	6/2000
Gibraltar	UK (EC) approved plants must comply with the UK/EC requirements, as outlined by the UK	11/1990
Greece	EU: 1 st step (9/2000) label must have Member State or third country of the slaughterhouse 2 nd step (1/2002) label must include origin – where animals were born and reared Greece requires that packaged meats as well as canned products have a country of origin label attached	6/2000
Guadeloupe	[French requirements apply to red meat exports.] France requires that all consumer-size packages have French labels indicating the full name and address of producer, packager or EU-recognized importer and the country of origin.	6/2000
Hong Kong	Prepackaged product shall be marked with the full name and address of the manufacturer or packer expect where: 1. a package is marked w/ an indication of the country of origin and the name of the distributor or brand owner in Hong Kong and the full address of the manufacturer has been given to the Dir. of Health in Hong Kong, or 2. package is marked or labeled w/ country of origin and a code marking identifying the manufacturer or packer in that country.	4/2001
Ireland	EU: 1 st step (9/2000) label must have Member State or third country of the slaughterhouse 2 nd step (1/2002) label must include origin – where animals were born and reared	6/2000
Israel	Country of origin must be on labels	3/1998
Italy	EU: 1 st step (9/2000) label must have Member State or third country of the slaughterhouse 2 nd step (1/2002) label must include origin – where animals were born and reared	6/2000
Japan	Packages of products for personal consumption must be labeled with the name and address of	4/2001

	packer or distributor	
Republic of Korea	The country of origin must be indicated on the outside carton for all products	9/2000
Kuwait	Country of origin must be on the mandatory label	6/2000
Luxembourg	EU: 1 st step (9/2000) label must have Member State or third country of the slaughterhouse 2 nd step (1/2002) label must include origin – where animals were born and reared	6/2000
Martinique	EU: 1 st step (9/2000) label must have Member State or third country of the slaughterhouse 2 nd step (1/2002) label must include origin – where animals were born and reared France requires that all consumer-size packages have French labels indicating the full name and address of producer, packager or EU-recognized importer and the country of origin.	6/2000
X Mexico	Country of origin is mandatory on the label of prepackaged food For processed meat products, the label must include the name of manufacturer, "Product of (country)" in Spanish	4/2001
Monaco	EU: 1 st step (9/2000) label must have Member State or third country of the slaughterhouse 2 nd step (1/2002) label must include origin – where animals were born and reared France requires that all consumer-size packages have French labels indicating the full name and address of producer, packager or EU-recognized importer and the country of origin.	6/2000
The Netherlands	EU: 1 st step (9/2000) label must have Member State or third country of the slaughterhouse 2 nd step (1/2002) label must include origin – where animals were born and reared	6/2000
Oman	Labeling must include the country of origin	6/2000
Poland	The label must be in Polish and state the name and address of producer or exporter	5/2001
Peoples Republic of China	Only poultry feet are listed as requiring a label indicated their country of origin	6/2001

Portugal	EU: 1 st step (9/2000) label must have Member State or third country of the slaughterhouse 2 nd step (1/2002) label must include origin – where animals were born and reared	6/2000
Russia	All packages must have Russian label indicating the country of production, while beef must be labeled with the country of origin	4/2001
Spain	EU: 1 st step (9/2000) label must have Member State or third country of the slaughterhouse 2 nd step (1/2002) label must include origin – where animals were born and reared	6/2000
Surinam	Poultry feet (only eligible import from US) require label “Product of US”	7/2000
Sweden	EU: 1 st step (9/2000) label must have Member State or third country of the slaughterhouse 2 nd step (1/2002) label must include origin – where animals were born and reared	6/2000
Switzerland	A label including “Product of USA”	3/2001
United Arab Emirates	Labels must include the country of origin	6/2000
United Kingdom	EU: 1 st step (9/2000) label must have Member State or third country of the slaughterhouse 2 nd step (1/2002) label must include origin – where animals were born and reared	6/2000

HCR 5017 Testimony
Kansas Farmers Union
Donn Teske, President
3-24-03

Farmers Union has been a staunch advocate for Country of Origin labeling for many years. This past May it was signed into law as part of the 2002 farm bill. In accordance with the new law, by Sept 2004 grocery stores must label fresh meats, fish, fruits, vegetables, and peanuts with the country in which it was grown and processed.

