

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

3010

2007 HOUSE AGRICULTURE

HCR 3010

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. . HCR 3010

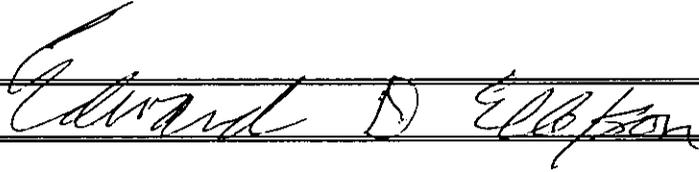
House Agriculture Committee

Check here for Conference Committee

Hearing Date: 2-1-07

Recorder Job Number: 2576

Committee Clerk Signature



Minutes:

CHAIRMAN JOHNSON: Committee Members, we will open on HCR 3010.

REPRESENTATIVE FROELICH: I think the bill speaks for itself. I support HCR 3010. I ask for support of this bill. If there are any questions I will try to answer them.

REPRESENTATIVE BRANDENBURG: I support HCR 3010. There should be labeling.

ROGER JOHNSON: NORTH DAKOTA AGRICULTURE COMMISSIONER.

I support HCR 3010. **[[PLEASE SEE PRINTED TESTIMONY]]**

CHAIRMAN JOHNSON: Questions? Are there others in favor of HCR 3010?

RICHARD SCHLOSSER: FARMERS UNION. WE SUPPORT HCR 3010.

In my testimony I am not **WOODIE BARTH**. I am here for him.

[[PLEASE SEE WRITTEN TESTIMONY]]

DEAN MEYER: I am Dean Myer and I am representing I Ban group independent beef producers. We support HCR 3010.

CHAIRMAN JOHNSON: Any other support?

DEAN MEYER. People want labeling.

JACK REICH: I am from Zap, ND and am Vice President of ND Stockman's Association.

We have some concerns but a lot of people want it. We do support HCR 3010,

CHAIRMAN JOHNSON: Other support for HCR.

REPRESENTATIVE BELTER: I am wondering, country of origin without identifying cattle.

COMMISSIONER JOHNSON: Origin of labeling is the simplest. There is other ways of doing it. I was in Washington this last week and one of the congressmen said he didn't now how it was possible to have label of origin without having identification.

REPRESENTATIVE FROLEICH: Cattle coming in from Canada and Mexico are identified.

CHAIRMAN JOHNSON: Any opposition to this resolution?

CHAIRMAN JOHNSON CLOSED THE HEARING ON HCR3010.

CHAIRMAN JOHNSON: Committee Members, what does the committee want to do with this resolution?

REPRESENTATIVE BRANDENBURG: Mr. Chairman, I move for a do pass.

REPRESENTATIVE MUELLER: I second the motion.

CHAIRMAN JOHNSON: The clerk will take the roll call vote.

THE CLERK TOOK THE ROLL. THERE WERE 11 YES 1 NO 1 ABSENT.

CHAIRMAN JOHNSON: WHO WANTS TO CARRY THE BILL?

REPRESENTATIVE ONSTAD: I WILL CARRY THE BILL

CHAIRMAN JOHNSON CLOSED THE HEARING ON HCR 3010.

FEB. 1 2007

Date:
Roll Call Vote #:

HCR 3010

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

House AGRICULTURE Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken

DO PASS

Motion Made By

13 PAU

Seconded By

MUELLER

Representatives	Yes	No	Representatives	Yes	No
Dennis Johnson, Chairman	<u>✓</u>		Tracy Boe	<u>✓</u>	
Joyce Kingsbury Vice Chairman	<u>✓</u>		Rodney J Froelich	<u>✓</u>	
Wesley Belter		<u>✓</u>	Phillip Mueller	<u>✓</u>	
Mike Brandenburg	<u>✓</u>		Kenton Onstad	<u>✓</u>	
Mike Brandenburg			Ben Vig	<u>✓</u>	
Craig Headland	<u>✓</u>				
Brenda Heller					
John D Wall	<u>✓</u>				
Gerry Uglem	<u>✓</u>				

Total (Yes) 11 No 1

Absent 1

Floor Assignment ONSTAD

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 1, 2007 1:02 p.m.

