

Module 1

Regulatory Requirements

COOL Retail Reviewer Training Course



Legislative History

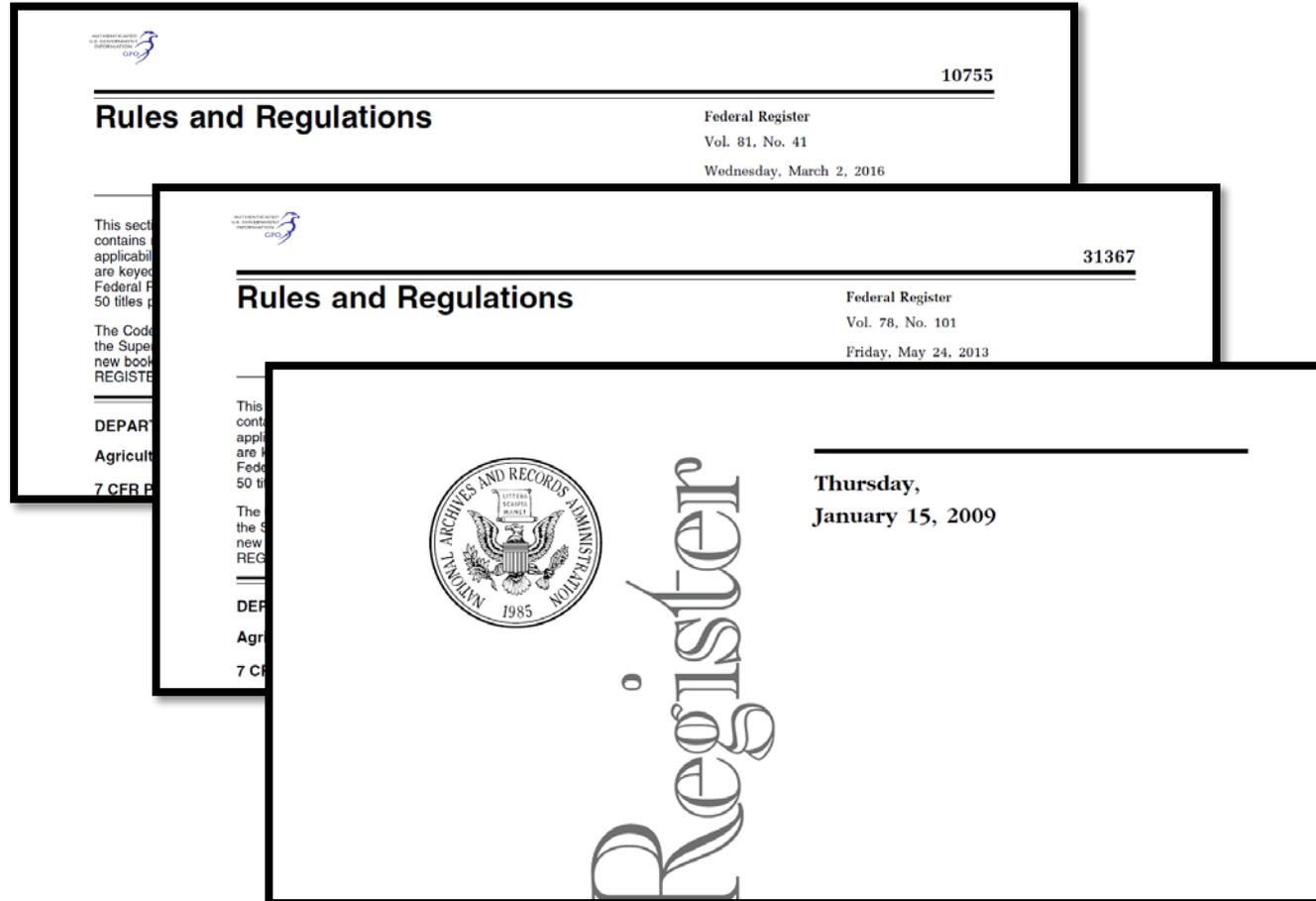
- 2002**
 - Farm Bill enacted mandatory Country of Origin Labeling (COOL)
- 2004**
 - Interim Final Rule (IFR) for fish and shellfish only: 7 Code Federal Regulations (CFR) Part 60
 - Remaining covered commodities delayed
- 2008**
 - Farm Bill amended COOL; additional covered commodities.
 - IFR for remaining covered commodities: 7 CFR Part 65
- 2009**
 - Final Rule combining Part 60 and Part 65
 - Effective March 16, 2009
- 2013**
 - New Final Rule amending definition of retailers and labeling provisions for meat muscle cuts
 - Effective May 23, 2013
- 2016**
 - New Final Rule amended labeling provisions for meat muscle cuts.
 - Final rule effective March 2, 2016



