



United States Department of Agriculture



Agricultural Marketing Service

Country of Origin Labeling (COOL)

**Retailer's Written Responses to
Non-Compliances**

Objectives

1. Articulate expectations with regard to written responses to COOL non-compliances.
2. Provide guidance.
3. Reduce the number of annual compliance reviews at the store location.

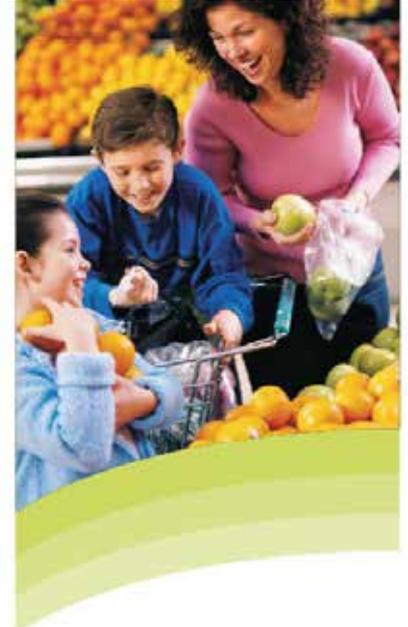




United States Department of Agriculture

Agricultural Marketing Service

WHO MUST LABEL?



United States Department of Agriculture

Retailers

- “Any person” subject to be licensed as a retailer under the Perishable Agricultural Commodities Act (PACA) of 1930.
- PACA defines “Retailer” as a firm with an invoice cost of fresh and frozen fruits and vegetables that exceeds \$230,000 annually.



Types of Retail Reviews

Initial Reviews

- § Conducted in stores once every 5 years.
- § All covered commodities reviewed for labeling compliance.
- § Recordkeeping compliance is assessed by interview questions.

Follow Up Reviews

- § Past critical compliance weakness rating, non-responsive or inadequate corrective actions.
- § All covered commodities reviewed for labeling compliance.
- § Photographs are taken of all non-complying items.
- § Recordkeeping compliance is assessed through providing records within 5 days of the Follow Up review.



Store Compliance Rating Criteria

- **Adequate:** $NC < 4$ AND NC as Percent of Commodity Count $< 5\%$
- **Compliance Deficiency:** $NC \geq 4$ or NC as Percent of Commodity Count $\geq 5\%$
- **Critical Weakness:** $NC > 14$ AND NC as Percent of Commodity Count $\geq 5\%$



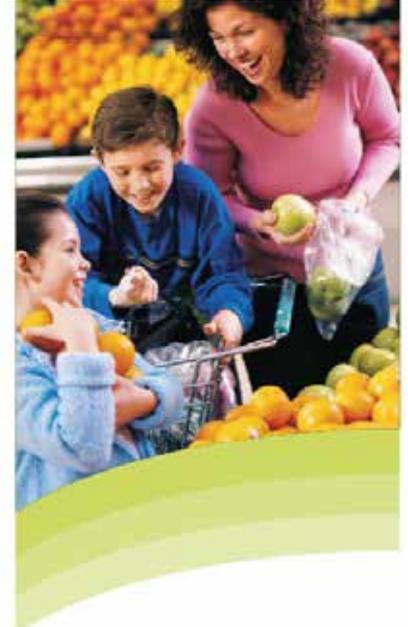


United States Department of Agriculture



Agricultural Marketing Service

ENFORCEMENT



United States Department of Agriculture

COOL Authority: Agricultural Marketing Act of 1946

7 USC § 1638b. Enforcement

(a) Warnings

If the Secretary determines that a retailer or person engaged in the business of supplying a covered commodity to a retailer is in violation of section 1638a of this title, the Secretary shall-

- (1) notify the retailer of the determination of the Secretary; and
- (2) provide the retailer a 30-day period, beginning on the date on which the retailer receives the notice under paragraph (1) from the Secretary, during which the retailer may take necessary steps to comply with section 1638a of this title.



COOL Enforcement Procedures

- Retail store reviews are conducted by COOL-certified State officials.
- Reviews rated as Compliance Deficiency or Critical Weakness will receive a non-compliance letter via e-mail or UPS.
- Courtesy copy of notice will be sent to Corporate Contact when requested by Corporate Headquarters or when retailer provides corporate contact email address.



Response Due in 30 Days

- Store has 30 days from the date of receipt to respond to the non-compliance notice.
- Response must be submitted in writing.
- Notices may be submitted by:
 - E-mail: CoolAudit@ams.usda.gov, or
 - Fax: (202) 354-5062, or
 - U.S. mail:

Country of Origin Labeling
1400 Independence Avenue, SW.
Room 2620, STOP 0216
Washington, DC 20250-0216



United States Department of Agriculture



United States Department of Agriculture



Agricultural Marketing Service

RESOLUTION



United States Department of Agriculture

Resolving Non-Complying Items

In order to resolve the non-compliant items:

1. Correct the non-compliant items immediately;
2. Determine the root cause and take necessary actions to prevent reoccurrence of future nonconformities; and
3. Submit a written response that describes your corrective actions, inclusive of:
 - a. the root cause of the non-compliances identified (what caused the problem);
 - b. the actions taken to correct each finding (how each problem was corrected); and
 - c. any subsequent actions taken to prevent/reduce future nonconformities (including changes to your quality management system/business process).



Corrections and Corrective Actions (ISO 9001-2015)

Correction – action to eliminate nonconformity
(3.12.2)

Corrective Action – action to eliminate the cause of a
nonconformity (3.12.3)



Correct the Non-Compliance

What is evidence of an acceptable correction?

