



WHAT IS COUNTRY OF ORIGIN LABELING?

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USDA Photo by Bob Nichols.

INTRODUCTION

Eating locally, whether that means in-state, regionally, or domestically, may provide benefits like increased nutrient availability and decreased carbon footprint, not to mention the benefit of supporting the local economy.¹ Feelings of pride and authenticity add to these perceived benefits and increase consumer demand for local food options.² In 2022, local food sales to retailers and directly to consumers rose to \$3.8 billion.³

Traditionally, most consumers bought local food at direct-to-consumer locations like farm stands and farmer's markets. At these locations, producers and vendors are eager and available to tell the story behind their food. This information is less readily available at more conventional locations like supermarkets, corner stores, and grocery stores. Recently, the consumer trend towards shopping locally has led retailers to source more products from local vendors.⁴ Adding the retail step between the consumer and producer may alienate the product from its story. As a result, shoppers are often left to rely on what the food tells consumers about itself.

Food labels can help. In addition to the many functions they perform as a source of information, food labels help tell a product's story—what special attributes it has or how it meets the needs of certain eaters. Because food labels can also provide a marketing advantage, they have become increasingly complex. The bright colors and bold descriptors adorning some products may confuse consumers and often say very little about where the product was made, raised, or grown.

This lack of information comes at a time when many consumers value transparency in the food supply.⁵ A recent study by the United States Department of Agriculture (USDA) found that consumers are willing to pay more for products with labels signifying "Product of USA."⁶ For some consumers, this willingness is patriotic or even nationalistic. Other consumers want to invest in a stable domestic food supply or have greater trust in domestic food safety and manufacturing standards.⁷

Although consumer support for products of the United States is high, consumer knowledge about them is relatively low. The same USDA study found that only 16 percent of consumers could correctly identify what it means for meat to be labeled "Product of USA."⁸ Most consumers incorrectly believed that "Product of USA" printed on meat packaging means the meat was born, raised, and slaughtered in the United States.⁹ However, this definition is not true for all meat and can vary widely depending on the product.

In addition, produce is treated very differently than certain types of meat by the federal laws and regulations addressing country of origin labeling. While the law requires that certain meat labels list the different stages of production (born, raised, and slaughtered), produce only needs to be harvested in the United States to be labeled as "Product of USA."¹⁰ For produce with continuous growth cycles like asparagus and carrots, this distinction makes sense: where the asparagus was planted is highly likely to be the same place it was harvested. But for foods with separate growth stages like mushrooms, this distinction allows producers to label their product as "Product of USA" even if some of its growth stages occurred in another country.

COUNTRY OF ORIGIN LABELING







Beginning in the 1930s, any item imported into the United States is required to disclose that item's country of origin to the "ultimate purchaser."¹¹ Although exemptions to this concept have whittled away some of its broad strokes, the core idea remains the same—consumers want to know and should have the ability to know where their products come from.

Country of Origin Labeling (COOL) is USDA's long-standing solution to consumer demand for greater transparency in the food system.¹² Fundamentally, COOL is a labeling and marketing law. It is meant to provide consumers with information about the production stages of certain foods. Foods subject to COOL include poultry, lamb, goat, seafood, fruits, vegetables, and certain nuts.¹³ However, if any of these foods are ingredients in a processed food, that food does not fall under the COOL requirements.¹⁴ COOL requirements also do not cover products that are combined with any of these foods.¹⁵

Additionally, the requirements for COOL differ based on the type of food. Requirements for certain types of meat are more detailed than those for fruits and vegetables. Generally, COOL requires retailers (e.g., grocery stores and supermarkets, but not fish markets or restaurants¹⁶) to declare the country of origin of a product in a clear and visible manner. Because there are no size or placement requirements for COOL declarations, retailers may use any format. This may be a placard, label, sticker, twist tie, etc.¹⁷ This also means that the declarations may be on the product itself, its package, near the display, or on the holding bin.¹⁸ The absence of placement requirements for COOL declarations differs from the detailed legal requirements for other types of labeling information like product name, nutrition information, and net contents.¹⁹ This lack of uniformity means that consumers may struggle to locate country of origin information on food labels.

Like many types of food labels, COOL declarations are not subject to in-depth prior approval. Instead of preapproving these declarations, USDA provides a list of labeling options for retailers.²⁰ USDA then conducts "retail reviews" where a USDA inspector assesses a store's compliance with COOL.²¹ This review process underscores how COOL regulations place the burden of transparency on retailers, not producers. That said, retailers heavily rely on producers and suppliers to help with recordkeeping.²²

COOL does not apply to items that have undergone a physical or chemical change.

Covered by COOL	Not Covered by COOL
	
Raw chicken legs	Smoked chicken leg
	
Frozen peas	Canned peas
	
Fresh strawberries	Dried strawberries





Meat

Retailers must provide COOL declarations for muscle cuts and ground meats of lamb, goat, and chicken. These requirements do not apply to other parts of the animals like organs, bones, or fat.²³ Since 2016, retailers have not been required to provide COOL information for beef and pork.²⁴ This exemption resulted from an international trade dispute. In 2008, Canada and Mexico sued the United States at the World Trade Organization (WTO) and threatened to impose \$1 billion in tariffs against the United States if it did not remove its COOL requirements for beef and pork.²⁵ Canada and Mexico argued that COOL regulations provided less favorable treatment to imported cattle and hogs than similar domestic products.²⁶ The WTO agreed, ruling that COOL was an illegal trade barrier. As a result, the United States removed beef and pork from its COOL requirements and reworked its corresponding regulations.