COOL Regulatory Requirements

- Country of Origin Labeling (COOL) Final Rule Part 60 and 65

60	60.101 to 60.400	COUNTRY OF ORIGIN LABELING FOR FISH AND SHELLFISH
61	61.1 to 61.104	COTTONSEED SOLD OR OFFERED FOR SALE FOR CRUSHING PURPOSES (INSPECTION, SAMPLING AND CERTIFICATION)
62	62.000 to 62.400	LIVESTOCK, MEAT, AND OTHER AGRICULTURAL COMMODITIES (QUALITY SYSTEMS VERIFICATION PROGRAMS)
63	63.1 to 63.505	NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER
65	65.100 to 65.500	COUNTRY OF ORIGIN LABELING OF LAMB, CHICKEN, AND GOAT MEAT, PERISHABLE AGRICULTURAL COMMODITIES, MACADAMIA NUTS, PECANS, PEANUTS, AND GINSENG





Elements of the Law

- Terms and Definitions
- Origin Notification – country of origin, method of production, and production steps
- Recordkeeping Requirements



Other Regulatory Agencies

Other federal agencies have regulatory authority for food labeling outside of COOL:

- U.S. Customs and Border Protection (CBP)
- Imported foods
- USDA, Food Safety and Inspection Service (FSIS)
- Label approval for all meat, poultry, and egg products
- Food and Drug Administration (FDA)
- Labeling authority for fruits, vegetables, nuts, fish and shellfish



Compliance & Enforcement

Only USDA can initiate enforcement actions.

- New Retail Reviews
- Follow-up Retail Reviews
- Supplier Traceback Audits



Scope of COOL

The intent of the law is to provide consumers with additional information on which they can base their purchasing decisions.





Who Must Label?

Retailers

- “Any person” subject to be licensed as a retailer under the Perishable Agricultural Commodities Act (PACA) of 1930.
- PACA defines “Retailer” as a firm with an invoice cost of fresh and frozen fruits and vegetables that exceeds \$230,000 annually.



Exemptions from Labeling

- Food Service Establishments
 - Restaurants
 - Cafeterias
 - Lunch Rooms
 - Food Stands
 - Farmer's Markets
 - Salad Bars
 - Delicatessens
 - Other food enterprises including those located within retail establishments that provide ready-to-eat foods.



What Must be Labeled?

- COOL Covered Commodities include:
 - Fish and Shellfish
 - Fresh and Frozen Fruits and Vegetables
 - Chicken, Lamb, and Goat meat (muscle cut and ground)
 - Peanuts, Pecans, Macadamia Nuts
 - Ginseng



Exclusions to Labeling

Processed Food Items include:

- **Change of Character**

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

- **Combined With Another Food Component**



Processed Food Items

- Examples of excluded foods as a result of **Change of Character**:
 - Cooked (e.g., steamed crab legs)
 - Fried (e.g., fried chicken)
 - Canned (e.g., canned vegetables)
 - Roasted (e.g., roasted peanuts)
 - Smoked (e.g., smoked salmon)
 - Restructured (e.g., fish sticks)



