

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

4028

2005 SENATE AGRICULTURE

SCR 4028

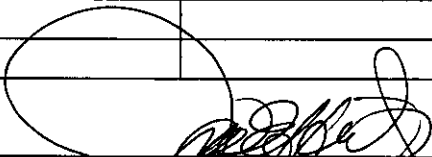
2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR 4028

Senate Agriculture Committee

Conference Committee

Hearing Date February 11, 2005

Tape Number	Side A	Side B	Meter #
1	x		53 - 2740
Committee Clerk Signature 			

Minutes:

Chairman Flakoll opened the hearing on SCR 4028, a resolution urging Congress to support mandatory country of origin labeling for all agricultural commodities. All members were present.

Senator Krauter introduced the resolution. We all know the history of COOL (Country of Origin Labeling). Consumers think its important and producers do too. This resolution urges the full enforcement of the delayed COOL regulations. Senator Krauter is strongly committed to it.

Woody Barth, North Dakota Farmers Union, introduced **Wes Weiderman**, a member of North Dakota Farmers Union who testified in favor of the bill. (meter 209) (written testimony)

Senator Klein asked how we will gain \$6 billion from COOL, will Americans eat more meat or will we close our border. (meter 383)

Mr. Weiderman said there is evidence that consumers would be willing to pay more for American beef when compared to imported beef. That is where the dollars will come from. It would not come from the border being closed.

Senator Klein said his readings show it has not been a consumer issue driving the COOL legislation. The industry has taken the position if the consumers are driving the issue, it will happen. What makes you think consumers are driving COOL.

Mr. Weiderman said studies have shown consumers will support it. 85% of consumers said they will support it.

Roger Johnson, Agriculture Commissioner, testified in favor of the bill. (meter 634) (written testimony). USDA deliberately attached larger costs and complex rules that supporters did not envision.

Senator Taylor asked if this would be a better law if food service was included and if the burden of proof were not placed on the producer, by labeling all imports and calling the rest US produced. (meter 1008)

Mr. Johnson said it should be implemented by labeling all imports (about 10% of total beef supply in a normal year) and keep it labeled as it moves through the process. Everything else is domestic. This is what producers envisioned.

Senator Taylor asked if USDA could do this.

Mr. Johnson said they could but they have chosen not to, the original rules would make it very complicated. Regarding food service, it is everyone's goal to eventually do it. One of the things that would happen if the rules are implemented as planned is the food service industry would realize where their meat is coming from. Currently they don't know.

Senator Urlacher asked with the estimated \$6 billion benefit, what would the cost of implementation.

Mr. Johnson said he doesn't have those numbers but maybe Wade Moser does. Studies have shown 80 - 90% of consumers say they would like to know the country of origin on their beef. 80% say they would pay a little more for American beef.

Wade Moser, North Dakota Stockmen's Association, testified in favor of the bill. (meter 1382)

The initial law as passed in 2002 had great intent but are they are very disappointed in the former Agriculture Secretary's rules which make the law unworkable. The economic analysis makes unreasonable and unfair assumptions. The rules put all the burden on the producers and that is unfair. The penalties on the retailer are unfair, the packer gets the clout. This needs to be worked on, the rules should not be implemented as they are currently written. One of the problems we have with identifying products from other countries is that we can't do it legally without putting the same restrictions on our producers. There is a way around this, it is called the J list. The J list is a provision that says you must identify all products to the consumer. It is not to the end consumer, it is to the packer who modifies the product and they are no longer required to identify the country of origin. You could change the J list that exempted agricultural products and require them to be identified to the final user. The is a remedy. The latest rules from the USDA regarding Canadian imports are requiring a brand on all cattle from Canada. Mexican imports are required to have an m-brand. With these rules, the packers will know when cattle have come from Canada or Mexico without much additional cost.

Senator Klein said as a grocer who could be fined up to \$10,000 with the law, they will pass their costs along. They object that the restaurants aren't covered. This is going to hurt producers

in the end, because costs are going to be added. How do we know these additional costs aren't going to drive down the price to the producer.

Mr. Moser said these are issues we can't get our arms around this. USDA did not do their jobs when they wrote the rules. All food should be covered. The way it is set up now, all imports will go to the food service industry or school lunch because they won't need to be labeled. This won't stop the flow.

Senator Klein asked if NCBA is still opposed.

Mr. Moser said they are supporting a voluntary program.

Brian Kramer, North Dakota Farm Bureau, testified in favor of the bill. (meter 2126) He said

Mr. Johnson and **Mr. Moser** did a good job describing resolution.

Kenny Graner, Morton County producer, testified in favor of the bill. (meter 2171) Cost will be minimal, this puts us on a level playing field, the future of his operation is at stake.

Senator Klein asked if with the good market now, why not just maintain it.