Module No: HR-22-1797
Carrier: Onstad
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HCR 3010: Agriculture Committee (Rep. D. Johnson, Chairman) recommends DO PASS
(11 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). HCR 3010 was placed on the
Eleventh order on the calendar.

2007 SENATE AGRICULTURE

HCR 3010

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 3010

Senate Agriculture Committee

Check here for Conference Committee

Hearing Date: March 8, 2007

Recorder Job Number: 4733

Committee Clerk Signature

Cassie Krow

Minutes:

Sen. Flakoll opened the hearing on HCR 3010, a concurrent resolution urging Congress to implement country of origin labeling for all meat products.

Rep. Froelich, district 31, testified in favor of the bill.

Rep. Froelich- This bill deals with the country of origin labeling and I support it, this urges congress to get on the ball.

Sen. Erbele- the biggest issue I have with this is that do you think that the labeling of this will even affect the consumer? Is it more for health reasons or for market?

Rep. Froelich- I would say that it is both, I always look at labels.

Sen. Wanzek- so you feel that the market demands are just not doing that well enough?

Rep. Froelich- I think that our foreign markets are being drawn that way.

Sen. Flakoll- what do you think is most important from your stand point, that the US products are labeled as being from the US or that foreign products are labeled that they are from that country?

Rep. Froelich- I am not quite sure.

Wayne Carlson, NDDA, testified on behalf of Roger Johnson. See attached testimony.

Richard Schlosser, NDFU, testified in favor of the bill.

Richard Schlosser- We stand in support of this bill.

Sen. Klein submitted an article relating to labeling of seafood, see attached

No opposition to the bill.

Sen. Flakoll closed the hearing.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 3010

Senate Agriculture Committee

Check here for Conference Committee

Hearing Date: March 16, 2007

Recorder Job Number: 5222

Committee Clerk Signature

Cassie Crowl

Minutes:

Sen. Flakoll opened discussion on HCR 3010.

Sen. Klein- I worked a little with the stockmen's on this and we had a little bit different language on this and I thought it was a bit harsh, there are some issues with the law. (handed out amendments 73028.0101 for the committee to review)

Sen. Taylor- the part where it says address cattle industry concerns, do we address all concerns? Country of origin labeling is not supported by everyone in the industry but is supported by many. They almost work against each other if you addressed all the concerns.

Sen. Klein- I worked with the stockmen's and I think that their language was much bolder and I suggested that we tone it down. It is a resolution and we are going to have to live with this, I sense that there will be continued pressure and we have had issues with the country of fish labeling. I would move the amendments.

Sen. Flakoll closed the discussion.

Sen. Klein motioned to adopt amendments 73028.0101 and was seconded by **Sen. Wanzek**, roll call vote 1: 7 yea, 0 nay, 0 absent. **Sen. Wanzek** for a do pass as amended and was seconded by **Sen. Klein**, roll call vote 2: 7 yea, 0 nay, 0 absent. **Sen. Taylor** was designated to carry the bill to the floor.

REPORT OF STANDING COMMITTEE

HCR 3010: Agriculture Committee (Sen. Flakoll, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HCR 3010 was placed on the Sixth order on the calendar.

Page 1, line 1, after "meat" insert "and poultry"

Page 1, replace lines 21 and 22 with "first ensure that proposed rules governing implementation of country of origin labeling adequately address cattle industry concerns and then implement mandatory country of origin labeling for all meat and poultry products; and"

Renumber accordingly

2007 TESTIMONY

HCR 3010

North Dakota Farmers Union

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HCR 3010
House Agriculture Committee

*Did A
DO ~~NO~~ PASS*

Chairman Johnson and Members of the House Agriculture Committee,

My name is Woody Barth; I am here representing the members of North Dakota Farmers Union. I am here to testify in support of HCR 3010.

