LSP *Myth Buster* #10

An ongoing Land Stewardship Project series on ag myths & ways of deflating them.

Updated: July 2005

Myth: It will be prohibitively expensive to tell consumers what country their food comes from.

Fact:

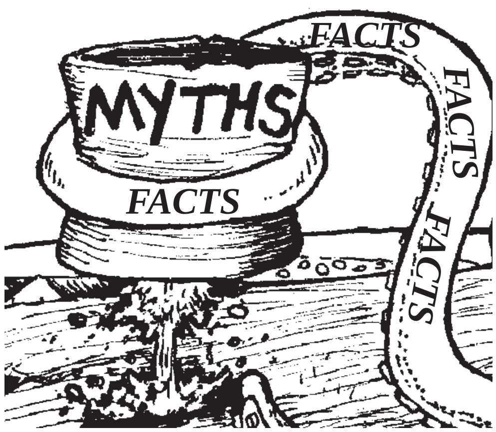
A provision of the 2002 Farm Bill requires grocery stores to identify what country beef, pork, lamb, fish, shellfish, fruits, vegetables and peanuts originated from.

This law, called "Country of Origin Labeling" (COOL) took effect on Sept. 30, 2004. It would provide consumers the same information they get when they buy, say, a shirt or a car.

The USDA has estimated that the first-year paperwork burden on industry would cost almost $2 billion alone. That's a hugely inflated figure, concludes a paper published by the University of Florida's Institute of Food and Agricultural Sciences.

The analysis concluded that in some cases the USDA overestimated the various costs of COOL by 95 percent. A more realistic estimate for labeling costs is between $70 million and $193 million, say the paper's authors, who are agricultural economists and agricultural law experts. "The costs and complexity of labeling have been overblown, often to absurd levels," they write. Several reasons for the USDA's inaccurate figures are cited by the analysis, including the agency's assumption that it would cost farmers more to keep records than prior experience with labeling programs has shown.

In August, the U.S. General Accounting Office (GAO), a nonpartisan investigative arm of Congress, issued a report that concluded the USDA's cost estimates were "questionable and not well supported." Again, said the GAO, USDA developed its estimates based on assumptions that record keeping would cost much more than normal, and failed to provide reasons for the inflated estimates.



More Information

◆ For a copy of *Country of Origin Labeling: A Legal and Economic Analysis*, log onto www.agecon.unl.edu/mark/cool/PBTC_03-5.pdf.

◆ The GAO's COOL analysis, *Country-of-Origin Labeling: Opportunities for USDA and Industry to Implement Challenging Aspects of the New Law* is available at www.gao.gov/cgi-bin/getrpt?GAO-03-780.

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This Myth Buster is brought to you by the members and staff of the Land Stewardship Project, a private, nonprofit organization devoted to fostering an ethic of stewardship for farmland and to seeing more successful farmers on the land raising crops and livestock. For more information, call 651-653-0618 or visit www.landstewardshipproject.org.