Mr. Graner said we raise the best and safest beef in the world. Without implementation of COOL, the big four packers will be allowed to bring in product from other countries and this will drive the market down. If we can differentiate our beef from imported beef, it will drastically drive the price down.

Senator Klein said the new super centers will put a new complexion on how North Dakota will look. They will sell 99 cent Mexican ground beef. The consumers will buy it, They buy foreign clothing, they just don't care. Are we just adding another cost.

Mr. Graner said he opposes Wal Mart.

Chairman Flakoll closed the hearing on SCR 4028.

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Senate Agriculture Committee

Bill/Resolution Number SCR 4028

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Senator Klein moved a do pass on SCR 4028.

Senator Taylor seconded the motion.

The motion passed on a roll call vote 6-0-0.

Senator Seymour will carry the bill.

REPORT OF STANDING COMMITTEE (410)
February 11, 2005 12:09 p.m.

Module No: SR-28-2539
Carrier: Seymour
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SCR 4028: Agriculture Committee (Sen. Flakoll, Chairman) recommends DO PASS
(6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SCR 4028 was placed on the
Eleventh order on the calendar.

2005 HOUSE AGRICULTURE

SCR 4028

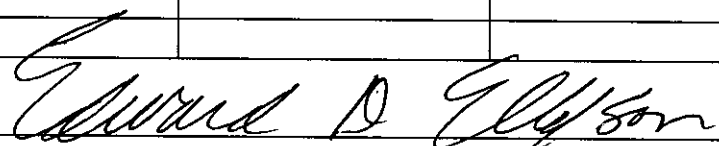
2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR 4028

House Agriculture Committee

Conference Committee

Hearing Date 3---04----05

Tape Number	Side A	Side B	Meter #
TWO	A		9.4 TO 12.5
Committee Clerk Signature 			

Minutes:

CHAIRMAN NICHOLAS: Committee Members, will open on SCR 4028

A SCR URGING CONGRESS TO SUPPORT MANDATORY COUNTRY OF ORIGIN LABELING FOR ALL AGRICULTURAL COMMODITIES.

WE WILL TAKE SENATOR KRAUTER ON 4028.

SENATOR KRAUTER: Good morning Chairman Nicholas and Committee Members.

The bill simply states that we support country of origin labeling. For all beef, lamb, fish, Pork and perishable agriculture products. And peanuts. In ND, I believe in 1999 session we introduced an approved country of origin of meat in the state of ND. Retailers have to identify Whether the product is US or UNKNOWN and we have consistently had good support for country of origin labeling. In the state of ND. What this dose, Congress in the past in past supported The 2002 Farm Security Act and then in 2004 that was kind of amended. To not put it into effect until Sept. 2006 which is kind of on hiatus now. What this resolution dose is ask

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House Agriculture Committee

Bill/Resolution Number SCR 4028

Hearing Date 3---04---05

Congress to put those back into authorize the USDA to import for country of origin of labeling.

I think everyone that serves on this committee is pretty much in tune with agriculture

And understand the concept there and the resolution asks to do that.

CHAIRMAN NICHOLAS: Any questions of Sen. Krauter? O. K. Representative Kerzman

Do you want to testify.

REPRESENTATIVE KERZMAN: Thank you Mr. Chairman. I am from District 31. A farmer and rancher. I would like to offer my support on the resolution and keep the pressure and let them know that North Dakota is for labeling of origin.

CHAIRMAN NICHOLAS: Any other comments?

WOODY BARTAH: NORTH DAKOTA FARMERS UNION. WE URGE A DO PASS ON SCR 4028. [[PLEASE SEE PRINTED TESTIMONY FURNISHED BY WOOD BARTH.]]

CHAIRMAN NICHOLAS: Any other testimony. Other testimony.

BRIANT KRAMER FARM BUREAU. WE SUPPORT SCR 4028.

CHAIRMAN NICHOLAS: OTHER TESTIMONY?

CHUCK FLEMMING: MARKETING COORDINATOR FOR THE NORTH DAKOTA DEPARTMENT OF AGRICULTURE. I have a statement from Commissioner Johnson in support of resolution. I have his printed testimony.....I was in the Netherlands last year and look at products as to labeling of origin. It is getting to it is almost right down to the farm from the country that the product came from. This resolution need to happen. Europe wants to know where it is coming from. European companies are going around to countries to inspect the manufacturing of products. High Standards.

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House Agriculture Committee

Bill/Resolution Number SCR 4028

Hearing Date 3---04---05

CHAIRMAN NICHOLAS: ANY OTHER TESTIMONY FOR OR AGAINST THE
RESOLUTION?

CHAIRMAN NICHOLAS: O.K. WE WILL CLOSE THE HEARING ON SCR 4028 AND
THE CHAIR WILL ENTERTAIN A MOTION ON SCR 4028.

REPRESENTATIVE MUELLER MOVED FOR A DO PASS.

REPRESENTATIVE: SECONDED BY REPRESENTATIVE WALL.

