

§ 993.602

and any additional percentage of end cracks shall be given full value.

(2) The combined tolerance allowance for mold, brown rot, imbedded dirt, insect infestation, and decay shall not exceed five percent (5%), and, within such tolerance, brown rot shall not exceed three percent (3%).

(b) *Above parity situations.* Whenever the estimated season average price to producers for prunes exceeds the parity level specified in section 2(1) of the act, the minimum standards set forth in § 993.97 shall apply in their entirety.

[27 FR 7540, Aug. 1, 1962, as amended at 59 FR 38113, July 27, 1994]

§ 993.602 Maximum tolerances.

In lieu of the provision prescribed in I C of § 993.97 that the tolerance allowances prescribed therein shall be on a weight basis, the tolerance allowance percentage for each defect or group of defects in I C of § 993.97 shall be derived by dividing the number of prunes in the applicable sample affected with the applicable defect(s) by the total number of prunes in such sample.

[39 FR 30344, Aug. 22, 1974]

PART 996—MINIMUM QUALITY AND HANDLING STANDARDS FOR DOMESTIC AND IMPORTED PEANUTS MARKETED IN THE UNITED STATES

DEFINITIONS

Sec.

- 996.1 Act and scope.
- 996.2 Conditionally released.
- 996.3 Crop year.
- 996.4 Handle.
- 996.5 Handler.
- 996.6 Importation.
- 996.7 Importer.
- 996.8 Incoming inspection.
- 996.9 Inshell peanuts.
- 996.10 Inspection Service.
- 996.11 Negative aflatoxin content.
- 996.12 Outgoing inspection.
- 996.13 Peanuts.
- 996.14 Person.
- 996.15 Positive lot identification.
- 996.16 Producer.
- 996.17 Quota year.
- 996.18 Secretary.
- 996.19 Shelled peanuts.
- 996.20 USDA.
- 996.21 USDA laboratory.
- 996.22 USDA-approved laboratory.

7 CFR Ch. IX (1–1–03 Edition)

QUALITY AND HANDLING STANDARDS

- 996.30 Incoming quality standards.
- 996.31 Outgoing quality standards.
- 996.40 Handling standards.
- 996.50 Reconditioning failing quality peanuts.
- 996.60 Safeguard procedures for imported peanuts.

REPORTS AND RECORDS

- 996.71 Reports and recordkeeping.
- 996.72 Confidential information.
- 996.73 Verification of reports.
- 996.74 Compliance.
- 996.75 Effective time.

AUTHORITY: Sec. 1308, Pub.L. 107–171, 116 Stat. 178 (7 U.S.C. 7958).

SOURCE: 67 FR 57140, Sept. 9, 2002, unless otherwise noted.

DEFINITIONS

§ 996.1 Act and scope.

Act means Public Law 107–171, or the Farm Security and Rural Investment Act of 2002, enacted May 13, 2002. None of the definitions or provisions of this part shall apply to any other part or program (including, but not limited to, any program providing for payments or loans to peanut producers or other persons interested in peanuts or peanut quotas) unless explicitly adopted in such other part or program.

§ 996.2 Conditionally released.

Conditionally released means released from U.S. Customs Service custody for further handling, sampling, inspection, chemical analysis, and storage.

§ 996.3 Crop year.

Crop year means the 12-month period beginning with July 1 of any year and ending with June 30 of the following year, or other period established by USDA.

§ 996.4 Handle.

Handle means to engage in the receiving or acquiring, cleaning and shelling, cleaning inshell, or crushing of domestic or imported peanuts and in the shipment (except as a common or contract carrier of peanuts owned by another) or sale of cleaned-inshell or shelled peanuts or other activity causing peanuts to enter into human consumption channels of commerce: *Provided*, That this term does not include

Agricultural Marketing Service, USDA

§ 996.16

sales or deliveries of peanuts by a producer to a handler or to an intermediary person engaged in delivering peanuts to handler(s): *And provided further*, That this term does not include sales or deliveries of peanuts by such intermediary person(s) to a handler.