Processed Food Items

- Examples of excluded foods as a result of being **Combined With Another Food Component**:
 - Mixed (e.g., mixed fruit cup, sausage)
 - Stuffed (e.g., stuffed chicken, chicken cordon bleu)
 - Marinated (e.g., lemon pepper chicken, teriyaki pork loin)

Notification of Labeling





Notification of Labeling

- Country of Origin Declarations can be made on any of the following:
 - Placard
 - Sign
 - Label
 - Sticker
 - Band
 - Twist tie
 - Pin tag
 - Checkboxes



Notification of Labeling

- Country of origin and method of production must at retail must be:
 - Legible
 - English
 - In a conspicuous location likely to be read and understood by customer under normal conditions of purchase
 - Limited acceptable abbreviations



Notification of Labeling NOT Acceptable

- The following are examples of origin declarations that are not acceptable.
 - Symbols and Flags representing origin
 - The disjunctive term “**OR**” (e.g., Product of Thailand or Vietnam)
 - The term “**AND/OR**” (e.g., Product of U.S., Canada, and/or Mexico)
 - The term “**May Contain**” (e.g., May contain products from U.S. and Mexico)



Adjectival Form of Country Name

- Adjectival form of country name is **NOT** acceptable if it is used when referring to the name of a species (ex. Chilean Sea Bass or Japanese Eggplant).
- Adjectival form of the country name **IS ACCEPTABLE** when not related to the name of a species (ex. Australian Lamb or Scottish Salmon).



Acceptable Abbreviations

- Acceptable country of origin abbreviations are limited to the following:
- **“U.S.”** or **“U.S.A.”** for United States
- **“U.K.”** for United Kingdom including Northern Ireland
- **“P.R. China”** or **“China”** for Peoples’ Republic of China
- **“Holland”** for The Netherlands
- **“Luxemb”** for Luxembourg
- View other acceptable abbreviations [here](#).



State Abbreviations

- Abbreviations are acceptable for fruits, vegetables, peanuts, pecans, macadamia nuts, and ginseng ONLY.
- Abbreviations may be used for state, regional, or locality label designations for these commodities whether domestically harvested or imported using official United States Postal Service abbreviations or other abbreviations approved by CBP.
- Label has to refer to the product, **NOT** the farm or distributor.





State Marketing Programs

- State Marketing Programs **ARE ACCEPTABLE** for fruits, vegetables, peanuts, pecans, macadamia nuts, and ginseng as long as they follow the U.S. origin criteria outlined in the federal COOL Final Rule.
 - Go Texan
 - Jersey Fresh
 - Arizona Grown





Remotely Purchased Products

- Internet Sales
- Home Delivery Sales

Retailers must provide country of origin notification either on the sales vehicle or at the time the product is delivered to the consumer.

Commodity Labeling Requirements



Muscle Cuts of Chicken, Lamb and Goat





Final Rule for Chicken, Lamb, Goat

- Covered Commodities §65.135
- Production Step §65.230
- Born §65.115
- Raised §65.235
- Slaughter §65.250
- Imported for Immediate Slaughter §65.180



What meat must be labeled?

- Muscle Cuts: Chicken, Lamb and Goat
- Ground Meat: Chicken, Lamb and Goat



Country of Origin and Production Steps

- Meat Muscle Cuts require:
 - Country of Origin and
 - Production Steps

- Ground Meat require:
 - Country of Origin (ONLY)

- Importer Muscle Cuts and Ground require:
 - Country of Origin (ONLY)



Institutional Meat Purchase Specifications (IMPS)

- Meats listed in the following series **ARE** covered commodities:
 - 200 Fresh Lamb and Mutton
 - 11 Fresh Goat
 - Trade Description – Chicken

Institutional Meat Purchase Specifications

IMPS are a series of meat product specifications maintained by AMS. They are developed as voluntary consensus specifications. Large volume purchasers such as Federal, State and Local Government agencies, schools, restaurants, hotels, and other food service users reference the IMPS for procuring meat products.

