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Docket Clerk
U.S. Department of Agriculture
Food Safety and Inspection Service
1400 Independence Avenue SW
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Rachel Edelstein
Assistant Administrator
Office of Policy and Program Development
Food Safety and Inspection Service
U.S. Department of Agriculture

**Re: *Voluntary Labeling of FSIS-Regulated Products With U.S.-Origin Claims* --
Proposed rule; Docket No. FSIS-2022-0015; RIN 0583-AD87; (March 13, 2023).**

Dear Ms. Edelstein:

On March 26, 2020, the Food Safety and Inspection Service (FSIS) responded to a petition filed by the United States Cattlemen's Association requesting that FSIS amend its policy to provide that any beef product labeled as "Made in the USA,"



“Product of the USA,” “USA Beef,” or equivalent, be derived from cattle that have been born, raised, and slaughtered in the United States. In response to that request, FSIS had this to say:

“After careful consideration of your petition and the 111 public comments submitted to regulations.gov in response to your petition, FSIS has concluded that its current labeling policy . . . may be causing confusion in the marketplace . . . Therefore, FSIS has decided to initiate rulemaking to define the conditions under which the labeling of meat products would be permitted to bear voluntary statements that indicate that the product is of U.S. origin, such as “Product of USA” or “Made in the USA.” As discussed below, **we intend to propose that such labeling be limited to meat products derived from livestock that were slaughtered and processed in the United States.**” (Emphasis added.)

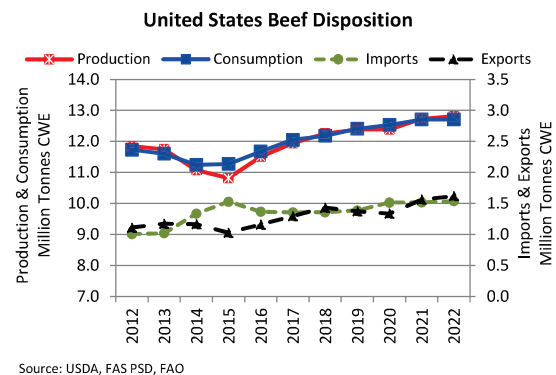
As detailed below, the importance of this undertaking to the current rulemaking – indeed to its very validity - is hard to overstate. For this reason, as well as for the additional infirmities in the proposed rule presented below, we ask that FSIS withdraw the rule, or, in the alternative, reissue the proposed rule for further comment after correcting the defects noted here and in any other comments received.

BACKGROUND

This request is submitted on behalf of the Canadian Cattle Association (CCA), the representative of Canada’s 60,000 beef producers. As FSIS is aware, the agriculture industries, and specifically the beef and livestock industries, of the US and Canada are well integrated with substantial two-way trade, adding both efficiency and resilience to supply chains in both countries. In 2022, Canada was the third largest export market for U.S. agricultural exports, totalling over US\$28 billion, accounting for nearly 15% of total U.S. agricultural exports.¹ Specifically:

¹ 2022 Country Overview, Foreign Agricultural Service, U.S. Department of Agriculture

- The U.S. imported US\$37.3 billion worth of agricultural products from Canada.
- U.S. agricultural exports to Canada have increased 12% from 2021 to 2022^{2,3}.
- In 2022, Canada was the fourth largest U.S. beef export market, following South Korea, China and Japan, while the U.S. imported 71% of Canadian beef exports.



- In dollar terms, that translates to Canadian imports of \$1.06 billion worth of U.S. beef and Canadian beef exports to the US of \$3.45 billion.
- Thus, Canada is a net exporter of beef to the U.S. However, on a per capita basis, the average Canadian buys \$41+ worth of US beef; while an average American buys \$10+ of Canadian beef. Interestingly, Canada also runs a deficit with the US on high value cuts such as loins.
- On the cattle side, 2018-2022 saw average Canadian exports of 657,000 head of cattle to the U.S., comprised of 295,000 fed cattle, 202,000 non-fed and 160,000 feeders.
- By comparison, in 2022 the US exported 302,000 head of cattle to Canada, a nearly ten-fold increase from 2015 when only 32,000 head were exported.
- On a per capita basis Canadian imports of US cattle were approximately four times greater than US imports of Canadian cattle in 2022. A similar dynamic to that described above for beef.

As extensively detailed in the Government of Canada's submission in this matter, any disruption to this integration will negatively impact consumers in both countries and North America's beef competitiveness in world markets.

