



Agricultural Marketing Service
U.S. DEPARTMENT OF AGRICULTURE



AMS

Module 2 COOL Regulatory Requirements



Module 2 Lesson Objectives

By the end of this lesson, you will understand:

- COOL Regulation – Labeling and recordkeeping requirements
- Complex aspects:
 - Processed Food Items
 - Commingled vs. Combined
 - Adjectival Form of Country of Origin
 - State Marketing Programs and State Abbreviations
 - Fish and Shellfish Labeling: Substantial Transformation and Method of Production
 - Production Steps for Muscle Cuts of Meat



Perishable Agricultural Commodities, Peanuts, Pecans, Macadamia Nuts and Ginseng Labeling

Perishable Agricultural Commodities, Peanuts, Pecans, Macadamia Nuts and Ginseng - US Origin

- Labeling Covered Commodities of United States Origin. A covered commodity may bear a declaration that identifies the United States as the sole country of origin at retail only if it meets the definition of United States country of origin as defined in § 65.260. 7 CFR 65.300(d)
- United States country of origin means in the case of: Perishable agricultural commodities, peanuts, ginseng, pecans, and macadamia nuts: from products produced in the United States. 7 CFR 65.260

Perishable Agricultural Commodities, Peanuts, Pecans, Macadamia Nuts and Ginseng - Imported

- Labeling Imported Covered Commodities: Perishable agricultural commodities, peanuts, pecans, ginseng, macadamia nuts and ground meat covered commodities that have been produced in another country 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. 7 CFR 65.300(d)

Perishable Agricultural Commodities, Peanuts, Pecans, Macadamia Nuts, and Ginseng – Multiple Origins

- Labeling Commingled Covered Commodities. In the case of perishable agricultural commodities; peanuts; pecans; ginseng; and macadamia nuts: For imported covered commodities that have not subsequently been substantially transformed in the United States that are commingled with covered commodities sourced from a different origin that have not been substantially transformed (as established by CBP) in the United States, and/or covered commodities of United States origin, the declaration shall indicate the countries of origin in accordance with existing Federal legal requirements. 7 CFR [65.300\(g\)](#)
- For perishable agricultural commodities, peanuts, pecans, macadamia nuts, and ginseng, the declaration shall include all the country of origins contained therein. 7 CFR [65.400\(d\)](#)



Fish and Shellfish Labeling

Fish and Shellfish – US Origin

“United States country of origin” for fish and shellfish is at 7 CFR 60.128. This includes:

- 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.

Fish and Shellfish - Imported

An imported covered commodity shall retain its origin as declared to U.S. Customs and Border Protection (CBP) at the time the product entered the United States, through retail sale, if it has not undergone a substantial transformation (as established by CBP) in the United States. 7 CFR 60.200(f).



Fish and Shellfish – Multiple Origins

Fish and Shellfish of the same type presented for retail sale that are prepared from raw material sources of different origins shall indicate all the countries contained therein. 7 CFR [60.300\(d\)](#)

Examples include:

- Product of Argentina, Chile, and USA, Wild caught.
 - This means that one species of fish from all three countries is displayed together at the store; all are wild caught.
- Product of Vietnam and Indonesia, Farm raised.
 - This means one item, such as shrimp, from both countries, is displayed together at the store; all are farm raised.

Fish and Shellfish - Method of Production

Fish and shellfish covered commodities must also be labeled with the method of production that indicates whether they are wild or farm-raised as those terms are defined in the regulation. 7 CFR [60.200\(d\)](#)

Acceptable phrases for method of production are:

- Farm-raised
- Farmed
- Wild-caught
- Wild





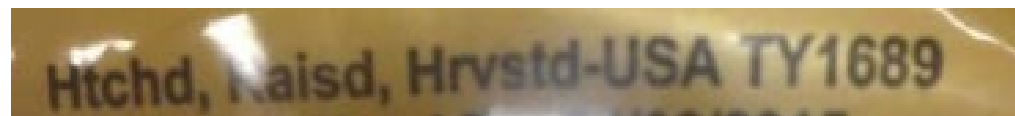
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Lamb, Goat, and Chicken Labeling

Muscle Cuts of Meat – US Origin

- United States country of origin means animals exclusively born/hatched, raised, and slaughtered/harvested in the United States. 7 CFR 65.260
- The United States country of origin designation for muscle cut covered commodities shall include all of the production steps (i.e., “Born, Raised, and Slaughtered in the United States”). 7 CFR 65.300(d)