The IMPS are composed of the following series:

- [General Requirements \(pdf\)](#)
- [Quality Assurance Provisions \(pdf\)](#)
- [100 Fresh Beef \(pdf\)](#)
- [200 Fresh Lamb and Mutton \(pdf\)](#)
- [300 Fresh Veal and Calf \(pdf\)](#)
- [400 Fresh Pork \(pdf\)](#)
- [500 Cured, Cured and Smoked, Cooked Pork Products \(pdf\)](#)
- [600 Cured, Dried and Smoked Beef Products \(pdf\)](#)
- [700 Variety Meats and Edible By-Products \(pdf\)](#)
- [800 Sausage Products \(pdf\)](#)
- [11 Fresh Goat \(pdf\)](#)



Institutional Meat Purchase Specifications (IMPS)

- Meats listed in the following series are **NOT** covered commodities:
 - 100
 - 300
 - 400
 - 500
 - 600
 - 700
 - 800



Excluded Meats

- Cuts of meat removed during the conversion of an animal to a carcass are not COOL covered commodities;
- Items sold as bones practically free of meat (e.g., neck bones, femur bones, etc.) or fat (e.g., chicken skin, etc.).



What are Production Steps?





Production Steps

- In the case of lamb, goat, and chicken, production steps mean
 - Born / Hatched
 - Raised
 - Slaughtered / Harvested



Born/Hatched

- **Born / Hatched** – This is the place of birth. In the case of chicken it means hatched from the egg.





Raised

-
- In the case of chicken, goat, and lamb, raised refers to the period of time from birth until slaughter.
 - In the case of animals imported for immediate slaughter, the period of time from birth until entry into the United States.



Slaughtered/Harvested

- The point at which a livestock animal (including chicken) is prepared into meat products (covered commodities) for human consumption.
- For purposes of labeling, the word “harvested” may be used in lieu of slaughtered.





Production Steps Abbreviations

- Production steps may be abbreviated as:
 - BRN/HTCHD
 - RAISD
 - SLGHTRD/HRVSTD.



Imported Chicken, Lamb, and Goat

- Imported muscle cuts and ground meat Chicken, Lamb, and Goat do not require production steps.
- Imported muscle cuts and ground meat shall retain their origin as declared to U.S. Customs and Border Protection at the time the product entered the United States, through retail sale.



Ground Chicken, Lamb, and Goat

- Ground Chicken, Lamb, and Goat must be labeled with the country of origin.
- Production steps (born, raised, harvested) for ground meat is **NOT** required.
- The origin declaration for ground lamb, ground goat, and ground chicken shall list all of the countries of origin contained therein or that may be reasonably contained therein.
- When a raw material from a specific origin is **NOT** in a processor's inventory for more than 60 days, that country shall no longer be included as a possible country of origin.



Ground Chicken, Lamb, and Goat

- 60-day inventory allowance refers only to when countries may no longer be listed.
- If a country is used as a raw material source, it must be listed on the label.
 - Example:
 - Product of Brazil, Argentina, USA
 - USA, Mexico, Canada, Chile

Fresh and Frozen Fish & Shellfish





Final Rule for Fish & Shellfish

- Farm-Raised Fish and Shellfish §60.106
- Wild Fish and Shellfish §60.133
- Commingled Covered Commodities §60.103
- Pre-Labeled §60.118
- Processed Food Item §60.119



What Must Be Labeled?

