

Country-of-Origin Labeling

Overview of the Interim Final Rule
Friday, August 8th, 2008



Current Status

- ▶ Interim Final Rule published in the Federal Register on August 1st
- ▶ 60 day comment period
- ▶ Becomes effective on September 30th
- ▶ 6 month education and outreach program by AMS



Who's Covered

- ▶ Retailers licensed under the Perishable Agricultural Commodities Act (PACA)
 - Business of selling perishable agricultural commodities (fresh and frozen fruits and vegetables at retail)
 - Invoice cost of all purchases of perishable agricultural commodities exceed \$230,000 during a calendar year.
 - Approximately 4,000 PACA licensees that operate roughly 36,000 retail stores
 - Excludes butcher shops and exporters



Who's Exempt

- ▶ Foodservice establishments
 - Salad bars and delis located within retail establishments that provide “ready-to-eat” foods are exempt
- ▶ Processed food items
 - Processing that changes the character of the covered commodity such as breading, cooking, curing, addition of a sauce



What's Covered

- ▶ Covered commodities include:
 - Muscle cuts of beef, veal, lamb, chicken, goat, and pork
 - Ground beef, ground lamb, ground chicken, ground goat, and ground pork
 - Perishable agricultural commodities (fresh and frozen fruits and vegetables)
 - Macadamia nuts, pecans, ginseng, and peanuts



Four Labeling Categories

- ▶ U.S. Origin
- ▶ Multiple Countries of Origin
- ▶ Direct to Slaughter
- ▶ Imported Product



U.S. Origin

- ▶ Beef must be derived *exclusively* from animals that are:
 - *Born, raised, and slaughtered in the United States (including Alaska and Hawaii)*
 - *Present in the U.S. on or before July 15th, 2008, and remain in the U.S.*



Multiple Countries of Origin

- ▶ For animals born, raised, and/or slaughtered in the U.S.
- ▶ Label represents actual or possible countries of origin
- ▶ Label could read “product of the United States, Canada, and/or Mexico”



Direct for Slaughter

- ▶ Live animals imported for immediate slaughter
- ▶ Spend less than two weeks in the U.S.
- ▶ Label must say “Product of Canada and the United States”



Imported Product

- ▶ Case-ready beef coming into the United States
- ▶ Remains under origin declarations and labeling as required by U.S. Customs and Border Protection
- ▶ Label in the retail case would read “Product of Australia”



Ground Beef

- ▶ List all countries of origin contained in that batch of ground beef, OR that may be reasonably contained
- ▶ Reasonable determined by 60 day inventory timeframe



Other Provisions

- ▶ Remotely Purchased Products
 - In the case of internet sales, the country-of-origin can be provided on the website or on the package when it is delivered
- ▶ State and Regional Labeling Programs
 - Programs such as “Pennsylvania Proud” cannot be used in lieu of COOL
 - Only applies to fruits & vegetables and nuts
 - State COOL laws are preempted



How to Label

- ▶ The country-of-origin label must be legible and in a conspicuous location.
- ▶ Examples include:
 - On the package
 - Placard above the meat case
 - Sign in front of retail display



Recordkeeping for Suppliers

- ▶ Must have access to records that verify origin
 - Can be in any location
 - Keep for 1 year from date of transaction
 - Must be able to produce in 5 days if audited by AMS
 - Where it came from and who you sent it to



Recordkeeping for Suppliers

- ▶ Supplier making the origin declaration (i.e. – packers)
 - Must possess or have access to the records
 - Producer affidavit is acceptable
 - Have record of where the product went
 - Keep records for 1 year after transaction



Recordkeeping for Retailers

- ▶ Maintain records for 1 year after you make the declaration of origin
- ▶ Must provide records to verify origin with 5 days if asked by USDA



Recordkeeping for pre-labeled products

- ▶ Label itself is sufficient to base the origin claim
- ▶ Can be on shipping container, immediate container, or case-ready package
- ▶ Must also have supplier information for trace back
- ▶ All records may be maintained at any location



Recordkeeping - verification

- ▶ **Producer affidavit**
 - Supported by usual business records
- ▶ **National Animal Identification System (NAIS)**
 - Takes the place of paperwork
- ▶ **Other**
 - “CAN” and “M” brands



Thanks for joining us!

Any Questions?

