

ALERT

USDA's "Product of USA" Rule Takes Effect: What Food Companies Must Know For Compliance

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The U.S. Department of Agriculture's (USDA) Food Safety and Inspection Service (FSIS) is gearing up to begin enforcement of its new voluntary "Product of USA" labeling standard effective **January 1, 2026**. USDA recently reissued FSIS Directive 7221.1 to provide instructions to inspection program personnel (IPP) for conducting label verification for voluntary U.S.-origin claims such as "Product of USA" and "Made in the USA."

The final rule sets a higher standard than other origin labeling requirements, such as the Federal Trade Commission's "Made in USA" rule, which focuses on substantial transformation rather than complete domestic production. FSIS's approach reflects consumer expectations, confirmed by survey evidence, that "Product of USA" means the product is derived from animals born, raised, and processed entirely in the USA. Businesses should implement these changes promptly, in accordance with the rule, to avoid compliance issues.

Background

On March 11, 2024, the USDA's FSIS announced a final rule establishing requirements for voluntary U.S.-origin label claims on FSIS-regulated products, including meat, poultry, and egg products (the "Final Rule"). The Final Rule is intended to ensure that claims such as "Product of USA" and "Made in the USA" are truthful and not misleading, and that they align with consumer expectations. The "Product of the USA" rulemaking was initiated in response to petitions from industry groups and consumer advocates, as well as findings

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from a 2022 consumer perception study indicating that prior labeling practices were confusing and often misinterpreted.

Summary of Key Provisions

Under the Final Rule, U.S.-origin claims, including "Product of USA," "Made in the USA," and images of the U.S. flag, may be included on FSIS-regulated product labels that adhere to the following criteria:

1. Single Ingredient Products

For single-ingredient products, the animal must be born, raised, slaughtered, and processed entirely within the United States.

2. Multi-Ingredient Products

For multi-ingredient products, all FSIS-regulated components must meet the same criteria as single ingredient products, and all other ingredients – except spices and flavorings – must be of domestic origin. Additionally, all preparation and processing steps must occur in the United States.

3. U.S. Flag Imagery

U.S. flag imagery on product labeling constitutes a U.S.-origin claim and thus must meet the same standards as products labeled with a "Product of the USA" or "Made in the USA" claim for single or multi-ingredient products.

4. U.S. State, Territory, or Locality-Origin Claims

The Final Rule permits the use of state- or territory-specific origin claims so long as the product meets the same criteria as a "Product of the USA" claim with the state or territory substituting the United States. For example, a single ingredient beef label that bears the factual claim "Product of Idaho" can be used provided the product is derived from an animal born, raised, and slaughtered, and the meat then processed, in Idaho.

5. Qualified Claims

The Final Rule also permits qualified claims that specify the exact preparation or processing steps performed in the United States. The claim description must provide meaningful consumer information about the specific type of preparation and processing steps that occurred in the United States. For example, the generalized claims "Processed in the United States" or "Manufactured in the United States" would not provide the consumer information about what preparation and processing steps occurred in the United States, while "Sliced and Packaged in the U.S." would be acceptable.

6. Recordkeeping Requirements

U.S.-origin claims are generically approved by FSIS and thus may be used in commerce without prior submission to the USDA for approval. However, establishments that use U.S.-origin claims must maintain written documentation to substantiate those claims. Examples of acceptable documentation include

descriptions of controls for animal origin and processing steps, traceability and segregation records, and signed statements affirming that the claims are truthful. FSIS also published an updated Guideline for Label Approval that provides additional examples of acceptable documentation.

7. Cultivated Meat Products

In the preamble to the Final Rule, FSIS clarifies that the U.S.-origin claim criteria will apply to cultivated meat and poultry products under FSIS's jurisdiction. "Product of USA" and "Made in the USA" claims will be deemed appropriate if the developer can adequately substantiate that all the preparation and processing steps for the cells occurred in the United States. However, given that cell-cultured meat and poultry product labels are not currently eligible for generic approval under USDA's prior label approval system, labels containing these claims would require USDA approval before use.

What Does This Mean for Businesses?

- Companies should review their product marketing claims to identify any claims that may need to be revised or removed. We note that products packaged and labeled with "Product of USA" and "Made in the USA" prior to January 1, 2026 may remain in-commerce as the claims were in compliance at the time they were applied to product.
- For any FSIS-regulated products, including meat, poultry, and egg products, companies should confirm and document that the animal is born, raised, slaughtered, and processed entirely within the United States to maintain an unqualified U.S.-origin claim.
- Furthermore, companies should confirm that other product ingredients, excluding spices and flavoring, are of domestic origin.
- For any products that are currently marketed with a U.S.-origin claim, companies should ensure that they have appropriate supporting documentation in place.