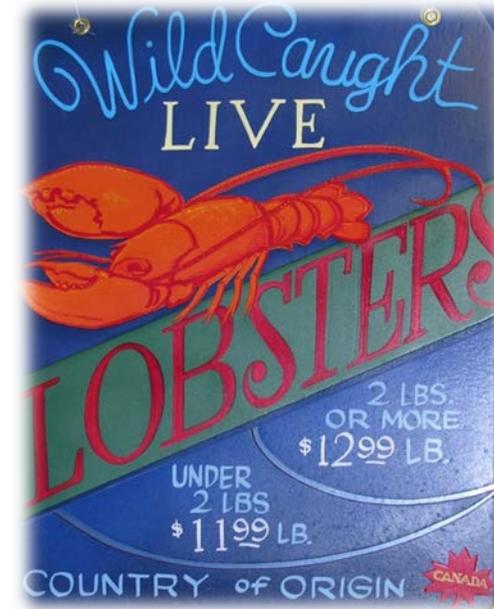
- Fresh & Frozen Fish and Shellfish must be labeled with the Method of Production and country of origin.
 - Farm-Raised and Wild Caught Fish
 - Farm-Raised and Wild Caught Shellfish





Method of Production Acceptable

- Method of production refers to the manner from which fish & shellfish are harvested, either controlled or non-controlled environments. The only acceptable methods of production are:
 - Farm-raised
 - Farmed
 - Wild-caught
 - Wild





Method of Production NOT Acceptable

- The following are **NOT** acceptable:
 - Ocean caught
 - Line caught
 - Farmed in the wild
 - Fresh water caught
 - Fresh land raised
 - WC
 - FR





Country of Origin for Fish & Shellfish

- Country of origin refers to the location or vessel in which the fish & shellfish were caught.





U.S. Origin

- **U.S. Origin** – The following may contain the U.S. country of origin:
 - Farm-raised fish and shellfish hatched, raised, harvested, and processed in the United States;
 - Wild fish and shellfish harvested in waters of the United States or by a U.S. flagged vessel and;
 - Farm-raised or wild fish and shellfish that has not undergone substantial transformation outside the United States.
 - Examples:
 - Product of USA, Farm-raised
 - Product of U.S. - Wild
 - US / Wild Caught
 - USA, Farmed



Multiple Countries of Origin

- Fish & Shellfish of the same type presented for retail sale in a consumer package that have been prepared from raw material sources having different origins shall indicate all of the countries contained therein.
- Example: Product of Argentina, Chile, and USA



Imported Origin

- Fish & Shellfish imported and not substantially transformed in the United States will be labeled with the origin approved by U.S. Customs and Border Protection.
- Example: Product has been imported and has NOT been Substantially transformed in the U.S. must be labeled as “From Country X” as approved by U.S. Customs and Border Protection (CBP).





Substantial Transformation Definition

- Substantial transformation occurs when a new and different article of commerce emerges from a process with a new name, character, or use different from that possessed by the article prior to processing.
- “Substantial transformation” is used by CBP to determine country of origin.
- Example: Product has been imported and **HAS BEEN** Substantially transformed in the U.S. must be labeled as “From Country X, Processed in U.S.” or “Country X, U.S.”.

Origin of Canada
Processed in USA

Fresh & Frozen Perishable Agricultural Commodities, Peanuts, Pecans, Macadamia Nuts, and Ginseng





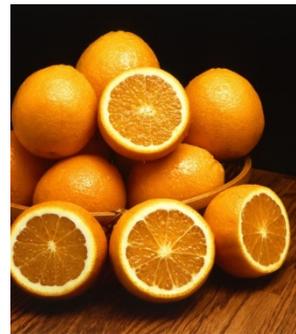
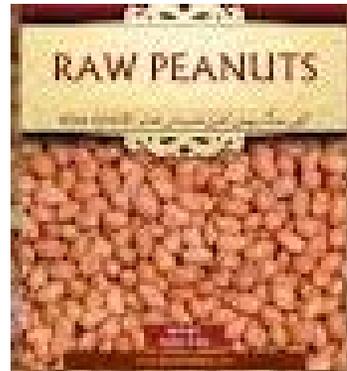
Final Rule for Fruits, Vegetables, Nuts & Ginseng

- Covered Commodity §65.135
- Perishable Agricultural Commodity §65.205
- Produced §65.225
- Pre-labeled §65.218
- Processed food item §65.220



What Must Be Labeled?

