

# Mandatory National Animal Identification and Country-of-Origin Labeling (COOL)



C.W. "Bill" Herndon  
Mississippi State University

Southern Dairy Conference  
February 10, 2004



# COOL and Animal Identification

---

- These 2 “food safety” concepts are both “similar but different” in scope and intent
- But since Dec. 23 & the discovery of a single BSE case in a dairy cow in Washington, these have become intertwined and led to public confusion
  - Appears the Animal ID has taken precedence over COOL in recent weeks
- Most industry, politicians and farm groups are now embracing a Animal ID system
  - While COOL continues to lack consensus support



# COOL versus and Animal ID

---

- Numerous questions and concerns exists among the animal industry that there are “dangers” in implementing BOTH of these programs in overlapping time periods
  - COOL encompasses other commodities
- Most industry and farm groups, politicians are now embracing Animal ID
  - While COOL continues to lack consensus support



# History of COOL

---

- Proponents of COOL gathered support during the writing of the 2002 Farm Bill
  - Saw COOL as a method to differentiate U.S. origin foods as being “better” than non-U.S. foods
  - Believe that U.S. consumers want and need to know where their food from & **desire U.S. origin foods**
  - Felt labeling costs of non-U.S. foods would provide benefits to U.S. producers via higher U.S. ag. prices
- Mandatory COOL became part of the 2002 Farm Bill with implementation date of Sept 30, 2004



# Implementation of COOL

---

- COOL requires labeling of:
  - Beef, Lamb, Pork, Fish, Perishable Agricultural Commodities (Fruits/Vegetables) & Peanuts
    - Not dairy products
- Interpretation of COOL language found in the 2002 Farm Bill became controversial
  - USDA's Agricultural Marketing Service was given responsibility to implement COOL
  - AMS decided that COOL required that ALL specified products ... including U.S. origin products



# Costs of COOL

---

- The most controversial issues related to COOL are responsible parties & implementation costs
  - Costs associated with record keeping of product origin and who would be responsible for records
  - Farm Bill specified that “retailers” (not food services) were subject to provide COOL → 37,000 stores
- USDA estimates Costs and Benefits of COOL
  - 1<sup>st</sup> year costs ranging from \$500 M to \$4 B & thereafter annual cost of \$100 M - \$ 600 M
  - Benefits “likely to be small” → USDA found little evidence that consumers wanted COOL info.



# Current Status of COOL

---

- Because of these controversies, the FY04 Ag. Appropriation Bill postponed implementation of COOL for additional 2 years → except for fish (both farm-raised and wild)
  - Delayed until Sept. 2006
  - COOL debate in Senate delayed passage of the Appropriations bill for months
  - BSE case “breathed” new hope for COOL proponents but lack of farm group consensus hurt chances
- Omnibus Appropriations Bill signed by President on Jan. 27<sup>th</sup>



# Current Status of COOL

---

- But, Members of Congress continue to press for implementation of COOL
  - House Bill H.R. 3732 was introduced on Jan. 27 by Reps. Rehberg (R-MT) & Peterson (D-MN) to change implementation date back to Sept. 30, 2004
  - So, is COOL “Dead Dead” or just “Mostly Dead” ???
- USDA/AMS’s website describing COOL found at: <http://www.ams.usda.gov/cool/>
  - USDA’s Proposed Rule for Mandatory COOL released on October 30, 2003 → [see 43 page document](#)
  - Comment period extended to February 27<sup>th</sup>



# COOL is an Emotional Issue

---

- Proponents of COOL are very committed and pledge to pursue its implementation
  - For example, quoting a COOL supporter:
    - “Consumers want to know where their food comes from and ... Producers are entitled to receive the benefits of producing under higher U.S. standards and regulations. ... The implications of COOL go way beyond labeling, and there is no moral justification for opposing COOL.”
- Excellent COOL website at Univ. of Nebraska:
  - <http://agecon.unl.edu/mark/cool/>



# National Animal I.D. System

---

- Discovery of a single BSE case during December has changed the COOL debate and fueled “quick adoption” of a national animal ID system in U.S.
  - Goal of Animal ID system is to provide information for individual animals or groups, their premises location and dates of entry of that premises ... within 48 hours of confirmation of a disease outbreak
- USDA’s Animal & Plant Health Inspection Service (APHIS) has the responsibility for developing a national animal ID system



# Global Animal I.D. Systems

---

- Other countries with mandatory Animal ID systems currently in place:
  - Canada → mandatory since July 2002
  - European Union (15 countries) → mandatory for beef & dairy since 2000
    - now testing methods to trace via electronic sensors, etc.
  - New Zealand → mandatory since 1999
  - Australia → mandatory since 2002
- Countries now implementing animal ID systems
  - Argentina, Brazil and Uruguay → mandatory systems
  - Mexico → considering voluntary system



