

# Fact Sheet

## American Beef Labeling Act of 2023

### S.52



Farm Action Fund



Farm Action

Led in the U.S. Senate by Senators John Thune (R-SD) and Jon Tester (D-MT) and co-sponsored by Senators Mike Rounds (R-SD), Cory Booker (D-NJ), Cynthia Lumis (R-WY), and Kirsten Gillibrand (D-NY), the American Beef Labeling Act would reinstate mandatory country of origin labeling (MCOOL) for beef.

## BACKGROUND

Food labels are a critical component of our food economy. They enable farmers to earn a fair price for their products and give consumers the information they need to support local farmers and ranchers – which is increasingly important to Americans.

However, American farmers and ranchers struggle to compete for the consumer dollar in the highly consolidated cattle market, where just four companies control 85% of the market.<sup>1</sup> Without robust labeling standards, these monopolistic corporations can gain an even tighter grip on our food system by misusing labels to deceive customers and run American farmers and ranchers out of business.

If decision-makers want to give American producers a fighting chance to compete, they must level the playing field by raising the integrity of beef labeling. MCOOL required all meat labels to disclose the country the animals were born, raised, and slaughtered, but was rolled back for beef and pork in 2015. This opened the door for multinational corporations to use deceptive labeling practices to steal market opportunities from U.S. farmers and ranchers by passing off their lower-quality, imported products as U.S.-produced.

**In order for this to happen, farmers need federal policy that supports a transformational change in production agriculture.**

## THE AMERICAN BEEF LABELING ACT SUPPORTS INDEPENDENT FARMERS AND RANCHERS BY:

- > Directing the United States Trade Representative to develop and implement a plan to reinstate MCOOL for beef
- > Including a requirement that this plan be in accordance with World Trade Organization regulations
- > Giving the United States Trade Representative one year to implement its MCOOL plan

<sup>1</sup> USDA-AMS Packers and Stockyards Division Annual Report (2019).

## PUTTING AN END TO FRAUDULENT LABELING

When MCOOL for beef was repealed, multinational corporations were able to abuse a loophole in the voluntary “Product of U.S.A.” label which enables them to import meat from other countries, repackage it at a USDA-inspected plant, and pass it off as a higher-quality product raised by U.S. farmers and ranchers. This fraudulent labeling deceives consumers into paying a premium for imported beef and drives American farmers and ranchers out of business.



## CONSUMERS DESERVE BETTER

Consumers deserve to know where their beef comes from. Thousands of American shoppers responded to a 2022 poll from the United States Department of Agriculture stating they expect “Product of U.S.A.” labels to mean that the animal was born, raised, and processed in the U.S. — and more than 40% of the shoppers said they look for the U.S.A. label when buying meat.<sup>2</sup> Truthful labels provide grocery shoppers with the information they need to spend their money on foods that align with their values and support their local farmers and ranchers.

**Reinstating MCOOL for beef will give shoppers confidence that the animals were born, raised, slaughtered, and processed in the U.S.**

<sup>2</sup> USDA-FSIS Notice of Request for a New Information Collection: Analyzing Consumer’s Value of “Product of USA” Labeling Claims (2022).

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