

COUNTRY OF ORIGIN LABELING AMENDMENTS ACT OF
2015

MAY 29, 2015.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Mr. CONAWAY, from the Committee on Agriculture,
submitted the following

R E P O R T

together with

DISSENTING VIEWS

[To accompany H.R. 2393]

[Including cost estimate of the Congressional Budget Office]

The Committee on Agriculture, to whom was referred the bill (H.R. 2393) to amend the Agricultural Marketing Act of 1946 to repeal country of origin labeling requirements with respect to beef, pork, and chicken, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Country of Origin Labeling Amendments Act of 2015”.

SEC. 2. REPEAL OF COUNTRY OF ORIGIN LABELING REQUIREMENTS FOR BEEF, PORK, AND CHICKEN.

(a) DEFINITIONS.—Section 281 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1638) is amended—

- (1) by striking paragraphs (1) and (7);
- (2) by redesignating paragraphs (2), (3), (4), (5), (6), (8), and (9) as paragraphs (1), (2), (3), (4), (5), (6), and (7), respectively; and
- (3) in paragraph (1)(A) (as so redesignated)—
 - (A) by striking clause (i) and inserting the following new clause:
“i) muscle cuts of lamb and venison;”;
 - (B) by striking clause (ii) and inserting the following new clause:
“ii) ground lamb and ground venison;”;

- (C) by striking clause (viii); and
- (D) by redesignating clauses (ix), (x), and (xi) as clauses (viii), (ix), and (x), respectively.
- (b) NOTICE OF COUNTRY OF ORIGIN.—Section 282 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1638a) is amended—
 - (1) in subsection (a)(2)—
 - (A) in the heading, by striking “BEEF, LAMB, PORK, CHICKEN,” and inserting “LAMB,”;
 - (B) by striking “beef, lamb, pork, chicken,” and inserting “lamb,” each place it appears in subparagraphs (A), (B), (C), and (D); and
 - (C) in subparagraph (E)—
 - (i) in the heading, by striking “GROUND BEEF, PORK, LAMB, CHICKEN,” and inserting “GROUND LAMB,”; and
 - (ii) by striking “ground beef, ground pork, ground lamb, ground chicken,” each place it appears and inserting “ground lamb,”; and
 - (2) in subsection (f)(2)—
 - (A) by striking subparagraphs (B) and (C); and
 - (B) by redesignating subparagraphs (D) and (E) as subparagraphs (B) and (C), respectively.

BRIEF EXPLANATION

The Country of Origin Labeling Amendments Act of 2015, H.R. 2393, amends the Agricultural Marketing Act of 1946 to repeal country of origin labeling requirements for beef, pork, and chicken.

PURPOSE AND NEED FOR LEGISLATION

In 2002, Congress enacted mandatory country-of-origin labeling (COOL) provisions requiring retailers of certain meat products to inform consumers of a product’s country-of-origin. Controversial aspects of COOL prompted Congress to revisit the law in the 2008 Farm Bill, which included several amendments to the 2002 statute.

Less than five months after the COOL implementing rule was published in 2008, Canada and Mexico challenged the rule at the WTO, arguing that it had a trade-distorting impact by reducing the value and number of cattle and hogs shipped to the U.S. market.

The process has since progressed through the dispute settlement panel phase (report issued November 2011), and a U.S. appeal to the WTO’s Appellate Body (report issued June 2012). In both instances, the WTO found that the way U.S. COOL regulations were implemented violated U.S. WTO obligations by discriminating against imported livestock.

The United States was given until May 2013 to bring its COOL regulations into compliance with the findings of the dispute settlement panel, as modified by the Appellate Body. In response, USDA issued a revised COOL rule in May 2013 which required that production steps—born, raised, and slaughtered, by origin country—be included on meat labels. The revised rule also prohibited the commingling of meat from imported and domestic livestock. Canada and Mexico claimed the revised rule did not bring the United States into compliance, and furthermore they said the revised rule, especially the prohibition on commingling, was more onerous than the original rule. A key criterion of current COOL implementation is that it requires “segregation” of animals by country of origin, which raises the cost of utilizing imported livestock.