§ 996.5 Handler.

Handler means any person who handles peanuts, in a capacity other than that of a custom cleaner or dryer, an assembler, a warehouseman or other intermediary between the producer and the person handling peanuts.

§ 996.6 Importation.

Importation means the arrival of foreign produced peanuts at a port-of-entry with the intent to enter the peanuts into channels of commerce of the United States.

§ 996.7 Importer.

Importer means a person who engages in the importation of foreign produced peanuts into the United States for the purposes of entering such peanuts into human consumption channels.

§ 996.8 Incoming inspection.

Incoming inspection means the sampling, inspection, and certification of farmers stock peanuts to determine segregation and grade quality.

§ 996.9 Inshell peanuts.

Inshell peanuts means peanuts, the kernels or edible portions of which are contained in the shell.

§ 996.10 Inspection Service.

Inspection Service means the Federal Inspection Service, Fruit and Vegetable Programs, Agricultural Marketing Service, USDA or the Federal-State Inspection Service.

§ 996.11 Negative aflatoxin content.

Negative aflatoxin content means 15 parts per billion (ppb) or less for peanuts that have been certified as meeting edible quality grade standards.

§ 996.12 Outgoing inspection.

Outgoing inspection means the sampling, inspection, and certification of either: shelled peanuts which have been

cleaned, sorted, sized and otherwise prepared for human consumption markets; or inshell peanuts which have been cleaned, sorted, and otherwise prepared for inshell human consumption markets.

§ 996.13 Peanuts.

Peanuts means the seeds of the legume *Arachis hypogaea* and includes both inshell and shelled peanuts produced in the United States or imported from foreign countries, other than those in green form for consumption as boiled peanuts.

(a) *Farmers Stock*. “Farmers stock peanuts” means picked and threshed peanuts which have not been shelled, crushed, cleaned or otherwise changed (except for removal of foreign material, loose shelled kernels, and excess moisture) from the form in which customarily marketed by producers.

(b) *Segregation 1*. “Segregation 1 peanuts” means farmers stock peanuts with not more than 2.49 percent damaged kernels nor more than 1.00 percent concealed damage caused by rancidity, mold, or decay and which are free from visible *Aspergillus flavus*.

(c) *Segregation 2*. “Segregation 2 peanuts” means farmers stock peanuts with more than 2.49 percent damaged kernels or more than 1.00 percent concealed damage caused by rancidity, mold, or decay and which are free from visible *Aspergillus flavus*.

(d) *Segregation 3*. “Segregation 3 peanuts” means farmers stock peanuts with visible *Aspergillus flavus*.

§ 996.14 Person.

Person means an individual, partnership, corporation, association, any other business unit or legal entity.

§ 996.15 Positive lot identification.

Positive lot identification is a means, approved by the Inspection Service, of relating the inspection certificate to the lot covered so that there is no doubt that the peanuts in the lot are the same peanuts described on the inspection certificate.

§ 996.16 Producer.

Producer means any person in the United States engaged in a proprietary

§ 996.17

capacity in the production of peanuts for market.

§ 996.17 Quota year.

Quota year means the 12-month period beginning January 1 and ending December 31 of the same year for peanuts produced in Mexico and the 12-month period beginning April 1 and ending March 31 of the following year for Argentina and other countries, or other such periods as may be prescribed by the U.S. Customs Service.

§ 996.18 Secretary.

Secretary means the Secretary of Agriculture of the United States or any officer, employee, or agent of the United States Department of Agriculture who is, or who may hereafter be authorized to act in the Secretary's stead.

§ 996.19 Shelled peanuts.

Shelled peanuts means the kernels or portions of kernels of peanuts after the shells are removed.

§ 996.20 USDA.

