



Country of Origin Labeling Program



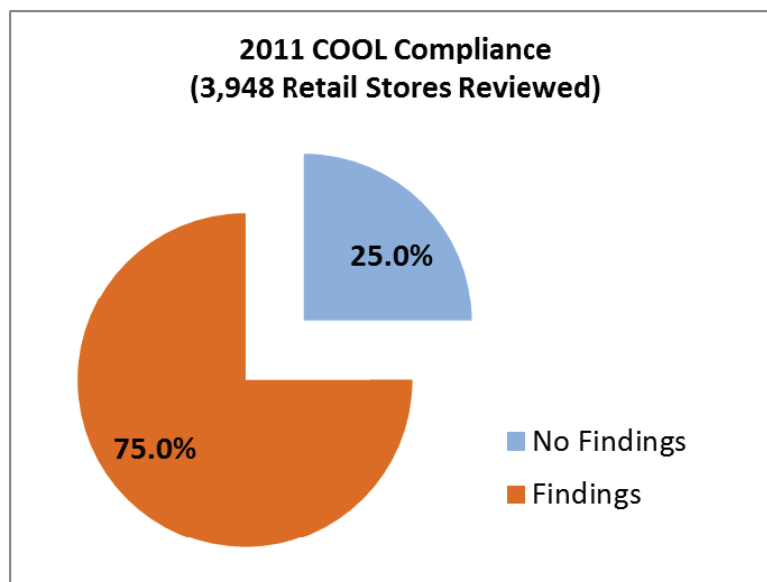
2011 Retail Review and Supplier Traceback Audit Compliance

During 2011, the Country of Origin Labeling (COOL) Division conducted 3,948 Retail Reviews in grocery stores, supermarkets, and club stores in the 50 States and the District of Columbia. Additionally, 307 Supplier Traceback Audits were conducted on covered commodities stemming from the 2010 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.

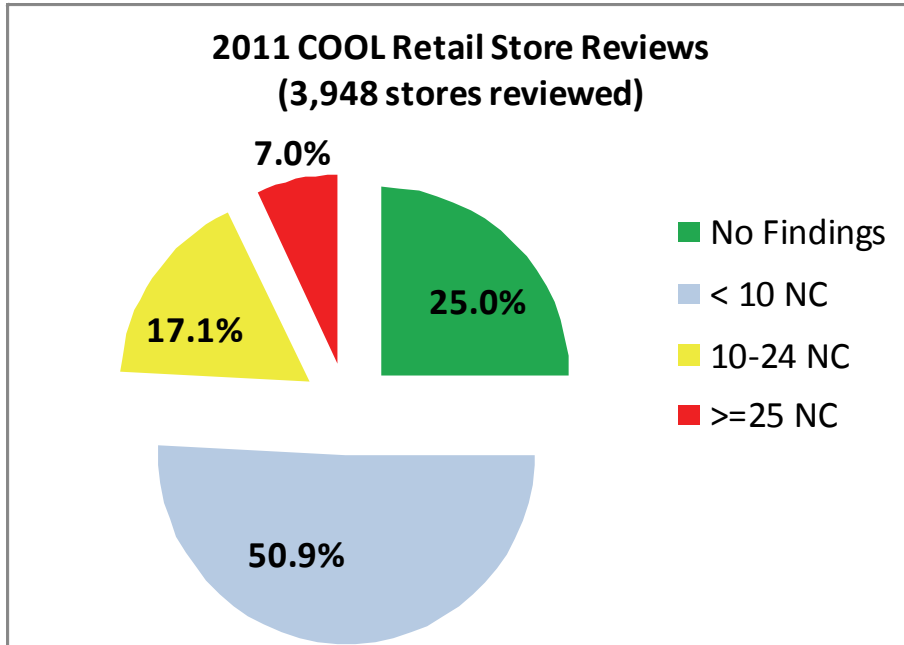


Retail Reviews:

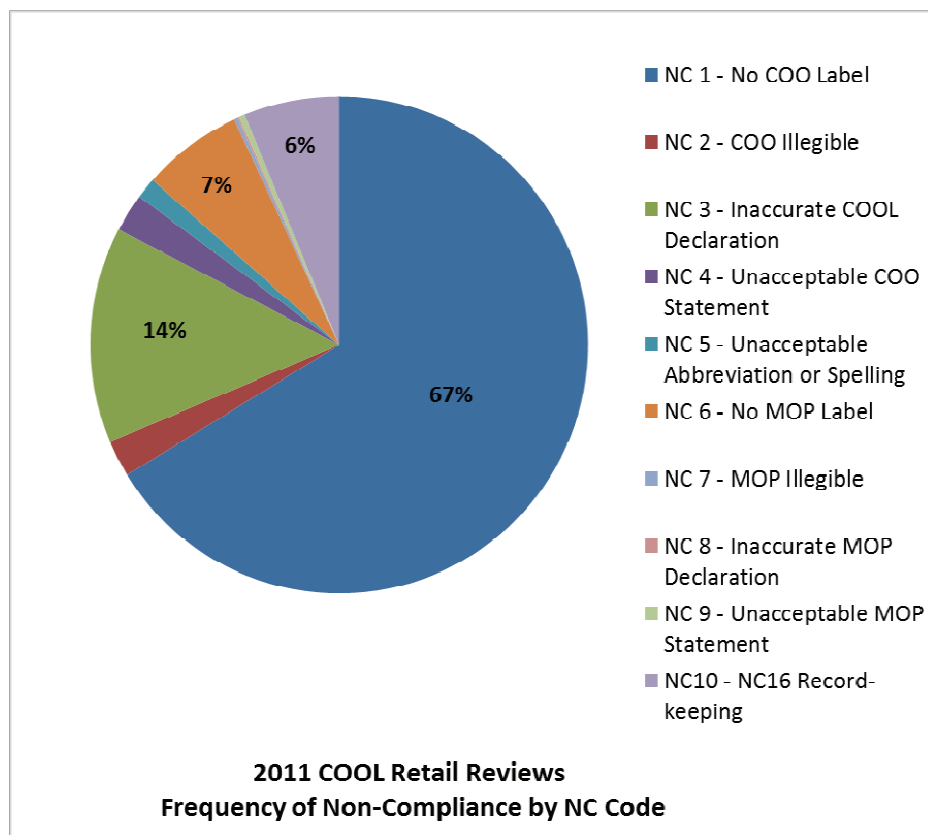
Approximately 37,000 individual retail store facilities are covered by COOL requirements in the U.S. The 2011 retail review assignment distributed to State cooperating agencies represents approximately 10% of the total population of retail store facilities subject to COOL. The following graphs illustrate the findings of non-compliances observed during the 2011 retail reviews.



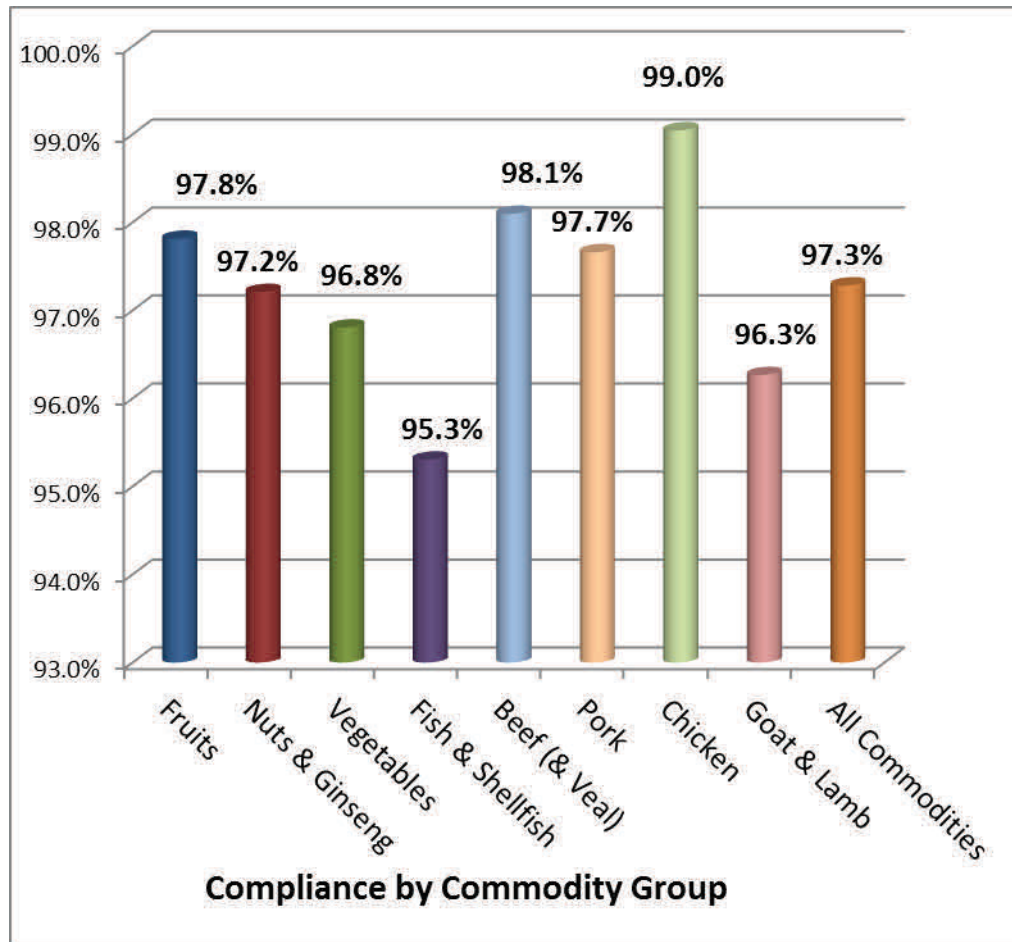
Among all stores reviewed, 25% (986) did not have any non-compliances, also referred to as “No Findings,” 51% (2,008) were cited with fewer than 10 non-compliance findings, 17% (676) were found to have 10 – 24 non-compliance findings, and 7% (278) had 25 or more non-compliance findings.



