

COOL Compliance for Beef Operations

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Mandatory Country-of-Origin Labeling (COOL) will begin Sept. 30, 2008, and cattle producers must be prepared. The USDA has published an interim final rule to provide practical, yet accountable recommendations for cattle producers to assure COOL compliance. This document provides guidelines outlining the minimum requirements producers must meet and includes the type of supporting documents needed to meet those obligations. The following discussion provides suggestions to assure COOL compliance.

Background

Meat packers are considered the originators of the origin claim, but the USDA interim final rule indicates that the slaughter facility “must possess or have legal access to records that are necessary to substantiate the origin claim.” This ultimately places responsibility on beef producers to provide accurate documentation of all beef cattle produced. Beef products for retail sale from cattle born, raised, and slaughtered in the United States will be labeled as product of the United States. Beef products shall be designated as a “*product of the United States and Country X*” if they are imported as feeder animals from either Canada or Mexico and are fed in the United States before going to slaughter. Feeder cattle imported from either Mexico or Canada are permanently identified with a brand. However, buyers may still request a signed affidavit from the seller declaring the origin of cattle. Beef products from cattle imported for immediate slaughter from Country X will be designated as “*product of Country X and the United States*.” Currently, cattle imported directly for slaughter are identified at entry into the United States. It appears that at least some packers plan to use the “catch-all” label that says “Product of the U.S., Country X, and/or (as applicable) Country Y” on as much beef as possible. This label will apply to beef from animals that might have been foreign-born, but were part raised and then processed in the U.S. The catch-all label can also be used on beef from cattle exclusively born, raised and slaughtered in the U.S. If this catch all label is widely implemented, it will minimize added costs for everyone. However, expect to see at least some of the branded beef product lines offered to consumers through retail markets to require the “product of the United States” label to enhance consumer appeal and price, which means those cattle will still need documentation.

As we approach the Sept. 30, 2008 deadline for mandatory Country-of-Origin Labeling (COOL) compliance, some cattle feeders have already received letters from packing plants asking for documentation on animals. In turn, expect feedlots to start asking for country-of-origin confirmation on animals they purchase from cow-calf and stocker/background operations to assure they stay in COOL compliance. The following guidelines outline practical methods for

documenting the origin of cattle to assist sellers if audited by the USDA or a buyer.

Since the USDA has not specified a single record system to use, cow herd owners need to develop a simple, but auditable record system that will allow documentation that the calves born on their farms are "products of the U.S." USDA has stated that "a producer affidavit shall be considered acceptable evidence provided it is made by someone having first-hand knowledge of the origin of the animals and identifies the animals unique to the transaction." Therefore, anytime cattle are sold, the buyer could ask the seller for an affidavit that documents the origin of the cattle. USDA goes on to indicate that typical business records are sufficient to prove origin of cattle if an audit should occur. Cattle producers with good production and financial records should feel reasonably confident providing a signed affidavit. A beef industry-wide coalition has announced the development of a standardized affidavit to declare country of origin for livestock throughout the marketing chain. This affidavit is available online at (<http://www.beefusa.org/uDocs/countryoforiginaffidavit453.pdf>).

For a list of USDA recognized records that satisfy COOL, refer to Table 1. It should be noted, however, that more than one of the identified records in this table will likely be needed for an auditor to be able to establish the origin of an animal. For example, feeding records and feed bills indicate animals have been fed, but by themselves give no indication where those animals were born or came from.

General COOL Requirements for Producers:

- Producers must maintain auditable records at their farm or ranch regarding country of origin.
- Sellers self-declare the product category (country where born and raised) with a signed affidavit passed onto the buyer.
- Animals can be group identified if they are of the same product category. Animals of a different product category must be identified or penned separately.

Recommended Producer Records

Producers must maintain and have available, if audited, on-farm records that can document animal origin and movement for a given time period such as monthly, quarterly or annual inventories. These records should include:

- Calving records with animal IDs and dates of birth
- Beginning year (month, quarter, etc.) inventory
- Additions (births, in-shipments*, purchases*, leased*, or customer cattle*)
- Removals (sales, deaths, out-shipments)
- Ending year (month, quarter, etc.) inventory

**When animals are added to the herd from outside sources, they must have adequate documentation (signed affidavits, registration paper transfer, etc.) of origin.*

Typical operational and financial records that can be of some value during an audit might include:

- Balance sheet, income statement, other financial records
- Scale tickets and purchase and sales receipts
- Closeout records and/or feed records or bills
- Health papers, vaccination or other health treatment records or receipts
- Shipping records

Operations should prepare a brief written statement of standard operating procedures (SOP) for record keeping, animal or group identification methods, or other documenting procedures that are followed as part of their normal management system.

