Regulation Review

Regulation Review: USDA Meat Labeling Rule

MARCH 11, 2013

On Friday, the Department of Agriculture (USDA) released a new proposed rule on meat labeling. The proposal is the result of a World Trade Organization decision that requires the U.S. to align its "Country of Origin Labeling (COOL)" practices with those of international competitors. The unofficial version of the proposed rule is 41 pages.

Breakdown:

Regulatory Costs: $47.2 Million

Paperwork Burden: 31,437,002 hours

Analysis:

The new regulation would require more information on the labels of meat products as well as stricter standards of how companies keep different cuts of meat separated. The rule would affect 7,181 firms and 33,350 individual establishments. As noted in The Hill, "5,256 jobs associated with processing cattle and 3,774 jobs associated with processing hogs," could be lost according to industry research.

USDA's stated overall regulatory cost total is relatively modest, especially compared to the most previous COOL rule, a 2009 measure that brought costs of $2.6 billion in the first year alone. This rule would continue the paperwork requirement established in the 2009 rule, a requirement that ranks in the top 1 percent of all paperwork burdens across the government.

In the section regarding the Regulatory Flexibility Act (RFA), USDA notes that the "rule will have a relatively small economic impact on a substantial number of small entities." Although this does not meet the usual RFA standard of "substantial economic impact," the agency provides an analysis nonetheless. The most notable point of the RFA analysis found that, of the 2,808 “livestock processing and slaughtering” firms affected, 96 percent meet the definition of a “small entity.”

Interested parties have until April 11, 2013 to comment on the rule.