At the request of Canada and Mexico, the WTO established a compliance panel to determine if the revised rule brought the United States into compliance with previous rulings. The compli-

ance panel report, released October 20, 2014, upheld the earlier findings of discrimination.

The United States filed to appeal the compliance panel report on November 28, 2014. On May 18, 2015, the WTO rejected the United States' appeal and found for the fourth and final time that the U.S. COOL requirements for beef and pork are unavoidably discriminatory. The final ruling kick-starts the WTO process to determine the level of retaliatory tariffs Canada and Mexico can now impose of the U.S., which has widely been predicted to have effects in the billions of dollars.

On Wednesday, March 25, the House Agriculture Committee's Livestock and Foreign Agriculture Subcommittee held a public hearing to examine the implications of potential retaliation against the U.S. Witnesses at the hearing testified as follows:

Canada and Mexico are by far the United States' largest export markets, and purchased a record \$485 billion in manufactured goods in 2014. Those exports support millions of U.S. jobs. WTO-authorized retaliation by two of the largest U.S. trading partners could result in billions in tariffs affecting multiple sectors of the U.S. economy, threatening the livelihoods of American families.

With the threat of retaliation looming for our nation's manufacturers, time has run out. The NAM and the COOL Reform Coalition urge Congress to bring the United States back into compliance with its WTO obligations fully and quickly through the repeal of these WTO inconsistent provisions.

—*Ms. Linda M. Dempsey, Vice President of International Economic Affairs, National Association of Manufacturers, Washington, D.C.*

Overall, an estimated \$21.8 billion of personal income and \$35 billion of gross national product are supported by the U.S. hog industry. Regrettably for the U.S. pork industry, pork is on Canada's target list and will likely be on Mexico's. Because COOL involves agricultural products, retaliation is inevitably going to fall heavily on U.S. agriculture.

Congress must be prepared to repeal the offending parts of the statute to bring the U.S. into compliance with WTO rules. Congress should not allow retaliation against pork producers and other sectors of the U.S. economy.

—*Mr. John P. Weber, President Elect, National Pork Producers Council, Dysart, IA*

The importance of the U.S. trade relationship with Canada and Mexico for American workers, farmers, ranchers, and companies of all kinds is worth bearing in mind. A trade dispute with a minor commercial partner can be damaging; a trade dispute with the two largest markets for U.S. exports could be highly damaging.

More than 95% of the world's consumers live outside our markets, but American farmers, workers, and companies will not be able to sell their goods and services to those consumers if we fail to live up to these rules ourselves.

[T]he Chamber strongly urges Congress to move swiftly to approve legislation repealing the COOL requirements for muscle cuts of meat due to the imminent and all-but-certain adverse ruling by the WTO Appellate Body in May. Failure to do so could cost tens of thousands of American jobs and jeopardize mutually beneficial trade relationships with our two closest neighbors and largest export markets. —*Mr. Christopher W. Wenk, Executive Director of International Policy, U.S. Chamber of Commerce, Washington, D.C.*

With Canada the number one and Mexico the number six market for U.S. wine exports, COOL-related retaliatory tariffs would have an enormously negative economic impact on our winemakers and grape growers.

COOL-related retaliatory tariffs will result in an enormous loss of sales for U.S. wineries, estimated to be in the hundreds of millions of dollars. Since the strong growth of U.S. wine exports to Canada and Mexico over the past decade has in part been due to USDA's Market Access Program, it would be most unfortunate now for Congress to allow another U.S. law, such as COOL to undo these hard-fought export gains.

—*Mr. Tom LaFaille, Vice President and International Trade Counsel, Wine Institute, Washington, D.C.*

Forty percent of U.S. confectionery exports are to Canada (\$900 million) while 15 percent (more than \$300 million) are to Mexico. These two markets together total over 50 percent of U.S. confectionery exports. We are deeply concerned that retaliatory duties from both countries will target our industry.

