County Of Origin Labeling Update

Country of origin labeling for all meat products has divided the meat and livestock industry in recent months.

Packers, especially those who manufacture ground beef, are at a loss as to how such labeling might be accomplished. Many processors import lean boneless beef to blend with fatter beef trimmings from fabrication operations to make leaner products in demand by today's consumers.

Other packers located near the Canadian or Mexican borders process animals shipped across the border and all meat is blended together to make finished products.

Ground beef is especially difficult to track since meat from hundreds of carcasses might be blended together in one batch. This makes it impossible to track products made exclusively from U.S. beef.

Further, packers question whether feeder cattle from Mexico must be labeled as imported. Since these cattle come from feedlots where pens of cattle may come from many different sources, it would be a nightmare for these records to follow the cattle.

USDA: "Costly and Useless"

USDA reported to Congress its findings related to the possible mandatory country of origin labeling of meat and meat products.

The 39-page report concluded in part that "the major costs associated with new country of origin labeling requirements are related to the cost of segregating and preserving imported product identity "and that cost, although unknown,"could be significant."

The direct cost of labels range from $500,000 for imported muscle cuts at grocery stores to $8 million if all muscle cuts are labeled. Furthermore, "a requirement for mandatory country of origin labeling could have a potentially damaging effect on United States exports of beef and other commodities.

Finally, there's no evidence consumers are willing to pay more for meat to have it labeled with the country of origin.

"To the contrary, if consumers do distinguish goods depending on their country of origin, strong incentive exists for industries to act without government intervention."

Some American producers have been pushing Congress to require such labeling as a way to curb imports of Canadian cattle, but, according to a Associated Press report, labeling meat could cost the industry $1 billion a year.

A coalition of leading food industry trade organizations welcomed the findings of the USDA study.

"The report confirms that mandatory meat labeling proposals, including those currently pending in Congress, are expensive, difficult to enforce, and serve no useful purpose," commented coalition spokesman Tim Hammonds, president and CEO of the Food Marketing Institute.

The National Cattlemen's Beef Association (NCBA) has supported such labeling, with the intent that it will protect U.S. beef from imports. Packers Informal Working Groups organized by Food Marketing Institute and the National Cattlemen's Beef Association recently met to explore alternatives to legislation that would impose mandatory country-of-origin labeling on meat products.

Currently being discussed are options focusing on whether a voluntary, fee-for-service program could work and, if so, how should "domestic beef "be defined.

Beef:Made In The USA

The latter question is one that FSIS and the Agricultural Marketing Service have also been studying. Meeting on Mar. 13, working groups from the two agencies outlined their requirements for geographic labeling claims. AMS provided information on its "Beef: Made in the USA" program, still under development.

The verification process for USA beef looks a lot like FSIS requirements.

To qualify for the "Beef: Made in the USA" program, beef products must develop a written system which:

• Permanently identifies animals at farm or ranch of birth.

• Establishes an auditable document trail to ensure traceability to farm or ranch of birth.

• Is self-monitored through an internal auditing system.

• Ensures all persons with responsibilities relating to the program know and follow program requirements.

Proposal Reflects Concerns

Responding to requests by producer groups to discontinue carcass grading, USDA's Agricultural Marketing Service (AMS) issued an Advance Notice of Proposed Rulemaking in January.

Among the options being considered are 1) The elimination of imported carcass grading or

2) Grading with the provision that the country of origin mark be maintained with the grade mark or

3) Consider imported carcasses the same as domestic ones and eliminate the requirements to designate country of origin labeling.Comments were due by Apr. 3.

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BASF Pledges Use Of Ethanol In Company Cars

RESEARCH TRIANGLE PARK, N.C. — The BASF Corporation announced a new company ethanol initiative at the National Corn Growers Association Awards Dinner, held Feb. 26 at Commodity Classic in San Antonio.

According to Rick Van Genderen, U.S. business manager for BASF and guest speaker at the banquet, John Rabby, BASF group vice president, North America, has asked all employees with company cars to seek out and patronize only outlets that sell ethanol blended gasoline. Employees are also being encouraged to use ethanol in their personal cars.

In the memo announcing the initiative to North American sales and marketing employees of BASF, Rabby wrote, "As one of the world's leading agriculture input companies, it is vital to our long-term success to prove our leadership on many fronts that concern our ultimate customers, the farmers.

In a time of high corn surplus and historically low corn prices, we must not only voice our support for corn producers, but also show it with our checkbooks."

The production of ethanol currently utilizes 600 million bushels of corn and is blended with an estimated two percent of all gasoline fuels. In 2000, BASF employees with company vehicles logged over 10 million miles. "We can make an impact," said Van Genderen. "As an industry leader, BASF views this effort as an important step in advancing the value and price of our customers' commodities."

The BASF Agricultural Products business in North America, Crop Protection Products Department, markets a range of innovative crop protection materials and systems that enable growers to increase their cost-efficiency as well as their crop yield potential. Its headquarters are in Research Triangle Park, N.C. It is a unit of the BASF Global Agricultural Products Division located in Mount Olive, N.J.

BASF is a return-focused global company generating long-term growth and profitability from its activities in chemicals, nutrition, and oil and gas. The company's product range includes high-value chemicals, plastics, dyestuffs, dispersions, automobile and industrial coatings, crop protection products, fine chemicals, crude oil and natural gas. BASF's approach to integration, known in German as "Verbund," is one of the company's particular strengths and provides a unique competitive advantage. With sales in 2000 of 36 billion euros and a workforce of about 105,000 employees, BASF is one of the world's top chemical companies. The BASF U.S. Agricultural Products Internet address is http://www.agproducts.basf.com.