

## **What will be Required of Cow-Calf Producers under the Country of Origin Labeling Rules this September?**

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The title of this article asks a question that is not yet totally answered. However, the answer is beginning to be clearer and soon may be finalized. As you likely know, in 2002, the US Congress passed a law requiring certain “covered commodities” to be verified and labeled as to their county of origin. The acronym used commonly for this law is COOL, denoting Country of Origin Labeling. Final rules for COOL will be written following final passage of the 2007 Farm Bill which has passed the Senate and House Conference Committee and will likely be sent to the President’s desk soon. If the President signs the Farm Bill, final rules will then be written. As of now, the following definitions and requirements are likely to become rules. Let’s examine some of these as they apply to cow-calf producers in Colorado:

### **Beef as a Covered Commodity:**

Meat cuts and ground product from beef are defined as a “covered commodity”. More specifically, under the current rules, “a meat product from beef (including veal), pork, and lamb must bear a COOL label or is subject to labeling providing COOL information if: 1. It is sold at retail, AND, 2. It is a muscle cut, or 3. It is a ground product. The product is EXEMPT from COOL labeling requirements if: 1. The meat product is sold at foodservice (e.g., restaurants, institutions, etc.), OR, 2. The meat product is an ingredient in a processed product or, in effect, is processed.” (Source: <http://www.countryoforiginlabel.org>, link to DOES A MEAT PRODUCT NEED A LABEL?, accessed 13 May 2008).

*Jack’s Comment:* From this we can assume that home-raised and harvested beef that is not sold at retail will not be required to be COOL labeled. Beef served on a menu at a restaurant will be exempt, as will beef served in a cafeteria or other food service institutions.

### **Recordkeeping Requirements:**

The current language states: “Any person engaged in the business of supplying a covered commodity to a retailer, directly or indirectly, must maintain records to establish and identify the immediate previous source (if applicable) and immediate subsequent recipient of the product. The record must identify the product unique to that transaction by means of a lot number or other unique identifier, for a period of one (1) year from the date of the transaction.

“Establishments that slaughter livestock are considered initiating suppliers of a covered commodity. The Agricultural Marketing Service (AMS) has indicated that the initiating supplier (packer) either must have the records in its possession or have access to records of the livestock

supplier that substantiate the country of origin of the meat product at issue.” (Source: <http://www.countryoforiginlabel.org>, link to Recordkeeping Requirements, accessed 13 May 2008.).

*Jack's Comment:* Since cow-calf producers indirectly supply beef to packers, I interpret this to mean that cow-calf producers will be responsible to have records to substantiate the country of origin of their calves, cull cows and bulls. While these records may not be required at time of sale, it is likely that there will be an increasing demand for such record verification at the time of sale.

### **Seed Stock / Cow Calf Responsibility:**

“Provide enough information for an auditor to verify the origin and ownership of the animals identified and to verify the stated designation. Properly identify and record all animals according to the designation.” (Source: <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELDEV3103374>, accessed 13 May 2008.).

*Jack's Comment:* I interpret this to mean that a rancher must have sufficient documentation so that in the event of an audit from USDA, they can verify the country of origin of the cattle they sold into the marketplace.

### **Examples of records and activities that may be useful.**

The following record examples are listed in the 2002 version of COOL. “Birth records, receiving records, purchase records, cow/calf tag ID system, sales receipts, feed bills, feeding records, animal inventory, acreage inventory, site maps, APHIS VS forms, production estimates, health records, ownership records, segregation plan, state brand requirements, replacement activities, beef quality program (BQA), breeding stock information.” (Source: <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELDEV3103374>, accessed 13 May 2008.).

*Jack's Comment:* In reality, it will likely be a combination of information that will be used to substantiate the origin of cattle. Records such as brand inspections, bangs vaccination records, sales receipts, etc. will be used to verify that the cattle did in fact originate at the ranch, or were purchased from a qualifying location.

**“In the Normal Conduct of Business” clause:**

The National Cattlemen’s Beef Association (NCBA) website explains recent revisions language in the current Farm Bill legislation as follows: “Language in both the Senate and House bills helps alleviate the paperwork burden on producers requiring only documents used “in the normal conduct of business” to verify origin.... While the current law is far from perfect, the compromise language in the Farm Bill is an improvement for cattle producers. Mandatory country-of-origin labeling is scheduled to take effect on September 30, 2008.” (Source: <http://www.beefusa.org/goveFarmBill.aspx>, accessed 13 May 2008.).

*Jack’s Comment:* In my opinion the implementation of COOL should not be viewed in a panic mode for 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. However, I suggest that we all do a better job as record-keepers and make certain that the history of our cattle can be substantiated. I also foresee that such records will enhance the value of cattle when they leave the farm of origin. 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 in 10 years, my prediction is that COOL will add value at the ranch level for those who document and market country of origin information.