

## **05/09/2003 Entry: "KCA Tells USDA: Costs Will Be Less"**

Kearney, NE.-Using the new cost estimates released by the International Agricultural Trade and Policy Center as support, the Kansas Cattlemen's Association told the USDA at a Country of Origin Labeling (COOL) listening session here that COOL will cost 90-95% less than what USDA originally estimated.

According to Kansas Cattlemen's Association Communications Director Ashlea Redding, "This analysis differs greatly from the projected USDA costs that were compiled by non supporters of COOL. In fact this new analysis estimates that country of origin labeling will add less than one tenth of a cent per pound increase to the cost of the product in the retail case."

In her testimony, Redding said that while USDA estimated the cost to the producer to be \$1 billion in the first year, the International Agriculture Trade and Policy Center estimates the costs to be reduced by almost 80%.

In addition, Redding pointed out, "While USDA estimated there were 100,000 food handlers and guessed their cost to be around \$340 million, this newly released study found there are only 9,333 relevant packers, processors and manufactures, thus dropping the cost to handlers to approximately \$2.21 million. Quite a difference from \$340 million!"

She continued to point out the study findings, noting that USDA guessed the cost of record keeping for the retailer to be at \$625.75 million. The analysis estimate released this week estimates that USDA's cost of labor and time estimate is again too high and can be reduced at least 80% and 50% respectively, thus, dropping the cost down to \$67.6 million.

"If USDA were to assume the least cost alternative like the Kansas Cattlemen's Association along with R-CALF USA and the American's for Country of Origin Labeling recommends, that places the cost for COOL between \$69.86 million and \$193.43 million. That's much more realistic than the predicted \$2 billion," said Redding.

Redding concluded by mentioning that Country of Origin Labeling is in compliance with World Trade Organization Trade laws. Once again citing the recently released study and quoting its authors, she said, "The relevant rule arises from the membership of the United States in the World Trade Organization (WTO). Though some have argued the Presumption of U.S. Origin rule would violate the general proposition that a WTO member must afford the same treatment to foreign goods that it does to domestic product, article IX of the General Agreement of Tariffs and Trade (GATT) allows member nations to require marks of origin on goods imported from any other WTO member."

Kansas's fastest growing cattle association; the Kansas Cattlemen's Association fully supports Country of Origin Labeling. KCA is a producer run, grassroots cattlemen's organization representing some 1500 members in 20 states.