

Recordkeeping Costs to Implement and Maintain Country-of-Origin Labeling Programs for Beef, Lamb, Pork, Fish, Produce and Peanuts

(Sources: USDA Agricultural Marketing Service and Office of Management and Budget, report published in *Federal Register*, November 21, 2002, pp. 70205-70206., URL:coolinfocollection.pdf)



COOLInfoCollection.pdf

Producers: Commercial Farms, Ranches and Fishermen

2 million U.S. producers

Time to develop a recordkeeping system to meet COL guidelines — 1 day

Time to generate and maintain the required records — 1 hour per month

Cost of labor for producers — \$25 per hour

Cost to develop program: 2 million x \$25/hour x 8 hours

\$400 million

Producer cost to generate and maintain records: 2 million x \$25/hour x 12 hours

\$600 million

Recordkeeping costs for first year

\$1 billion

Packers, Processors, Importers, Wholesalers and Distributors

100,000 companies

Time to develop a recordkeeping system to meet COL guidelines — 2 days

Time to generate and maintain the required records — 1 hour per week

Cost of labor for food handlers — \$50 per hour

Cost to develop program: 100,000 x \$50/hour x 16 hours

\$80 million

Cost to generate and maintain records: 100,000 x \$50/hour x 52 hours

\$260 million

Recordkeeping costs for first year

\$340 million

Food Retailers

31,000 retailers sell perishables under Perishable Agricultural Commodities Act

Time to develop a recordkeeping system to meet COL guidelines — 5 days

Time to generate and maintain the required records — 1 hour per day

Cost of labor for retailers — \$50 per hour

Cost to develop program: 31,000 x \$50/hour x 40 hours

\$62 million

Cost to generate and maintain records: 100,000 x \$50/hour x 365 hours

\$565.75 million

Recordkeeping costs for first year

\$627.75 million

Total recordkeeping costs to implement and maintain COL for first year

\$1,967,750,000

Total annual recordkeeping costs to maintain COL in subsequent years

\$1,567,000,000

These costs are just the tip of the iceberg — see next page . . .

Record-Keeping Costs Are the Proverbial Tip of Regulatory Iceberg

USDA/OMB estimates do not cover the cost to:

- Overhaul the entire supply chain for each beef, lamb, pork, seafood, fruit, vegetable and peanut item required to be labeled and segregated by the country of origin.
- Audit farmers, ranchers and fishermen, and each subsequent segment in the food supply chain to verify that they comply with the program.
- Design and print country-of-origin labels, shelf tags and placards.
- Attach the labels to pallets, cartons and individual items.
- Train employees how to maintain the program.
- Enforce the law by the U.S. Department of Agriculture.