

October 29, 2013

The Honorable Debbie Stabenow
U.S. Senate
Chairwoman
Committee on Agriculture, Nutrition and
Forestry
Senate Hart 133
Washington, D.C. 20510

The Honorable Thad Cochran
U.S. Senate
Ranking Member
Committee on Agriculture, Nutrition and
Forestry
Senate Dirksen 113
Washington, D.C. 20510

The Honorable Frank D. Lucas
U.S. House of Representatives
Chairman
Committee on Agriculture
2311 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Collin C. Peterson
U.S. House of Representatives
Ranking Member
Committee on Agriculture
2109 Rayburn House Office Building
Washington, D.C. 20510

Dear Chairwoman Stabenow, Ranking Member Cochran, Chairman Lucas and Ranking Member Peterson,

As you begin work on finalizing the 2013 Farm Bill Conference agreement, the undersigned organizations wish to bring to your attention a potentially devastating issue that could result in widespread economic disruption to the agriculture and other sectors of the economy.

The World Trade Organization (WTO) is currently reviewing the U.S. Mandatory Country of Origin Labeling (COOL) law to determine whether the revised labeling scheme issued by the Department of Agriculture (USDA) in May is compliant with WTO standards. The WTO has already deemed the previous meat labeling law non-compliant with WTO guidelines, finding that it discriminated against Canadian and Mexican products. The WTO advised the United States to go back to the drawing board to create a labeling scheme that is non-discriminatory. Unfortunately, the USDA proposal currently under review at the WTO is considered by both the Canadian and Mexican governments to be more discriminatory than the previous labeling scheme. Should the WTO again deem that Canadian and Mexican products are subject to unfair discrimination, those countries will be given the authority to begin retaliating against U.S. products through retaliatory tariffs that will stop exports and kill jobs.

Canada, the second largest export market for U.S. agricultural products valued at \$20.6 billion, has already issued a preliminary retaliation list. It targets a broad spectrum of commodities that will affect every state in the country, potentially delivering a paralyzing blow to the farm and food economies and rural households. Products on the retaliation list include fresh pork and beef, bakery goods, rice, apples, wine, maple syrup and furniture products to name a few. In the trucking dispute Mexico retaliated against U.S. food and agriculture products such as apples, dairy, pork, potatoes, wine and processed foods, costing the United States millions of dollars in lost sales and lost market share. Mexico, which is the third largest export market for U.S. agriculture totaling \$18.9 billion in 2012, will

likely retaliate against even more U.S. food and agriculture products in connection with COOL given that the dispute had its genesis in agriculture.

As the 2013 Farm Bill Conference negotiations convene, we urge you to develop a WTO-compliant solution to the COOL law that will meet WTO guidelines while protecting thousands of American jobs from the impacts of retaliation. The legislative process is the best way to change the COOL law at this time, and the 2013 Farm Bill Conference negotiations pose a critical opportunity for achieving this resolution.

Thank you for your attention to this very important matter and for protecting American agriculture and food production from extreme economic harm.

Sincerely,

Agri Beef
American Bakers Association
American Beverage Association
American Frozen Food Institute
American Italian Pasta Company
American Meat Institute
American Soybean Association
Animal Health Institute
Blue Diamond Growers
California Cherry Export Association
California Pear Growers
California Strawberry Commission
California Table Grape Commission
California Tomato Farmers
California Walnut Commission
Campbell Soup Company
Cargill, Inc.
ConAgra Foods, Inc.
Corn Refiners Association
Distilled Spirits Council of the United States
Emergency Committee for American Trade (ECAT)
Equity Cooperative Livestock Sales Association
Food Marketing Institute
General Mills, Inc.
Grocery Manufacturers Association
Herbalife
Hormel Foods Corporation
International Sleep Products Association
JBS USA
Kraft Foods Group, Inc.
Mars, Incorporated
Midwest Food Processors Association

Mondelez Global LLC
National Association of Manufacturers
National Association of Wheat Growers
National Barley Growers Association
National Beef
National Black Farmers Association
National Chicken Council
National Confectioners Association
National Corn Growers Association
National Council of Farmer Cooperatives
National Foreign Trade Council
National Grain and Feed Association
National Oilseed Processors Association
National Pasta Association
National Pork Producers Council
National Turkey Federation
Nestlé USA
North American Blueberry Council
North American Equipment Dealers Association
North American Export Grain Association
North American Meat Association
North American Millers' Association
Pepperidge Farm
Pet Food Institute
Smithfield Foods
Snack Food Association
Sweetener Users Association
Tyson Foods, Inc.
U.S. Chamber of Commerce
U.S. Livestock Genetics Export, Inc.
U.S. Meat Export Federation
U.S. Premium Beef
U.S. Wheat Associates
United Producers, Inc.
USA Poultry & Egg Export Council
USA Rice Federation
Wine Institute