



Country of Origin Labeling

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Scope of COOL



Purpose

- The intent of the law is to provide consumers with additional information on which they base their purchasing decisions.
- To ensure the public receives credible and accurate information on country of origin of covered commodities.



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Delegation of Authority

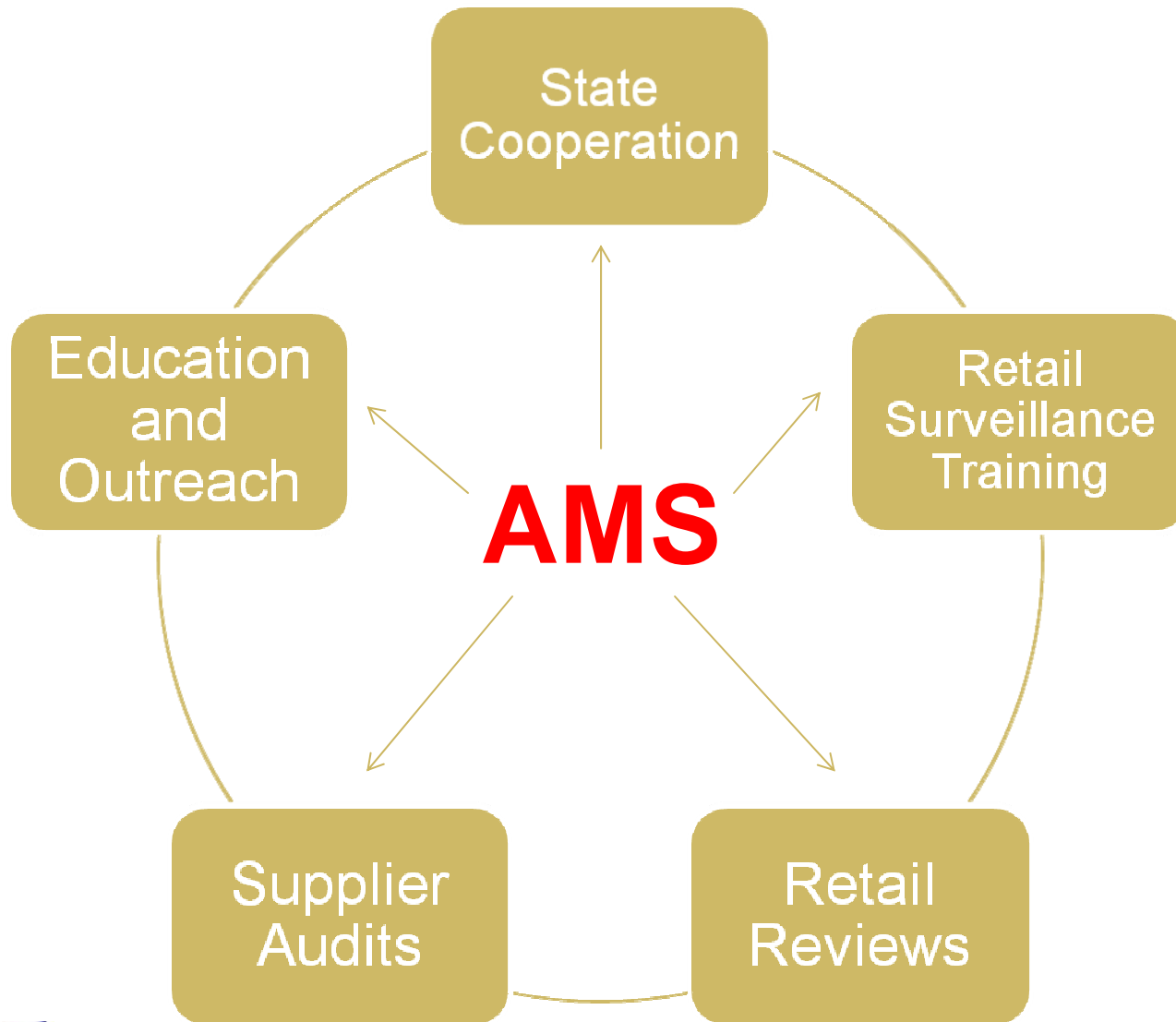


Secretary of Agriculture
USDA

Marketing & Regulatory Programs
MRP

Agricultural Marketing Service
AMS

The COOL Program



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Outreach Efforts



- Informational Sessions
 - Texas
 - Minnesota
 - California
- Teleconferences
- Guidance Materials: www.ams.usda.gov/cool
 - Talking Points
 - Questions and Answers
 - Brochures
 - Etc.

