



Country of Origin Labeling Program



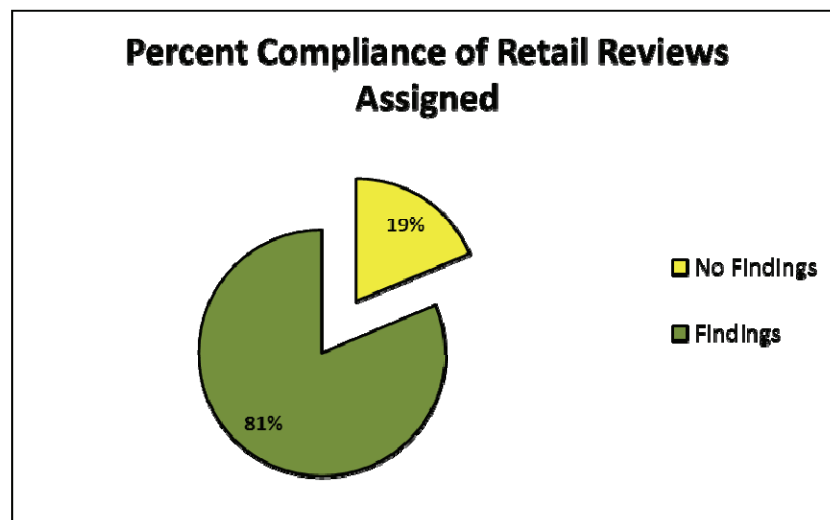
2012 Retail Review and Supplier Traceback Audit Compliance

During 2012, the Country of Origin Labeling (COOL) Division conducted 3,694 Retail Reviews in grocery stores, supermarkets, and club stores in the 50 States and the District of Columbia. Additionally, 225 Supplier Traceback Audits were conducted on covered commodities stemming from the 2011 Retail Reviews. The COOL retail surveillance activities were conducted in retail stores by State cooperating agencies on behalf of USDA. The COOL Supplier Traceback Audits were conducted by Federal officials.

