COOL Implementation: The First 45 days

After much controversy and confusion about the rules for COOL it is appropriate to look at impacts on producers and consumers after roughly six weeks of mandatory COOL. USDA-AMS has previously indicated that the first six months of COOL will be devoted to education and implementation of COOL before the focus shifts to enforcement. The final rules for COOL have not been published so there is still a chance of more changes to the rules.

In Oklahoma, general indications are that COOL is not resulting in major difficulties for cattle producers. Most cattle auctions in the state are providing affidavit forms for their customers, usually as continuous affidavits which are filed with the auction. It is less clear that cattle buyers are aware that they need to be asking for COOL documentation for purchased cattle although in many cases the documentation is included in routine documentation of the transaction. In private treaty sales, both buyers and sellers need to make the effort to make sure that COOL documentation is passed from seller to buyer. The affidavits developed by the industry seem to be successful in minimizing the burden on producers to provide required COOL documentation. It remains to be seen how effective and complete the paper trail will be if and when there is an attempt or need to verify origin back to the producer from retail.

At the consumer level, most retailers are now providing the required COOL information on retail beef sales. In Oklahoma, it appears most beef is utilizing the "Product of USA, Canada and Mexico" label initially. However use of the "Product of USA" label may increase in the future. There have been only a few reports of any consumer reaction of any sort to whatever label is being used. Although some retailers have a preference for using a particular product and label, several retailers have indicated that they are more concerned with using only one type of label (regardless of which label it might be) to avoid the expense of tracking multiple product categories.

Much of the cost of COOL has always been presumed to occur at the packer level where it is most difficult to segregate product of different origins. Most major beef packers have designated certain plants and shifts to process mixed label cattle and minimize these costs. This results in some additional shipping costs for some producers. The magnitude of these additional costs for packers and producers is not yet clear.

The major bone of contention about COOL has always been whether the potential benefits would outweigh the costs of implementation. It is clear that it will take more time before either the costs or benefits of COOL will be known.

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