U.S. confectioners have worked hard to grow the presence of U.S. confections and intermediates in Canada and our efforts are paying off. Exports of finished chocolate grew by almost \$45 million in just the last two years, while exports of bulk chocolate grew by almost \$12 million. Those years of investment will quickly be diminished if the retaliations are implemented.

We are aware already of Canadian companies using the threat of the retaliation to lure manufacturers to new and more secure supply sources. The loss of business will impact U.S. confectionery companies and their workers, also their communities.

—*Ms. Alison Bodor, Executive Vice President, National Confectioners Association, Washington, D.C.*

The solution is for Congress to repeal COOL now. Half-measures or other alterations to COOL will only bring more uncertainty and possible WTO challenges. That is unacceptable to the meat industry, as well as to the other industries forced to look over their shoulders, worried about potential retaliatory tariffs from Canada and Mexico. We encourage you to work with Chairman Conaway to repeal COOL before retaliation is implemented.

—*Mr. Michael T. Smith, Special Projects Manager, Harris Ranch Company, Selma, CA; on behalf of the National Cattlemen's Beef Association*

Secretary of Agriculture, Tom Vilsack has also been quoted numerous times acknowledging the repeal of the offending COOL requirements as a viable option to bringing the U.S. into compliance with its WTO obligations and avoiding retaliatory measures.

In November 2014, Secretary of Agriculture Vilsack said that USDA analysis shows that there is no regulatory fix that will allow COOL regulations to be consistent with the COOL law and also satisfy the WTO rulings. Secretary Vilsack said that Canada and Mexico would need to specifically say what measures would be acceptable, or Congress would have to provide, in the law, “different directions” to USDA to allow for WTO compliance.

Testifying before the House Appropriations subcommittee on agriculture on February 25, 2015, Secretary Vilsack explained “[s]o either there has to be a generic label established by Congress or you have to essentially repeal what is in the current law if we lose the WTO appeal. Those are the two options.”

In a May 1, 2015 letter to Congress, Secretary Vilsack reaffirmed the need for Congress to repeal the disputed COOL requirements or develop a generic North America label. However, Canada and Mexico have previously rejected the North America label rendering that option unacceptable.

Furthermore, an April 2015 report to Congress from USDA explains that COOL requirements result in extraordinary costs with little to no corresponding benefits:

In terms of producers, packers, and retailers, USDA’s regulatory impact analysis for the 2009 COOL rule estimated incremental implementation costs of \$1.3 billion for beef, \$300 million for pork, \$183 million for chicken, and \$2.6 billion for all covered commodities (beef, pork, chicken, lamb, goat, fish, fruits, vegetables, ginseng, peanuts, pecans, and macadamia nuts).

[T]he increased costs of producing, processing, and marketing food products to comply with COOL without a commensurate measurable increase in consumer demand results in economic losses to producers, packers, retailers, and consumers and leads to a smaller overall industry with higher consumer prices and less product available.

[A]lthough consumers desiring COOL information benefit from its provision, there is insufficient evidence to conclude that such benefits translate into measurable increases in consumer demand for beef, pork, or chicken. Due to increases in the costs of production resulting from COOL implementation, however, the results of economic models indicate that consumers over the longer run face higher beef and pork prices and therefore purchase less beef and pork.

Namely, the benefits to COOL do not result in measurable increases in demand that are sufficient to offset losses to producers stemming from costs to implement the rule.

Finally, although chicken was not a part of the WTO dispute between Canada, Mexico, and the U.S., the industry requested that

COOL requirements for chicken be repealed as well due to the high costs and minimal benefits associated with the requirements. The National Chicken Council has repeatedly expressed its desire to be removed from COOL requirements and recently reiterated its support for repeal in a May 21, 2015 letter to Chairman Conaway stating:

The National Chicken Council greatly appreciates your swift action yesterday in the House Agriculture Committee to repeal country of origin labeling regulations for beef, pork and chicken products. Canada and Mexico are our two largest trading partners, and we have a keen interest in sustaining and growing these important export markets.