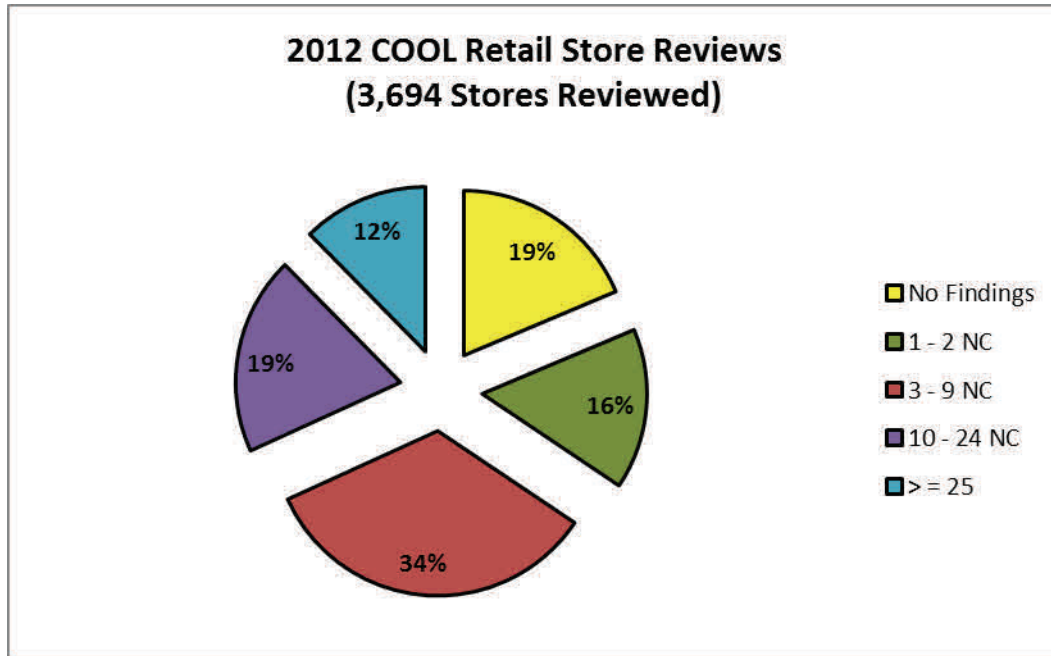


Retail Reviews

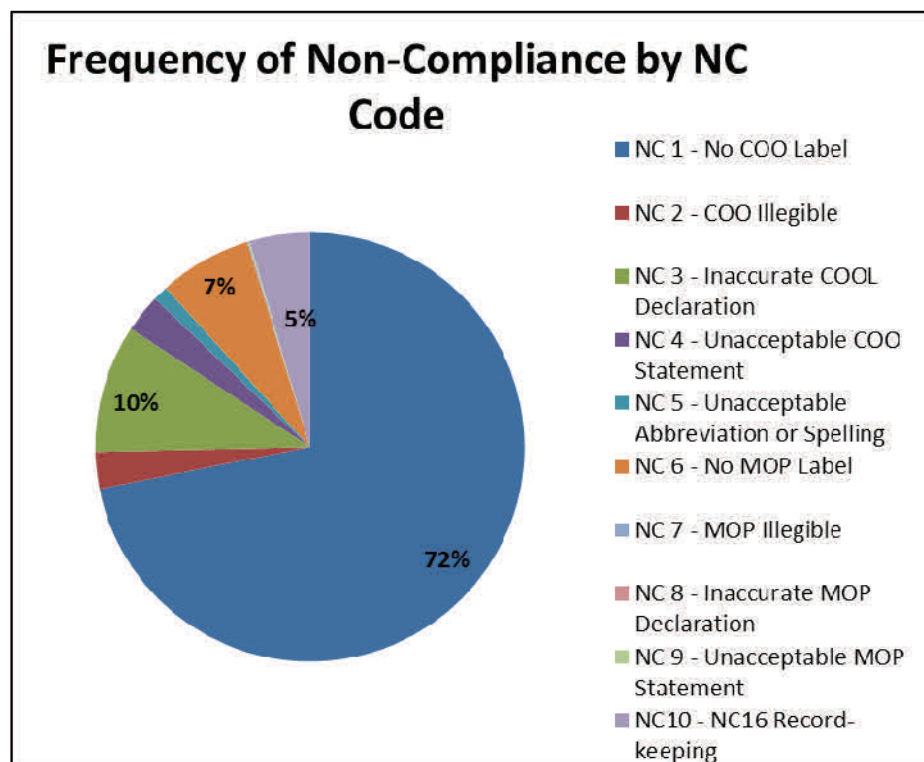
Approximately 37,000 individual retail store facilities are subject to COOL requirements in the U.S. The 2012 retail review assignment distributed to State cooperating agencies represents approximately 10% of the total population of retail store facilities subject to COOL. The following graphs illustrate the findings of non-compliances (NC) observed during the 2012 retail reviews.



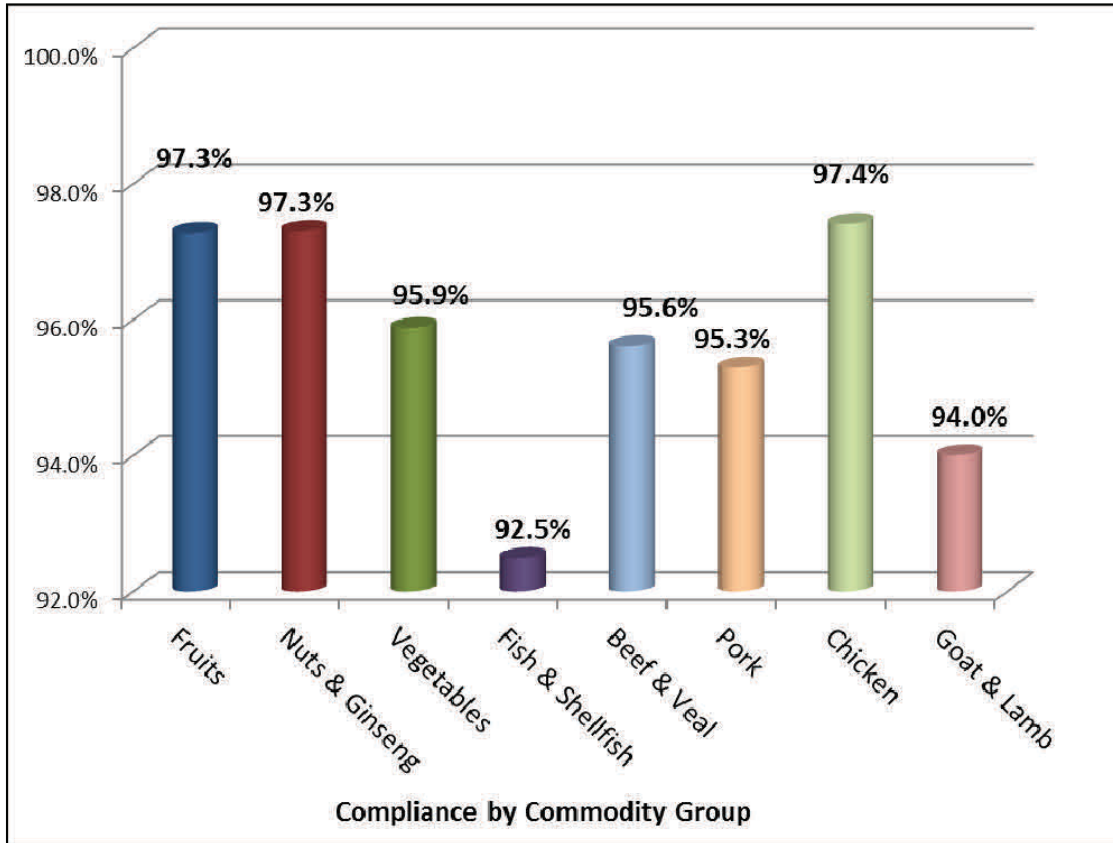
Among all stores reviewed, 19% (689) did not have any non-compliances, also referred to as “No Findings,” 50% (1,866) were observed with fewer than 10 non-compliance findings, 19% (718) were found to have 10 – 24 non-compliance findings, and 12% (457) had 25 or more non-