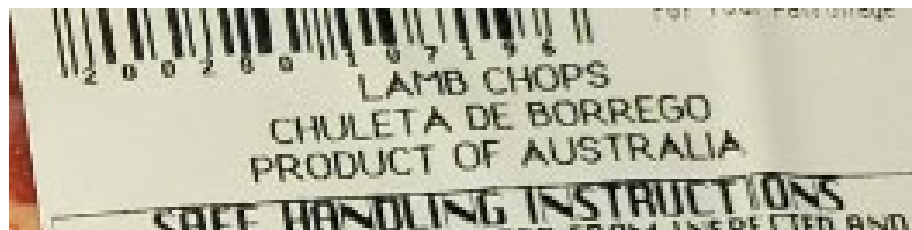


Muscle Cuts of Meat: Production Steps

- Born or Hatched: This is the place of birth. 7 CFR [65.115](#)
- Raised: For commodities raised in the United States, raised is the time from birth until slaughter. For commodities imported into the United States for immediate slaughter, raised is the time from birth until entry into the United States. 7 CFR [65.235](#)
- Slaughtered or Harvested: Slaughtered means the point when a livestock animal (including chicken) is prepared into meat products (covered commodities) for human consumption. 7 CFR [65.250](#)

Muscle Cuts of Meat – Imported

Labeling Imported Covered Commodities: Muscle cut covered commodities derived from an animal that was slaughtered in another country 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. 7 CFR 65.300(f)(1)





Ground Meat: Goat, Lamb, and Chicken

- The declaration for ground lamb, ground goat, and ground chicken covered commodities shall list all countries of origin contained therein or that may be reasonably contained therein. 7 CFR [65.300\(h\)](#)
- Production steps (born, raised, harvested) are not required for ground meat.





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Activity



Recordkeeping Requirements

Recordkeeping Requirements

General

- All records must be legible and may be maintained in either electronic or hard copy formats. 7 CFR [60.400\(a\)\(1\)](#), 7 CFR [65.500\(a\)\(1\)](#)
- Upon request by USDA representatives, suppliers and retailers subject to this subpart shall make available to USDA representatives, records maintained in the normal course of business that verify an origin claim and method of production (wild and/or farm-raised). Such records shall be provided within 5 business days of the request and may be maintained in any location. 7 CFR [60.400\(a\)\(2\)](#), 7 CFR [65.500\(a\)\(2\)](#)

Recordkeeping Requirements

Suppliers

- Any person supplying a covered commodity to a retailer, whether directly or indirectly, must make available information to the buyer about the country(ies) of origin and method(s) of production (wild and/or farm-raised), of the covered commodity.
- This information may be provided either on the **product itself, on the master shipping container, or in a document that accompanies the product** through retail sale provided that it identifies the product and its country(ies) of origin and method(s) of production.
- The supplier of a covered commodity that is responsible for initiating a country(ies) of origin and method(s) of production (wild and/or farm-raised) claim must possess records that are necessary to substantiate that claim for a period of **1 year from the date of the transaction.** 7 CFR [60.400\(b\)\(1\)](#), 7 CFR [65.500\(b\)\(1\)](#)

Recordkeeping Requirements Suppliers (cont.)

- A intermediary supplier handling a covered commodity that is found to be designated incorrectly as to the country of origin shall **not** be held liable ... if the[y] relied on the designation provided by the[ir] ... supplier, unless the intermediary supplier willfully disregarded information establishing that the country of origin declaration was false. 7 CFR [65.500\(b\)\(2\)](#), 7 CFR [60.400\(b\)\(2\)](#)
- Any person ...supplying a covered commodity to a retailer, whether directly or indirectly (i.e., including but not limited to harvesters, producers, distributors, handlers, and processors), must maintain records to establish and identify the immediate previous source (if applicable) and immediate subsequent recipient of a covered commodity for a period of 1 year from the date of the transaction. 7 CFR [65.500\(b\)\(3\)](#), 7 CFR [60.400\(b\)\(3\)](#)

Recordkeeping Requirements Suppliers (cont.)

For an imported covered commodity, the **importer of record** as determined by U.S. Customs and Border Protection, must ensure that records: provide clear product tracking from the port of entry into the United States to the immediate subsequent recipient and accurately reflect the country of origin and method of production (wild and/or farm-raised) of the item as identified in relevant CBP entry documents and information systems; and must maintain such records for a period of 1 year from the date of the transaction.. 7 CFR [65.500\(b\)\(4\)](#), 7 CFR [60.400\(b\)\(4\)](#)

Recordkeeping Requirements

Retailers

- Retailers are to convey the origin and method of production information provided to them by their suppliers.
- Only if the retailer physically commingles a covered commodity of different origins and/or methods of production... can the retailer initiate a multiple country of origin and/or method of production designation that reflects the actual countries of origin and method of production for the resulting covered commodity. 7 CFR [60.400\(c\)\(1\)](#), 7 CFR [65.500\(c\)\(1\)](#)

Recordkeeping Requirements Retailers (cont.)

