Pasture to Plate Program

pasturetoplate

https://www.sdfbf.org/Policy-Advocacy/Pasture-to-Plate-Program

SOUTH DAKOTA FARM BUREAU

BEEF LABELING

SEPTEMBER 24, 2020

DR. GLYNN T. TONSOR

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HTTPS://WWW.AGMANAGER.INFO/CONTRIBUTORS/TONSOR

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Labeling Evolution

- *U.S. Nutrition Facts Label*
  - *1st appeared in 1994*

Nutrition Facts

servings per container

Serving size	**1patty (198 g)**
Amount per serving	
Calories	**500**
	% Daily value*
Total Fat 40g	**61.54%**
Saturated Fat 15g	**75%**
Cholesterol 140mg	**46.67%**
Sodium 130mg	**5.42%**
Total Carbohydrate 0g	**0%**
Protein 34g	
Calcium 40mg	4%
Iron 3.78mg	21%

*The % Daily Value (DV) tells you how much a nutrient in a serving of food contributes to a daily diet. 2,000 calories a day is used for general nutrition advice.

- *Organic Foods Production Act of 1990*
  - *National Organic Program established in 2000*

Labeling Evolution Continues

Consider these terms

Environmentally Friendly
Lean
Local
Natural
Raised by Independent Farmers
Sustainable
Tender
Traceable
Vegetable Diet

Labeling Evolution Continues

Official Listing of Approved USDA Process Verified Programs

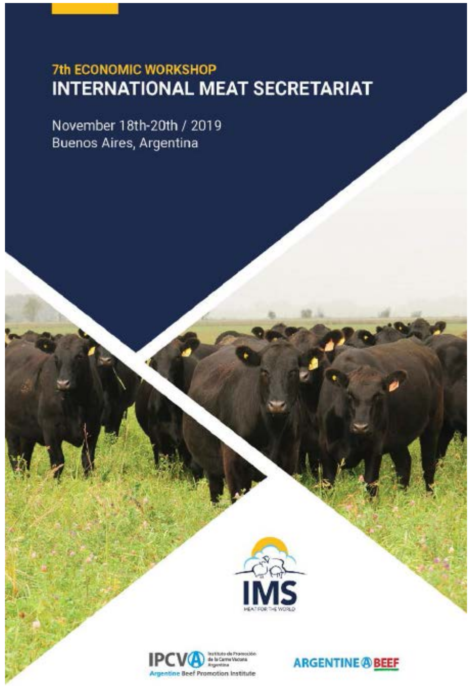
Company	Process Verified Points	Program Scope	Verification Information

https://www.ams.usda.gov/sites/default/files/media/Official%20ListingPVP.pdf

- *PVP document now 66 pages long*

Labeling Evolution Continues – It Always Will!

Alternative Proteins Situation



https://www.agmanager.info/alternative-proteins-situation-broad-overview-and-framing-economic-discussion

INDUSTRY NEWS - AM

Plant-based group challenges Okla. meat consumer protection law

By Susan Kelly on 9/18/2020

The Plant Based Foods Association (PBFA) and Upton's Naturals, a maker of plant-based meat alternatives, have filed a federal lawsuit arguing a new Oklahoma food labeling law is a violation of the First Amendment.

The Oklahoma Meat Consumer Protection Act, set to take effect Nov. 1, prevents companies selling plant-based foods from misrepresenting a product as meat that is not derived from harvested production livestock. The law also requires the packaging for plant-based items to display that "the product is derived from plant-based sources in type that is uniform in size and prominence to the name of the product."

