

buying, selling, and marketing livestock (Ref. 14). Some of these stockyards, dealers, and market agencies may deal exclusively with other species such as horses, but that number is small and expected to minimally impact the estimated number of firms and establishments.

We estimate that there are 3,358 livestock slaughtering and processing establishments and operated by 3,098 firms. These numbers may be slightly overstated, since businesses that do not slaughter or process cattle, sheep, or hogs are included in these totals. For example, a plant that slaughtered only bison would be included in the totals, but the number of such businesses is very small. Also, some plants that process beef, lamb, or pork may produce only processed products that are excluded from the scope of the proposed rule. The number of such firms and establishments is unknown, but expected to be small. The number of meat and meat product wholesale firms is estimated to be 3,185 and the number of establishments is estimated to be 3,305.

Fish. Fish production includes both farm-raised or aquaculture production and wild-caught fishing operations. Aquaculture operations include those producing food fish, crustaceans, and mollusks, and the estimated number of operations is 3,540 (Ref. 15). Most wild fish harvesting operations are nonemployer businesses. Census Bureau data are used to estimate the number of fishing, seafood product preparation and packaging, and fish and seafood wholesale establishments and firms (Refs. 8, 9, and 10). As with the beef, lamb, and pork firms and establishments, some of these fish and seafood firms and establishments may not produce or sell covered commodities. While the number of such entities is unknown, we assume that all firms and establishments will be impacted by the proposed rule.

Perishable agricultural commodities: Census of Agriculture data provide estimates of the number of fruit and vegetable farming operations (Ref. 16). The total number of fruit farms is estimated at 81,956 and the total number of vegetable farms at 31,030. USDA estimates that 34.6 percent of fruit production and 62.0 percent of vegetable production is used for fresh and frozen products. USDA assumes that fruit and vegetable producers generally know whether their production is destined for fresh or processing use, meaning that some producers will be unaffected by the proposed rule depending upon the marketing channels for which they

produce. Data on the number of farming operations categorized by the ultimate end uses of the products do not exist. Therefore, USDA assumes that the number of farms producing fruits and vegetables for fresh and frozen use is proportional to the production of fresh and frozen fruits and vegetables relative to total production. Hence, the number of affected fruit farms is estimated at 28,357 and the number of vegetable farms at 19,339, for a total of 47,696 farming operations producing fruits and vegetables that will be impacted by this proposed rule.

Businesses that process frozen fruits and vegetables and fresh fruit are estimated from Census Bureau data (Refs. 8, 9, and 10), and are estimated to include 163 firms operating 257 establishments. These estimates may be overstated by the inclusion of businesses that produce frozen juice and businesses that produce frozen fruits and vegetables in forms not covered by the proposed rule. Businesses wholesaling frozen fruits and vegetables are included in packaged frozen food wholesale firms and include 9,026 firms operating 12,878 establishments.

Peanuts: Census of Agriculture data provide an estimate of 12,221 peanut farming operations (Ref. 16). Businesses that roast nuts and manufacture peanut butter are estimated from Census Bureau data to include 140 firms operating 159 establishments (Refs. 8, 9, and 10). These numbers include companies that produce only peanut butter (not a covered commodity) or that may roast nuts not covered by the proposed rule, but the number of such operations is unknown. Businesses that wholesale peanuts are estimated from peanut marketing agreement data (Ref. 17) to include 83 firms and the same number of establishments.

General-line wholesalers and retailers: In addition to specialty wholesalers that primarily handle a single covered commodity, there are also general-line wholesalers that handle a wide range of products. We assume that these general-line wholesalers likely handle at least one and possibly all of the covered commodities. Therefore, we include the number of general-line wholesale businesses among entities affected by the proposed rule. This includes 3,183 firms operating 3,993 establishments.

Retailers covered by this proposed rule must meet the definition of a retailer as defined by PACA. The number of such businesses is estimated from PACA data (Ref. 18). The PACA definition includes only those retailers handling fresh and frozen fruits and vegetables with an invoice value of at

least \$230,000 annually. Therefore, the number of retailers impacted by this rule is considerably smaller than the total number of food retailers nationwide. Census Bureau data show that there were 92,383 food store firms and 102 warehouse club and superstore firms in 2000 (Ref. 9). There were 127,566 food store establishments and 2,051 warehouse club and superstore establishments in 2001 (Ref. 8). Thus, we estimate that there are 92,485 retail firms and 129,617 retail establishments that account for most of the retail sales of the covered commodities. However, only 4,512 retail firms operating 37,176 retail establishments are included under the statutory definition of a PACA retailer.

Source of cost estimates: Data on costs to implement mandatory COOL are largely unavailable. There are State programs for country of origin labeling of some products, CBP and regulations specify labeling requirements for imported products, and some companies choose to provide country of origin labels for marketing purposes. There are, however, no mandatory programs with similar requirements and coverage that would provide substantive guidance for estimating the costs of this proposed rule.

On October 11, 2002, USDA published voluntary guidelines (67 FR 63367) for country of origin labeling of the covered commodities. USDA invited public comments on the utility of these guidelines, including the costs and benefits of the program. USDA also prepared an estimate of the information collection burden that would be associated with implementation of the voluntary guidelines and invited comments on the estimated information collection burden. In addition, USDA also sought comments on this rulemaking for mandatory COOL and held 12 public listening and information sessions across the country. We also met with many industry groups and individuals to discuss this rulemaking and visited facilities at all levels of the supply chain to learn about current industry practices and changes that would be required to implement mandatory COOL. In addition, a number of studies have been produced to address various issues relating to the economic impacts associated with implementation of mandatory COOL.

To develop estimates of the cost of implementing this proposed rule, we reviewed the comments received on the voluntary guidelines, the comments received regarding this rulemaking for mandatory COOL, and available economic studies. No single source of information, however, provided