North Dakota Farmers Union supports mandatory country-of-origin labeling for agricultural products. In order to qualify as U.S. produced, meat products should come from an animal born, raised and slaughtered in the United States. Mandatory country-of-origin labeling is a valuable marketing tool for producers and it allows consumers to know where their food is produced.

NDFU urges USDA to follow the intent of Congress regarding mandatory country-of-origin labeling. Furthermore, we feel USDA should have full implemented this provision by September 2004 as passed by Congress in a farmer-friendly manner, and not re-invent a delayed and a new costly system that places undue burden on U.S. farmers and ranchers. The burden should not fall on producers.

We strongly urge a do pass on HCR 3010.

Thank you Chairman Johnson and members of the committee. I will answer any questions at this time.

Roger Johnson
Agriculture Commissioner
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**Testimony of Roger Johnson
Agriculture Commissioner
HCR 3010
House Agriculture Committee
Peace Garden Room
February 1, 2007**

*Same
given to
Senate*

Chairman Johnson and members of the House Agriculture Committee, I am Agriculture Commissioner Roger Johnson. I am here today in support of HCR 3010, which urges Congress to support mandatory country of origin labeling (COOL) for all meat products.

The original law called for the implementation of a year long voluntary program immediately followed by a mandatory country of origin labeling. This mandatory program was set to begin in September, 2004. However, Congress subsequently delayed the implementation of mandatory COOL until September, 2006. The implementation has since been further delayed until September, 2008. This resolution is timely because of the recent announcement of Sen. Max Baucus of Montana and Sen. Craig Thomas of Wyoming that they are introducing legislation that would move the deadline for implementation of "COOL" to September of 2007.

COOL is a very important issue to North Dakota's agricultural industry. North Dakota agriculture should strive to become the trusted provider of the highest quality food in the world.

To that end, I support every reasonable measure that can be taken to identify and differentiate

our high quality products to consumers, both domestic and international. The future of agriculture does not lie in undifferentiated commodity production, in generic food production, or in lower cost and often lower quality blended food products. Our future lies in the opposite direction and product differentiation, higher quality standards and increased consumer confidence are all attributes of the kind of future we want. Country of origin labeling moves us forward in that positive direction.

Our nation's producers need a system by which their products can be differentiated from foreign products being sold in the United States. US agricultural producers operate under some of the strictest food safety rules in the world. These rules are sometimes frustrating for our producers, but there is also value to these rules to the consumer. It should be a system in which consumers can trust and have confidence; that assures that what is on the label truly is what they are receiving. Once this is accomplished, our nation's producers can begin promoting and advertising their products as "A product of the USA." Country of origin labeling should be a program that accomplishes the desired outcome without any major, unnecessary hardships for any part of the livestock food chain.

I believe that our entire agricultural industry has much to gain from implementing country of origin labeling. The nine cases of Bovine Spongiform Encephalopathy (BSE) confirmed in cows of Canadian origin, and USDA plans to open the border to cattle that are over 30 months of age are yet further reminders of why differentiation and labeling are important. Labeling the origin of food cannot and will not prevent the occurrence of animal disease; however, the labels can serve as a tool for consumers that allow them to differentiate the products they buy. To the extent that

quality or health related issues surrounding our food products can be confined to smaller market segments, the integrity of our food system will be maximized, the likelihood of catastrophic market losses will be reduced and consumer confidence will be strengthened.

Chairman Johnson and committee members, I urge you to support HCR 3010. I'd be happy to respond to any questions.

By Drovers news source
(Thursday, March 08, 2007)

Sen. Klein

Mandatory country of origin labeling (COOL) for seafood is failing to deliver the benefits promised by the law. It has not increased sales of U.S. seafood. At the same time, the supermarket industry's cost to comply with the law is up to 10 times higher than the U.S. Department of Agriculture (USDA) estimated when it issued the interim final rule for labeling seafood.