USDA means the United States Department of Agriculture, including any officer, employee, service, program, or branch of the Department of Agriculture, or any other person acting as the Secretary's agent or representative in connection with any provisions of this part.

§ 996.21 USDA laboratory.

USDA laboratory means laboratories of the Science and Technology Programs, Agricultural Marketing Service, USDA, which chemically analyze peanuts for aflatoxin content.

§ 996.22 USDA-approved laboratory.

USDA-approved laboratory means laboratories approved by the Science and Technology Programs, Agricultural Marketing Service, USDA, that chemically analyze peanuts for aflatoxin content.

7 CFR Ch. IX (1-1-03 Edition)

QUALITY AND HANDLING STANDARDS

§ 996.30 Incoming quality standards.

(a) All farmers stock peanuts received or acquired by a handler shall be officially inspected by the Inspection Service, and certified as to segregation, moisture content, and foreign material.

(b) *Moisture.* No handler or importer shall receive or acquire farmers stock peanuts for subsequent disposition to human consumption outlets containing more than 10.49 percent moisture: *Provided*, That peanuts of a higher moisture content may be received and dried to not more than 10.49 percent moisture prior to storing or milling.

(c) *Foreign material.* No handler or importer shall receive or acquire farmers stock peanuts for subsequent disposition to human consumption outlets containing more than 10.49 percent foreign material, except that peanuts having a higher foreign material content may be received or acquired if they are held separately until milled, or moved over a *sand-screen* before storage, or shipped directly to a plant for prompt shelling. The term *sand-screen* means any type of farmers stock cleaner which removes sand and dirt.

(d) A handler may receive or acquire any peanuts from other persons for edible and non-edible use: *Provided*, That such peanuts intended for human consumption are inspected and certified pursuant to § 996.31 prior to such disposition. Non-edible uses may include, but are not limited to, seed, oilstock, animal feed, bird seed, or for export.

§ 996.31 Outgoing quality standards.

(a) *Shelled peanuts:* No handler or importer shall ship or otherwise dispose of shelled peanuts for human consumption unless such peanuts are positive lot identified, chemically analyzed by a USDA laboratory or USDA-approved laboratory and certified "negative" as to aflatoxin, and certified by the Inspection Service as meeting the following quality standards:

MINIMUM QUALITY STANDARDS: PEANUTS FOR HUMAN CONSUMPTION—WHOLE KERNELS AND SPLITS: MAXIMUM LIMITATIONS

Type and grade category	Unshelled peanuts and damaged kernels (percent)	Unshelled peanuts, damaged kernels and minor defects (percent)	Fall through			Foreign materials (percent)	Moisture (percent)
			Sound split and broken kernels	Sound whole kernels	Total		
Excluding lots of "splits"							
Runner	1.50	2.50	3.00%; 17/64 inch round screens.	3.00%; 16/64 × 3/4 inch slot screen.	4.00% Both screen .....	.20	9.00
Virginia (except No. 2)	1.50	2.50	3.00%; 17/64 inch round screen	3.00%; 15/64 × 1 inch slot screen.	4.00% Both screens .....	.20	9.00
Spanish and Valencia	1.50	2.50	3.00%; 16/64 inch round screen.	3.00%; 15/64 × 3/4 inch slot screen.	4.00% Both screens .....	.20	9.00
No. 2 Virginia	1.50	3.00	6.00%; 17/64 inch round screen	6.00%; 15/64 × 1 inch slot screen.	6.00% Both screens .....	.20	9.00
Runner with splits (not more than 15% sound splits).	1.50	2.50	3.00%; 17/64 inch roundscreen	3.00%; 16/64 × 3/4 inch slot screen.	4.00% Both screens .....	.20	9.00
Virginia with splits (not more than 15% sound splits).	1.50	2.50	3.00%; 17/64 inch round screen	3.00%; 15/64 × 1 inch slot screen.	4.00% Both screens .....	.20	9.00
Spanish and Valencia with splits (not more than 15% sound splits).	1.50	2.50	3.00%; 16/64 inch round screen	2.00%; 15/64 × 3/4 inch slot screen.	4.00% Both screens .....	.20	9.00
Lots of "splits"							
Runner (not more than 4% sound whole kernels).	2.00	2.50	3.00%; 17/64 inch round screen	3.00%; 14/64 × 3/4 slot screen ..	4.00% Both screens .....	.20	9.00
Virginia (not less than 90% splits).	2.00	2.50	3.00%; 17/64 inch round screen	3.00%; 14/64×1 inch slot screen.	4.00% Both screens .....	.20	9.00
Spanish and Valencia (not more than 4% sound whole kernels).	2.00	2.50	3.00%; 16/64 inch round screen	3.00%; 13/64 × 3/4 inch slot screen.	4.00% Both Screens .....	.20	9.00