Now the implementation of COOL is being challenged. Certain parties have been spreading that there would need to be a nationwide identification system taken on by 2 million farmers, ranchers, and fishermen in the United States. They say this would be done at great cost. The law specifically says this should not happen.

Kansas Farmers Union was concerned enough by the false dollar figures of implementation being spread that they chose to enact a special order of business at our state convention in January. It reads;

Country of Origin Labeling;

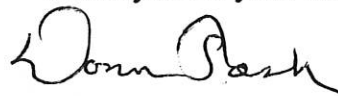
Consumers are entitled to a choice when it comes to purchasing what they consume. Country of Origin labeling encourages the purchasing of safe food products and rewards producers for quality production, conservation and stewardship of resources.

We have all heard the saying that we know where our clothes comes from, we know where our children's toys come from, yet we in the United States are not allowed to know where our food comes from. In this system imported food is sold as part of the whole system, yet other countries allow chemicals to be used on the food that is outlawed here. Sanitation of the processors can operate under different standards than a USDA inspected plant. Common sense calls for separate identification of imported foodstuffs. There have been many surveys done of the American consumer and the results have been very solid in that over 70% want to know the food source.

The law has been passed, now we just need to go ahead with it. National Farmers Union president Dave Frederickson states "The most practical and effective method to verify the country of origin for livestock is to accurately identify the minority of imported livestock ineligible for a U.S. label. This is already being done by federal agencies; it's just a matter of coordinating existing programs."

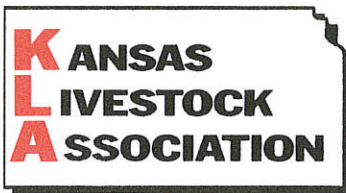
HCR 5017 is nothing more than an endorsement for congress and the administration to go ahead and implement nationally the Country of Origin labeling law that has already been passed. I speak today on behalf of the Kansas Farmers Union and the National Farmers Union supporting HCR 5017.

Thank you for your time



Donn Teske

House Agriculture Committee
March 24, 2003
Attachment 8



Since 1894

TESTIMONY

To: House Agriculture Committee
Representative Dan Johnson, Chairman

From: Todd Johnson, Governmental Affairs Staff

Subject: **HCR 5017** – Country of Origin Labeling

Date: March 24, 2003

The Kansas Livestock Association (KLA), formed in 1894, is a trade association representing over 6,000 members on legislative and regulatory issues. KLA members are involved in many aspects of livestock production, including cow-calf/stocker enterprises, cattle feeding, seed stock production and diversified farming operations.

Mr. Chairman and committee members, I am Todd Johnson, Governmental Affairs staff for the Kansas Livestock Association. Thank you for this opportunity to appear before your committee to address what is a very emotional and controversial issue impacting the beef industry – Country of Origin Labeling of beef.

KLA members have discussed at length this topic and have created policy supporting a voluntary, market-driven approach to meat labeling. However, they are opposed to a mandatory, government run program. This position was advocated during the development of the 2002 Farm Bill; however, it did not prevail. Current law was adopted that calls for a voluntary labeling program until September 30, 2004, when the program will become mandatory.

During the development of voluntary guidelines, KLA communicated producer concerns to USDA on the very topics addressed in HCR 5017 (these comments are attached). KLA saw two factors as key to the development of voluntary, and ultimately mandatory, COOL guidelines. They are:

- 1) Keep additional costs to the beef industry at a minimum; and
- 2) Structure the program so as not to threaten international markets.

KLA proposed that the least costly system of identification would be to utilize the already required identification of imported cattle. This identification would remain with those animals until slaughter, at which time they would be marked to indicate that beef from these cattle would not be eligible for the “born, raised and processed in the U.S.” label. By default, those cattle not identified as imported cattle would be considered of United States origin.