- Records ...relied upon ...to establish a covered commodity's country(ies) of origin must either be maintained at the retail facility or at another location for as long as the product is on hand and provided to any duly authorized representative of USDA.
- For pre-labeled products, the label itself is sufficient information on which the retailer may rely to establish the product's origin and no additional records documenting origin information are necessary. 7 CFR [60.400\(c\)\(2\)](#), 7 CFR [65.500\(c\)\(2\)](#)
- Prelabeled means a covered commodity that has the commodity's country of origin and method of production and the name and place of business of the manufacturer, packer, or distributor on the covered commodity itself, on the package in which it is sold to the consumer, or on the master shipping container. The place of business information must include at a minimum the city and state or other acceptable locale designation. 7 CFR [60.118](#), 7 CFR [65.218](#)

Recordkeeping Requirements Retailers (cont.)

- Records that identify the covered commodity, the retail supplier, and for products that are not pre-labeled, the country of origin information and the method(s) of production (wild and/or farm-raised) must be maintained for a period of 1 year from the date the declaration is made at retail. 7 CFR 60.400(c)(3), 7 CFR 65.500(c)(4)
- Any retailer handling a covered commodity that is found to be designated incorrectly as to the country of origin and/or the method of production (wild and/or farm-raised) shall not be held liable for a violation of the Act by reason of the conduct of another if the retailer relied on the designation provided by the supplier, unless the retailer willfully disregarded information establishing that the country of origin and/or method of production declaration was false. 7 CFR 60.400(c)(4), 7 CFR 65.500(c)(3)



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Complex Aspects of the COOL Regulations



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Processed Food Items

Processed Food Items

Processed food items are excluded from COOL requirements. 7 CFR [60.200\(c\)](#), 7 CFR [65.300\(c\)](#)

Processed food item means 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, breading, tomato sauce), except that the addition of a component (such as water, salt, or sugar) that enhances or represents a further step in the preparation of the product for consumption, would not in itself result in a processed food item. Specific processing that results in a change in the character of the covered commodity includes cooking (e.g., frying, broiling, grilling, boiling, steaming, baking, roasting), curing (e.g., salt curing, sugar curing, drying), smoking (hot or cold), and restructuring (e.g., emulsifying and extruding). Examples of items excluded include roasted peanuts, breaded chicken tenders, and fruit medley. 7 CFR [60.119](#), 7 CFR [65.220](#)



Processed Food Items (cont.)

Let's examine three parts of the processed food definition:

1. Change of character
2. Combined with another food component
3. Addition of a component (such as water, salt, or sugar) that enhances or represents a further step in the preparation of the product

Processed Food Items

Change of character

Specific processing resulting in the change of character includes:

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

A few examples are:

- Cooked: Deli meats
- Cured: Lutefisk, dried beans
- Smoked: Smoked salmon
- Restructured: Chicken nuggets



Processed Food Items Combined with another food component

A covered commodity that is combined with another covered commodity or substantive food component is excluded from COOL.

A few examples are:

- Chocolate covered strawberries
- Mixed vegetables, salad mix
- Chicken cordon bleu
- Teriyaki marinated chicken breast



Processed Food Items

Exception when a component enhances or represents a further step in preparation of the product

“...except that the addition of a component (such as water, salt, or sugar) that enhances or represents a further step in the preparation of the product for consumption...” 7 CFR [60.119](#) and 7 CFR [65.220](#)

These items are not processed food items, therefore are still subject to COOL.

A common example is chicken muscle cuts with an added salt solution. This item is subject to COOL.



Not Processed Food Items

The actions below do not change the item's character therefore do not make an item a processed food item.

Items that have undergone the action below are subject to COOL.

Blanching (Steam or Oil)	Polishing
Chopping (riced)	Slicing
Cutting	Trimming
Dicing	Waxing
Removal of a Seed (Pit, Stem, Husk, Calyx, Pods, Rind, Skin, Peel, Etc.)	Adding Sugar
Peeling	Ascorbic Acid (to retard oxidation)



Not Processed Food Items cont.

Items that do not have in change of character are not considered processed food items, therefore are subject to COOL.