The U.S. chicken industry is a proponent of free and open trade. While we cannot speak on behalf of Canada and Mexico as to why they limited their WTO appeal on Country of Origin Labeling (COOL) to pork and beef, we are keenly aware that chicken was near the top of the list for retaliation by both countries. NCC supports legislative action that will allow U.S. laws and regulations pertaining to meat and poultry to be compliant with our international trade obligations.

NCC is fully supportive of your COOL repeal bill, H.R. 2393, and are grateful for your and Representatives Costa and Rouzer's leadership in resolving this critical issue before retaliatory tariffs are imposed on United States agricultural exports.

SECTION-BY-SECTION ANALYSIS OF LEGISLATION

Section 1. Short title

Section 1 of the bill designates the title of the bill as the "Country of Origin Labeling Amendments Act of 2015."

Section 2. Repeal of country of origin labeling requirements for beef, pork, and chicken

Section 2 of the bill amends the Agricultural Marketing Act of 1946 to repeal country of origin labeling requirements for beef, pork, and chicken. Subsection (a) amends the definitions section, section 281 of the Agricultural Marketing Act of 1946, to remove definitions of and subsequent references to beef, pork, and chicken. Subsection (b) amends section 282 of the Agricultural Marketing Act of 1946 to repeal country of origin labeling notice requirements for beef, pork, and chicken. Subsection (c) further amends section 282 and is a conforming amendment to remove unnecessary references to two voluntary programs.

COMMITTEE CONSIDERATION

I. HEARINGS

On March 25, 2015, the Subcommittee on Livestock and Foreign Agriculture held a public hearing to examine the implications of potential retaliatory measures taken against the United States in response to meat labeling requirements.

Members of the Subcommittee heard testimony and discussed the impacts of potential retaliation by Canada and Mexico in re-

sponse to the United States' country-of-origin labeling requirements for beef and pork. During the hearing, the following witnesses testified on matters included in H.R. 2393:

- Mr. John P. Weber, President Elect, National Pork Producers Council, Dysart, IA
- Mr. Christopher W. Wenk, Executive Director of International Policy, U.S. Chamber of Commerce, Washington, D.C.
- Mr. Roger Johnson, President, National Farmers Union, Washington, D.C.
- Ms. Linda M. Dempsey, Vice President of International Economic Affairs, National Association of Manufacturers, Washington, D.C.
- Mr. Tom LaFaille, Vice President and International Trade Counsel, Wine Institute, Washington, D.C.
- Ms. Alison Bodor, Executive Vice President, National Confectioners Association, Washington, D.C.
- Mr. Michael T. Smith, Special Projects Manager, Harris Ranch Company, Selma, CA

II. FULL COMMITTEE

The Committee on Agriculture met, pursuant to notice, with a quorum present, on May 20, 2015, to consider H.R. 2393, a bill to amend the Agricultural Marketing Act of 1946 to repeal country of origin labeling requirements with respect to beef, pork, and poultry, and for other purposes.

H.R. 2393 was placed before the Committee for consideration. Without objection a first reading of the bill was waived, and it was open to amendment at any point.

Chairman Conaway, Mr. Peterson, Mr. Rouzer, and Mr. Costa were recognized for statements. Mr. Costa offered an amendment to insert a short title for the bill as the "Country of Origin Labeling Amendments Act of 2015". The amendment was adopted by voice vote.

There being no further amendments, Mr. Costa moved that H.R. 2393, as amended, be adopted and reported favorably to the House with the recommendation that it do pass. Mr. King asked for a recorded vote. By a roll call vote of 38 yeas to 6 nays, H.R. 2393, as amended, was ordered reported. See Roll Call No. 1.

At the conclusion of the meeting, Chairman Conaway advised Members that pursuant to the rules of the House of Representatives Members had until May 22, 2015, to file any supplemental, minority, additional, or dissenting views with the Committee.

Without objection, staff was given permission to make any necessary clerical, technical or conforming changes to reflect the intent of the Committee. Chairman Conaway thanked all the Members and adjourned the meeting.