THE ROLL WAS TAKEN THERE WERE 11 YES 0 NO 2 ABSENT

REPRESENTATIVE WALL CARRIED THE RESOLUTION.

CHAIR CLOSED ON SCR 4028

SB 4028

3-4-05

Date:
Roll Call Vote #:

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

House HOUSE AGRICULTURE COMMITTEE Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS

Motion Made By Mueller Seconded By WALL

Representatives	Yes	No	Representatives	Yes	No
REP. EUGENE NICHOLAS CHAIRMAN	✓		REP. TRACY BOE		
REP. JOYCE KINGSBURY VICE CHAIRMAN	✓		REP. ROD FROELICH	✓	
REP. WESLEY BELTER			REP. PHILLIP MUELLER	✓	
REP. M. BRANDENBURG	✓		REP. KENTON ONSTAD	✓	
REP. CHUCK DAMSCHEN	✓				
REP. CHAIG HEADLAND	✓				
REP. GARY KREIDT	✓				
REP. GERALD UGLEM	✓				
REP. JOHN WALL	✓				

Total (Yes) 11 No 0

Absent 2

Floor Assignment WALL

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

REPORT OF STANDING COMMITTEE (410)
March 4, 2005 1:41 p.m.

Module No: HR-40-4206
Carrier: Wall
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SCR 4028: Agriculture Committee (Rep. Nicholas, Chairman) recommends DO PASS and BE PLACED ON THE CONSENT CALENDAR (11 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SCR 4028 was placed on the Tenth order on the calendar.

2005 TESTIMONY

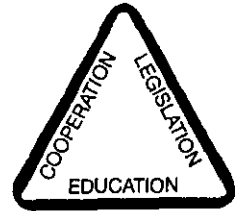
SCR 4028

North Dakota Farmers Union

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SCR 4028

Senate Agriculture

*Same
shown
to Henn*

Chairman Flakoll and members of the Senate Agriculture Committee.

My name is Woody Barth and I here representing over 35,000 of North Dakota Farmers Union. North Dakota Farmers Union would like to urge a do pass on SCR 4028, which would urge Congress to support mandatory country of origin labeling on all agricultural products.

We support mandatory country-of-origin labeling for all agricultural products. Mandatory country-of-origin labeling is a valuable marketing tool for producers and it allows consumers to know where their food is produced.

Country-of-origin labeling provides a system for U.S. producers to stand behind the products they produce, much as processors and retailers do when they brand products to gain greater market share. Reports show that beef producers stand to gain \$6 billion more in revenue if COOL is implemented. Given increased food safety concerns, and the fact that U.S. producers adhere too much higher environmental and sanitation standards than other countries, COOL is a reasonable and long-overdue requirement for all agricultural commodities.

Despite attempts to undermine this important provision, country-of-origin food labeling beef, lamb, pork, is law in this nation and in this state. Agriculture producers and consumers should stand united to make sure it is implemented in a way that benefits both producers and consumers.

We urge a do pass on SCR 4028, lets urge congress to support mandatory country of origin labeling for all Agricultural products.

Thank Mr. Chairman and members of the committee; I will now answer any questions.

Roger Johnson
Agriculture Commissioner
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Bismarck, ND 58505-0020

**Testimony of Roger Johnson
Agriculture Commissioner
SCR 4028
Senate Agriculture Committee
Roosevelt Park Room
February 11, 2005**

Chairman Flakoll and members of the Senate Agriculture Committee, I am Agriculture Commissioner Roger Johnson. I am here today in support of SCR 4028, which urges Congress to support mandatory country of origin labeling (COOL). I would urge you to consider amending the resolution and replace the words "all agricultural commodities" in lines 1 & 2 and 24 with "beef, lamb, pork fish, shellfish, perishable agricultural commodities and peanuts."

Country of origin labeling requirements for beef, lamb, pork, fish, shellfish, perishable agricultural commodities, and peanuts were enacted into law as part of the Farm Security and Rural Investment Act of 2002 (Section 10816). The law called for the implementation of a 2-year voluntary program immediately followed by a mandatory country of origin labeling program which was set to begin in September, 2004. Congress subsequently delayed the implementation of mandatory COOL until September, 2006.

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 in; 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." More than 30 foreign countries require country of origin labeling on processed meats and fresh fruits and vegetables. (Source: 1998 Foreign Country of Origin Labeling Survey- USDA)

Country of origin labeling should be a program that accomplishes the desired outcome (congressional intent) 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 four cases of Bovine Spongiform Encephalopathy (BSE) confirmed in cows of Canadian origin are yet another reminder 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 Flakoll and committee members, I urge you to support SCR 4028. I'd be happy to respond to any questions.

Roger Johnson
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**Testimony of Roger Johnson
Agriculture Commissioner
SCR 4028
House Agriculture Committee
Peace Garden Room
March 4, 2005**

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