- Perishable Agricultural Commodities (PAC) – Fresh and Frozen Fruits and Vegetables
- Peanuts
- Pecans
- Macadamia Nuts
- Ginseng





Perishable Agricultural Commodity

- Fresh and frozen fruits and vegetables of every kind and character that have not been manufactured into articles of a different kind or character.
- “Produced” – means “Harvested”



Country of Origin Notification

- Perishable Agricultural Commodities (fresh and frozen fruits & vegetables), Peanuts, Pecans, Macadamia Nuts & Ginseng must be labeled with the country of origin.
- Country of origin in the case of a perishable agricultural commodity, peanuts, ginseng, pecans, and macadamia nuts means the place of harvested.
- When covered commodities are combined in a retail package that have the same grade standard, the item **IS** a covered commodity and required to be labeled with country of origin.



Covered Commodity

- The following **ARE** covered commodities:
 - Stoplight peppers (red, green, and yellow)
 - Mixed varieties of apples (Fuji, Pink Lady, and Rome)



NOT A Covered Commodity

• The following are **NOT** covered commodities:

- Salad mix containing iceberg lettuce and romaine lettuce
- Container of strawberries, blueberries, and raspberries

*In both of the examples above the covered commodities combined contain different grade standards.



Grade Standards

- When covered commodities are combined in a retail package that have the same grade standard, the item **IS** a covered commodity and required to be labeled with country of origin (e.g., Stop Light peppers).



- Grade standards (e.g., U.S. No. 1) **CANNOT** be used as a country of origin declaration.





Grade Standards (cont.)

- Grade standards are used to determine if a combination of multiple ingredients creates a processed food.
- If commodities combined have the same grade standard, it **IS** a covered commodity.
- If commodities combined have different grade standards, it is **NOT** processed food.



Grade Standards (cont.)

- Examples of combined produce that **ARE** covered commodities because they have the same grade standard.
 - “Stoplight Peppers” (red, green, and yellow bell peppers)
 - Mixed varieties of Apples (e.g., fuji, pink lady, and rome)
- Examples of combined produce that **ARE NOT** covered commodities because they have different grade standards.
 - Salad mix containing iceberg lettuce and romaine lettuce
 - Container of strawberries, blueberries, and raspberries



U.S. Origin

- Fresh and Frozen Fruits & Vegetables, Peanuts, Pecans, Macadamia Nuts & Ginseng may contain U.S. country of origin when products are produced in the U.S. Produced is defined as harvested.
- Examples:
 - Product of U.S. (A.) Product of U.S.
 - Grown in the U.S.
 - U.S. Grown
 - U.S.
 - USA



Multiple Countries of Origin

- In the case of commingling perishable agricultural commodities, peanuts, pecans, macadamia nuts, and ginseng, the declaration shall include all of the origins contained therein.
- Example:
 - A display of Hot House tomatoes can contain a sign stating “Product of U.S. and Mexico”
 - Red Delicious apples may contain some PLU stickers with “USA” and some PLU stickers with “Canada”



Imported Origin

- In the case of imported perishable agricultural commodities, peanuts, pecans, macadamia nuts, and ginseng, the declaration shall include the country of origin approved by CBP at the time the product was imported.
- Example:
 - Product of Peru
 - Product of Chile
 - Brazil
 - Grown in Mexico



Acceptable Fruit and Vegetables





Acceptable Fruit and Vegetables





Unacceptable Fruit and Vegetable Labeling

... that you need,
and keep the balance frozen.
Enjoy fresh frozen vegetables
grown in the Pacific
Northwest.



Recordkeeping Requirements





Recordkeeping Requirements

- Retailers and retailer's suppliers are responsible for maintaining records to verify the country of origin, method of production, and production steps information is conveyed accurately.



