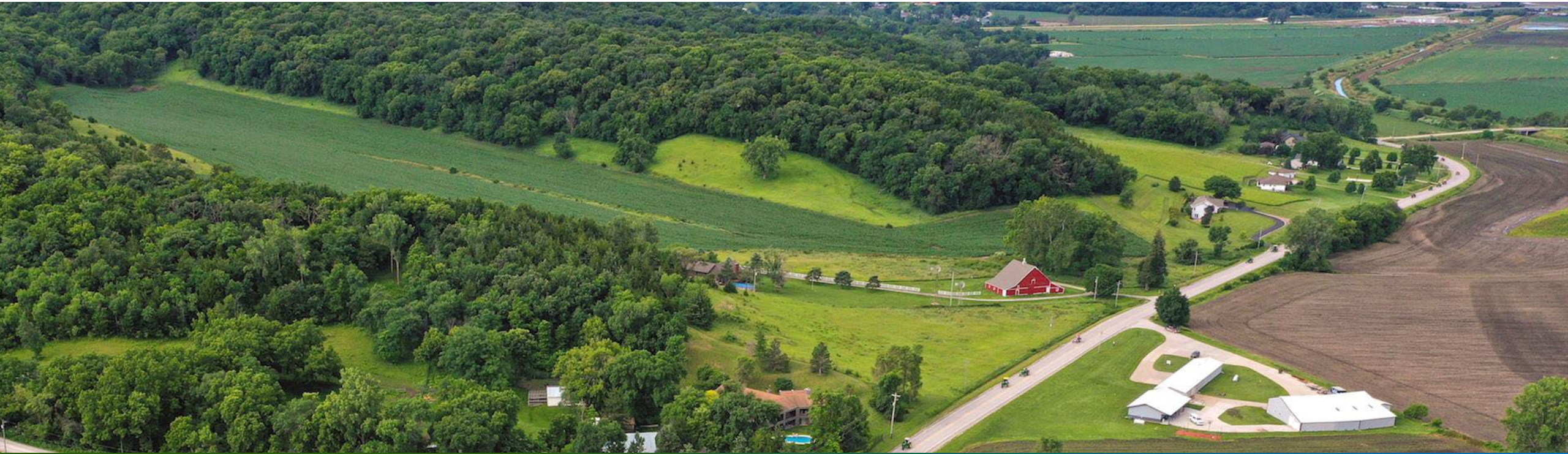




Agricultural Marketing Service
U.S. DEPARTMENT OF AGRICULTURE



AMS

Module 4 Noncompliance Codes 1-9 for All Retail Reviews



Lesson Objectives

- Understand Noncompliance (NC) codes 1-9.
- Understand when multiple NC codes are appropriate for an item.



Refresher: Regulatory Requirements

Modules 1 and 2 discussed retailer responsibilities, including:

- Retailers must convey the country of origin for COOL covered commodities.
- The method of production (wild, farm-raised) is required for fish and shellfish items.
- Production steps (born, raised, harvested) are required for goat, lamb and chicken muscle cuts derived from animals harvested in the US.
- Retailers must maintain records for 1 year and provide records within 5 business days upon request.

Refresher: Retail Review

Module 3 discussed how to conduct the retail review, including:

- Conducting the opening meeting.
- Conducting the retail review, including what to look for, where to look in the store, and how to count covered commodities.
- Conducting the closing meeting.

Noncompliance Codes

USDA uses Noncompliance (NC) codes to assist you with identifying the noncompliance findings observed during the retail review. The noncompliance codes are used in lieu of citing to the COOL regulations.

Noncompliance (NC) Codes	
Code	Noncompliance Finding
1	Covered commodity is not identified with the country of origin.
2	The country of origin declaration is not legible and/or is not placed in a conspicuous location.
3	The country of origin declaration is not accurate.
4a	The country of origin is not stated in an acceptable form. The use of "or" and "and/or" and "may contain" is not acceptable.
4b	The country of origin is not stated in an acceptable form. The regional designation or the term, "locally grown" does not provide sufficient origin declaration.
4c	The country of origin is not stated in an acceptable form. Production steps for meat muscle cuts are not present or not stated in an acceptable form.
5	Abbreviations and variant spellings do not unmistakably indicate the country of origin.
6	Covered commodity is not identified with the method of production.
7	The method of production declaration is not legible and/or is not placed in a conspicuous location.
8	The method of production declaration is not accurate.
9	The method of production is not stated in an acceptable form (wild, wild caught, farmed, farm-raised).