House Agriculture Committee
March 24, 2003
Attachment 9

KLA and other producer groups across the country have continued to ask USDA for clarification on this question. Repeatedly USDA has stated "The provisions of Country of Origin Labeling apply to all covered commodities, including those of U.S. origin."

KLA maintains its opposition to a mandatory program; however, if the law is not reversed, KLA feels it is necessary to help our members comply with the federal law as USDA has interpreted it. We are encouraging our members to implement management and record keeping steps on their farms and ranches to provide a "verifiable recordkeeping audit trail." In addition, KLA has formed a COOL working group to help guide the association through the process of helping our members comply with the law. That group meets tomorrow. In preparation for the meeting, KLA asked USDA for clarification of COOL guidelines (see attached letter).

As your committee addresses Country of Origin Labeling requirements, might we suggest redirecting this resolution to Congress, rather than USDA, and asking for further clarification of their intent of the law. In addition, because there were no hearings held on this topic during Farm Bill debate, perhaps it would be appropriate to hold Congressional hearings to gather industry input. Attached is a proposed resolution for your review.

Thank you for your time to discuss this important issue.



Since 1894

August 8, 2002

USDA
Agricultural Marketing Service
Room 2085-S, Mail Stop 0299
1400 Independence Avenue, SW
Washington DC 20250-0299

Attention: Docket Clerk
RE: Voluntary Country of Origin Labeling Guidelines

The Kansas Livestock Association (KLA) is pleased to submit comments on USDA's proposal that would create a voluntary program for labeling beef, pork, lamb, fish, perishable commodities and peanuts as to their Country of Origin.

KLA is a trade association representing nearly 7,000 members in all segments of the beef production system, including cow-calf operators, seedstock producers, cattle feeders and feedyard operators.

KLA policy supports a voluntary, market-driven approach to Country of Origin Labeling (COL). A voluntary program would likely be more efficient and less disruptive to the market than would a mandatory COL program. We realize though, the recently passed Farm Bill instructs the Secretary of Agriculture to develop a mandatory COL program and that the voluntary guidelines being developed now will be the basis for the mandatory program to be implemented in 2004.

KLA sees two factors as key to the development of voluntary, and ultimately mandatory, COL guidelines. They are: 1) Keep additional costs to the beef industry at a minimum; and 2) Structure the program so as not to threaten international markets.

Keeping COL costs to a minimum is essential because it is uncertain consumers are willing to pay a premium for beef labeled as to its country of origin. FSIS, in a January 2000 "Mandatory Country of Origin Labeling of Imported Fresh Muscle Cuts of Beef and Lamb" report to Congress, found "no direct or empirical evidence suggests that a price premium engendered by country of origin labeling will occur, and if it does, will likely be large or persist over the long term."

If consumers are unwilling pay for COL in the form of higher retail prices, then any costs added to the system will be paid by producers in the form of lower prices for their cattle. Therefore, it is important that a system is established that minimizes costs associated with identification, verification and the labels themselves.

9-3

KLA proposes that the least costly system of identification would be to utilize the already required identification of imported cattle. This identification would remain with those animals until slaughter, at which time they would be marked to indicate that beef from these cattle would not be eligible for the "born, raised and processed in the U.S." label. By default, those cattle not identified as imported cattle would be considered of United States origin.

Our second request is that COL be developed in a way that does not negatively impact the beef industry's export markets. Exports are an important part of total demand for beef. In 2001, the beef industry enjoyed an overall positive trade balance of \$1.21 billion. Jeopardizing export markets has the potential for far more damage to our industry than even the most optimistic expectation of positive outcomes for COL.

KLA looks forward to working with USDA as the Country of Origin Labeling program is developed and implemented. Please contact the KLA office at (785) 273-5115 if we can be of further assistance. Again, we appreciate the opportunity to offer our comments.

Sincerely,

A handwritten signature in cursive script that reads "Mike Collinge".