² Foreign Agricultural Service, U.S. Department of Agriculture

³ Canfax Research Services, June 2023.



THE PROPOSED RULE FAILS TO MEET THE REQUIREMENTS OF THE ADMINISTRATIVE PROCEDURE ACT, CUSTOMS PRECEDENT, AND UNITED STATES OBLIGATIONS UNDER INTERNATIONAL AGREEMENTS

In this rulemaking, as in any other, FSIS is subject to the mandates of the Administrative Procedure Act, 5 U.S.C. Section 706, which provides that a “reviewing court shall . . . (2) hold unlawful and set aside agency action, findings and conclusions found to be – arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law; . . .”

It is established case law as articulated by the Supreme Court in *Motor Vehicle Mfrs. Ass'n v. State Farm Mutual Auto. Ins. Co.* that an agency’s failure to consider reasonable alternatives in its rulemaking is such an abuse of discretion (holding that an “alternative way ** of achieving the [stated] objectives ... should have been addressed and adequate reasons given for its abandonment”).⁴

Moreover, Executive Orders (E.O.) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility.

With respect to consideration of alternatives, in the current proposal FSIS advised as follows:

“Alternative Regulatory Approaches

We considered the following three alternatives in the analysis for this

⁴ *Motor Vehicle Mfrs. Ass'n v. State Farm Mutual Auto. Ins. Co.*, 463 U.S. 29, 48, 103 S.Ct. 2856, 2869, 77 L.Ed.2d 443 (1983)

proposed rule:

- Alternative 1: Taking no regulatory action by continuing with the existing labeling requirements.
- Alternative 2: The proposed rule.
- Alternative 3: The proposed rule, with extended compliance period.”

Thus, as a practical matter FSIS did not consider any substantive alternatives to the proposed requirement that a product must be derived from animals “born, raised, slaughtered, and processed” in the U.S. for it to be eligible to be labeled as a “Product of USA” or “Made in the USA”. This directly contradicts FSIS’ March 26, 2020, stated preference, quoted above, for a “slaughtered and processed in the United States” standard. An agency ordinarily must consider less restrictive alternatives and should explain its reasons for failing to adopt such alternatives.⁵ Not only was the “slaughtered and processed in the United States” standard not considered as an alternative, no reasoned explanation was offered as to why it was not. And with respect to the E.O. 13563 admonition on the importance of quantifying both costs and benefits, FSIS candidly admits it was unable to quantify any benefit.

Further, FSIS’ failure to explain why it was proposing to change the eligibility criteria for a Product of USA label articulated in its March 26, 2020, letter runs counter to the Supreme Court’s 2009 decision in *FCC v. Fox Television*⁶ that established principles that elucidate the standard for judicial review of agency change, including that an agency must “display awareness” that it is changing its position. An agency action that departs from a prior policy without acknowledging the change, or that creates an “unexplained inconsistency” with prior policy is generally viewed as arbitrary and capricious.⁷

⁵ *Motor Vehicle Manufacturers Association v. State Farm Mutual Automobile Insurance Co.*, 463 U.S. 29 (1983) at 48, 103 S.Ct. at 2869

⁶ *FCC v. Fox Television Stations*, 556 U.S. 502 (2009)

⁷ *Ibid* at 514-515

These principles as articulated in *FCC v. Fox Television* apply equally to FSIS' expansion of the rule to multi-ingredient FSIS-regulated products if: "(1) All FSIS-regulated components of the product are derived from animals born, raised, slaughtered, and processed in the United States; and (2) All additional ingredients, other than spices and flavorings, are of domestic origin." We are unaware of FSIS ever taking a position with respect to origin requirements for additional ingredients to qualify for a "Product of USA" or "Made in the USA" label. Yet no acknowledgment of this fact is made in the rule, let alone an explanation offered.

Finally, the failure of FSIS to consider a "slaughtered and processed in the United States" alternative is made more problematic by two additional factors.

First, slaughter is considered by U.S. Customs and Border Protection – and virtually every other Customs authority in the world - to be a substantial transformation that confers origin on the resulting products to the place of slaughter. Thus, if U.S. origin cattle are slaughtered in Canada, the resulting meat is considered a product of Canada, and must be labeled as such, when imported into the U.S.

Second, as a member of the World Trade Organization (WTO) the U.S. is obligated to follow the mandates of the WTO Agreement on Technical Barriers to Trade (TBT).

