



# PASSAGE *to* SUCCESS

FARM BUREAU - CONFRONTING THE ISSUES

## Traceability and Labeling AFBF Policy Development May 2009

**Issue:** Traceability and labeling, and the somewhat different but related concepts of identity preservation and product segregation, impact nearly all agricultural commodities, from meats to grains to organic foods. What impacts could these programs potentially have on the agricultural sector, specifically with regard to producer liability?

**Background:** National interest for a traceability system has increased in the wake of such developments as the discovery of bovine spongiform encephalopathy (BSE) in the United States, the contamination of an unapproved biotechnology trait in U.S. rice exports, and ongoing concerns about bioterrorism.

Traceability is the concept of tracking the movement of identifiable products through the marketing chain. Traceability can be used to convey information about the product, such as what it contains, how it was produced, and every place it has been. Agricultural producers and suppliers have three main motives for establishing product tracing systems: (1) to facilitate trace-back for food safety and quality; (2) to differentiate and market foods with subtle or undetectable attributes; and (3) to improve supply-side management.

The technology used for tracing products has made significant improvements over the last decade. The success of the original universal product code (UPC) system has combined with technological advances to spur the development of a system that can code, track, and manage wholesale and retail transactions. Fruit and vegetable producers routinely tag their produce crates to record the location and date of harvest. Livestock producers use electronic identification ear tags and corresponding data collection devices to track information on an animal's lineage, vaccination records, and other health data.

Improved traceability and labeling systems have been viewed as important for maintaining foreign market access. The European Union, Canada, Australia, and New Zealand are major livestock export competitors and all have traceability systems in place for their livestock sectors. Furthermore, the European Union and numerous Asian markets require labeling of genetically-modified product imports.

However, there are producer concerns with a traceability and labeling system for agricultural products. One question is whether producers can and should be protected from public scrutiny of their records. The Freedom of Information Act (FOIA) entitles members of the public to obtain records held by federal agencies. However, the law exempts from FOIA access certain types of business information, such as trade secrets, commercial or financial information, or other confidential material that might harm the provider of that information.

Additionally, some producers are concerned that they will be held liable for contamination or other problems with their products over which they have little control once the product leaves the farm. Analysts have suggested that traceability systems have the potential to increase producers' exposure to liability by increasing the transparency in the production process. Regardless of whether liability is imposed based on warranty, strict liability, or negligence,

analysts have indicated that producers may be responsible for the damage that results from a defective or dangerous product.

### **Questions:**

Would agriculture benefit from enhanced traceability systems for food products? Should Farm Bureau support such a program?

If so, what would a system look like? Would it encompass on-farm practice audits?

From a food safety perspective, would traceability ensure timely identification of an outbreak's point of origin and minimize market disruption?

How could we ensure consistency in a new traceability system be ensured across commodities and across states?

How would individuals whose products are combined with other producers' products that don't provide traceability be protected?

### **Farm Bureau Policy:**

#### **Policy 309 – Livestock Identification**

Lines 1-3: National Animal Identification Systems (NAIS) should be considered a separate and distinct issue from country-of-origin labeling.

Lines 30-37 (pertinent sections): We support the following guidelines for a livestock identification program: . . . (3) Producer information shall be confidential and exempt from disclosure under the Freedom of Information Act (FOIA); . . .

#### **Policy 337 – Biotechnology, Labeling of Products Derived From Plant Biotechnology**

Lines 115-127: Agricultural products that are produced using approved biotechnology should not be required to designate individual inputs or specific technologies on the product label.

We support:

(1) The science-based labeling policies of FDA, including: (a) no special labeling requirement unless food is significantly different from its traditional counterpart, or where a specific constituent is altered (e.g., nutritionally or when affecting allergenicity); and (b) voluntary labeling using statements that are truthful and not misleading; and

(2) Voluntary labeling of identity-preserved agricultural and food products that is based on a clear and factual certification process.

#### **Policy 342 - Labeling**

Lines 1-97: We support consumer friendly, science-based labeling of agricultural products that provides useful information concerning the ingredients, nutritional value and country of origin of all food sold in the United States. *Please review entire policy as this is the only the opening statement.*