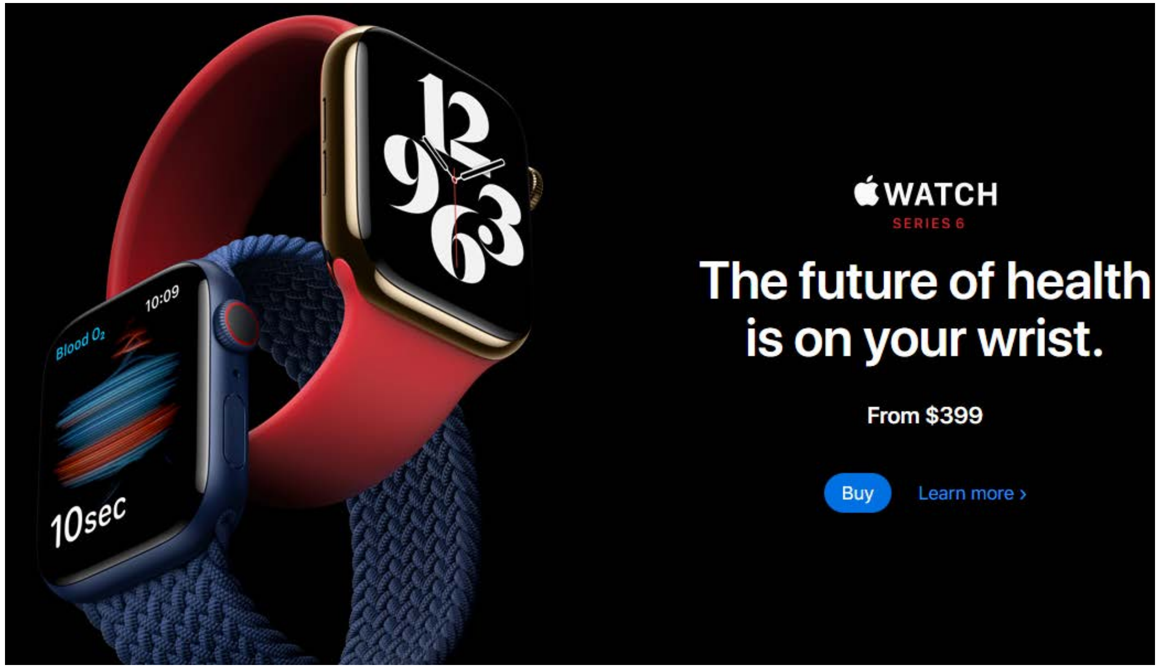
Change is always ongoing

- Scientific ability changes
- Public acceptance & preferences change
- Producer views & practices change

Consider how much phones have changed...

Sources: http://imgkid.com/old-rotary-phone.shtml http://www.gizmag.com/mobile-pnone-40-year-anniversary-photos/25677/ http://www.cellphonereviews.com/who-invented-the-cell-phone/ http://science.howstuffworks.com/innovation/inventions/who-invented-the-cell-phone.htm