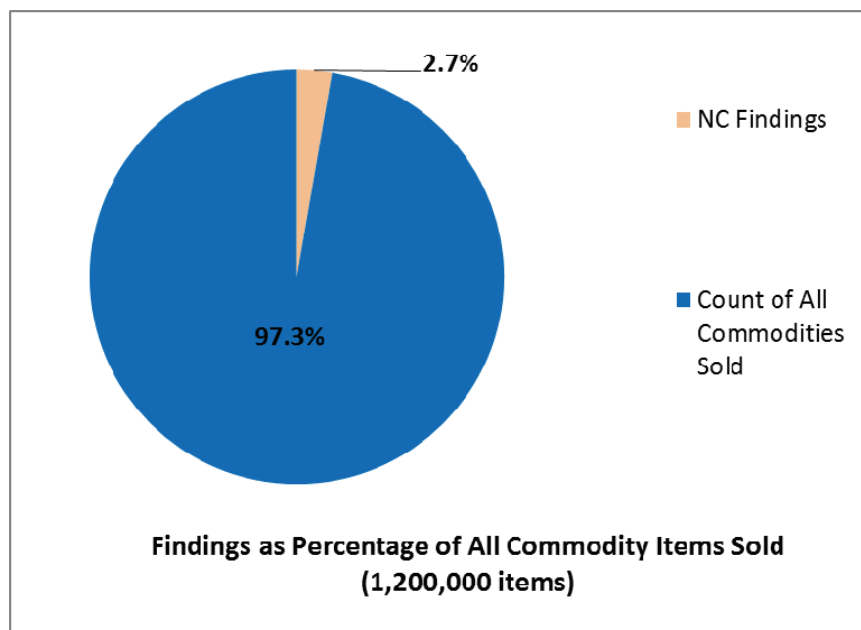
The absence of a COOL label was the most common finding (67%) of non-compliance, followed by inaccurate COOL statements (14%), and the absence of method of production on fish and shellfish (7%) covered commodities. Various non-compliance codes have been developed to assess retailers' recordkeeping. All observations of recordkeeping non-compliance represented 6% 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 3,948 retail stores reviewed in 2011, COOL reviewers reviewed a total of 1,200,000 individual covered commodities and issued 32,337 non-compliance codes.