COMMITTEE VOTES

In compliance with clause 3(b) of rule XIII of the House of Representatives, the Committee sets forth the record of the following roll call votes taken with respect to H.R. 2393.

ROLL CALL #NO.1

Summary: Costa Motion to report the bill, H.R. 2393, as amended, favorably to the House with the recommendation that it do pass.

Offered By: Representative Jim Costa

Results: Passed by a recorded vote of 38 yeas to 6 nays.

YEAS	NAYS
1. Mr. Conaway	1. Mr. Peterson
2. Mr. Neugebauer	2. Mr. Walz
3. Mr. Goodlatte	3. Mr. McGovern
4. Mr. Lucas	4. Ms. Lujan Grisham
5. Mr. King	5. Ms. Kuster
6. Mr. Rogers	6. Mr. Nolan
7. Mr. Thompson	
8. Mr. Gibbs	
9. Mr. Austin Scott	
10. Mr. Crawford	
11. Mr. DesJarlais	
12. Mr. Gibson	
13. Mrs. Hartzler	
14. Mr. Benishek	
15. Mr. Denham	
16. Mr. LaMalfa	
17. Mr. Davis	
18. Mr. Yoho	
19. Mrs. Walorski	
20. Mr. Allen	
21. Mr. Bost	
22. Mr. Rouzer	
23. Mr. Abraham	
24. Mr. Moolenaar	
25. Mr. Newhouse	
26. Mr. David Scott	
27. Mr. Costa	
28. Ms. Fudge	
29. Ms. DelBene	
30. Mr. Vela	
31. Mrs. Bustos	
32. Mr. Maloney	
33. Mrs. Kirkpatrick	
34. Mr. Aguilar	
35. Ms. Plaskett	
36. Ms. Adams	
37. Ms. Graham	
38. Mr. Ashford	

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Agriculture's oversight findings and recommendations are reflected in the body of this report.

BUDGET ACT COMPLIANCE (SECTIONS 308, 402, AND 423)

The provisions of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a)(1) of the Congressional Budget Act of 1974 (relating to estimates of new budget authority, new spending authority, new credit authority, or increased or decreased revenues or tax expenditures) are not considered applicable. The estimate and comparison required to be prepared by the Director of the Congressional Budget Office under clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and sections 402 and 423 of the Congressional Budget Act of 1974 submitted to the Committee prior to the filing of this report are as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 28, 2015.

Hon. K. MICHAEL CONAWAY,
*Chairman, Committee on Agriculture,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2393, the Country of Origin Labeling Amendments Act of 2015.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Jim Langley.

Sincerely,

KEITH HALL.

Enclosure.

H.R. 2393—Country of Origin Labeling Amendments Act of 2015

H.R. 2393 would repeal existing requirements for retailers of beef, pork, and chicken to inform customers at the final point of sale of the country of origin of those products. The repeal would not affect existing requirements for country-of-origin labeling for lamb, venison, goat meat, perishable agricultural commodities, peanuts, farm-raised and wild fish, ginseng, pecans, and macadamia nuts.

USDA inspects retail stores and audits supply chains through cooperative agreements with state agencies to enforce requirements for country-of-origin labeling. Based on information from the U.S. Department of Agriculture (USDA), CBO estimates that enactment of this bill would have an insignificant effect on spending subject to appropriation over the 2016–2020 period because USDA would continue to enforce compliance with labeling requirements for other commodities. In 2015, USDA received an appropriation of \$5 million for country-of-origin inspections. Enacting H.R. 2393 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 2393 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Jim Langley. The estimate was approved by H. Samuel, Deputy Assistant Director for Budget Analysis.

PERFORMANCE GOALS AND OBJECTIVES

With respect to the requirement of clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the performance goals

and objectives of this legislation are to repeal the country of origin labeling requirements for beef, pork, and chicken in order to come into compliance with a World Trade Organization ruling.

COMMITTEE COST ESTIMATE

Pursuant to clause 3(d)(2) of rule XIII of the Rules of the House of Representatives, the Committee report incorporates the cost estimate prepared by the Director of the Congressional Budget Office pursuant to sections 402 and 423 of the Congressional Budget Act of 1974.