Consider how much **MORE** “phones” will change…



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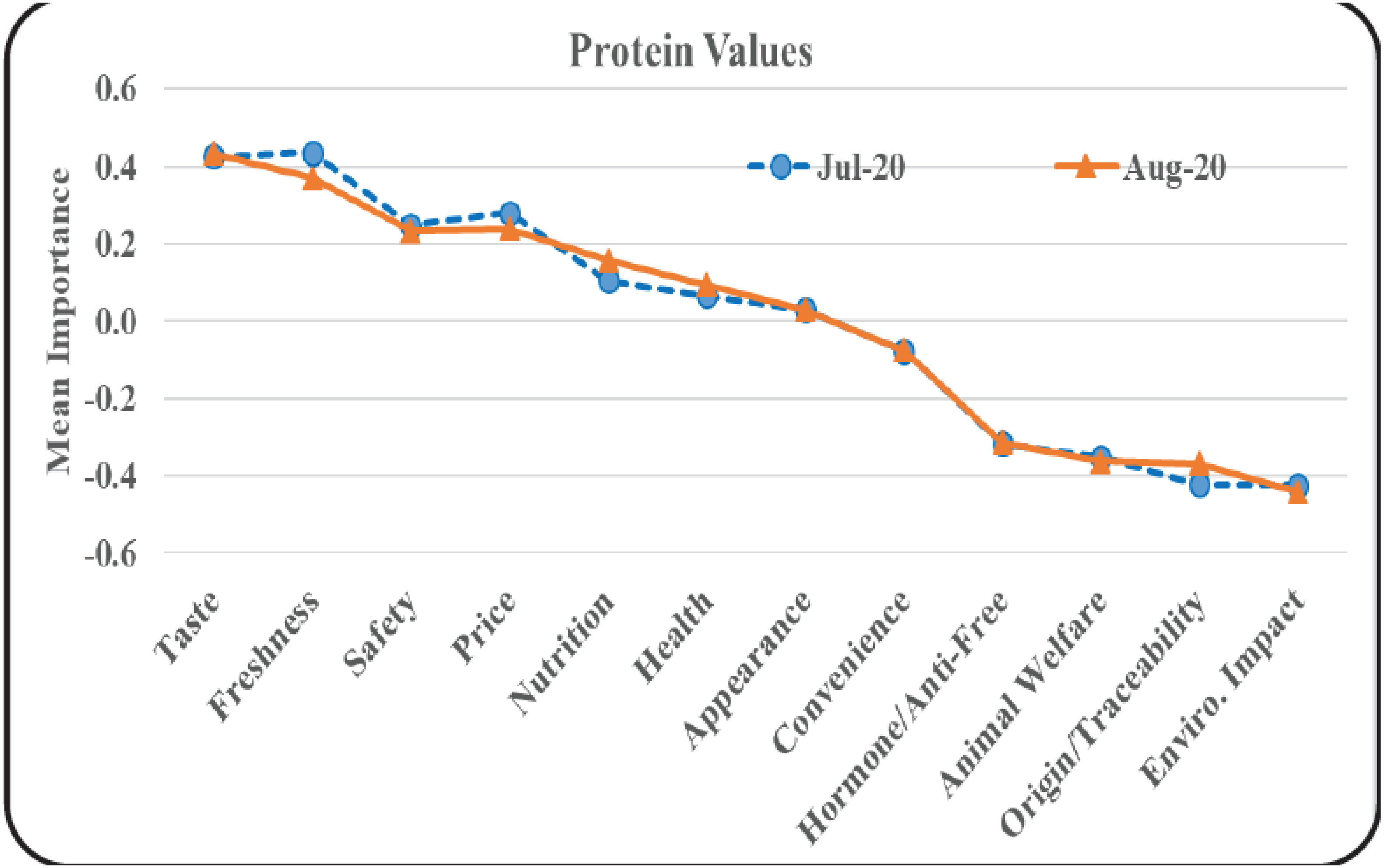
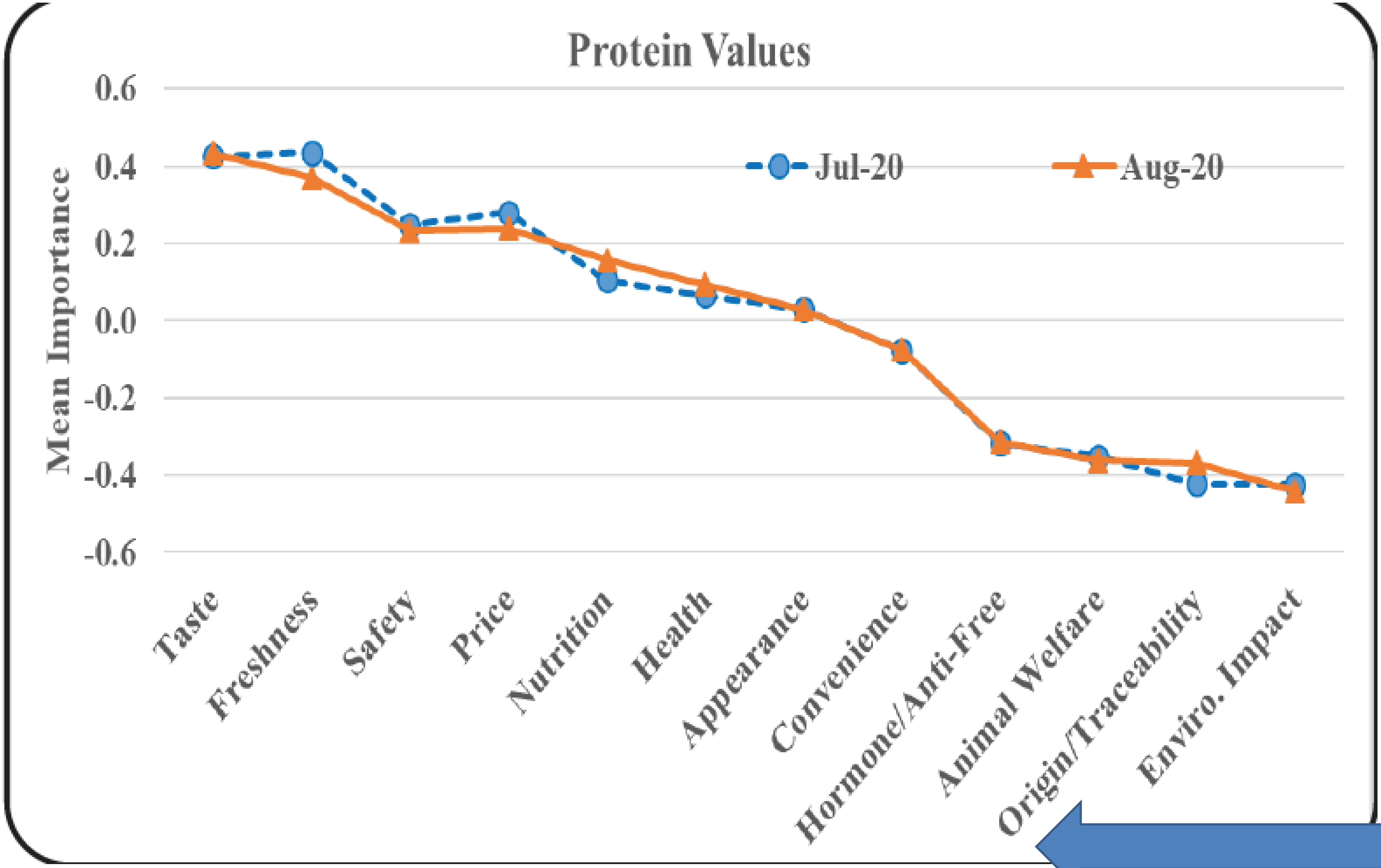
Sources: http://www.techradar.com/us/news/wearables/apple-iwatch-release-date-news-and-rumours-1131043