The amended regulations, applying to meats other than beef and pork, now require meat retailers and processors to include more information about their production steps. Retailers must specify the country where the chicken, lamb, or goat was born, raised, and slaughtered.²⁷ In our global food supply, each of these stages may occur in a different country. For a muscle cut of lamb to say “Product of USA,” that lamb must have been born, raised, and slaughtered in the United States.²⁸ If any of these steps occurred outside of the United States, the label must declare that.²⁹ For example, a label may say “Born and Raised in Argentina, Slaughtered in the United States.”

Although no longer subject to COOL regulations, imported beef and pork still fall under USDA’s Food Safety and Inspection Service (FSIS) regulations. In contrast to COOL regulations, the FSIS regulations outline a voluntary program for country of origin information.³⁰ Retailers and producers can choose to label their beef or pork products as “Product of USA” if (1) the animal was imported from a foreign country and slaughtered in the United States, or (2) the animal was slaughtered in a foreign country but repackaged or further processed in the United States.³¹

Recognizing that minimal processing in the United States can make foreign beef or pork a “Product of USA,” FSIS recently proposed an amended regulation. Under the proposed rule, use of the phrase “Product of USA” would require that the animal was born, raised, slaughtered, and processed in the United States.³² This standard would more closely align the labeling requirements for beef and pork with COOL requirements for goat, chicken, and lamb.

This new program is still proposed to be voluntary and distinct from COOL regulations but would reflect a more intuitive understanding of “Product of USA.”³³ Many conscious consumers welcome this regulation as an easier way to avoid supporting harms linked to some foreign meat production, like labor exploitation and rainforest deforestation.³⁴ Despite its potential benefits, this new regulation will likely spur foreign debate as Canada is expected to oppose the regulation as it did previously.³⁵



Agricultural Commodities

Contrary to the distinct stages in COOL regulations for meat, COOL regulations for fruits and vegetables focus exclusively on one stage: harvest. Fresh and frozen fruit or vegetables can be labeled as "Product of USA" if they were "produced" in the United States.³⁶ "Produced" in turn means "harvested."³⁷ Beyond this definition, there is no guidance for when a fruit or vegetable is planted in another country and harvested in the United States.

COOL regulations also allow fruits and vegetables to include regional, state, or locality designations in lieu of the country.³⁸ These labels must be specific. For example, "Appalachian Grown" is unacceptable, but "NY Grown" is acceptable. Further, using "Rio Grande Valley" is unacceptable because a consumer would not know whether the term refers to a particular state or country.³⁹ Established state programs like "GO TEXAN," "Fresh from Florida," and "Jersey Fresh" may also substitute for COOL requirements if the program requires products to be harvested entirely in the United States.⁴⁰ Programs like "California Grown" and "Minnesota Grown" do not meet this standard because they only require that 80 percent of the product be produced in the state.⁴¹

Consequences of COOL Regulations: Shiitake Mushrooms

Shiitake mushrooms generally have four growth phases, similar to the three production stages of meat. These growth phases are (1) inoculation, (2) incubation, (3) fruiting, and (4) harvesting. By focusing exclusively on harvesting, COOL regulations effectively allow mushroom producers to label their products as "Product of USA" even if their logs were inoculated and incubated abroad, such as in China, flash-frozen, and shipped to the United States right before harvest.

Incubated foreign logs are often cheaper than domestic logs and only need about a week to fruit before harvesting. Cheaper and quicker substrate drastically increases productivity and thus decreases mushroom retail prices. Domestic mushroom growers who inoculate, incubate, fruit, and harvest their mushrooms in the United States struggle to compete at these low prices. For example, after growing and packing specialty mushrooms for 34 years and earning annual sales of \$37 million, [Oakshire Mushrooms](#) in Pennsylvania filed for bankruptcy and laid off 75 percent of its workforce in 2019. Another Pennsylvania company, [Top Hat Mushrooms](#), used to sell nearly 22,000 lbs. of shiitakes a week before their customers switched to imported Chinese logs, which reportedly cut Top Hat's sales in half.

To address this loophole, California introduced [legislation](#) in January 2024 that would require 100 percent of a mushroom to be grown in-state in order to be "California Grown." This bill would bring part of the California Grown program into compliance with COOL since it requires mushrooms to be exclusively harvested in the United States.



CONCLUSION

Country of origin labeling is designed to help consumers make more informed choices at the grocery store and to support domestic growers. However, the difference in standards between meat and produce has the potential to confuse consumers as to what “Product of USA” means. Recent federal efforts have attempted to create a more robust labeling system for beef and pork, but international challenges may impede these efforts. Additionally, state programs like “California Grown” are reworking their origin labeling requirements to compensate for COOL’s exclusive focus on where produce is harvested. While these federal and state efforts face barriers to implementation, consumers are left to parse through the intricacies of COOL themselves.

About the Center for Agriculture and Food Systems at Vermont Law and Graduate School



Vermont Law and Graduate School’s Center for Agriculture and Food Systems (CAFS) uses law and policy to build a more sustainable and just food system. In partnership with local, regional, national, and international partners, CAFS addresses food system challenges related to food justice, food security, farmland access, animal welfare, worker protections, the environment, and public health, among others. CAFS works closely with its partners to provide legal services that respond to their needs and develop resources that empower the communities they serve. Through CAFS’ Food and Agriculture Clinic and Research Assistant program, students work directly on projects alongside partners nationwide, engaging in innovative work that spans the food system.

For more information visit the Labels Unwrapped website at labelsunwrapped.org.

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ENDNOTES

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