Noncompliance Codes 1-5



NC Code 1 – No COOL

Code	Noncompliance Finding
1	Covered commodity is not identified with the country of origin.

NC code 1 applies when the covered commodity's country of origin information is absent. This means it's not on the individual package, PLU sticker, store sign, store label, rubber band, twist tie, etc. [7 CFR Part 60.200 – 7 CFR Part 60.300](#) and [7 CFR Part 65.300 - 7 CFR Part 65.400](#)



NC Code 1 - No COOL (cont.)

There is no country of origin information on the poblano pepper sign, on the peppers themselves, or anywhere else for the consumer to see. Therefore, NC code 1 applies.



NC Code 1 – No COOL (cont.)

- Federal marks of inspection and the USDA Organic seal do not indicate an item's country of origin.
- A supplier's address does not indicate the item's country of origin, but rather refers to the company's location.
- US grades do not indicate an item's country of origin.



NC Code 2 – Not Legible or Conspicuous

Code	Noncompliance Finding
2	The country of origin declaration is not legible and/or is not placed in a conspicuous location.

NC code 2 applies when the country of origin is present; however, it's not legible or placed in a conspicuous location where it is likely to be read and understood by a consumer. For example, when the country of origin is covered by another sticker, smeared, or located far from the item itself. Also, NC code 2 applies when less than 50% of an item sold in bulk has a country of origin sticker. [7 CFR Part 60.200](#) – [7 CFR Part 60.300](#) and [7 CFR Part 65.300](#) - [7 CFR Part 65.400](#)

NC Code 2 – Not Legible or Conspicuous (page 2)

Examples of NC code 2:

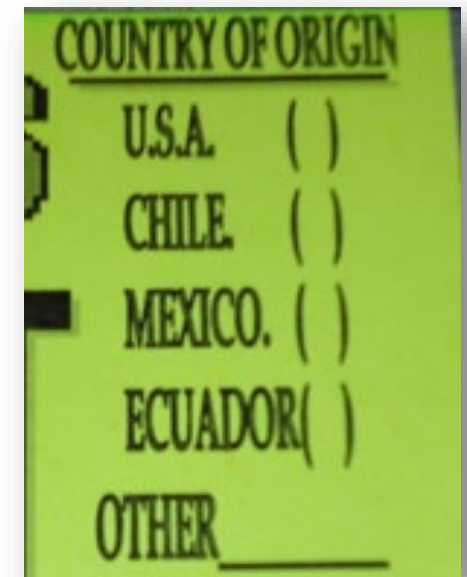
- The country of origin is covered by the advertisement sign.
- The organic tape covers the PLU sticker with the country of origin information.



NC Code 2 – Not Legible or Conspicuous (page 3)

Examples of NC code 2:

- Checkboxes are ok to list possible country(ies) of origin. However, if none of the checkboxes are selected, NC 2 would apply.
- COOL information that is smeared on the sign.



NC Code 2 – Not Legible or Conspicuous (page 4)

When less than 50% of the items in a bulk bin have a country of origin sticker, and the COOL is not displayed elsewhere, NC code 2 applies.



NC Code 3 – Not Accurate

Noncompliance (NC) Codes	
Code	Noncompliance Finding
3	The country of origin declaration is not accurate.

NC code 3 applies when contradictory country of origin labels are visible to the consumer. [7 CFR Part 60.200 – 7 CFR Part 60.300](#) and [7 CFR Part 65.300 - 7 CFR Part 65.400](#)

NC Code 3 – Not Accurate (page 2)

In this example, the kale product tag states: “Product of USA.” The store sign on the shelf states: “Product of Mexico.” As the country of origin on the product tag and shelf sign contradict, NC code 3 applies.



NC Code 3 – Not Accurate (page 3)

The pear's product look up (PLU) sticker states USA; however, the store sign for the item states Argentina. As the country of origin on the PLU sticker and store sign contradict, NC code 3 applies.





NC Code 4a – Use of and/or

Code	Noncompliance Finding
4a	The country of origin is not stated in an acceptable form. The use of "or" and "and/or" and "may contain" is not acceptable.

NC code 4a applies when the COOL includes disjunctive (“or”, “and/or”) or ambiguous (“may contain”) terms. 7 CFR Part 60.200 – 7 CFR Part 60.300 and 7 CFR Part 65.300 - 7 CFR Part 65.400



NC Code 4a – Use of and/or (cont.)