Tables 2 and 3 provide realistic examples of which records will support producer supplied affidavits and provide accountability in the event of an audit.

Table 2. Examples for cow-calf and seedstock herds	
Minimum requirements	Supporting materials
Beginning and ending inventory by class, e.g., cows, bulls, bred heifers, virgin heifers, calves on cows, weaned calves, etc	Production records, balance sheet, vaccination and health records or bills, feed records or bills, Beef Quality Assurance certification
Individual breeding stock identification	Eartag, brand, tattoo
Number of calves born	Calving book, eartag calves
Number and description of incoming cattle by designation. Designate separately	Purchase receipts, scale tickets, identification system
Number of sales or removals	Sales receipts, scale tickets, income statement
Record of deaths or missing cattle	Note in production records
Pen and pasture information	Site map with capacities
Additional steps:	
Individual identification of calves with visual or electronic tags	
Source: The Iowa Beef Center website (http://www.iowabeefcenter.org/content/COOL.htm)	

Table 3. Examples for feedlots, stockers, and any operation that buys cattle	
Minimum requirements	Supporting materials
Develop standard operating procedure for group or individual identification to assure separation by designation	Description of eartag system, plan for noting additions to a group (tag color, notch in tag), method for handling non-US cattle

Beginning and ending inventories	Production records, balance sheet, feed records
Number and description of incoming cattle with documentation of country of origin	Purchase receipts, scale tickets, trucker records, health papers, processing records
Number of sales or removals	Sales receipts, scale tickets, closeout records
Record of deaths or missing cattle	Note in production records
Pen and pasture information	Site map with capacities
Additional steps:	
Individual identification of cattle with visual or electronic tags	
Do not mix cattle of different designations in the same group.	
Source: The Iowa Beef Center website (http://www.iowabeefcenter.org/content/COOL.htm)	

Document Recommendations

Cow-Calf Producers: All animals in the U.S. as of July 15, 2008 are considered to be U.S. origin and “grandfathered” into the COOL program. It is important for cow-calf producers to accurately document herd size and origin of these animals. A complete herd inventory as of July 15, 2008 would be advisable with as much animal identification information included as possible. Cows and bulls that may not be sold for several years could need this documentation to verify their status as of July 15, 2008.

While not required, a cow-calf operation would be well advised to tag calves and record birth dates, tag number, and a description of the calf in a calving book. These records would be extremely valuable in an audit situation. Animals that enrolled in source-verified programs, such as the National Animal Identification System (NAIS), a Process Verified Program (PVP), or a Quality Systems Assessment (QSA) program would also meet the record requirements. In these programs, animal identification is part of a formal program and database allowing origin to be easily verified. For any calves sold, producers should keep a copy of the affidavit noting the buyer and/or the date and location of the sale. COOL also covers meat from breeding animals which means that producers should keep records of raised animals used for breeding and should request an affidavit for any purchased cows or bulls. To begin building a good foundation for verification, producers can begin with:

- Ear tags
- Calving books
- Herd inventories
- Purchase receipts of herd animals
- Sale bills from sold animals

Stocker/Backgrounder: Backgrounding operations, like other suppliers, must “maintain records to establish and identify the immediate previous source and the immediate subsequent recipient.” Commingling of animals creates a challenge,

but AMS has indicated that as long as a producer has records of purchases and sales that reasonably account for total number of animal exchanged, individual animals or subsets of animals need not be traced back to specific purchase group(s). Thus, animals purchased from a variety of sources arriving with affidavits that show that animals all have the same country of origin, can be commingled into different sales groups and sold with affidavits that verify the origin of the animals.

Appropriate documentation include:

- A declaration of origin from the seller
- Scale tickets with in- and out-weights
- Closeout records

Feedlots: Cattle feeders will also need to document that cattle were "raised" in the U.S. Feedlots will need documentation on where the cattle were before entering the feedlot (place of birth and stocker operation). Feedlot operations need to start thinking about what documentation they will need from sellers and how that information will be transferred through the marketing channel (auction market, order buyer, trucker, etc.). Cattle feeders should also begin COOL discussions with their buyers to determine what information must be forwarded with the cattle when sold.

Appropriate documentation includes:

- A declaration of origin from the seller
- Scale tickets with in- and out-weights
- Closeout records

Depending on how animals flow into and out of an operation, producers may find it advantageous to use a more detailed tracking system to account for sources and destinations of cattle. If a producer has animals with different origins, those animals should be segregated by origin group with appropriate records to account for each origin group unless they are NAIS compliant or part of another individual animal ID program designed to track animals. As noted above, NAIS compliant animals may use the animal ID as verification of origin. All animals on hand as of July 15, 2008 are covered under the previously mentioned grandfather clause.