Protein Purchasing Drivers

Prominence on Labels varies WIDELY



Protein Purchasing Drivers



Origin – Far from the Top

Likert-Scale vs Forced Rank Questions Matter

MCOOL: Long History

MCOOL: History, Status, and Next Steps

Glynn Tonsor
Dept. of Agricultural, Food, and Resource Economics
Michigan State University

Great Lakes Professional Cattle Feeding & Marketing Shortcourse

February 10-12, 2009

Partial EARLY Timeline of MCOOL in the U.S.

- Became law in 2002 Farm Bill
  - Delayed in 2004 until Sept. 2006
  - Delayed in 2006 until Sept. 2008
  - May 2008 law was modified
  - July 2008 interim final rule issued
    - Dec 1st 2008 WTO Process initiated
  - Jan 15th 2009 USDA AMS published final rule

- Mar 16th 2009 Became effective
  - Covers grocery sales of fresh beef, pork, and chicken
  - Processed meat products, meat from restaurants, turkey, and several other products are exempt

Continued Timeline of MCOOL in the U.S.

- Mar 16th 2009 became effective
- 2012 WTO found law violated Technical Barriers to Trade agreement
- May 2013: 2009 Rule was Revised & Implemented
  - Clarifies retailer definition, eliminate commingling flexibility, & requires production step origin country designations on muscle cuts
- April 2015 USDA's Report to Congress https://www.agri-pulse.com/ext/resources/pdfs/u/s/d/r/t/USDACOOLEconomicReport.pdf
- December 18, 2015 USDA stopped enforcing COOL requirements for beef & pork
  - Consolidated Appropriations Act of 2016 repealed COOL requirements

MCOOL: Labeling Examples

https://www.agri-pulse.com/ext/resources/pdfs/u/s/d/r/t/USDACOOLEconomicReport.pdf

Exhibit 1.3 – Labeling Examples Comparing 2009 and 2013 MCOOL Rules*

Product	2009 Rule	2013 Rule
Imported product	"Product of Canada"	"Product of Canada"
Muscle cut – U.S. origin	"Product of the U.S."	"Born, Raised and Slaughtered in the U.S."
Muscle cut – foreign birth country, U.S.-raised and – slaughtered	"Product of the U.S. and Canada"	"Born in Canada, Raised and Slaughtered in the U.S."
Muscle cut – foreign origin, immediately slaughtered in U.S.**	"Product of Canada and U.S."	"Born and Raised in Canada, Slaughtered in the U.S."
Ground beef or pork***	"Product of U.S., Canada and New Zealand"	"Product of U.S., Canada and New Zealand"

*The country Canada is used here for example purposes only. The label would be the same for any country the meat was exported into the U.S. from.