ADVISORY COMMITTEE STATEMENT

No advisory committee within the meaning of section 5(b) of the Federal Advisory Committee Act was created by this legislation.

APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act (Public Law 104-1).

FEDERAL MANDATES STATEMENT

The Committee adopted as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act (Public Law 104-4).

EARMARK STATEMENT REQUIRED BY CLAUSE 9 OF RULE XXI OF THE RULES OF HOUSE OF REPRESENTATIVES

H.R. 2393 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of rule XXI of the Rules of the House of Representatives.

DUPLICATION OF FEDERAL PROGRAMS

This bill does not establish or reauthorize a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111-139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

DISCLOSURE OF DIRECTED RULE MAKINGS

The Committee does not believe that the legislation directs an executive branch official to conduct any specific rule making proceedings within the meaning of 5 U.S.C. 551.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic,

and existing law in which no change is proposed is shown in roman):

AGRICULTURAL MARKETING ACT OF 1946

* * * * *

TITLE II

* * * * *

Subtitle D—Country of Origin Labeling

SEC. 281. DEFINITIONS.

In this subtitle:

[(1) BEEF.—The term “beef” means meat produced from cattle (including veal).]

[(2)] (1) COVERED COMMODITY.—

(A) IN GENERAL.—The term “covered commodity” means—

[(i) muscle cuts of beef, lamb, pork, and venison;

[(ii) ground beef, ground lamb, ground pork, and ground venison;]

(i) muscle cuts of lamb and venison;

(ii) ground lamb and ground venison;

(iii) farm-raised fish;

(iv) wild fish;

(v) a perishable agricultural commodity;

(vi) peanuts; and

(vii) meat produced from goats;

[(viii) chicken, in whole and in part;]

[(ix)] (viii) ginseng;

[(x)] (ix) pecans; and

[(xi)] (x) macadamia nuts.

(B) EXCLUSIONS.—The term “covered commodity” does not include an item described in subparagraph (A) if the item is an ingredient in a processed food item.

[(3)] (2) FARM-RAISED FISH.—The term “farm-raised fish” includes—

(A) farm-raised shellfish; and

(B) fillets, steaks, nuggets, and any other flesh from a farm-raised fish or shellfish.

[(4)] (3) FOOD SERVICE ESTABLISHMENT.—The term “food service establishment” means a restaurant, cafeteria, lunch room, food stand, saloon, tavern, bar, lounge, or other similar facility operated as an enterprise engaged in the business of selling food to the public.

[(5)] (4) LAMB.—The term “lamb” means meat, other than mutton, produced from sheep.

[(6)] (5) PERISHABLE AGRICULTURAL COMMODITY; RETAILER.—The terms “perishable agricultural commodity” and “retailer” have the meanings given the terms in section 1(b) of the Perishable Agricultural Commodities Act of 1930 (7 U.S.C. 499a(b)).

[(7) PORK.—The term “pork” means meat produced from hogs.]

[(8)] (6) SECRETARY.—The term “Secretary” means the Secretary of Agriculture, acting through the Agricultural Marketing Service.

[(9)] (7) WILD FISH.—

(A) IN GENERAL.—The term “wild fish” means naturally-born or hatchery-raised fish and shellfish harvested in the wild.

(B) INCLUSIONS.—The term “wild fish” includes a fillet, steak, nugget, and any other flesh from wild fish or shellfish.

(C) EXCLUSIONS.—The term “wild fish” excludes net-pen aquacultural or other farm-raised fish.

SEC. 282. NOTICE OF COUNTRY OF ORIGIN.

(a) IN GENERAL.—

(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) DESIGNATION OF COUNTRY OF ORIGIN FOR [BEEF, LAMB, PORK, CHICKEN,] LAMB, GOAT, AND VENISON MEAT.—

(A) UNITED STATES COUNTRY OF ORIGIN.—A retailer of a covered commodity that is [beef, lamb, pork, chicken,] *lamb*, goat, or venison meat may designate the covered commodity as exclusively having a United States country of origin only if the covered commodity is derived from an animal that was—

(i) exclusively born, raised, and slaughtered in the United States;

(ii) born and raised in Alaska or Hawaii and transported for a period of not more than 60 days through Canada to the United States and slaughtered in the United States; or

(iii) present in the United States on or before July 15, 2008, and once present in the United States, remained continuously in the United States.

