

purchaser.” As such, products that have been substantially transformed by a U.S. processor generally are not required to bear a country of origin declaration. Similarly, under current FSIS policies and directives, imported meat and meat products that are further processed in the United States are not required to bear country of origin declarations on the newly produced products or subsequent products made from them as these products are now considered to be domestic.

Under this proposed rule, imported covered commodities for which origin has already been established as defined by this regulation (e.g., born, raised, and slaughtered in the case of meat products or grown in the case of peanuts), shall retain their origin, as determined by CBP at the time the product entered the United States, through retail sale. For example, if an imported lamb carcass derived from an animal that was born, raised, and slaughtered in country X, was further processed in the United States, the resulting products derived from that carcass would be labeled as “product of the country X.” However, in this example, additional labeling information may be required by FSIS.

Products imported in consumer-ready packages, including food products (e.g., frozen green beans or canned ham), are currently required to bear a country of origin declaration on each individual package under both the Tariff Act and FMA. This proposed rule would not change these requirements.

*Labeling Country of Origin When the Product Has Entered the United States During the Production Process (i.e., Mixed Origin That Includes the United States)*

The law specifically defines the requirements for covered commodities to bear a “United States country of origin” declaration. However, the law is less specific for products produced completely or in part outside of the United States. In these instances, the law requires only that retailers inform consumers as to the country of origin of a covered commodity at the final point of sale.

*Beef, Lamb, and Pork*

The law states that only covered commodities derived from animals that were born, raised, and slaughtered in the United States may bear a “United States country of origin” declaration. AMS recognizes that a number of animals born in foreign countries are raised and slaughtered in the United States. In addition, some animals born in the United States are raised in foreign countries and then either slaughtered in

that foreign country or returned to the United States for slaughter.

The requirements for products to bear a “Product of the United States” declaration do not permit products derived from animals that were born, raised, or slaughtered in a foreign country to be labeled as “Product of the United States.” However, AMS recognizes that to label products of an animal that was only born in country X, but raised and slaughtered in the United States solely as “Product of country X” does not reference the significant production steps that occurred in the United States. Therefore, under this proposed rule, products that were produced in both a foreign country and the United States would be labeled at retail as being imported from the foreign country and also for the production steps that occurred in the United States. For example, pork products derived from a pig that was born in country X, raised and slaughtered in the United States would be labeled as “Imported from country X, Raised and Slaughtered in the United States.” Alternatively, products may also be labeled to specifically identify the production step(s) that occurred in the country other than the United States if the animal’s identity was maintained along with records to substantiate the origin claims. For example, products derived from a pig that was born and raised in country X and slaughtered in the United States could either be labeled as “Imported from country X, Slaughtered in the United States” or “Born and Raised in country X, Slaughtered in the United States.” AMS invites further comment on the use of alternative terms for the term “slaughtered.”

AMS also recognizes that in some cases, an animal will undergo production steps in two or more foreign countries prior to entering the United States for additional processing or a final process such as slaughter. In these cases, the meat products derived from an animal that was born in country X, raised in country Y, and slaughtered in the United States would be labeled at retail as being imported from country Y and for any production steps occurring in the United States. For example, if a calf was born in country X and raised in country Y before being imported for slaughter in the United States, the resulting meat products derived from this animal would be labeled as “Imported from country Y, Slaughtered in the United States.” Alternatively, if the animal’s identity was maintained along with the records to substantiate the origin claims, the product could be labeled to specifically identify the production step(s) (e.g., born, raised)

occurring in the country(ies) other than the United States. In the example cited above, the product could be labeled “Born in country X, Raised in country Y, Slaughtered in the United States.”

AMS invites further comment on this approach to the labeling of beef, lamb and pork, and requests identification of alternative approaches to labeling such products.

*Wild and Farm-Raised Fish and Shellfish*

In the case of wild fish and shellfish, the law states that a covered commodity can only bear a “United States country of origin” declaration if it is harvested in the waters of the United States or aboard a U.S. flagged vessel and processed in the United States or aboard a U.S. flagged vessel. In the case of farm-raised fish and shellfish, the law states that a covered commodity can only be labeled as “Product of the U.S.” if it is hatched, raised, harvested, and processed in the United States. However, the law does not define the term processed.

AMS received numerous comments requesting that the regulations for the mandatory COOL program conform to existing regulations of CBP wherever possible to eliminate redundancies, costs, and conflicts. As such, for wild and farm-raised fish and shellfish, AMS has defined “processed” as any process that effects substantial transformation as defined by CBP Rules of Origin.

In the case of wild fish and shellfish, if a covered commodity was harvested in the waters of the U.S. or by a U.S. flagged vessel and processed in country X or aboard a country X flagged vessel, the covered commodity shall be labeled at retail as “Product of country X.” For example, if a fish was caught in U.S. waters and processed into individually quick-frozen fillets in country Y, such product would be labeled as “Product of country Y” because it has been substantially transformed as defined by CBP and thus does not meet the requirements to bear a U.S. origin declaration. Alternatively, the product may also be labeled to include the production step occurring in the United States if the product’s identity was maintained along with records to substantiate the origin claims. In the example provided above, the product could be labeled as “product of country Y, harvested in the United States.”

If a covered commodity was harvested in country Y and processed in the United States or aboard a U.S. flagged vessel, the product shall be labeled at retail as “Imported from country Y, processed in the United States.” In all cases, the covered commodity must also