

# *Country-of-Origin Labeling*

**Overview of the Interim Final Rule  
Friday, August 8<sup>th</sup>, 2008**



## *Current Status*

- ▶ Interim Final Rule published in the Federal Register on August 1<sup>st</sup>
- ▶ 60 day comment period
- ▶ Becomes effective on September 30<sup>th</sup>
- ▶ 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 15<sup>th</sup>, 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?*