- Provide confidence that intended results are achieved.
- Describe the actions taken to eliminate each nonconformity.
- Describe actions taken to control and correct non-complying item.



Determine the Root Cause

What is evidence of acceptable corrective actions taken?

- Attack the cause, not the symptom: **Root Cause analysis**
- Evaluate the need for action to eliminate the cause(s) of the nonconformity, in order that it does not recur or occur elsewhere.
- Providing the evidence that action has been taken so problems will not be repeated.
- Evidence-based approach to explain why company did or did not do something.



Acceptable Corrections and Corrective Actions

What is evidence of an acceptable correction?

- Tell us what you did to make corrections.
- Show us the evidence that the correction was made.

What is evidence of acceptable corrective actions taken?

- Tell us what you identified as the root problem.
- Show us the evidence that your action will be effective to solve the problem.
- Give us some confidence that whatever you are doing will work to ensure you will remain in compliance in the future.



Unacceptable Corrections and Corrective Actions

Dear COOL,

All items have been corrected. From this point forward I will train all employees.

Sincerely,

Retailer



Acceptable Corrections and Corrective Actions

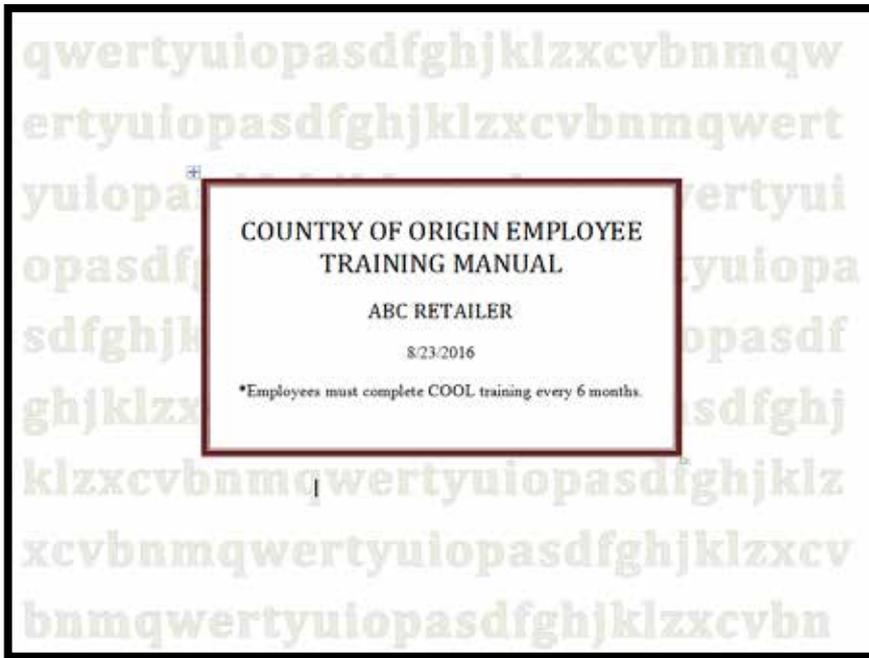
Dear COOL,

The 10 non-complying items are now labeled with the country of origin at the point of sale. We failed to order sufficient signs for all of the produce. From this point forward each department manager will conduct an inventory of store signs every 3 months to ensure we do not run out. The employee in charge will conduct daily walk-throughs to ensure all covered commodities are labeled. Included in this letter is the agreed upon schedule that will document the daily walk-throughs are being conducted. Also, we have developed the COOL Employee Manual (also included) to make sure all employees are trained pertaining to COOL requirements every 6 months.

Sincerely,
Retailer



Evidence



**Country of Origin Labeling
Walk through Log**

<u>Date</u>	<u>Time</u>	<u>Employee Name</u>	<u>Corrections</u>
8/22/16	8:00am	John Doe	Added placard with country of origin USA for new asparagus.

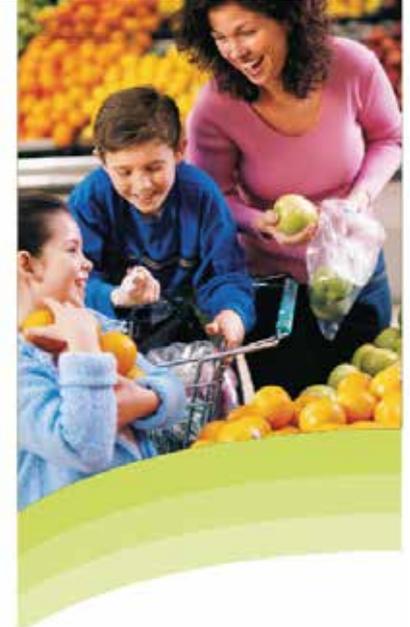




United States Department of Agriculture

Agricultural Marketing Service

WHAT IS THE PURPOSE OF CORRECTIONS AND CORRECTIVE ACTIONS?



United States Department of Agriculture

Purpose of Corrections and Corrective Actions

- Improve labeling of covered commodities to meet COOL requirements as well as address future needs and expectations;
- Correcting, preventing, or reducing non-compliances;
- Improving the performance and effectiveness of quality business system to ensure compliance with COOL.



References

- [Agricultural Marketing Act](#)
- COOL Website: www.ams.usda.gov/cool
- Final Rule
 - Seafood, [Part 60](#)
 - Other Commodities, [Part 65](#)
- [Compliance and Enforcement Requirements](#)
- International Organization for Standardization (ISO): <http://www.iso.org/iso/home.html>



COOL Contact Information

- Phone: (202) 720-4486
- Email: COOL@ams.usda.gov

