Country of Origin Labeling

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June 10, 2003

Overview
- Industry
- Timeline
- The Case
- Why do we care?
- Theoretical Framework
- Communication Strategies

The Case
- Federal food labeling laws, or Country-of-Origin Labeling (COOL), set to take effect in September 2004 have caused a major debate among actors.
The Industry
- Beef Cattle
- Exports and Imports

Why do we care?
- Rising concern over food security
- Increase for individuals to "Buy American" and have pride in our country
- With USDA stamp currently in place, consumers are led to believe the meat is from the US.
  - 20% of beef sold in US comes from outside US borders
  - Actually originates from Australia, Canada, and New Zealand (The Christian Science Monitor, 2003)
- Feeling of deception among the public

Timeline
- 1965- Idaho
- 1979- Florida fruits and vegetables
- 1989- Maine
- 2000- Europe
- 2002- Farm Bill-COOL
Actors

- Producers
- Packers
- Retailers
- Consumers
- Commodities Groups
- Economists
- Government
- Media

The Issue What are the actors saying?

Producers
- "We are getting paid less for our better beef." - (Judy Easterday, shipping cattle for 20 years)

- Government regulations hold US ranchers to a higher standard than foreign competitors, because they can't compete with the countries that can sell cattle cheaper than it would cost to produce it (The Christian Science Monitor, 2003).

- COOL might be best tool to win over US consumers.

The Issue What are the actors saying?

Producers cont.
- Information might allow people to purchase products in which they might have more trust (Rancher Bob Crane, Rockhollow Farm in Alachua).

- A “consumer’s right to know” issue. Americans would purchase the domestic products (FSIS, 2003).

- System could be seen as an international trade barrier- enhance? Or hurt?
The Issue What are the actors saying?

Packers

- The entire system will be too costly (FSIS, 2003).
- Buying beef from several countries is a process undertaken to get the best possible price for consumers (Janet Riley-American Meat Institute)

Retailers

- “I think consumers look to buy according to price and the grade of beef, not the nation that it comes from” (Tom Wenning- National Grocers Association)
- Retailers will be burdened by keeping records for two years of products that have a life cycle of only days (Randy Roberts- Publix Super Markets, Inc.)

Consumers

- FDA conducted a survey with 2500 consumer-respondents in major cities:
  - Willing to pay between 10-20% more for US products
  - 56% think US produced food is safer than imported
  - 61% would choose US beef if price were same as foreign
  - 62% would purchase US beef with COOL (Dept. of Agriculture, State of Hawaii)
The Issue  What are the actors saying?

Consumers cont.
- 2002 study, involving 300 consumers from Denver and Chicago
  - 75% of people prefer COOL
  - 73% are willing to pay 11% premium for steak
  - 45% are more comfortable eating beef raised in US for safety and health reasons
  - 21% prefer COOL for desire to buy American (AberdeenNews.com, 2003)

The Issue  What are the actors saying?

Economists
- Study conducted by faculty from 5 universities concluded the biggest benefit is the power of choice the information gives to consumers.
- Projected cost to be between $69.86 and 193.43 million instead of $2 billion estimated by the USDA for record keeping (John VanSickle UF agricultural economist).
- Every cow, lamb, and vegetable already has detailed files, the labeling just puts the information in the consumers' hands (John VanSickle UF agricultural economist).

The Issue  What are the actors saying?

Commodities Groups
- "We think labeling does have a role, in the wake of this mad-cow thing. Consumers could avoid products coming out of Canada, if they wanted to, instead of just avoiding all beef" (Ray Gilmer-Florida Fruit and Vegetable Association)
- Shouldn't have to look far to find successful COOL examples. Since 1979, Florida has required country of origin labeling for all foreign fruits and vegetables (Mike Stuart- President of FFVA).
The Issue: What are the actors saying?

Government
- Labels will make it harder for retailers to sell mixed and foreign grown beef at the same or lower prices than US beef (The Christian Science Monitor, 2003).
- USDA projects $2 billion cost to implement labeling system
- While they are committed to implementing the law passed by congress, as part of the 2002 Farm Bill, they are open to suggestions on wording (Orlando Sentinel, 2003).

Media
- All views presented in this case came from the media
- See newspaper articles included in handout
- Americans for Country of Origin Labeling
  www.americansforlabeling.org

Communication Issues
- Media is focusing on consumers as target audience
- Seemingly unbiased when it comes to information
- Presenting everyone’s case (actor views)
- Not a salient issue on the public agenda
Agenda Setting

- The media does not tell us what to think, but what to think about.
- Agricultural issues seldom make the public agenda.
  - Country of origin labeling is a topic that is rarely covered by the media; therefore, it is not regarded by the public as a salient issue.

Cognitive Dissonance

- Stone defines cognitive dissonance as “the psychological conflict that results from holding two or more incompatible beliefs simultaneously.”
- Cognitive Dissonance in the Beef Industry:
  - Americans are confident they know where their beef comes from—yet they don’t.
  - Americans believe that their beef is safe—yet it is not always safe to eat.
  - Americans trust that their beef products will be properly labeled—yet the beef industry is not yet required to label beef’s country of origin.

Cognitive Dissonance

- Dissonance may be reduced in two ways:  
  - Altering your behavior
    - Example: Research the origin of your beef to make sure it is from the United States.
  - Seeking information that is consonant with your behavior
    - Example: Seek reassurance from others that beef is in fact safe and there is no need to worry.
Social Cognitive Theory

- Media shows importance of modeling to promote this system
  - Other labeling systems- Nutrition-labeling, Florida Fruit and Vegetable Labels, Florida Citrus, Fresh from Florida
  - Through these models, which are all effective, it should not be hard to implement a new system

Social Cognitive Theory

- People learn through observation
  - People will model others in the grocery store
  - Consumers also buy things that their friends and family buy

- Self-efficacy- consumers have the control to choose where their meet comes from, instead of current system of not knowing.
  - Media stresses the importance of consumer choice

Strategies

- Focus on consumers
  - Awareness then education
- Retailers should voluntarily offer COOL to see if consumers will buy according to origin.
  - Brochures
  - Fact sheets in stores
- Members of Beef Council or Cattlemen's Association in stores to promote at the grassroots level
Strategies

- Advertise catchy slogans
  - "Buy American", show "American Pride and buy American Beef", and "American Beef it's what's for dinner!"
- Fear Factor
  - Do you know where your beef comes from?
  - Canadian beef brought mad-cow, what do other countries bring?
  - bioterrorism

Discussion

- Were you aware of this issue and the impact it has on so many people?
- Any other theories related to this topic?
- Any other strategies?