



Southwest Council of Agribusiness

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June 9, 2015

Dear Member of Congress:

The Southwest Council of Agribusiness strongly supports the Country of Origin Labeling Amendments Act of 2015 (H.R. 2393) and urges you to vote in favor of the bill when it is considered by the House of Representatives this week.

The U.S. mandatory country-of-origin-labeling (COOL) law was established to boost demand for U.S. products. Unfortunately, the only increase we have seen is the number of World Trade Organization (WTO) cases against the United States. For the fourth time since the law's creation, the WTO ruled that the COOL law is discriminatory and violates international treaty obligations. With all appeals now exhausted, the United States is vulnerable to retaliation from Canada and Mexico if swift action is not taken by Congress to repeal the COOL law. Estimates show that retaliation could be more than \$3 billion annually in combined tariffs, which is especially concerning after listening to last week's General Farm Commodities & Risk Management Subcommittee hearing on the financial health of farm country.

Retaliations aside, the COOL law has already proven costly and ineffective. The USDA recently released a report on the economic-impact of COOL and found there has been "no measurable benefit." In fact, over a 10-year period, the analysis estimates that the COOL requirements have cost the U.S. cattle industry \$8.07 billion and the U.S. pork industry \$1.31 billion. Those losses have been felt across the board from producers to packers, retailers, and consumers. This alone would seem reason enough to repeal the law.

SWCA is a coalition of non-profit agriculture organizations, agribusinesses, and financial institutions located in Colorado, Kansas, New Mexico, Oklahoma, and Texas. Farmers in the five state region produce over \$60 billion in agriculture products annually and represent 21% of farms in the United States. Farmers, ranchers and businessmen in the southwest have historically enjoyed mutually beneficial relationship with producers in Mexico. Those relationships have now been strained by the compliance costs incurred under the COOL law. COOL does not enhance food safety, protect consumers, or increase demand for U.S. products. Instead, it enhances costs by hundreds of millions of dollars for North American producers while also jeopardizing the United States' relationship with Canada and Mexico—two of our largest trading partners.

COOL has been a costly and unnecessary burden on farmers and ranchers since its inception. It is time to repeal this law before Canada and Mexico implement retaliatory measures that will have a damaging effect on the U.S. agriculture industry. **Please vote in support of H.R.2393.**

Sincerely,

A handwritten signature in black ink that reads "R. L. Bearden". The signature is written in a cursive, flowing style.

Rickey Bearden
President