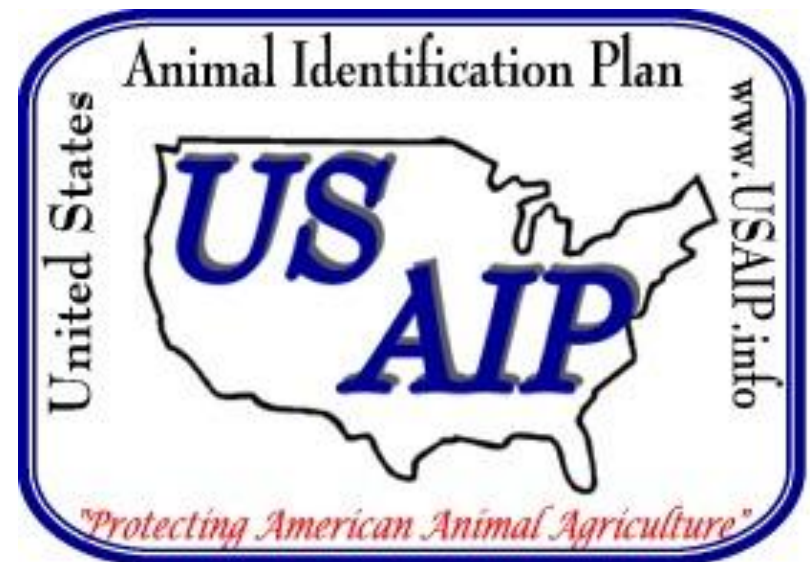
# U.S. Animal ID System

---

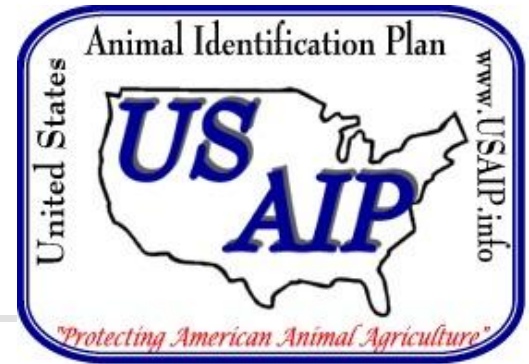
- On January 22, Secretary of Agriculture Ann Veneman announced the Administration's plans to adopt a **mandatory animal ID system**
  - USDA created a new program called the U.S. Animal Identification Program → or USAIP
  - USAIP is a proposed 3-phase plan to implement a national ID program since 2002
  - On September 30, 2003, USAIP released its "draft" plan for implementing a animal ID system for beef/dairy by 2006

# U.S. Animal ID System

- USAIP's plan for tracking 11 different types and species of animal can be found at: <http://usaip.info>
  - A 70-page document
    - Details tracking methodologies
    - Initiate Phase I in Fall 2004??



