

# On The Mark

## News and Trends in Food Labeling & Security

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### Are you complying with Country of Origin Requirements?

The Farm Security and Rural Investment Acts, (2002 Farm Bill and 2008 Farm Bill), require food retailers to notify their customers of the country of origin of all covered commodities. However, because implementation of these requirements was delayed until September 30, 2008, many food retailers are just beginning to develop country of origin labeling, (COOL), compliance programs for their businesses.

### What is COOL and which food products require it?

COOL - Country of Origin Labeling is a means of providing consumers with information regarding where a covered commodity originated –e.g., where the animal from which the meat was derived was born, raised or slaughtered.

The 2008 Farm Act amended the previous act and extended the list of “covered commodities” requiring COOL to include the following:

- ✓ Muscle cuts of beef, lamb, chicken, goat and pork;
- ✓ Ground beef, ground lamb, ground chicken, ground goat, and ground pork;
- ✓ Perishable agricultural commodities, (fruits/vegetables);
- ✓ Farm-raised fish and shellfish;
- ✓ Wild-caught fish and shellfish;
- ✓ Peanuts;
- ✓ Ginseng;
- ✓ Macadamia nuts
- ✓ Pecans



There are many variables and exceptions within the ruling pertaining to the circumstances under which covered commodities are sold that effect whether or not the country of origin must be displayed. The above items don't always require country of origin labeling depending on where they are sold and if they have been processed. For example, meats are only subject to the COOL rule, if they are **sold at retail AND are muscle cut or ground**. Meats sold at foodservice establishments, (restaurants, delis and institutions) OR those undergoing processing, (cooking curing, smoking) OR those combined with at least one other covered commodity or substantive food component, - e.g., meatloaf, hot dogs, sausages, marinated chicken, etc...are exempt.

# On The Mark

## News and Trends in Retail Labeling & Security

Any covered commodity that was produced or packaged prior to September 30, 2008 is not affected by the COOL rule and neither are processed foods, including processed fruits and vegetables. The Agricultural Marketing Service, (AMS), defines **processed food** items as a retail item derived from a covered commodity that has undergone specific processing resulting in a change in the character of the covered commodity, or that has been combined with at least one other covered commodity or other substantive food component (e.g., chocolate dipped fruit, breaded meat, bags of apples mixed with oranges). Specific processing that results in a change in the character of the covered commodity includes cooking (e.g., salt curing, sugar curing, drying), smoking (hot or cold), and restructuring (e.g., emulsifying and extruding). For example, although ground beef and ground pork are both subject to the COOL rule, when combined and packaged as meatloaf mix, they are exempt.

### Who is subject to the “COOL” rule?

**Retail establishments** that are licensed under the Perishable Agricultural Marketing Act (PACA) are required to provide COOL information to consumers. Under the PACA, a retailer is any person engaged in the business of selling any perishable commodity at retail. Retailers are required to be licensed when the when the invoices cost of all purchases of perishable agricultural commodities exceeds \$230,000 during a calendar year. The term **perishable agricultural commodity** means fresh and frozen fruits and vegetables. Butcher shops and fish markets that do not sell fruit and vegetables and exporters are excluded from the COOL requirements entirely.

**Food service establishments** such as restaurants, cafeterias, lunchrooms, food stands, bars, taverns, lounges, and delicatessens are exempt from the COOL requirements as well as covered commodities that are ingredients in a processed food item. Salad bars and delis located within retail establishments that provide ready-to-eat foods are exempt from the law.

### What kind of labeling or signage should be used for “COOL”?

Country of Origin labeling must be specific and accurate and it is the retailers responsibility to clearly inform the consumer of Country of Origin for all covered commodities sold.

Suppliers are required to make country of origin information available to their buyers. Such notification can be provided either on the product itself, on the master shipping container, or in a document that accompanies the product through retail sale.

# On The Mark

## News and Trends in Retail Labeling & Security

The ruling does not specify a uniform method of indicating Country of Origin and allows for all of the following labeling options:

- ✓ Labels
- ✓ Placards
- ✓ Stamps
- ✓ Stickers
- ✓ Twist Ties
- ✓ Bands
- ✓ Signs
- ✓ Pin Tags
- ✓ Checkbox



Although there is no specification for font size, typeface, color or location for COOL within the current ruling, it is stated that Country of Origin labeling must be legible and placed in a conspicuous location, which renders it likely to be read and understood by a customer under normal conditions of purchase.

If meat is being sold in a refrigerated glass display which bears visible and legible signage indicating Country of Origin, the retailer is in compliance. However, if the retailer wishes to pre-package meat and locate it in another refrigerated shelf that is customer accessible, the retailer must either provide “COOL” signage in that location or on the package itself.

Marking the meat and produce packages individually, provides retailers with the versatility of stocking a wide variety of meat & produce wherever they are most likely to sell without the need to frequently change display signage.

In cases where meat and fish are sourced from multiple countries, a labeler that can quickly produce labels containing all required information in a consistently legible format and switch easily from one format to another will increase efficiency and reduce errors.



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## News and Trends in Retail Labeling & Security

### Will the ruling be enforced and what is the penalty for non-compliance ?

Only the United States Department of Agriculture (USDA) is able to initiate enforcement actions against a person found to be in violation of the law. USDA may also conduct investigations of complaints made by any persons alleging violations of these regulations when the Secretary of Agriculture determines that reasonable grounds for such investigation exist.

Anyone who prepares, stores, handles or distributes a covered commodity intended for retail sale should maintain an accurate recordkeeping audit trail.

The Secretary can impose a civil penalty only if the retailer or supplier has not made a good faith effort to comply, and only after the Secretary provides notice and an opportunity for a hearing is provided.

The law provides a 30-day period in which the retailers and suppliers may take the necessary corrective action after receiving notice of a nonconformance. If the Secretary determines the retailer or supplier has not made a good faith effort to comply or continues to willfully violate the Act, the retailer or supplier may be fined up to **\$10,000 for each violation**.

This brief overview of the COOL requirements as set forth in the Farm Bill Act, was intended as a quick reference to covered commodities. It is not a complete guide and should not be used as such. For more information on "COOL" requirements, refer to the following links:

[Federal Register Dept. of Agriculture Country of Origin Ruling](#)  
[USDA AMS Country of Origin Labeling Site](#)

Or sign up for Avery Dennison's free whitepaper at the following link:

[Avery Dennison Whitepaper COOL Just the Facts](#)

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Avery Dennison's experts will analyze your operations and work with you to determine which labeling solution is right for you. We can not only help you with compliance labeling, but also help you optimize all of your labeling processes.

Call your Account Manager to schedule an analysis and stop losing money to inefficient and inaccurate labeling operations.

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