(B) MULTIPLE COUNTRIES OF ORIGIN.—

(i) IN GENERAL.—A retailer of a covered commodity that is [beef, lamb, pork, chicken,] *lamb*, goat, or venison meat that is derived from an animal that is—

(I) not exclusively born, raised, and slaughtered in the United States,

(II) born, raised, or slaughtered in the United States, and

(III) not imported into the United States for immediate slaughter,

may designate the country of origin of such covered commodity as all of the countries in which the animal may have been born, raised, or slaughtered.

(ii) RELATION TO GENERAL REQUIREMENT.—Nothing in this subparagraph alters the mandatory requirement to inform consumers of the country of origin of covered commodities under paragraph (1).

(C) IMPORTED FOR IMMEDIATE SLAUGHTER.—A retailer of a covered commodity that is [beef, lamb, pork, chicken,] *lamb*, goat, or venison meat that is derived from an animal

that is imported into the United States for immediate slaughter shall designate the origin of such covered commodity as—

- (i) the country from which the animal was imported; and
- (ii) the United States.

(D) FOREIGN COUNTRY OF ORIGIN.—A retailer of a covered commodity that is [beef, lamb, pork, chicken,] *lamb*, goat, or venison meat that is derived from an animal that is not born, raised, or slaughtered in the United States shall designate a country other than the United States as the country of origin of such commodity.

(E) [GROUND BEEF, PORK, LAMB, CHICKEN,] *GROUND LAMB*, GOAT, AND VENISON.—The notice of country of origin for [ground beef, ground pork, ground lamb, ground chicken,] *ground lamb*, ground goat, or ground venison shall include—

- (i) a list of all countries of origin of such [ground beef, ground pork, ground lamb, ground chicken,] *ground lamb*, ground goat, or ground venison; or
- (ii) a list of all reasonably possible countries of origin of such [ground beef, ground pork, ground lamb, ground chicken,] *ground lamb*, ground goat, or ground venison.

(3) DESIGNATION OF COUNTRY OF ORIGIN FOR FISH.—

(A) IN GENERAL.—A retailer of a covered commodity that is farm-raised fish or wild fish may designate the covered commodity as having a United States country of origin only if the covered commodity—

- (i) in the case of farm-raised fish, is hatched, raised, harvested, and processed in the United States; and
- (ii) in the case of wild fish, is—

(I) harvested in the United States, a territory of the United States, or a State, or by a vessel that is documented under chapter 121 of title 46, United States Code, or registered in the United States; and

(II) processed in the United States, a territory of the United States, or a State, including the waters thereof, or aboard a vessel that is documented under chapter 121 of title 46, United States Code, or registered in the United States.

(B) DESIGNATION OF WILD FISH AND FARM-RAISED FISH.—

The notice of country of origin for wild fish and farm-raised fish shall distinguish between wild fish and farm-raised fish.

(4) DESIGNATION OF COUNTRY OF ORIGIN FOR PERISHABLE AGRICULTURAL COMMODITIES, GINSENG, PEANUTS, PECANS, AND MACADAMIA NUTS.—

(A) IN GENERAL.—A retailer of a covered commodity that is a perishable agricultural commodity, ginseng, peanut, pecan, or macadamia nut may designate the covered commodity as having a United States country of origin only if the covered commodity is exclusively produced in the United States.

(B) STATE, REGION, LOCALITY OF THE UNITED STATES.—With respect to a covered commodity that is a perishable agricultural commodity, ginseng, peanut, pecan, or macadamia nut produced exclusively in the United States, designation by a retailer of the State, region, or locality of the United States where such commodity was produced shall be sufficient to identify the United States as the country of origin.