Examples of NC 4a include:

- Sweet Corn label stating: “Produce of U.S.A. or Mexico”.
- Pepper label stating: “May Contain Product of USA, Mexico, or Canada.”





NC Code 4b – Indistinct Localities

Code	Noncompliance Finding
4b	The country of origin is not stated in an acceptable form. The regional designation or the term, “locally grown” does not provide sufficient origin declaration.

NC code 4b applies when the country of origin is not stated in an acceptable form. This includes a regional designation or an indistinct locality such as “locally grown.” [7 CFR Part 60.200 – 7 CFR Part 60.300](#) and [7 CFR Part 65.300 - 7 CFR Part 65.400](#)

NC Code 4b – Indistinct Localities (cont.)

Examples of indistinct localities, which would require citing NC 4b include:

- From the Pacific Northwest
- American
- Locally Grown
- Gulf of Mexico
- Appalachian



NC Code 4c – No Production Steps

Code	Noncompliance Finding
4c	The country of origin is not stated in an acceptable form. Production steps for meat muscle cuts are not present or not stated in an acceptable form.

NC code 4c applies when the country of origin is present but the production steps (born, raised, harvested) are absent. 7 CFR 65.300(d)

- Production steps are only required for lamb, goat, and chicken muscle cuts derived from animals harvested in the US.
- NC 4c can only be used for muscle cuts of meat.

NC Code 4c – No Production Steps (cont.)

Chicken breast cutlets have the country of origin as “Product of USA” but the production steps (born, raised, harvested) are absent. Since the production steps are absent from the COOL, NC 4c applies.





NC Code 5 – Abbreviations

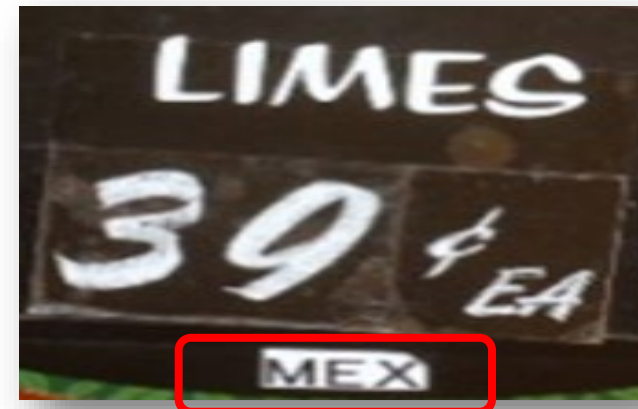
Code	Noncompliance Finding
5	Abbreviations and variant spellings do not unmistakably indicate the country of origin.

NC code 5 applies when country abbreviations are used, besides those approved for use under CBP rules, such as: UK for the United Kingdom of Great Britain and Northern Ireland, Luxemb for Luxembourg, and US or USA for the United States of America. [7 CFR Part 60.200 – 7 CFR Part 60.300](#) and [7 CFR Part 65.300 - 7 CFR Part 65.400](#)

NC Code 5 – Abbreviations (cont.)

NC code 5 applies in both examples, as the country abbreviations are not acceptable:

- The Belt Fish sign states “VIET/Wild”.
- Limes sign states “MEX”.





Noncompliance Codes 6-9 (only for Fish and Shellfish items)



NC Code 6 – Missing Method of Production (MOP)

Code	Noncompliance Finding
6	Covered commodity is not identified with the method of production.

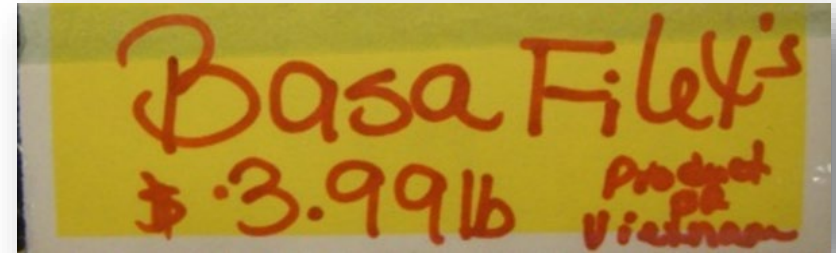
NC code 6 applies when the method of production (MOP) is not conveyed to the consumer. [7 CFR Part 60.200 – 7 CFR Part 60.300](#)

NC code 6 only refers to the MOP, regardless of the presence or absence of the country of origin.