Proponents of mandatory COOL are nonetheless urging Congress to implement the law for produce, meat and peanuts sooner than September 30, 2008. This move would be extremely unwise given the industry's two and one-half years of experience labeling seafood under this law. The Food Marketing Institute (FMI) presented comments to USDA this week in response to the agency's request for cost and benefit information.

"The industry's experience underscores the need to replace the law with a flexible, industry-led program that would be far less costly and provide information that would actually resonate with consumers, such as 'Wild Alaskan Salmon,' 'Georgia Peaches' or 'Vidalia Onions,'" said FMI President and CEO Tim Hammonds.

Hammonds added, "Because of limited label space and limited time for busy consumers to make their decisions, when government continually mandates requirements for signs and labels that generate large fines for noncompliance, we have the labeling equivalent of Gresham's Law: Bad information drives out the good.

"A law this flawed cannot be corrected simply by tinkering with the administrative rules. The likely result of tinkering around the margins would be to make the bureaucratic nightmare and the resulting costs even worse, not better. The only way out of this mess is to replace the current law with something useful."

The comments contrasted USDA's first-year cost estimates to implement the law for retailers and their intermediary suppliers with the industry's actual expenses based on FMI case studies involving more than 1,000 stores:

Retailer cost per store

USDA Estimate: \$1,530

Actual Cost: \$9,000-\$16,000

Supplier cost per company

USDA Estimate: \$1,890

Actual Cost: \$200,000-\$250,000

The food industry has proposed an effective, flexible labeling model that would communicate the same information in ways consumers would actually find useful without driving costs sky high. "It is time for Congress to correct its mistake and let the industry implement a plan that delivers more without building in the excessive costs that ultimately discourage consumers from buying the seafood we all want to promote. Food retailers are not opposed to providing consumers with country of origin information. We are opposed to doing it with a government program that drives the cost of food unnecessarily high," Hammonds said.

Source: FMI
drovers.com

Country-of-Origin Labeling (COOL) Timeline

2002

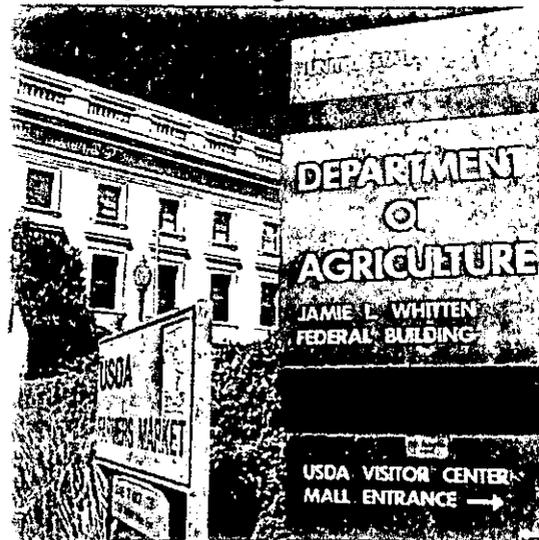
2003

2004

2005

2002

- May 13 – the 2002 Farm Bill is signed into law; it includes mandatory country-of-labeling (COOL), scheduled to be implemented September 2004.
- May 29 – USDA issues press release stating COOL will be implemented as written in farm bill.
- June/July 2002 – Emerging Roles for Food Labels, Colorado State University Department for Agriculture survey of consumers in Denver and Chicago which finds 75% prefer to buy beef with county of origin labeling and 73% would be willing to pay more for beef with country of origin labeling. Other independent private and public university surveys yield similar results. For example, a national survey conducted by North Carolina State University shows 74% of respondents think the U.S. shouldn't buy food from other countries, even if it's cheaper than food produced and sold here, and 68% would pay more for food grown in the U.S. rather than abroad.
- October 11 – USDA publishes Voluntary COOL Guidelines in Federal Register.