Mike Collinge
President



Since 1894

March 18, 2003

Mr. William Sessions
Associate Deputy Administrator, Livestock and Seed Program
USDA/AMS
1400 Independence Avenue, SW STOP 0249
Washington, DC 20250-0249
delivered via e-mail

Dear Mr. Sessions:

The Kansas Livestock Association (KLA) is seeking clarification of requirements for Country-of-Origin Labeling (COOL) of beef sold at retail. KLA has formed a COOL working group to help guide the association through the process of helping our members comply with the law.

Members of the working group have raised several questions about the current COOL guidelines. Specifically, we would like your response to the following questions:

1. The voluntary COOL regulations require producers to maintain auditable records documenting the origin of covered commodities. What are some examples of records and documentation USDA would accept in a COOL audit of a cattle producer?
2. The voluntary COOL regulations specify that self-certification by producers is not sufficient. What records must be provided to retailers by producers to justify their claim of U.S. origin cattle?
3. Many livestock producers have received letters from processors indicating producer records must be third-party verified to be accepted by the processor. Is third-party verification necessary under the law and if not, can retailers and/or processors require it of their suppliers?
4. The COOL legislation requires USDA to promulgate regulations to implement the program by September 30, 2004, and that the legislation shall apply to the retail sale of covered commodities beginning September 30, 2004. Does this mean final mandatory COOL regulations must be in place by September 30, 2004, or must USDA only propose mandatory COOL regulations by that date?

KLA appreciates the efforts of USDA in providing information to producers on this important issue. The scheduled listening sessions around the country will provide an excellent opportunity for producers to provide their input on COOL.

Sincerely,

A handwritten signature in black ink, appearing to read "Dee Likes", is written over a faint, illegible typed name.

Mr. Dee Likes
Executive Vice President

A concurrent resolution urging the United States Congress to review country-of-origin labeling for beef.

Whereas, The United States Congress passed mandatory country-of-origin labeling of beef at retail and directed the Secretary of Agriculture to promulgate regulations to implement the program beginning September 30, 2004; and

Whereas, The United States Department of Agriculture has issued proposed regulations implementing country-of-origin labeling for beef that create cumbersome recordkeeping burdens for all segments of the cattle industry; and

Whereas, The United States Department of Agriculture has repeatedly stated the law requires all producers of cattle to maintain a verifiable audit trail documenting the origin of all beef sold at retail; and

Whereas, The production cycle of cattle is such that calves born this spring will likely be harvested as beef after mandatory country-of-origin labeling is implemented: Now, therefore,

Be it resolved by the House of Representatives of the State of Kansas, the Senate concurring therein: That we urge the United States Congress to clarify their legislative intent as to the implementation of country-of-origin labeling of beef; and

Be it further resolved: That the United States Congress direct USDA to implement simple, cost-effective means of documenting origin of beef in a manner that does not jeopardize beef trade agreements; and

Be it further resolved: That we urge the United States Congress to delay implementation of mandatory country-of-origin labeling for beef until such time as final regulations are in place before calves subject to the law are born and in the interim, conduct field hearings on the issue, including a hearing in Kansas.



Kansas Farm Bureau

2627 KFB Plaza, Manhattan, Kansas 66503-8508 • 785.587.6000 • Fax 785.587.6914 • www.kfb.org
800 S.W. Jackson, Suite 817, Topeka, Kansas 66612 • 785.234.4535 • Fax 785.234.0278

PUBLIC POLICY STATEMENT

HOUSE AGRICULTURE COMMITTEE

RE: HCR 5017 – Country of Origin Labeling.

**March 24, 2003
Topeka, Kansas**

**Leslie Kaufman, State Director
KFB Governmental Relations**

Chairman Johnson and members of the House Committee on Agriculture, thank you for the opportunity to appear today and share conceptual support for HCR 5017. KFB, through our 105 county farm bureau associations across the state, represents roughly 23,000 cattle operations in this state. Kansas is the second largest cattle state in the nation and livestock represents a key component of our state's economy. As an organization, at both the state and national levels, we strongly support Country of Origin labeling (COOL).