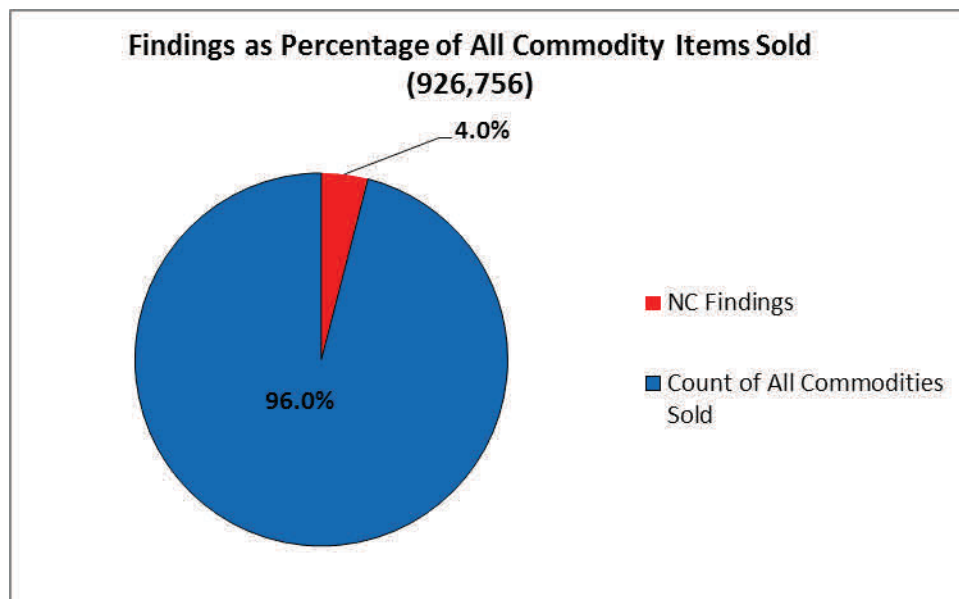
The absence of a COOL label was the most common finding (72%) of non-compliance, followed by inaccurate COOL statements (10%), and the absence of method of production on fish and shellfish (7%) covered commodities. Various non-compliance codes have been developed to assess retailers' recordkeeping. All observations of recordkeeping non-compliance represented 5% of the findings.



Among the various commodity categories, chicken products achieved the highest level of COOL compliance. Fish and shellfish achieved the lowest compliance because in addition to having the proper country of origin label, the products also had to have a method of production labeling compliance.



Among the 3,694 retail stores reviewed in 2012, COOL reviewers reviewed a total of 1,135,916 individual covered commodities and issued 45,767 noncompliant codes.



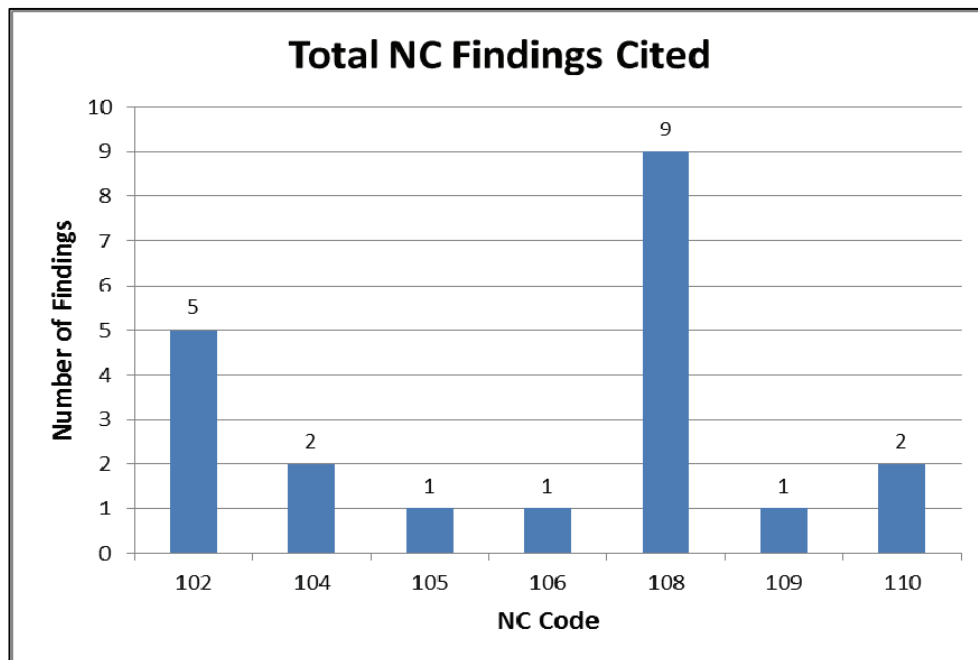
Supplier Traceback Audits:

While conducting a retail review, reviewers are required to request records that verify the COOL information and the chain of custody of 5 covered commodities. The information obtained from the records received during the Retail Review is subsequently used to initiate Supplier Traceback Audits. From the 2011 Retail Reviews, a total of 225 covered commodities were randomly selected to be audited.

There were 536 suppliers audited for 225 covered commodities. Some suppliers were identified with more than one supplier type due to multiple processes involved with the covered commodity.

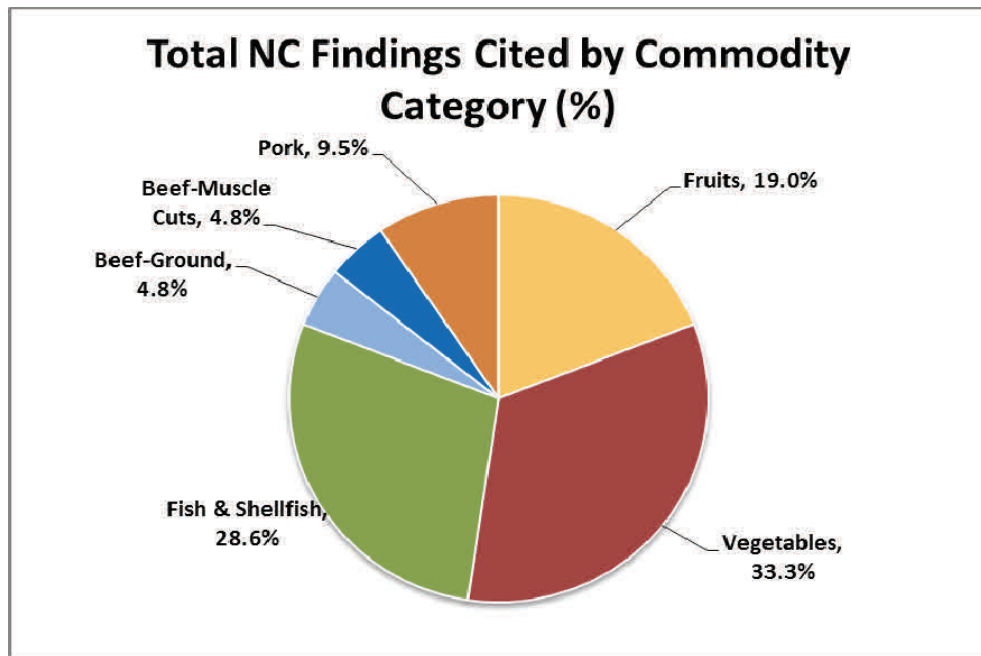
- ◇ 2 suppliers were identified as a Retailer.
- ◇ 265 suppliers were identified as an Intermediate Supplier.
- ◇ 68 suppliers were identified as a Re-packer.
- ◇ 4 suppliers were identified as a Further Processor.
- ◇ 154 suppliers were identified as an Initiator.
- ◇ 54 suppliers were identified as an Importer.

The following graphs illustrate the findings of non-compliances cited for the Supplier Traceback audits conducted in 2012.



Twenty-one findings were cited. Nine of the suppliers were cited for providing inaccurate country of origin information to the immediate subsequent recipient of the covered commodity. Five suppliers did not provide records within 5 business days.

The following graph identifies 19 audits from the 225 audits that were cited for non-compliances during 2012 and the distribution based on commodity category. Seven of the 19 audits cited for non-compliance were vegetable covered commodities.



The graph below illustrates all of the 21 findings cited in the 19 Supplier Traceback audits conducted in 2012 by commodity category. There were 6 non-compliances found in the 4 fish and shellfish items audited.