Examples include:

- Riced cauliflower
- Diced fruit
- Zucchini noodles
- Sliced apples
- Chopped onions





Commingled vs. Combined

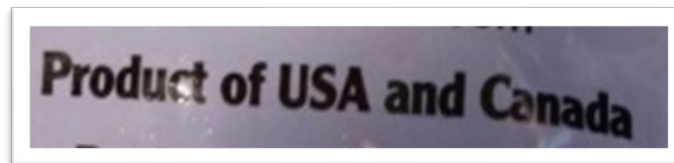


Commingled

Commingled covered commodities means covered commodities (of the same type) presented for retail sale in a consumer package that have been prepared from raw material sources having different origins. 7 CFR [65.125](#), 7 CFR [60.103](#)

Commingled covered commodities require COOL.

Example: Tomatoes from both USA and Canada.



Commingled Examples

More examples of commingled items include:

- Shrimp from both Vietnam and Indonesia.
- Bell peppers from Holland, Norway, and the US sold together in a single package.

Reminder: These do require COOL.





Combined

Combined: A covered commodity that has been combined with at least one other covered commodity or other substantive food component (e.g., chocolate, breading, tomato sauce).

Combined items are considered a processed food item, therefore excluded from COOL.

Common examples:

- Fajita mix of sliced onions and peppers.
- Seafood medley of fish and shrimp.
- Fruit platter of strawberries, watermelon, kiwi, grapes, and pineapple.

Combined Examples

More examples of combined items include:

- Package of various fresh herbs.
- Package of salad mix with romaine and radicchio.

Reminder: These are excluded from COOL;
they do not require COOL.





Adjectival Form of Country Name



Adjectival Form of Country Name

The adjectival form of the name of a country may be used as proper notification of the country of origin of imported commodities provided the adjectival form of the name does not appear with other words so as to refer to a kind or species of product. Symbols or flags alone may not be used to denote country of origin. 7 CFR [65.400\(e\)](#), 7 CFR [60.300\(e\)](#)



Adjectival Form of Country Name

- Adjectival form of a country name is not acceptable when it refers to the name of a species, such as Chilean Sea Bass or Japanese Eggplant. The country of origin is required.
- Adjectival form of a country name is acceptable when it is not related to the name of a species, such as Australian Lamb or Scottish Salmon. In this case, Australian means the origin is Australia, which is the COOL.

Adjectival Form of Country Name (cont)

- Geographic names for a species or variety do not indicate origin.
 - Japanese Eggplant
- Adjectival forms that refer to country of origin are allowed.
 - Brazilian Papaya
- Uncertain if it is an adjectival form of a variety or species? [Check the PACA Commodities List](#)





State Abbreviations and State Marketing Programs

State Abbreviations

State abbreviations are acceptable in lieu of COOL only for fruits, vegetables, peanuts, pecans, macadamia nuts, and ginseng per 7 CFR 65.400(f).

Examples include:

- Grown in AL
- Product of IL
- Proudly grown in WA State

State Marketing Programs

State Marketing Programs vary. If the criteria for a State Marketing Program refers to the item's origin and follows the COOL regulation for US origin, then the State Marketing Program's logo can be used for COOL.

State Marketing Program logos can only be used in lieu of COOL for fruits, vegetables, peanuts, pecans, macadamia nuts, and ginseng .

For example, New Jersey's Jersey Fresh marketing program's logo can be used in lieu of COOL, as this marketing program requires all items be grown in New Jersey.





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Fish & Shellfish Issues – Substantial Transformation and Method of Production

Substantial Transformation

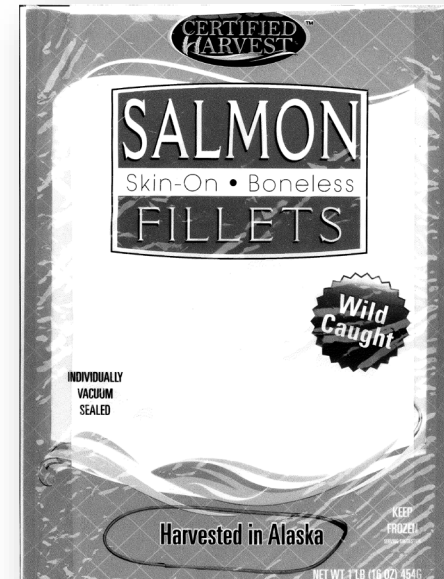
- Substantial transformation occurs when a new and different article of commerce emerges from a process with a new name, character, or use different from that possessed by the article prior to processing.
- “Substantial transformation” is used by the US Customs and Border Protection (CBP) to determine country of origin. (7 CFR [60.200 f - h](#))
- Imported product that has been substantially transformed in the U.S. or aboard a US flagged vessel, it must be labeled as “From Country X, Processed in U.S.” or “Product of country X and the United States”.