Specifically, Article 4.1 of the TBT provides that: "Members shall ensure that their central government standardizing bodies accept and comply with the Code of Good Practice for the Preparation, Adoption and Application of Standards in Annex 3 to this Agreement ..."

In turn, PROVISION F of the Code of Good Practice provides that: "Where international standards exist.... the standardizing body shall use them..."

Such a standard exists - it is incorporated in the GENERAL STANDARD FOR THE LABELLING OF PREPACKAGED FOODS of the Codex Alimentarius Commission (Codex). Codex is the international food standards setting body established by the United Nation's Food and Agriculture Organization and the World Health Organization. Codex develops international food standards, guidelines and codes of practice for an international food code that contributes to the safety, quality and fairness of food trade. The U.S. is an active participant in Codex, and in the development and amendment of the GENERAL STANDARD FOR THE LABELLING OF PREPACKAGED FOODS, which was adopted in 1985, amended in 1991, 1999, 2001, 2003, 2005, 2008 and 2010, and revised in 2018.

Of relevance here, Article 4.5.2 provides that: "When a food undergoes processing in a second country which changes its nature, the country in which the processing is performed shall be considered to be the country of origin for the purposes of labelling."

It is worth noting that over the years the U.S. has opposed amendments to this provision. As one example, at the thirtieth session of the Codex Committee on Food Labeling it was reported that:

"The Delegation of the United States stated its view that the current provisions in section 4.5 are sufficient to help consumers. The Delegation expressed its concerns that modifications to the Codex General Standard would not provide additional benefits to consumers, and that there was no evidence that the revised text was required based on food safety. It also noted that the work in the Committee may duplicate the work underway in WTO and WCO, and the industry would face difficulties due to the diversified and varying origins from which they purchase ingredients. **The Delegation further pointed out that country of origin labelling might**

infringe the provisions of the TBT Agreement due to its implications on trade.”⁸ (emphasis added)

FSIS’ RATIONALE FOR THE PROPOSED RULE DOES NOT WITHSTAND SCRUTINY

In addition to these process issues which should invalidate this rule as a threshold matter if it is adopted as proposed, FSIS’ rationale for the rule does not survive scrutiny either.

The proposed rule was prompted by petitions from several stakeholders requesting that FSIS amend its regulation for the use of a US-origin label claim on meat, poultry and egg products. The stakeholders' core contention was that under current FSIS regulations the US-origin claim misleads consumers as the claim only requires a product to be processed in the USA⁹, while the animal may be born, raised and slaughtered in another country.

In advance of publication of the proposed rule FSIS commissioned Research Triangle Institute International to undertake a consumer research survey ("RTI Survey")¹⁰ to assess whether consumers notice the Product of USA label, to determine consumer understanding of the current Product of USA label claim, and to estimate consumer marginal willingness to pay for, *inter alia*, one pound of ground beef with a US-origin label under the proposed definition. FSIS contributed to the RTI methodology,¹¹ the FSIS Technical Review Team helped develop the RTI Survey questionnaire, and the study was approved by the U.S.

⁸ REPORT OF THE THIRTIETH SESSION OF THE CODEX COMMITTEE ON FOOD LABELLING Halifax, Canada, 6 – 10 May 2002. Reported at https://www.fao.org/fao-who-codexalimentarius/sh-proxy/en/?lnk=1&url=https%253A%252F%252Fworkspace.fao.org%252Fsites%252Fcodex%252FMeetings%252FCX-714-30%252Fal03_22e.pdf Last visited June 5, 2023

⁹ RTI Survey, p.1-1.

¹⁰ Cates, S.C., et al. *Analyzing Consumers’ Value of ‘Product of USA’ Labeling Claims*. RTI International (November 30, 2022). Found at: https://www.fsis.usda.gov/sites/default/files/media_file/documents/Product_of_USA_Consumer_Survey_Final_Report.pdf

¹¹ RTI Survey, p.2-2.

Office of Management and Budget.¹² The RTI Survey report was included by reference in the publication of the proposed rule.