** Valid label for products processed with 14 days.

*** List countries that have supplied raw materials processed at the facility within the past 60 days.

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MCOOL: 30,000' Dispute Overview

Proponents:

- Argue consumers demand origin information and have a "right to know" the provenance of meat products

Opponents:

- Contend cost increases of compliance exceed benefits

MCOOL – GT Work Samples

Mandatory Country of Origin Labeling

Title	Author	Date	Downloads
Overview of MCOOL Impact on KSU Domestic Beef and Pork Demand Indices	Tonsor	September 30, 2019	Downloads
Economic Impacts of 2009 and 2013 U.S. Country-of-Origin Labeling Rules on U.S. Beef and Pork Industries New!	Tonsor Schroeder Parcell	May 1, 2015	Downloads
Valuing Information: The Case of Country of Origin Labeling	Lusk Tonsor Schroeder	January 1, 2014	Downloads
Revealed Demand for Country of Origin Labeling of Meat in the United States	Taylor Tonsor	August 1, 2013	Downloads
Consumer Indifference to Alternative Meat Origin Labels	Tonsor Schroeder Lusk	January 1, 2013	Downloads
MCOOL: Consumer Demand Impact Summary	Tonsor Lusk Schroeder Taylor	November 1, 2012	Downloads

https://www.agmanager.info/ag-policy

MCOOL – GT Work Samples

REPORT TO CONGRESS

Economic Analysis of
Country of Origin Labeling (COOL)

April 2015

U.S. Department of Agriculture
Office of the Chief Economist
Washington, D.C.

WORLD TRADE ORGANIZATION

WT/DS384/RW
WT/DS386/RW

20 October 2014

(14-5927)

Page: 1/206

Original: English

UNITED STATES – CERTAIN COUNTRY OF ORIGIN LABELLING (COOL) REQUIREMENTS

RECOURSE TO ARTICLE 21.5 OF THE DSU BY CANADA AND MEXICO

REPORTS OF THE PANEL

Journal of Agricultural and Resource Economics 38(2):235–247

Revealed Demand for Country-of-Origin Labeling of Meat in the United States

Mykel R. Taylor and Glynn T. Tonsor

JAE Journal of Agricultural Economics

Journal of Agricultural Economics
doi: 10.1111/1477-9552.12010

Consumer Valuation of Alternative Meat Origin Labels

Glynn T. Tonsor, Ted C. Schroeder and Jayson L. Lusk[1]

(Original submitted May 2012, revision received September 2012, accepted November 2012.)

Kansas State University Department Of Agricultural Economics Extension Publication 09/30/2019

Overview of MCOOL Impact on KSU Domestic Beef and Pork Demand Indices

Glynn Tonsor (gtonsor@ksu.edu)[1]
Kansas State University Department of Agricultural Economics – September 2019

MCOOL: Key Findings

- Demand for covered meat products was not impacted

- Typical U.S. residents unaware of MCOOL & do not look for origin information on meat products

MCOOL: Key Findings

- Consumers regularly indicate they prefer products with origin information yet hold similar values of alternative origin labels