Overall, we are pleased with the progress in implementing the Country of Origin labeling program but we do have some concerns about the proposed regulation. Kansas Farm Bureau and American Farm Bureau Federation (AFBF) are submitting formal comments to the Agricultural Marketing Service (AMS) of the U.S. Dept. of Agriculture (USDA) regarding the proposed guidelines for voluntary country of origin labeling.

As we read it, the main focus of HCR 5017 is to encourage the USDA to look at existing tracking models and avoid a tracking system that places a reporting and financial burden on producers. Farm Bureau is concerned with the estimated cost and time requirements of the current proposal. AFBF is estimating the cost, for equipment and producer time, to be more nearly \$2-3 billion rather than the \$1 billion estimated by USDA. We believe the producer record-keeping requirement will be a costly and unnecessary burden on our members and strongly urge the Department to eliminate it.

Kansas Farm Bureau believes that there is a "model" certification program already in existence that the Agricultural Marketing Service (AMS) should consider. We suggest that AMS use the Market Access Program (MAP) as a model. USDA has operated the MAP for well over a decade with excellent results. This program is similar to the Country of Origin labeling program in that the proposed rule requires all product labels to identify the origin of the commodity as "Product of the U.S.", "Product of the U.S.A.", "Grown in the U.S.A.", or "Made in America". The Market Access Program also requires a similar verifiable, audit trail system. The difference is that the processor is the verifier for the MAP and more importantly, the processor verifies the country of origin by accepting a self-certification from the producer as to the origin of livestock.

With this in mind we do support the intent of the resolution before you. We would respectfully suggest that, since an official docket is open at AMS, a copy of HCR 5017 be sent, not only to USDA in general, but to the Agricultural Marketing Service USDA, as well. Thank you.

Kansas Farm Bureau represents grassroots agriculture. Established in 1889, the Kansas Farm Bureau is an advocacy organization that supports farm families who earn their living in agriculture.

House Agriculture Committee

March 24, 2003

Attachment 10

**House Agriculture Committee
Testimony by Larry Brack
Kansas Cattlemen's Association, President
March 24, 2003
House Concurrent Resolution No. 5017**

Chairman Johnson and members of the committee,

My name is Larry Brack. I am from Leoti, Kansas. Thank you for taking time to hear my testimony. Thank you for all the hard work you are doing for the state of Kansas. I am actively involved in the cattle industry which involves 140 head cow/calf operation and over 100 head of cattle in the feedlot and farm 1200 acres of wheat and 300 acres of sorghum. My livelihood and the future of my family and neighbors depend on production agriculture.

Today I come before you representing more than 1500 independently paid members in our producer organization and over 22 feedlots in our support program.

I am urging you to implement County of Origin Labeling for beef in Kansas and the U.S.A. This allows consumers to make a distinction between beef products that are exclusively born, raised, and slaughtered in the United States and similar imported products. This clarification will allow consumers to exercise their rights to know whether their product they are buying is imported or domestic.

The United States Department of Agriculture and other interests are trying to put undue burden on producers, by the logistical process of labeling beef products with the country of origin. Every shipment of imported meat is labeled when it enters this country. The identification of this product is then dispersed of by importers, packers, and retailers, so it can be blended with other cuts of U.S. A. beef. This allows a greater chance of contaminating U.S.A. beef with e-coli bacteria and high risk diseases, thus resulting in contamination of packing plants, and retail stores.

Handlers of imported cattle should be held responsible and be required to disclose and transfer the animals accompanying import and documentation to each buyer. The United States Department of Agriculture should define the lack of import documentation as proof of exclusive domestic origin and with this proposal, no new record keeping system would be necessary to accurately identify cattle eligible for the United States label. This proposal would require only the retention of existing records kept on imported cattle in to determine the proper origin of beef derived from imported cattle.

Too many unrealistic and unnecessary regulations will create more of a burden than benefit for livestock producers in the U.S.A. This will also be costly and unnecessary and nearly impossible to monitor. If I sell 150 calves at a sale barn, they will be sorted off into at least 4 groups going to a feeder, who will blend them with other cattle bought at the sale barn, and then those cattle will be resorted at another sale barn to go to 4 or 5 other feedlots and sorted upon arrival there again to be put on feed before going on to a packer.

