

AMI Says Meat Industry Changing Course to Implement New COOL Guidelines Released 4 Days Before Implementation

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The U.S. meat industry and its retail customers are working hard to change course in implementing mandatory country-of-origin labels on many fresh meat products after USDA revised implementation guidance September 26 — four days prior to the Sept. 30, 2008, deadline — according to the American Meat Institute (AMI).

“The industry has been preparing diligently for implementation based upon the previous guidance provided by USDA since the interim final rule was published August 1,” said AMI President J. Patrick Boyle. He noted that the industry has held workshops, webinars, issued written guidance to members and developed a web site based upon previous information, but critically important parts of that advice is now incorrect as a result of USDA’s last minute changes.

Boyle said that USDA had built some needed flexibility into its earlier country-of-origin labeling implementation guidance. Under the previous guidance, retailers could have opted to sell meat from cattle born in Canada and Mexico but raised and processed in a U.S. meat plant as a product of the U.S., Canada and Mexico. This would have helped packers control the costs associated with segregating livestock and meat, and retailers from having to manage multiple labels.

The flexibility allowed in USDA’s earlier guidance helped reduce the first year implementation costs to \$2.5 billion from the \$3.9 billion estimated under an earlier, more rigid proposal. “USDA’s change four days prior to implementation is likely to drive costs back up to the original \$3.9 billion proposal and those costs will be passed on in the form of higher meat prices. Sadly, this increase comes at a time when consumers can ill afford it,” Boyle said.

He noted that USDA has previously committed that it will engage in an education and outreach program for the first six months after implementation to assist the industry. “Given these last-minute changes, the industry will need to make extensive changes to procurement, segregation and labeling, and will require additional time to ensure compliance,” Boyle said.

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