FSIS offers two arguments for its proposal. First, it argues that a change in the Product of USA definition is necessary in order "to resolve consumer confusion" around the current definition of Product of USA. Second, it argues that consumers have a higher willingness to pay for meat products with the proposed Product of USA claim definition than for meat product with the existing Product of USA claim definition.¹³

In response to the proposed rule, Canada Beef, an organization promoting Canadian Beef¹⁴, engaged a leading survey scientist, Dr. Glenys A. Babcock, and a prominent statistical data scientist, Prof. David Draper of the University of California at Santa Cruz, to assess the validity of the FSIS arguments. Specifically, Canada Beef sought to better understand the methodologies, analyses, and accuracy of findings of the RTI Survey, and of the arguments made by FSIS. As part of this methodological assessment, Canada Beef undertook a consumer survey of Americans. While the proposed change in the Product of USA label claim would apply to all single ingredient meat, poultry, and egg products, Canada Beef directed the consultants to focus on ground beef products, consistent with the FSIS pricing study cited in the proposed rule. Their report is included as Attachment A to this submission.

In summary, the report reveals a number of unanswered critical questions about the RTI Survey methodology and analysis pertaining to marginal willingness to pay (MWTP) for one pound of USA ground beef. Some examples:

¹² RTI Survey, p.2-11

¹³ Ibid., p.15290 col. 1.

¹⁴ See <https://canadabeef.ca/>

Contradictory information provided regarding DCE 1

The RTI Survey report describes DCE 1 as a comparison of the MWTP for "P-USA with No Definition vs. No P-USA". The assertion that DCE 1 provided no definition for the Product of USA claim is repeated in the Executive Summary description of the discrete choice experiment, in the description of MWTP findings, and in the presentation of findings in Table ES.1, and the description of those findings. The "no definition" is then repeated in the in-depth discussion of DCE 1 methodology, in the findings and in the conclusion sections of the report.¹⁵ The RTI survey questionnaire in Appendix A, the DCE 1 header also describes a comparison between MWTP for ground beef package with a Product of USA label (no definition given) to a ground beef package with no Product of USA label.¹⁶

However, directly below the DCE 1 heading, Display 9 indicates that respondents were in fact given the current definition of the "Product of USA" label claim.¹⁷ Thus, RTI International reports a MWTP of \$1.69 for one pound of ground beef with a Product of USA label with no definition over one pound of ground beef without a Product of USA label when in fact a definition was apparently provided. The \$1.69 marginal willingness to pay for one pound of ground beef with a Product of USA label is a core finding of the DCE study, and yet, it is unclear what it means.

A MWTP of \$2.84?

As respondents were apparently shown the current definition of the Product of USA label in DCE 1, then the MWTP estimates in DCE 1 and DCE 2 are essentially additive, since the baseline in DCE 2 is ground beef with the current Product of USA label definition. DCE 1 would be saying that consumers are willing to pay \$1.69 more for ground beef with the current Product of USA label than for ground

¹⁵ RTI Survey, pp. ES-2, ES-3, ES-3, 2-5, 2-6, 2-16, 4-1, and 4-2.

¹⁶ RTI Survey, p. A-11.

¹⁷ RTI Survey, p. A-11.

beef with no Product of USA label, and DCE 2 tells us that consumers are willing to pay \$1.15 more for ground beef with the proposed Product of USA label than for ground beef with the current label. Together, this implies that consumers are willing to pay **\$2.84** (\$1.69 + \$1.15) more for one pound of ground beef with the proposed Product of USA label than for ground beef with no Product of USA label. This stretches credibility beyond all reason.

Both the \$1.69 and \$3.84 MWTP premia are remarkably high. If they would actually be reflected in higher market prices, they imply many billions of dollars of added expenditures for these products. If these MWTP estimates were even close to reality, every meat marketer would find it profitable to offer the labels and realize higher prices. And, if competition drove down the price differential to marginal cost, which is small for most suppliers, every supplier would need to use the label to remain competitive with rivals in the markets using the labels. There would be no way imported meat or livestock could remain viable if preferences were this strong.

Impossible MWTP for other ground beef attributes

In addition to reporting on the MWTP for ground beef based on the presence of a Product of USA label and its definition, RTI International also produced MWTP estimates for 'free from antibiotics'. The findings presented for DCE 1 and DCE 2 about the effect of the 'free from antibiotics' label are in strong statistical contradiction with each other. 'Free from antibiotics' is an independent variable in both DCE models and is unrelated to the Product of USA claim.

DCE 1 produced a MWTP of \$1.98 for ground beef with a 'free from antibiotics' label over ground beef with no 'free from antibiotics' label, while DCE 2 produced a corresponding value of \$1.16.¹⁸ As demonstrated in the Appendix, the difference (\$1.98 - \$1.16) = \$0.82 between these estimates is highly statistically

¹⁸ RTI Survey. Table 3.7., p.3-15.

and practically significant. This inexplicable contradiction in MWTP for another attribute of ground beef casts doubt on the validity of the RTI findings.