2003

- February 21 – Public comment period on burden of costs closes.
- April 9 – Public comment period on voluntary COOL rule closes.
- May – Country of Origin Labeling: A Legal and Economic Analysis, research report from the University of Florida International Agricultural Trade and Policy Center concludes the cost of record keeping relating to the labeling legislation is between \$69.86 million and \$193.43 million, which is 90% to 95% less than the USDA cost estimate. This cost translates into less than one cent per pound for the covered commodities as consumed by U.S. citizens.
- June 26 – House Agriculture Committee holds hearing on mandatory COOL. North Dakota Farmers Union members testify in favor of COOL at field hearings held in Billings, Mont. and St. Paul, Minn. These North Dakota producers cite food safety concerns such as BSE as one justification for COOL; others say the law may increase the value of North Dakota beef to consumers and thus increase income for producers.
- June/July – Provision included in the U.S. House FY2004 agriculture appropriations bill prohibits funding for labeling implementation; bill includes a one-year delay of implementation on COOL for meat products.
- July 14 – U.S. House votes 193-208 against Rehberg-Hooley amendment to strike a one-year delay of COOL on meat and meat products in FY2004 agriculture appropriations bill.
- September 11 – Rep. Peterson introduced HR. 3083, COOL Amendment Act of 2003.
- October 1 – House Agriculture Committee holds hearing on mandatory COOL.
- October 30 – USDA publishes Mandatory COOL Guidelines in Federal Register. Public comments on proposed guidelines accepted until December 29.

COOL state by state

While Congress and the USDA has prevented COOL - literally a law of the land - from becoming reality, several states (including North Dakota) have adopted their own COOL laws. Here are a few examples.

Florida requires any fresh fruit or vegetable or package of honey to be marked individually in a conspicuous place as legibly, indelibly, and permanently to indicate to an ultimate purchaser the country of origin. All retail vendors engaged in the business of selling products labeled or identified as to origin shall be prohibited from willfully and knowingly removing such labels or identifying marks. The Department of Agriculture and Consumer Services is responsible for enforcing the provisions of this part.

Idaho law states that every wholesaler or retailer who sells any meats, either frozen, canned, cured, processed, or any mixture thereof, or any poultry, eggs or butter which are the products of any country foreign to the United States to clearly label such items as "imported," naming the country of its origin, the date it was originally packaged, whether it was frozen, and the date or dates it was subsequently refrozen.

Maine requires fresh produce sold or offered for retail sale that was grown or raised in a foreign country be identified by labeling with the country of origin.



Each item offered for retail sale as an individual unit must be individually labeled. Also, subject to available funding, the

state will institute an educational program designed to inform the general public about the countries and produce affected and the pesticides, residues and known and potential adverse health effects of those pesticides. If inspection personnel find that fresh produce is not properly labeled, the commissioner shall issue a stop order for the product until it is labeled in accordance with this section.

Mississippi's Legislature adopted policy that requires any person who sells unprocessed meat, whether fresh or frozen, in Mississippi after January 1, 2003, shall indicate in clear and conspicuous letters

on the meat, the immediate wrapping or container, or a sign included with the display either the name of the country of origin preceded by the words "product of" or the country of origin of the meat using one of the following designations: "Imported," "American" or "Blend" of imported and American meats. The Mississippi Department of Agriculture and Commerce shall administer and enforce this law. Civil penalties are \$500 a day for each violation, and each day on which a violation occurs shall be a separate offense

The Montana Country-of-Origin Labeling Act passed in 2005 requires meat sold in Montana to be clearly labeled with its country of origin beginning in September 2006. It also allows Montana farmers and ranchers to label their products "Made in Montana." All provisions of the law expire upon the implementation of the federal COOL rules, with the exception of "Made in Montana" labeling.

In 2005 Alaska enacted legislation that requires the labeling of all products containing genetically engineered fish and shell fish. The legislation states that all genetically engineered fish will be "conspicuously labeled to identify the fish or fish product as a genetically modified fish or fish product," whether packaged or unpackaged. The law is intended to protect the state's fishing industry. The law was approved unanimously by the House and Senate and was signed into law by the governor. It is the first labeling legislation in the country for genetically modified food.

