

to create a placard, which must be apparent that indicates where the cow was born, raised and slaughtered. If the beef was processed in multiple countries, this bill specifies that all of these countries must be listed by the retailer, as retailers already know the country of origin. This bill would allow consumers to receive the same information as retailers do, addressing the market inefficiency of asymmetric information.

Retailers currently provide consumers with limited information. Typically, a cow is born to a rancher who then takes their cows and sells them to a feedlot. A feedlot is where a cow will spend most of its life, here the cow is fattened up and then slaughtered. This is the most important step in the process since it is when the specific taste characteristics are formed. The consumer should know the location of the feedlot because it is an indicator of quality. While all feedlots are subject to general safety standards, there is a difference in the quality of treatment of the animals in a feedlot. Per Josh Sonnenberg; US feedlots tend to put more care into their cows, which produces higher quality beef. This means the consumer could make an inference about quality just from the feedlot location. After the feedlot, the meat goes to a processing plant. There are only three beef packers in the US: Cargill, JBS, and National Beef. These three processing plants send their beef all over the country to retail stores.

The three processing plants do provide retailers with information about where the co.67 240.77 Tm0 hs10
to sell lower quality beef at higher prices,
thereby dipping into consumer surplus. Since there are only a few major national retail stores,

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these stores can collude in setting price point for beef with the processing plants. The processing plant will dramatically compromise on quality to meet those price points. This means that the consumer is paying more than

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This would punish all Canadian beef producers for a mistake that they had no control over. However, this would be a short-term shock to the market. The United States Department of Agriculture used its recall procedures to thoroughly check beef from Canada and inform American consumers when the outbreak of mad cow was resolved.

However, there is a private market solution to this issue. Producers can distinguish themselves through marketing. A Mexican beef producer might be afraid of being lumped in with all Sukarne beef, which accounts for 74% of Mexico's total beef exports. This independent producer could distinguish themselves through their own marketing campaign or even their own labeling (Peel). A smaller Mexican beef producer could label their packages with signs that say grass fed beef, organic, and even hormone free. Labeling of specific taste characteristics provide an incentive to the beef processor and retailer to maintain this labeling since they could charge a higher price for this beef, and make a greater profit.

This private market solution is already used in the beef industry where producers can distinguish their products by using packaging that highlights quality and taste characteristics. This marketing is regulated by the USDA representative in each country and at processing plants. This would also increase the information in the market for beef. There is a private solution to fixing unfair tarring of an entire country's beef producers, and a country of origin labeling system would be information that is not too dangerous for consumers to have.

There are financial reasons for opposition to this bill. Having retail stores create labels to signify the country of origin will mean q3.91 37879 Tm0 g0 G g8 g0 m0 g0

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access to the country of origin of the beef that they are selling, so this would not require processors to provide any additional information to retailers. Also, according to the fiscal note there would be minimal work load increases in order to enforce the rules of the bill for the Colorado Department of Health and Environment. This bill is a low-cost way to increase information available to consumers.

HB 17-1234 is a step in the right direction for improving consumer information about the beef market. However, this bill would not provide the consumer with complete information about the beef market. Therefore; asymmetrical information would still exist between consumers and producers causing market inefficiencies because producers will still have more information about the beef being sold than consumers.

The most efficient market would provide consumers with more information to correct the inefficiencies. The government could create legislation that would require retailers to provide information about all taste-altering characteristics of the beef they are purchasing. This could include: diet, region where the cow was raised, meat cow or dairy cow, species, hormone usage, etc. Giving the consumer access to this information would allow for consumer access to

