

Senators Green and Emmons offered the following resolution:

Senate Resolution No. 110.

A resolution to memorialize the President and the Congress of the United States to ensure that the new Farm Bill includes changes to the mandatory country-of-origin labeling rules so that they satisfy World Trade Organization obligations.

Whereas, Mandatory country-of-origin labeling (COOL) rules require meats sold at retail stores to be labeled with information on the source of the meat. COOL was implemented to give consumers more information about the origins of the food they select and eat; and

Whereas, In a case brought by Mexico and Canada, the World Trade Organization (WTO) found that the original mandatory COOL rules were discriminatory toward meat products from other countries. The WTO ruled that the labeling requirements did not comply with United States international trade obligations, and it gave the U.S. until May 23, 2013, to make the rules WTO-compliant. In response, the U.S. Department of Agriculture (USDA) finalized new mandatory COOL rules; and

Whereas, The U.S. pork and beef industries, Mexico, and Canada all agree that the new mandatory COOL rules are even more onerous than the previous rules. Mexico and Canada have already filed a challenge to the new rules with the WTO, and the WTO is likely to issue a decision on this case in 2014. Unfortunately, the USDA established a very short implementation period for the new rules, which will not give the WTO time to make a decision before the rules go into effect; and

Whereas, The pork and beef industries could suffer serious economic consequences if the WTO decides these new rules are not compliant. First, Mexico and Canada could place retaliatory tariffs on U.S. meat exports. Retaliatory tariffs would have major economic consequences for our pork and beef producers. Mexico and Canada were the second- and fourth-largest export markets by value for U.S. pork, with exports totaling \$1.13 billion and \$856 million, respectively, in 2012. Furthermore, U.S. meat packers and producers would have to shift their production and labeling processes twice, instead of once, causing major disruptions and increased production costs for the pork and beef industries; and

Whereas, Retaliatory tariffs may not be limited to meat products. Mexico and Canada could place retaliatory tariffs on other agricultural products, such as soybeans, corn, wheat, fruits, or dry beans. In 2012, 80 percent of Michigan's agricultural exports went to these countries, accounting for \$321.6 million in trade; and

Whereas, The potential economic disruption from the new mandatory COOL rules is not outweighed by its supposed benefits. Surveys indicate consumers are unaware this information is available on meat packages. Research also indicates this is not necessarily the type of information consumers are seeking. Thus, it makes little sense to move forward with these rules as they currently read; now, therefore, be it

Resolved by the Senate, That we memorialize the President and the Congress of the United States to ensure that the new Farm Bill includes changes to the mandatory country-of-origin labeling rules so that they satisfy World Trade Organization obligations; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.