- Robust conclusions across species and products examined

MCOOL: Key Findings

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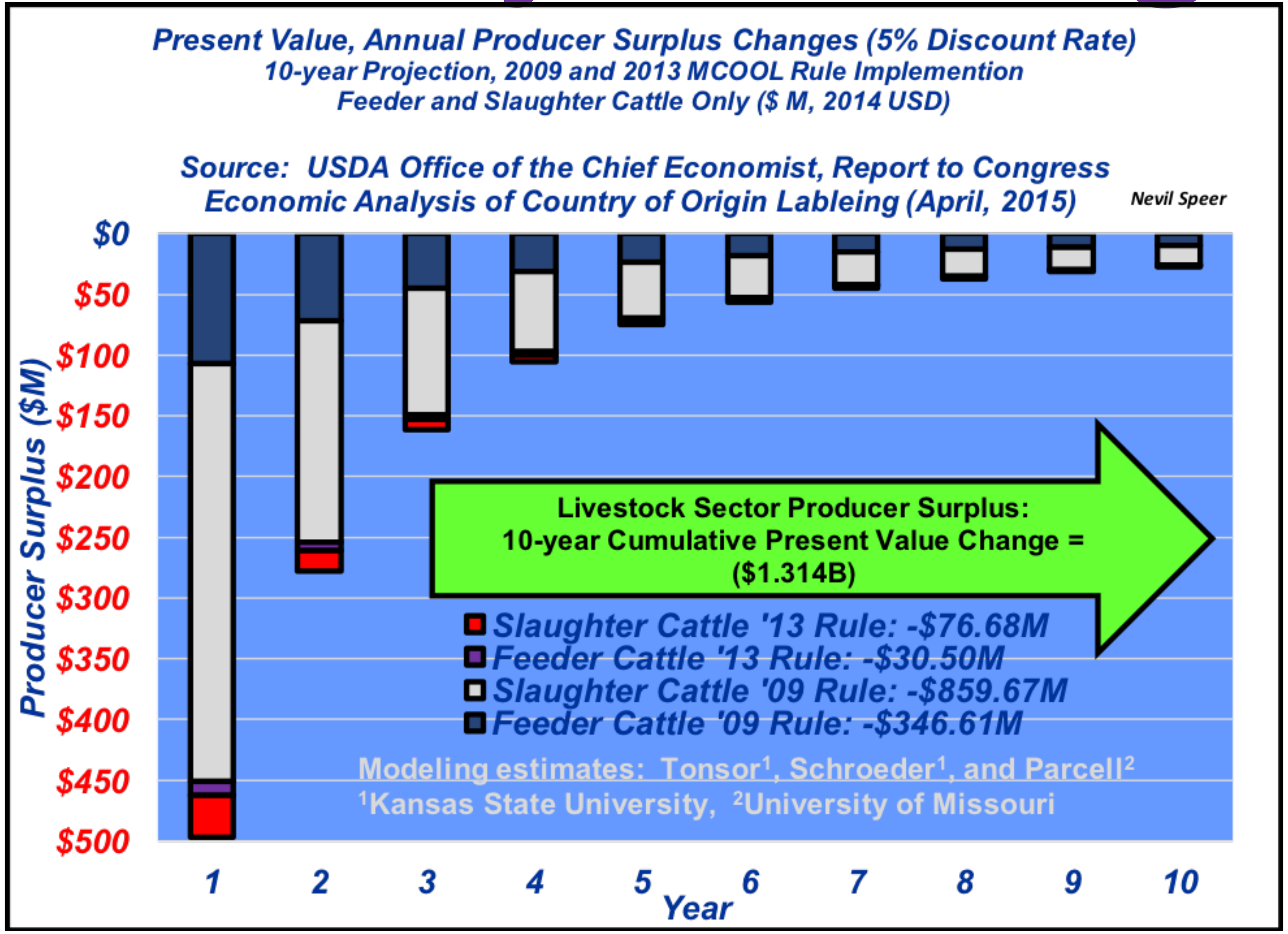

MCOOL: Key Findings

MCOOL Demand Indifference Requirements for improved by sector to offset MCOOL implementation costs (Covered beef volume = 42.3%)			
Sector	**2009 Rule**	**2013 Rule**	**Cumulative**
Feeder Cattle	5.32%	.38%	5.70%
Slaughter Cattle	5.44%	.40%	5.84%
Wholesale Beef	8.51%	.76%	9.27%
Retail Beef	6.90%	.33%	7.23%
Aggregated Beef Industry	6.76%	.38%	7.14%

Food 4 Thought

- What is general acceptance of cattle producers to livestock ID/traceability?

- When was last time you saw a beef roast or tongue with an antibiotic-free label?

- What price & quantity patterns would you expect if US imports &/or exports declined significantly?

- What impact would active MCOOL had on FS-2-Retail "pivot" during COVID-19?

Necessary vs. Sufficient

Consumer Interest

Consumer Willingness-to-Pay

Good for Some Industry Participants

Good for All Industry Participants/Society

Mindset

- U.S. currently is a global leader in grain-finished beef production
- GT is (cautiously) optimistic about long-term, global demand opportunity

Mindset

- U.S. currently is a global leader in grain-finished beef production
- GT is (cautiously) optimistic about long-term, global demand opportunity
- Industry in-fighting is perhaps biggest impediment
  - fights over a piece of today's pie vs. collaborative growth of the pie's size

Would prefer to have 10% of $1,000 [$100 for you/$900 for others] OR 100% of $10?

- On balance, mandated labeling policies should be pursued with caution

Take-Home Message

Society's approach to protein production will change with:

- Technology availability
- Customer & consumer perceptions & preferences
- Market signals & Regulations

AND THAT'S OKAY!

More information available at:

This presentation will be available in PDF format at:

http://www.agmanager.info/about/contributors/individual/tonsor.asp

Host of additional industry resources are cross-linked as well

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Twitter: @TonsorGlynn