Forty percent of respondents chose the 'neither' option at least once

For each discrete choice experiment in the RTI Survey, respondents were shown nine pairs of ground beef options (one pair at a time) and asked which one they would buy. Each pair differed by price per pound, grass fed or not, free from antibiotics or not, or Product of USA/Location produced. Respondents could choose Product A, Product B, or neither. In DCE 1, which included 794 participants, the proportions of respondents who chose 'neither' ranged across the 9 questions from 14% to 21%, and $(314 / 794) = 40\%$ of the respondents chose 'neither' for one or more of the 9 pairs they were shown.

Presumably, the 4 in 10 respondents in DCE 1 who chose 'neither' product at least once, did so because the options put before them were not ground beef options that they would consider purchasing. That is, the high levels of 'neither' responses documented above are consistent with the possibility that the RTI discrete choice experiment was too far from the respondents' ground beef purchase preferences; for example, they always purchase organic, lean ground beef, or ground beef at a price lower than \$3.89 (the lowest price option in DCE 1).

There is a substantive statistical methodology question of how RTI handled the 'neither' responses. The RTI report lists an n of 522 in the DCE 1 MWTP analysis, but $(794 - 314) = 480$, which differs from 522, so RTI did not simply drop the respondents with one or more 'neither' choices. When 40% of respondents are unable to choose Product A or Product B in the DCE 1 on at least one occasion, the validity of the DCE 1 experiment findings is again drawn into question.

The Product of USA label appears to be of little interest and little importance to most consumers.

In an unaided recall question (RTI Survey), a very small proportion of respondents (9%-31%) recalled the Product of USA label on the package of ground beef they viewed—even though they were given *20 seconds* to look at just one image, and even when "Product of USA" was next to an American flag on the package. This suggests a lack of notice and importance of the Product of USA label. The RTI Survey also asked consumers how often they look for a Product of USA label when shopping for ground beef; only 42% said always or almost always. Another RTI survey question asked respondents to select the most important feature of ground beef when deciding what to buy: grass-fed, free from antibiotics, or Product of USA; only 27% said Product of USA.

The Validity of core RTI Survey findings are undermined by methodological issues.

For example, the Canada Beef survey detailed in Attachment A found that fat content was very important to consumers. Because of the inverse relationship between fat content and price of ground beef, MWTP estimates in the RTI Survey can only be generalized to consumers who typically purchase 85% lean/15% fat ground beef (approximately 28% of all ground beef consumers).

Although recommending a new Product of USA definition, FSIS is missing critical information that is required to fully assess the benefits and drawbacks to consumers and American beef producers.

- Consumer confusion with the current Product of USA definition has been considered, but consumer confusion with the proposed Product of USA definition has not.
- There is no evaluation on potential changes in the volume of ground beef purchased by consumers because of a higher price for Product of USA ground beef under the proposed Product of USA definition.

- There is no consideration of potential economic harm to U.S. family farmers and independent ranchers if consumers purchase less Product of USA ground beef under the proposed USA-only label.
- Insufficient consideration has been given to the impact of higher Product of USA ground beef prices on lower income households.
- Consumer purchase behaviour when faced with qualified claims, (particularly given the significant negative reaction to “slaughter” found in the Canada Beef survey) instead of Product of USA labels has not been explored.

NEGATIVE MARKET IMPACTS ON IMPORTED CATTLE AND BEEF AND COOL RETALIATORY RIGHTS

Despite the voluntary nature of the rule, CCA shares the concern voiced by the Government of Canada in its submission that the new rule could have a significant impact on the market, reminiscent of the disruptions that occurred in 2008 when mandatory country-of-origin labeling (COOL) was imposed on beef and pork. The resulting discrimination and segregation caused by COOL for beef and pork was litigated at the World Trade Organization (WTO) and, in 2015, Canada was authorized to retaliate on nearly \$1 billion worth of U.S. exports.

Specifically, adoption of the “Product of USA” label under the proposed new rule, particularly with its expansion to processed products, could lead parts of the market to shift existing supply chains away from Canadian inputs, thereby discriminating against Canadian products.

As an example, over 10 percent of American beef production is exported, which is sourced from a significantly larger percentage of U.S. cattle production given that only limited cuts from each animal are exported. Under the proposed rule these exports would continue to be labeled “Product of USA” under the current “processed” standard, while product for domestic consumption bearing the exact

same label would need to be sourced from cattle “born, raised, slaughtered, and processed” in the U.S.