Agricultural Marketing Service, USDA

§ 996.31

§ 996.40

7 CFR Ch. IX (1–1–03 Edition)

(b) *Cleaned-inshell peanuts*: No handler or importer shall ship or otherwise dispose of cleaned-inshell peanuts for human consumption unless such peanuts are Positive lot identified and are determined by the Inspection Service to contain:

(1) Not more than 1.00 percent kernels with mold unless a sample of such peanuts, drawn by an inspector of the Inspection Service, is analyzed chemically by a USDA laboratory or a USDA-approved laboratory and certified “negative” as to aflatoxin;

(2) Not more than 2.00 percent peanuts with damaged kernels;

(3) Not more than 10.00 percent moisture; or

(4) Not more than 0.50 percent foreign material.

[67 FR 57140, Sept. 9, 2002; 67 FR 63503, Oct. 11, 2002]

§ 996.40 Handling standards.

(a) *Identification*: Each lot of shelled or cleaned inshell peanuts intended for human consumption shall be identified by positive lot identification prior to being shipped or otherwise disposed of. Positive lot identification (PLI) methods are tailored to the size and containerization of the lot, by warehouse storage or space requirements, or, by necessary further movement of the lot prior to certification. Positive lot identification is established by the Inspection Service and includes the following methods of identification. For domestic lots and repackaged import lots, PLI includes PLI stickers, tags or seals applied to each individual package or container in such a manner that is acceptable to the Inspection Service and maintains the identity of the lot. For imported lots, PLI tape may be used to wrap bags or boxes on pallets, PLI stickers may be used to cover the shrink-wrap overlap, doors may be sealed to isolate the lot, bags or boxes may be stenciled with a lot number, or any other means that is acceptable to the Inspection Service. The crop year or quota year shown on the positive lot identification tags shall be the year in which the peanuts in the lot were produced domestically or imported into the U.S., as appropriate. All lots of shelled and cleaned-inshell peanuts shall be handled, stored, and shipped

under positive lot identification procedures, except those lots which are reconstituted and/or commingled at the request of the buyer: *Provided*, That the reconstituted or commingled lots were previously positive lot identified and certified as meeting the outgoing standards of § 996.31.

(b) *Sampling and testing shelled peanuts for outgoing inspection*: Prior to shipment, the following sampling and inspection procedures shall be conducted on each lot of shelled peanuts intended for human consumption. The lot size of shelled or cleaned-inshell peanuts presented for outgoing inspection in bags or bulk shall not exceed 200,000 pounds.

(1) Each handler or importer shall cause appropriate samples, based on a sampling plan approved by the Inspection Service, of each lot of shelled peanuts intended for human consumption to be drawn by the Inspection Service. The gross amount of peanuts drawn shall be large enough to provide for a grade analysis, for a grading check-sample, and for three 48-pound samples for aflatoxin chemical analysis. The three 48-pound samples shall be designated by the Inspection Service as “Sample 1,” “Sample 2,” and “Sample 3” and each sample shall be placed in a suitable container and positive lot identified by means acceptable to the Inspection Service. Sample 1 may be prepared for immediate testing or Sample 1, Sample 2, and Sample 3 may be returned to the handler or importer for testing at a later date. Imported peanuts shall be labeled “Sample 1IMP,” “Sample 2IMP,” and “Sample 3IMP” and handled accordingly.

