

Brief Review of Mandatory Country of Origin Labeling Interim Final Rules and Cow-Calf Producers

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On Monday, July 28th, 2008 USDA Ag Marketing Service (AMS) issued a 233-page document containing the “interim-final rules” for the mandatory Country of Origin Labeling (mCOOL) program. In 2002, the US Congress passed a law requiring certain “covered commodities” (including beef) to be verified and labeled as to their county of origin. Final rules for COOL were included in the 2008 Farm Bill. This document provides further instructions. Let’s examine the interim final rule as it applies to cow-calf producers in Colorado:

Recordkeeping Requirements: The mCOOL language states: “Any person engaged in the business of supplying a covered commodity to a retailer shall provide information to the retailer indicating the country of origin of the covered commodity.” Cow-calf producers directly or indirectly supply beef to packers, this means cow-calf producers will be responsible to have records to substantiate the country of origin of their calves, cull cows and bulls. Such records may be called for in the event of a USDA audit.

Producer Affidavit: “In the case of beef, lamb, chicken, goat, and pork, a producer affidavit shall be considered acceptable evidence on which the slaughter facility may rely to initiate the origin claim, provided it is made by someone having first-hand knowledge of the origin of the animal(s) and identifies the animal(s) unique to the transaction.” (page 11) It is assumed that a producer affidavit will also be acceptable for feedlot and stocker transactions when calves are sold from the ranch of birth.

National Animal Identification System (NAIS): The interim final rule states, “USDA continues to look for ways to minimize the burden associated with this rule. Therefore, under this interim final rule, slaughter facilities that slaughter animals that are part of a National Animal Identification System (NAIS) compliant system or other recognized official identification system (e.g., Canadian official system, Mexico official system) may also rely on the presence of an official ear tag and/or the presence of any accompanying animal markings (i.e., “CAN”, “M”), as applicable, on which to base their origin claims. This provision also applies to such animals officially identified as a group lot.” (page 12) From this, one can assume that producers who have aligned themselves with a NAIS compliant system have met the requirements for mCOOL.

While NAIS compliant systems may be used to establish origin, “The law prohibits the Secretary from using a mandatory identification system to verify the country of origin of a covered commodity. Under the 2008 Farm Bill, the Secretary is prohibited from requiring the maintenance of additional records other than those maintained in the normal conduct of business.

The law provides examples of existing certification programs that may be used to certify the country of origin of a covered commodity.” (page 20) Producers who oppose NAIS will appreciate this exception.

July 15, 2008 clause: The interim final rules states that “...beef, pork, lamb, chicken, and goat derived from animals present in the United States on or before July 15, 2008, and once present in the United States, remained continuously in the United States, shall be considered of United States origin.” I interpret this to mean that calves, cows, and bulls born prior to July 15, 2008 will automatically qualify under mCOOL. Documentation of birth date will likely be important as these animals enter the market channels – particularly later on as cull animals. Additionally, imported animals arriving before this date are also exempt from the final rules.

The implementation of COOL should not be viewed in a panic mode by cow-calf producers. Most, if not all, of the documentation needed to meet the COOL requirements is likely already part of your normal cow-calf production system. One of the great principles of our market-driven system is the reward for value and the discount for absence of value. As we look back 10 years from now, my prediction is that COOL will add value at the ranch level for those who document and market country of origin information.