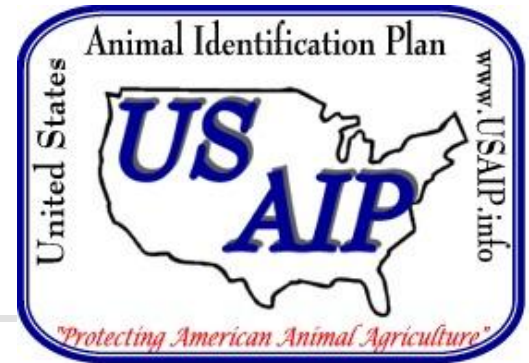
# Animals Targeted



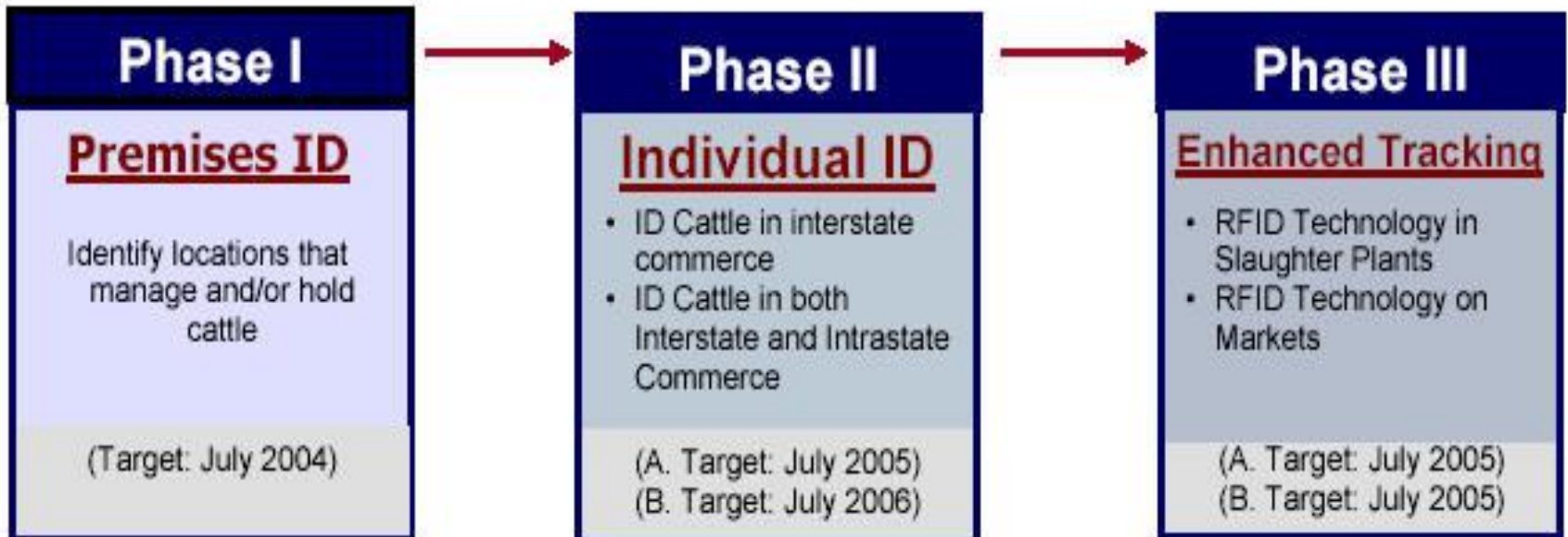
- **United States Animal Identification Plan (USAIP) Information Site**



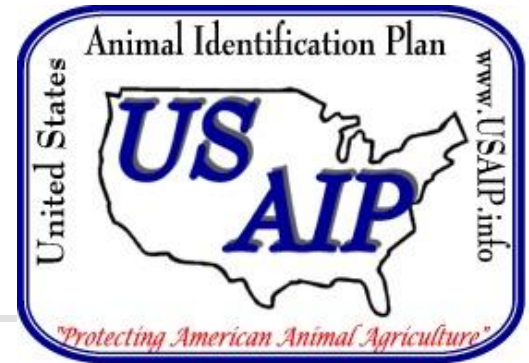
# Beef/Dairy Plan



- Proposed ID plan is identical for BOTH dairy and beef cattle with these timelines:



# Beef/Dairy Plan



- Immediate implementation of an individual animal identification with an “official tag” bearing the US Animal Identification Number (USAIN)
- Or, a tag with only the premises identification number
  - USAIP prefers using the radio frequency technology, called RFID → but realizes that adequate funding must must obtain to implement RFID system
  - Visible ID tag is the “other” described method



# Summary & Conclusions

---

- The U.S. will probably have both COOL and a mandatory animal ID system in place this decade
- Clearly, there is more support in the Administration, Congress and the general public for a national animal ID system
  - COOL is just “Almost Dead” for this year
  - Likely Animal ID system will be initiated in '04



# Conclusions

---

- Many people in the cattle industry fear that there will be pressure for the U.S. to implement some form of COOL prior to establishing a animal ID system
- Fear is that the COOL and Animal ID implementation will be confused and force delays and/or difficulties in establishing an effective national animal ID system



# Other Comments:

---

- BSE resulted in a Japanese and Mexican ban on importing U.S. beef and cattle
  - Cattle market analysts believe that Mexico will stop their ban within weeks → Why?
    - Mexico has ended their ban on Canadian beef imports after implementing “food safety” factors
    - U.S. is implementing similar safeguards → ASAP
    - About 40-45% of the beef consumed in Mexico comes from the U.S.



# Other Comments:

---

- What about the Japanese beef import ban
  - Japan insist that they will not import any U.S. beef/cattle until the U.S. tests every single head of cattle processed
    - Japanese consumers do not consume much beef in their diets
    - So, these bans on Canadian and U.S. beef imports have not affected their consumers
    - Japan has a fatten beef cattle industry → Kobe beef
  - Japan will be a difficult market to reopen



# Other Comments:

---

- U.S. exports about 10% of its annual beef production
  - About 3% is exported to Japan
  - About 2.5% is exported to Mexico
  - More than 2% is exported to South Korea
- Canada exports about 50-55% of its annual beef production
  - So, their cattle industry was devastated their BSE case in May 2003