Recordkeeping Requirements for Retailers and Suppliers

- Retailers and Suppliers of COOL covered commodities must:
 - Maintain records in any location and format (i.e., electronic or hard copy).
 - Provide records within 5 business days, upon request.
 - Maintain records that are legible.
 - If necessary, provide various records to verify the origin declaration.
 - Maintain and retain records for 1 year from the date of transaction.



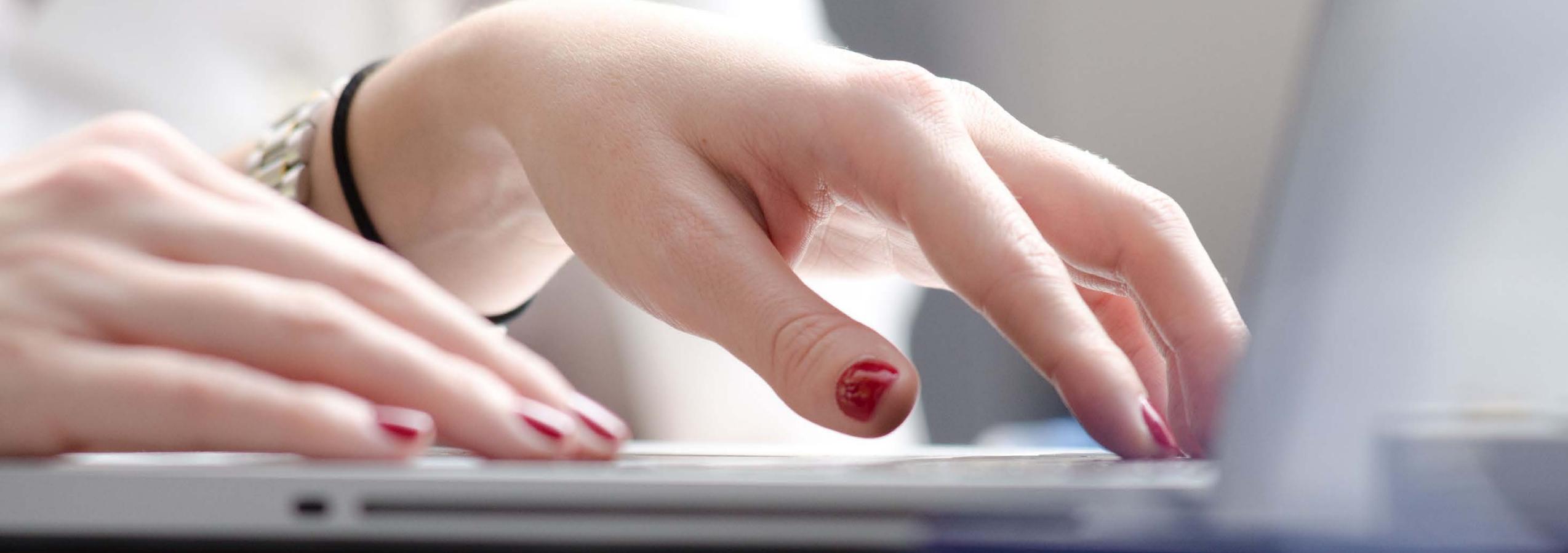
Retailers Providing Records

- Upon request by a USDA representative, retailer must convey origin information provided by their immediate previous supplier. A supplier is any person engaged in the business of supplying a covered commodity to a retailer, directly or indirectly.
- The retailer must provide record(s) that identify the commodity, country of origin, method of production (when applicable), and immediate previous supplier name and address (minimum city & state).
- Retailers may initiate a country of origin claim when covered commodities are physically commingled.



Pre-labeled Definition

- **Pre-labeled Item** – a covered commodity that has the commodity’s country of origin and method of production and the name and place of business (city and state) of the manufacturer, packer, or distributor either on the:
 - On the covered commodity itself,
 - On the package in which it is sold to the consumer, or
 - On the master shipping container.



Thank you for completing
Module 1!