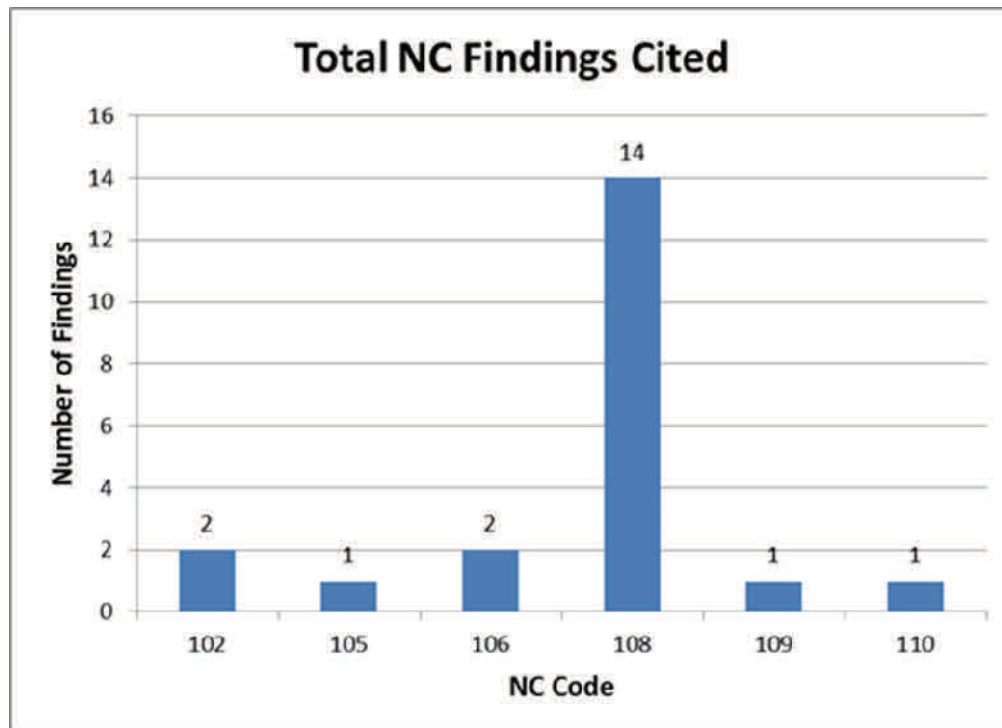
Supplier Traceback Audits

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 2010 Retail Reviews, a total of 307 covered commodities were randomly selected to be audited.

There were 633 suppliers audited for 307 covered commodities. Some suppliers were identified with more than one supplier type due to the multiple processes involved with the covered commodity.

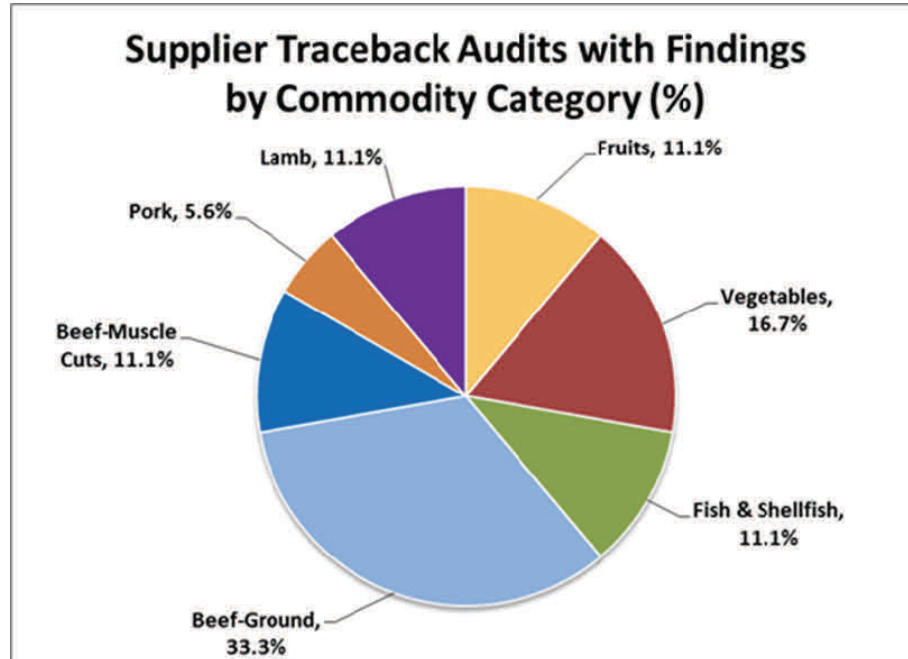
- ◇ 366 suppliers were identified as an Intermediate Supplier
- ◇ 35 suppliers were identified as a Re-packer
- ◇ 9 suppliers were identified as a Further Processor
- ◇ 54 suppliers were identified as a Harvester
- ◇ 147 suppliers were identified as a Initiator
- ◇ 72 suppliers were identified as an Importer

The following graphs illustrate the findings of non-compliances cited for the Supplier Traceback Audits conducted in 2011.



Twenty-one findings were cited. Fourteen of the suppliers were cited for providing inaccurate country of origin information to the immediate subsequent recipient of the covered commodity. Two suppliers did not provide records within five business days and two of the suppliers did not establish and identify the immediate subsequent recipient.

The following graph identifies 18 audits from the 307 audits that were cited for non-compliances during 2011 and the distribution based on commodity category. Six of the 18 audits cited for non-compliance were ground beef covered commodities.



The graph below illustrates all of the 21 individual findings cited in the 18 Supplier Traceback audits conducted in 2011 by commodity category. There were eight non-compliances found in six ground beef items audited.