In short, two different supply chains would be created for product bearing identical labels. The economic inefficiency is clear and any prudent U.S. processor wanting to sell “Product of USA” labeled product in both the domestic and export markets would seek to eliminate the inefficiency by relying on one supply chain to source production for both markets. Under the proposed rule that supply chain would have to consist of U.S. born, raised, slaughtered, and processed cattle, eliminating cattle born and/or raised in Canada from markets they currently serve, even if slaughtered in the U.S. Such discrimination would surely implicate Canada’s retaliatory rights authorized under the WTO COOL case.

FSIS’ COMPLIANCE COST ESTIMATES APPEAR TO BE SIGNIFICANTLY UNDERESTIMATED

The Government of Canada’s (GOC) submission expresses the view that the proposed rule has the potential to significantly increase recordkeeping, operation, warehousing and handling costs across supply chains using the voluntary label. The CCA agrees. As the GOC notes, products will have to be segregated based on their specific origin claim in addition to claim(s) already present on each product, leading to a proliferation of SKUs needed to differentiate between products. The handling of a greater number of products will require greater warehousing space and lead to increased handling, inventory and record keeping costs associated with each product bearing an origin claim.

CCA agrees with the GOC that the USDA analysis significantly underestimates the real costs that the proposed rule would impose on the U.S. agriculture sector and consumers as they do not account for the mandatory segregation and traceability requirements that would be required to use this voluntary label throughout the Canada-U.S. supply chain for meat. Segregating cattle and beef throughout the supply chain is costly, inefficient and mandates extensive recordkeeping and

tracing. As noted, in 2009, when the USDA released the mandatory Country of Origin Labelling regulation, it estimated the compliance cost at USD\$2.6 billion for impacted commodities. Thus, USDA estimates of the costs associated with this proposed regulation at just \$3 million seem improbable.

Not only was COOL for beef and pork determined to be non-compliant with international trade obligations, but economic analysis does not support the notion that the proposed rule will result in economic benefits for American farmers, the motivating factor for many of the proponents of the rule. In its April 2015, report to Congress - "Economic Analysis of Country of Origin Labeling (COOL)" - USDA found no evidence of a measurable increase in consumer demand for beef from that rule.

CONCLUSION

CCA believes that the evidence and argument offered in this submission, and the submissions of the Government of Canada and other stakeholders who share our concern with this proposed rule, will lead FSIS to conclude that more work needs to be done to evaluate the need for a revised "Product of USA" label and if a need is found what the appropriate criteria for that label should be.

The proposal does not pass muster under the Administrative Procedure Act. It fails to even mention, let alone consider, an alternative recently espoused by FSIS itself. It ignores decades, if not centuries, of U.S. and international customs practice. And it contradicts the internationally accepted Codex Standard supported by the U.S. in violation of U.S. obligations under the WTO Agreement on Technical Barriers to Trade. It does all of this without one word of explanation.

As detailed in the Attachment A, the RTI study upon which FSIS relies is so flawed that it takes pages of analysis to review the multiple methodological, interpretative, data, and other errors in the study that make it unreliable. We encourage a through review of the work documented in Attachment A.



And then there is the issue of costs and benefits. FSIS reveals that it has not quantified benefits, but its cost analysis is also flawed. It is flawed not only for what we submit are significant understatements of direct costs associated with relabeling, segregation, labor, etc., but perhaps more importantly for its failure analyze the potential impacts in the supply chain through to the consumer if the rule is adopted. For example:

- Consumer confusion with the current Product of USA definition has been considered, but consumer confusion with the proposed Product of USA definition has not.
- Consumer burden of higher retail price for Product of USA ground beef has not been considered.
- Changes in the volume of ground beef purchased by consumers because of a higher price for Product of USA ground beef has not been considered.
- Potential economic harm to U.S. family farmers and independent ranchers if consumers purchase less Product of USA ground beef under the proposed USA-only label has not been considered.
- The impact of higher Product of USA ground beef prices on lower income households has not been adequately considered.
- Consumer purchase behaviour when faced with qualified claims rather than Product of USA labels has not been considered.

For these reasons we ask that FSIS withdraw the rule, or, in the alternative, reissue the proposed rule for further comment after correcting the defects noted here and in any other comments received.

Sincerely,

Edward J. Farrell