Legislation and Related Activities



2002

- 2002 Farm Bill – Enacted Mandatory COOL

2004

- IFR published for Fish and Shellfish Only – 7 CFR Part 60
- Implementation for remaining covered commodities delayed

2008

- 2008 Farm Bill Amended COOL Provisions
- IFR published for remaining covered commodities: 7 CFR Part 65
 - Implementation September 30, 2008

2009

- Final Rule published for all covered commodities combined
 - 7 CFR Part 60
 - 7 CFR Part 65
 - Implementation – March 16, 2009

Recent Developments



- **January 20, 2009**
- White House memo
 - All non-effective published regulations on hold for regulatory review
 - including COOL
- **January 21, 2009**
 - Office of Management and Budget memo
 - 60 day extension of effective date
 - 30 day notice and comment period



Components of the Regulations



- ✓ Who Must Label
- ✓ What Must be Labeled
- ✓ Determining Origin
- ✓ Notification & Labeling
- ✓ Recordkeeping
- ✓ Compliance and Enforcement



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Who Must Label?



Retailers

- Person licensed as a retailer under the Perishable Agricultural Marketing Act (PACA)
 - retailers handling fresh and frozen fruits and vegetables with an invoice value of at least \$230,000 annually



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Exemptions



- Food Service Establishments
 - Restaurants,
 - Cafeterias,
 - Lunch Rooms,
 - Food Stands,
 - Salad bars,
 - Delicatessens, and
 - other food enterprises including those located within retail establishments that provide ready-to-eat foods



What Must be Labeled?



Initial Covered Commodities

Muscle Cuts of Beef (including Veal)	Ground Beef and Ground Veal
Muscle Cuts of Lamb	Ground Lamb
Muscle Cuts of Pork	Ground Pork
Fish and Shellfish (wild & farm-raised)	Perishable Agricultural Commodities (fruits & vegetables)
Peanuts	

Additional Covered Commodities

Muscle Cuts of Chicken	Ground Chicken
Muscle Cuts of Goat	Ground Goat
Pecans & Macadamia Nuts	Ginseng

Processed Food Item



The law *excludes* processed food items:

Processed Food Item

1. Change of Character

- Cooking (frying, broiling, steaming, baking, roasting)
- Curing (salt curing, sugar curing, drying)
- Smoking (hot or cold)
- Restructuring (emulsifying and extruding)

2. Combined with Another Food Component



Processed Food Item



Processed Food Items are NOT Covered Commodities

Examples of Processed Food Items

Fish Sticks	Teriyaki Flavored Pork Loin
Sushi	Roasted Peanuts
Canned Tuna	Breaded Chicken Tenders
Corned Beef Brisket	Fruit Medley



Determining Origin



- **Exclusive U.S. Origin**
 - “Product of the U.S.(A.)”
 - Meat
 - » Born, raised and slaughtered
 - PAC, nuts, ginseng
 - » Harvested
 - Fish and shellfish
 - » Hatched, raised, harvested and processed in U.S.
 - » Harvested and processed - U.S. waters or by U.S. flagged vessel, and
 - » No substantial transformation outside U.S.
- **Multiple Country Origins**
 - Mixed origin
 - “Product of U.S., Canada, and Mexico”
 - Imported for immediate slaughter (meat)
 - “Product of Canada and U.S.”
- **Foreign Origin**
 - “Product of Australia”
 - Commingling
 - “Product of Thailand and Vietnam”



Notification and Labeling



Country of Origin Declarations can be made on...

Placard

Sign

Label

Sticker

Band

Twist Tie

Pin Tag

Or other display

Bulk containers may contain covered commodities from multiple origins and must be labeled accordingly



Notification and Labeling



- ✓ Legible
- ✓ Conspicuous Location
- ✓ Limited Acceptable Abbreviations
- ✓ Symbols and Flags Alone - **NOT** Acceptable



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Notification and Labeling



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Notification and Labeling



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Notification and Labeling



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Recordkeeping



- Records must be legible
- Maintained either electronic or hard copy format
- Various forms of documents acceptable
- May be maintained in any location
- Retained for 1 year



Transferring Origin Information



- *Any person* engaged in the business of supplying a covered commodity to a retailer, directly or indirectly
- Information can be provided...
 - On the product itself;
 - On the master shipping container or;
 - In a document associated with the transaction



Compliance and Enforcement



Retail Surveillance Activities

1. Cooperative Agreements
2. Retail Reviews
3. Supplier Audits

Only USDA can initiate enforcement actions.



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Compliance and Enforcement



Retail Reviews

2006-2008

(fish and shellfish only)

- 4,816 retail reviews have been conducted in the last 3 years
 - Developing a report to categorize non-compliances effectively to provide appropriate outreach efforts to industry.



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Compliance and Enforcement



2008 Retail Reviews

(fish and shellfish only)

- 2,000 retail reviews conducted
- 73% of retail stores in compliance
 - 7% of reviews rated “Critical”
 - >70% not labeled; no records
 - 8% of reviews rated “Major”
 - 31-69% not labeled; issues with records
 - 14% of reviews rated “Minor”
 - <30% not labeled



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2008 Supplier Audits

(fish and shellfish only)

- Supply chain information
 - Country of Origin and Method of Production
 - Initiator of the claim through to retail
 - Conducted by USDA auditors
 - 2% of Retail Reviews
 - 40 audits in 2008



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Additional Information



Visit

www.ams.usda.gov/COOL

Submit questions To:
cool@ams.usda.gov



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