I urge you to urge our Secretary of State to send an enrolled copy of HCR 5017 of this resolution to the Secretary of the United States Department of Agriculture and each member of the Kansas Congressional Delegation.

Imports are currently sold under the guise of U.S. product – considered safer and better.

North Carolina State University's College of Agriculture and Life Sciences collaborated with researchers from 12 U.S. universities conducted a survey on food sources. A solid 74% wouldn't relinquish food production to other countries even if that resulted in cheaper food. 76% said it is of great importance to know that the food they buy is grown and processed in the U.S. 68% said they would pay more for food grown in the U.S. 80% think U.S. grown food is better and fresher than imported food. 92% want U.S. produced meat. 88% believe listing contents on food labels is important.

We need HCR 5017 to help restore a competitive and fair marketing system benefiting all producers.

Respectfully Submitted,
Larry Brack
President, Kansas Cattlemen's Association
620-375-4783

Letter of Support
House Concurrent Resolution #5017
March 24, 2003

Mr. Chairman and members of the committee,

I ask you to please support House Concurrent Resolution Bill #5017, in it's entirety.

We must have this bill written as this resolution states in order to be competitive in the market place.

The COOL bill, as written and signed by the president, was never intended to put the burden of proof and cost on the producers of USA.

Please do not allow the packers and retailers to re-write this bill, therefore shifting the burden of proof on we producers.

The bill was intended only to label imported cattle and meats, and to give consumers a choice, allowing them to make their decisions based on safety and quality of our home-raised products.

We have already received letters from two packers with threats of not buying our product, unless a paper trail and I.D. of each animal can be delivered along with the cattle.

It appears the burden of proof is put on producers instead of importers. We cannot allow this to happen to our industry.

We must demand our Secretary of Agriculture, Ann Veneman, implement this bill, as intended.

We all remember what happened with the Mandatory Pricing Bill, when USDA allowed the packers to draft the bill, so please support this resolution #5017.

Thanking you for your support.

Nathan Pike, a proud member of Kansas Cattlemen's Association and R-Calif USA.
HCR 1 Box 151
Minneola, Ks. 67865

House Agriculture Committee
March 24, 2003
Attachment 12

March 23, 2003

Re: **COOL** County Of Origin Labeling


To Whom It May Concern,

There are various misleading statements made by several meat packers, that American Cattle producers should bear the expense of the "Country Of Origin Labeling". The only meat products that need labeling are those that are imported.

No doubt, the "fast food" companies do not want to see it, as they use much imported meat.

If "COOL" is allowed to function as the law was originally written, it would be fair to all parties concerned.

Sincerely,


Donald B. Cress
2031 South 1000 Road
Council Grove, Kansas 66846

House Agriculture Committee
March 24, 2003
Attachment 13

Santa Fe Agricultural Services

1003 West Main
Council Grove, Kansas 66846

*"We Focus on Agriculture"
Since 1969*

March 22, 2003

Re: Country Of Origin Labeling COOL

To Whom It May Concern,

It is my conviction that COOL is the appropriate action to be taken for the benefit of the United States consumer and producer.

It is a win – win – win situation!

1. **It assures the U.S. consumer** that they will have the means to make a sound decision as to the choice of meat that they purchase.
2. **It assures the U.S. producer** that any imported meat will be identified and must stand on its own merits to compete in the meat case.
3. **It need not be a costly procedure**, because U.S. produced meat could be identified by default. Only the imported meat products would be required to be labeled for identification purposes.

With these three factors in hand, I see no reason to proceed in any other direction.

Sincerely,



Donald R. Peterson
1003 West Main
Council Grove, Kansas 66846

If Your Future is in Agriculture – Let us Help. House Agriculture Committee

Office: 800-875-6191; 620-767-6191; FAX: 620-767-6979; Car Phone: 620-
e-mail: agmapping@cgtelco.net

March 24, 2003
Attachment 14