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April 3, 2017

Country of Origin labeling for Colorado

Testimony of Mike Calligrate in support of Colorado HB 17-1234, a bill that allows Colorado consumers to choose between U.S. beef and foreign beef

Why are we here today discussing something so basic as labeling, transparency, whether a person has a right to know important information about a purchase, and most importantly, a food purchase? It seems so fundamental in a democracy.

All of us in this room recognize the great pride taken by American farmers and ranchers, myself included, in producing an exceptional product, and many of us spend considerable time promoting what we do to win the trust and approval of our customers. As a meat purveyor, I see proof every day that informed consumers prefer to buy American-made or even locally produced goods from people they know. They know that buying local keeps dollars in their home state and community. They know that local food is a healthier choice, not only in terms of safety, quality and freshness, but economically as well.

So let's take a moment to remind ourselves of why this is so important. On March 17, 2017, it was reported that JBS, the Brazilian company that now owns beef operations in Colorado, bribed food safety inspection officials in Brazil into allowing the company to widely distribute chemically masked rotten meat in domestic and international markets. This followed previous reports that JBS executives were being investigated on charges of criminal corruption. Without mandatory country of origin labeling in place, how can this agriculture committee insure us that rotten Brazilian meat was not blended into our Colorado meat supply? If someone walks into a grocery store and buys meat that came from Brazil, doesn't that person at least deserve to know what they are buying?

As we gather here today, Colorado cattle producers are struggling to stay afloat with prices far below the cost-of-production. This winter ranchers received around half the price that they did the year before. Their share of the retail food dollar has been the lowest in modern history, at less than 40%, down from around 70% in the early 1970s when markets were competitive. I know many of us in this room share concerns about the rural economy and where it is headed. While all of this is happening, however, multinational food corporations are posting record profits.

Let's look at the example of Cargill, which is known to be the largest privately held corporation in the U.S. in terms of revenue. Cargill operates one of their beef slaughter plants in Ft. Morgan. They just reported "...adjusted operating earnings rose 50 percent to \$715 million in the third quarter ended Feb. 28, from \$476 million in the same quarter a year earlier." Cargill also stated that their North American protein business continued to benefit from renewed consumer demand for beef, which pulled more boxed beef and case-ready volume through its [global] supply chain. Ideally, Colorado ranchers would share the benefits from this resurgence in demand. Instead, our ranchers are struggling to keep their businesses going while they are forced to compete with producers in other countries, who are also forced to produce below cost by these same corporations.

Large corporations should not be able to profit by sourcing cheap and selling high while keeping consumers in the dark about where their food actually comes from. Without mandatory country of origin labeling, Colorado consumers who want to support their neighboring ranchers and fellow Americans aren't being given the opportunity to vote with their pocketbook. If indeed consumers are happy to buy Brazilian beef, pass this law and they will be able to do it! If we give consumers the transparency to make an informed choice, at least the proper signals have a chance of being passed back through the marketing channels for American ranchers to be rewarded for the job they do.

Today, Colorado can show real leadership in taking the first step toward restoring fairness and transparency in our markets, while sending a message to the nation that consumers everywhere deserve to know where their food comes from. Pass Colorado COOL!

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April 3, 2017

House Agriculture, Livestock, and Natural Resources Committee
 Colorado General Assembly
 Attn: Representative Jeni James Arndt, Chair
 200 E Colfax Avenue
 Denver, CO 80203

Re: Colorado HB17-1234, Beef Country of Origin Retail Placard Bill

Dear Representative Arndt,

The Organization for Competitive Markets (OCM) represents independent family farmers, ranchers and consumers both in Colorado and across the U.S. The foundation of OCM is to reclaim competitive markets in agriculture for farmers, ranchers and rural communities. Our mission, and our duty, is to define and advocate the proper role of government in the agriculture economy as a regulator and enforcer of marketplace safeguards necessary for markets that are fair, honest, accessible and competitive for all citizens.

To that end, OCM stands in strong support of Colorado HB17-1234, the Beef Country of Origin Retail Placard Bill.

Consumers were provided transparency when Country of Origin Labeling (COOL) was the law of the land. During the period COOL was in effect in the U.S., consumers were choosing U.S. beef over other options and prices paid to U.S. producers were on the rise. Unfortunately, industrial agriculture special interests joined foreign countries with legal claims at the World Trade Organization and they pushed Congress to repeal COOL. Beef and pork COOL provisions have since been abandoned by Congress.

The repeal of COOL has denied U.S. producers the ability to differentiate their products from those of multi-national industrial agriculture corporations. This not only diminishes U.S. producers' ability to access the market with their own agricultural goods, but also it prevents the producers from obtaining a fair and just price for their products. The repeal also flies in the face of consumer demands for transparency in their food system. The recent scandal in Brazil, in which two of the world's largest meat companies, Brazilian meatpackers JBS and BRF, were exposed for exporting rotten beef and trying to cover it up with cancer-causing acid products, demonstrates the vital importance of consumer protection through labeling. U.S. consumers, in historic numbers, are demanding to know where their food comes from and where and how it is processed.

Labeling provides consumers with important information for their marketplace choices. It helps guide consumers who want to buy from U.S. family farmers and ranchers rather than industrial multinational corporations that commingle meat products from several foreign countries. We urge the Colorado legislature to step up for citizens where Congress has failed them by reinstating country of origin information on the beef that Coloradans purchase at retail stores for themselves and their families.

Sincerely,

A handwritten signature in green ink that reads "Mike Weaver".

Mike Weaver
 President
 Organization for Competitive Markets