(b) EXEMPTION FOR FOOD SERVICE ESTABLISHMENTS.—Subsection (a) shall not apply to a covered commodity if the covered commodity is—

- (1) prepared or served in a food service establishment; and
- (2)(A) offered for sale or sold at the food service establishment in normal retail quantities; or
- (B) served to consumers at the food service establishment.

(c) METHOD OF NOTIFICATION.—

(1) IN GENERAL.—The information required by subsection (a) may be provided to consumers by means of a label, stamp, mark, placard, or other clear and visible sign on the covered commodity or on the package, display, holding unit, or bin containing the commodity at the final point of sale to consumers.

(2) LABELED COMMODITIES.—If the covered commodity is already individually labeled for retail sale regarding country of origin, the retailer shall not be required to provide any additional information to comply with this section.

(d) AUDIT VERIFICATION SYSTEM.—

(1) IN GENERAL.—The Secretary may conduct an audit of any person that prepares, stores, handles, or distributes a covered commodity for retail sale to verify compliance with this subtitle (including the regulations promulgated under section 284(b)).

(2) RECORD REQUIREMENTS.—

(A) IN GENERAL.—A person subject to an audit under paragraph (1) shall provide the Secretary with verification of the country of origin of covered commodities. Records maintained in the course of the normal conduct of the business of such person, including animal health papers, import or customs documents, or producer affidavits, may serve as such verification.

(B) PROHIBITION ON REQUIREMENT OF ADDITIONAL RECORDS.—The Secretary may not require a person that prepares, stores, handles, or distributes a covered commodity to maintain a record of the country of origin of a covered commodity other than those maintained in the course of the normal conduct of the business of such person.

(e) INFORMATION.—Any person engaged in the business of supplying a covered commodity to a retailer shall provide information to the retailer indicating the country of origin of the covered commodity.

(f) CERTIFICATION OF ORIGIN.—

(1) MANDATORY IDENTIFICATION.—The Secretary shall not use a mandatory identification system to verify the country of origin of a covered commodity.

(2) EXISTING CERTIFICATION PROGRAMS.—To certify the country of origin of a covered commodity, the Secretary may use as

a model certification programs in existence on the date of enactment of this Act, including—

(A) the carcass grading and certification system carried out under this Act;

~~[(B) the voluntary country of origin beef labeling system carried out under this Act;~~

~~[(C) voluntary programs established to certify certain premium beef cuts;]~~

~~[(D) (B) the origin verification system established to carry out the child and adult care food program established under section 17 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766); or~~

~~[(E) (C) the origin verification system established to carry out the market access program under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623).~~

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DISSENTING VIEWS

The purpose of country of origin labeling—to provide information to consumers about the food they eat—has repeatedly been ruled by the WTO to be a legitimate regulatory goal. The challenge for us is to find a way to provide U.S. consumers with the information they have said in numerous surveys that they would like to see on food labels. These surveys include those conducted by leading consumer organizations such as Consumers Union and the Consumer Federation of America. Many other countries have been able to achieve this goal without sanctions. We should not so readily abandon our efforts to provide U.S. consumers with information they have repeatedly said they want.

We agree with the goal of avoiding retaliation under the World Trade Organization (WTO) decision on country of origin labeling, but a repeal of mandatory labeling for beef, pork and poultry is premature. Retaliation is unlikely to begin for many months. In the case of Brazil's cotton case against the United States, retaliation began 21 months after the WTO upheld the panel ruling on appeal.

Many supporters of a repeal of country of origin labeling have argued that retaliation by Canada and Mexico will result in lost trade opportunities. In fact, we do not know how much the WTO will allow Canada and Mexico to raise tariffs as a result of the decision. The amount will largely depend on how much of the meatpacking industry's segregation and tracking costs can be attributed to country of origin labeling. In fact, meatpackers already have infrastructure in place to track voluntary marketing attributes such as "certified Angus," "grass-fed," "organic," and USDA grades including "choice" and "prime." It makes little sense to repeal country of origin labeling when we do not yet know the amount of retaliation that may be permitted.

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