

## USDA's 'naturally raised' proposal could boost prices

*Ongoing dispute over exactly what 'naturally raised' should mean*

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After years of shoppers sorting through foods touted as "organic," "free range" or "natural," the U.S. Department of Agriculture is poised to give its stamp of approval for yet another label that could further confuse consumers.

The proposed "naturally raised" label would signify the meat came from animals raised without antibiotics, medications or growth hormones.

Some say the move could enable ranchers and farmers to increase the price of meat by as much as 10 percent. But many in the industry complain that despite the potential for increased profits, the new label is not clear or strict enough for USDA approval.

"There is no consistently recognized label," said Basilio Aja, executive director of the Arizona Beef Council. "The more information you can give consumers, the better it is."

Cattle is a \$2.8 billion industry in Arizona, where enough beef is produced to feed 7 million people each year, Aja said.

He said because consumers are demanding alternative, more natural production standards, more ranchers are going that route. About 25 percent of animals on feed yards and ranges in Arizona already fall into the "naturally raised" category, he said.

The label would be a voluntary standard, meaning producers may opt into the program. It's a way for meat producers using alternative production methods "to capture value-added opportunities," according to the USDA docket filed in the Federal Register.

Ranchers and feedlots already slap their own labels onto their meats, reading everything from "free range" and "natural," to "grass fed" and "organic."

A label like "naturally raised" could mean a 10 percent price increase, while a "certified organic" label could add 50 percent, said Arizona cattle rancher Gary Mortimer.

Mortimer owns and operates Ash Creek Ranch in Dewey, where he also serves as president of the Yavapai County Farm Bureau.

He labels his meat as "100 percent naturally raised," because he does not feed any of his animals antibiotics or growth hormones.

But he doesn't label it "organic" because the hay he uses to feed his stock is treated with fertilizer and is not USDA-certified organic.

A "naturally raised" label would place Mortimer's product into a niche market somewhere between conventional and organic. Adding the USDA's seal of approval to that label would mean the producer's claims were verified in an audit by the federal agency.

There is some dispute, however, as to exactly what "naturally raised" should mean.

"In our view, 'natural' means that the animal is consuming natural feed, not something with pesticides," Aja said. "As far as the handling part of the animal -- that, in our view, is a different label referring to husbandry."

Earlier this month, officials from Chipotle Mexican Grill committed to serving 52 million pounds of "naturally raised meat" in the next year.

The nationwide casual dining chain, which is known for its foil-wrapped burritos, defines "naturally raised" as meat that comes from "animals that are raised in a humane way, never given antibiotics or added hormones and fed a pure vegetarian diet."

Chipotle spokesman Chris Arnold said the company spends more money on its food as a percentage of sales than any other publicly traded restaurant company.

In its third-quarter filing with the U.S. Securities and Exchange Commission, that number was 32 percent -- about 10 points higher than most other restaurants, he said.

Arnold said the company generally is in favor of a "naturally raised" label if it clears up confusion about generic terms such as "natural."

For the most part, consumers and organic farmers who responded during the USDA's initial public comment period agreed that the agency needed to clear up such confusion, but said the new label should mean more than just hormone- and antibiotic-free meat.

Other consumers and farmers commented that the label doesn't go far enough because the requirements do not include the animals being raised in open pastures and treated humanely.

In a survey by Consumer Reports last summer, 83 percent of consumers said "natural" meat should come from animals raised in a "natural environment," or in open pastures.

While the new "naturally raised" label, as currently drafted, would not address animal handling, other labels do.

A "free-range" label, which usually refers to poultry products, means the animal was free to roam outside confined areas. "Grass-fed" means livestock grazed in a pasture.

Neither of those labels alone addresses whether the animal was treated with antibiotics and hormones.

Martin O'Connor, a USDA livestock standards chief, said the agency received about 2,500 comments on the new label by Jan. 28.

Because of the amount of interest, the agency extended its public comment period by 30 days, to March 3.

The agency will have 90 days after March 3 to approve the new label or draft another version, he said.

To comment on the proposed "naturally raised" label: [www.regulations.gov](http://www.regulations.gov) , docket number AMS-LS-07-0131; LS-07-16

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