NC Code 6 – Missing MOP

NC 6 applies in both examples because the method of production is absent; it is not on the store sign, price tag, package, etc.

- Basa Filet does not have MOP.
- Lake Perch Fillet does not have MOP.





NC Code 7 – MOP Illegible or Inconspicuous

Code	Noncompliance Finding
7	The method of production declaration is not legible and/or is not placed in a conspicuous location.

NC code 7 applies when the method of production is present; however, the information is illegible, smeared, obstructed, or not in a conspicuous location. [7 CFR Part 60.200 – 7 CFR Part 60.300](#)

NC Code 7 – MOP Illegible or Inconspicuous (cont.)

Grouper Steak has a checkbox to indicate the method of production as “Farm” or “Wild”. While a checkbox is acceptable; since the MOP is not checked, NC 7 applies.





NC Code 8 – Inaccurate MOP

Code	Noncompliance Finding
8	The method of production declaration is not accurate.

NC code 8 applies when contradictory method of production information is provided. [7 CFR Part 60.200 – 7 CFR Part 60.300](#)

NC Code 9 – MOP Not in Acceptable Form

Code	Noncompliance Finding
9	The method of production is not stated in an acceptable form (wild, wild caught, farmed, farm-raised).

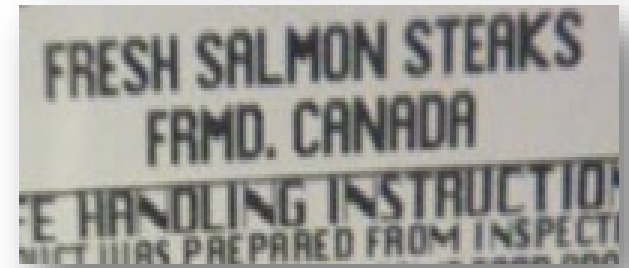
NC code 9 applies when the method of production is not listed in an acceptable form. Acceptable forms are: wild, wild caught, farmed, farm-raised. [7 CFR Part 60.200 – 7 CFR Part 60.300](#)

NC Code 9 – MOP Not in Acceptable Form (cont.)

Unacceptable MOP examples that would warrant an NC9 if the MOP isn't elsewhere include:

- Caught at sea, line caught, FRMD
- Fished by pole and line
- Cultivated, Catch Method: Pots.

Descriptive terms are acceptable if the correct MOP is listed. For instance, Ocean Wild Caught is acceptable; the word 'Ocean' is descriptive.





Multiple NC Codes

- It's possible to cite multiple NC codes for an item. Multiple NC codes are not to be used for indecision, but rather specific situations when more than 1 non-compliance is observed.
- The most common multiple NC code combination is NC 1 and NC 6 for fish and shellfish items. This means there is no country of origin (NC 1) and no method of production listed (NC 6).

Multiple NC Codes (cont.)

- NC1 cannot be combined with NC 2-5 for an item.
 - NC 1 means there is no country of origin present for the consumer to see. With NC 2-5 the country of origin is present; however, the notification is deficient.
- NC 6 and NC 7-9 cannot be grouped together for one item.
 - NC 6 means there is no method of production present. With NC 7-9, the method of production is present; however, the notification is deficient.

NC 1 versus NC 4c

NC 1 and NC 4c cannot be combined.

- NC 4c only applies to lamb, goat, or chicken muscle cut items derived from animals harvested in the US.
 - NC 4c does not apply to ground_lamb, ground goat, or ground chicken.
 - NC 4c does not apply to imported muscle cuts of lamb, goat, or chicken.
- NC 1 applies to muscle cuts of lamb, chicken, and goat that are missing both the country of origin and production steps.

NC 1 versus NC 4c (cont.)

NC 1: The Fresh Chicken Boneless Breast item is missing the country of origin and production steps.



NC 4c: Chicken Breast Cutlets shows "Product of USA". The production steps are absent (not on the front nor back of the package, sign, sticker, etc.).





Tips for Documenting NCs

- NC 2: Explain why it was illegible (was there something covering it); was it on just one package or all?
- NC 3: Explain what was observed; such as “Store sign says USA, PLU sticker says Mexico,”
- NC 4b – Explain what was observed; such as “Local” on the tag, no COOL to convey the origin.
- NC 4c: Document the COOL shown; such as “Product of USA” is on the tag but the production steps are missing.
- NC 9: Explain what was observed; such as “The sign stated ‘Sustainably Caught’ but lacked the MOP.”



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Questions?



Thank you for completing Module 4!