Origin of Canada
Processed in USA

Substantial Transformation (cont.)

At times, you may see that there is seemingly conflicting country of origin for fish or shellfish on the same label or sign.

- Example is "Alaska Wild" salmon labeled as "product of China."
- In many cases it is because the fish was harvested in one place and substantially transformed in another.
- Country of origin for all imported fish/ shellfish is regulated by Customs and Border Protection based on where that item was substantially transformed.



Sat Fat	Less than	20g	2g
Cholesterol	Less than	300mg	300mg
Sodium	Less than	2,400mg	2,400mg
Total Carbohydrate		300g	375g
Dietary Fiber		25g	30g

Calories per gram
Fat 9 Carbohydrate 4 Protein

INGREDIENTS: SALMON, SODIUM TRIPOLYPHOSPHATE (TO RETAIN MOISTURE).

ALLERGEN: FISH
PRODUCT OF CHINA

Method of Production Acceptable and Unacceptable Phrases

The only acceptable phrases for the method of production are:

- Farm-raised
- Farmed
- Wild-caught
- Wild

Here are a few examples of unacceptable phrases for the method of production :

- Ocean caught, line caught, fresh land raised
- Fresh water caught, WC, FR





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Knowledge Check

What is the correct Method of Production?

This picture shows fish being raised in controlled environments in the ocean.

Would the fish harvested from these controlled environments be farm-raised or wild caught?



What is the correct Method of Production?

This picture shows fish being raised in controlled environments in the ocean.

Would the fish harvested from these controlled environments be farm-raised or wild caught?

Farm-raised is correct!

Note: A sign or label could state Ocean Farm-Raised. Ocean is merely descriptive and okay to include as additional information.





Production Steps for Muscle Cuts of Meat

Production Steps

United States Country of Origin

The United States country of origin designation for muscle cut covered commodities shall include all of the production steps (i.e., “Born, Raised, and Slaughtered in the United States”). 7 CFR [65.300\(d\)](#)

Production steps may be abbreviated, as long as the consumer can easily understand. Here are a few abbreviations:

BRN: Born

HTCHD: Hatched

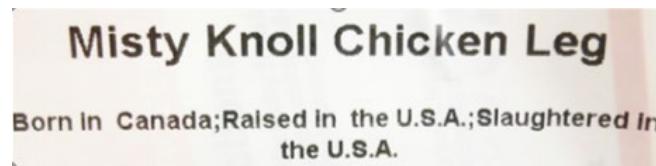
RAISD: Raised

SLGHTRD: Slaughtered

HRVSTD: Harvested

Production Steps Multiple Countries of Origin

- If an animal was born and/or raised in Country X and/or (as applicable) Country Y, and slaughtered in the United States, the resulting muscle cut covered commodities shall be labeled to specifically identify the production steps occurring in each country (e.g., “Born and Raised in Country X, Slaughtered in the United States”).
- If an animal is raised in the United States as well as another country (or multiple countries), the raising occurring in the other country (or countries) may be omitted from the origin designation except if the animal was imported for immediate slaughter as defined in § 65.180 or where by doing so the muscle cut covered commodity would be designated as having a United States country of origin (e.g., “Born in Country X, Raised and Slaughtered in the United States” in lieu of “Born and Raised in Country X, Raised in Country Y, Raised and Slaughtered in the United States”).



Production Steps: Born or Hatched

Born means the place of birth. Born, in the case of chicken, means hatched from the egg. 7 CFR [65.115](#)





Production Steps: Raised

For chicken, goat, and lamb animals, raised means the period of time from birth until slaughter.

For chicken, goat, and lamb animals imported into the United States for immediate slaughter, raised means the period from birth until entry into the United States. 7 CFR [65.235](#)

Production Steps: Slaughter or Harvested

Slaughtered means the point when a livestock animal (including chicken) is prepared into meat products (covered commodities) for human consumption. For purposes of labeling under this part, the word harvested may be used in lieu of slaughtered. 7 CFR [65.250](#)





Production Steps Recap

- Production steps are not required for ground chicken, ground lamb or ground goat. Ground items only require county of origin.
- Production steps are not required for imported muscle cuts of meat. They only require country of origin.

Production Steps versus Method of Production

- Production steps are only for muscle cuts of goat, lamb and chicken. Production steps indicate where the animal was born, raised, and slaughtered.
- Method of production is only for fish and shellfish. The method of production indicates whether the item was farm raised or wild caught.



Thank you for completing Module 2!