(2) Before shipment of a lot of shelled peanuts to a buyer, the handler or importer shall cause Sample 1 to be ground by the Inspection Service, a USDA laboratory or a USDA-approved laboratory, in a “subsampling mill.” The resultant ground subsample from Sample 1 shall be of a size specified by the Inspection Service and shall be designated as “Subsample 1-AB” and at the handler’s, importer’s or buyer’s option, a second subsample may also be extracted from Sample 1. It shall be designated as “Subsample 1-CD.” Subsample 1-CD may be sent as requested by the handler or buyer, for aflatoxin

Agricultural Marketing Service, USDA

§ 996.50

assay, to a USDA laboratory or USDA-approved laboratory that can provide analyses results on such samples in 36 hours. The cost of sampling and testing Subsample 1-CD shall be for the account of the applicant. Subsample 1-AB shall be analyzed only in a USDA laboratory or USDA-approved laboratory. Both Subsamples 1-AB and 1-CD shall be accompanied by a notice of sampling or grade certificate, signed by the inspector, containing, at least, identifying information as to the handler or importer, the buyer, if known, and the positive lot identification of the shelled peanuts.

(3) The samples designated as Sample 2 and Sample 3 shall be held as aflatoxin check-samples by the Inspection Service or the handler or importer and shall not be included in the shipment to the buyer until the analyses results from Sample 1 are known.

(4) Upon call from the laboratory, the handler or importer shall cause Sample 2 to be ground by the Inspection Service, USDA or USDA-approved laboratory in a "subsampling mill." The resultant ground subsample from Sample 2 shall be of a size specified by the Inspection Service and it shall be designated as "Subsample 2-AB." Upon call from the laboratory, the handler shall cause Sample 3 to be ground by the Inspection Service in a "subsampling mill." The resultant ground subsample from Sample 3 shall be of a size specified by Inspection Service and shall be designated as "Subsample 3-AB." "Subsamples 2-AB and 3-AB" shall be analyzed only in a USDA laboratory or a USDA-approved laboratory and each shall be accompanied by a notice of sampling. The results of each assay shall be reported by the laboratory to the handler and to USDA.

(5) Handlers and importers may make arrangements for required inspection and certification by contacting the Inspection Service office closest to where the peanuts will be made available for sampling. For questions regarding inspection services, a list of Federal or Federal-State Inspection Service offices, or for further assistance, handlers and importers may contact: Fresh Products Branch, Fruit and Vegetable Programs, AMS, USDA, 1400 Independence Avenue SW., Room 2049-S, (STOP

0240), Washington, DC, 20250-0240; Telephone: (202) 720-5870; Fax: (202) 720-0393.

(6) Handlers and importers may make arrangements for required chemical analysis for aflatoxin content at the nearest USDA or USDA-approved laboratory. For further information concerning chemical analysis and a list of laboratories authorized to conduct such analysis contact: Dr. Robert Epstein, Deputy Administrator, Science and Technology Programs, AMS, USDA, 1400 Independence Avenue, SW, STOP 0270, Washington, DC 20250-0270; Telephone (202) 720-5231; Fax (202) 720-6496.

§ 996.50 Reconditioning failing quality peanuts.

(a) Lots of peanuts which have not been certified as meeting the requirements for disposition to human consumption outlets may be disposed for non-human consumption uses: *Provided*, That each such lots are positive lot identified using red tags, or other methods acceptable to the Inspection Service, and certified as to aflatoxin content (actual numerical count). However, on the shipping papers covering the disposition of each such lot, the handler or importer shall cause the following statement to be shown: "The peanuts covered by this bill of lading (or invoice, etc.) are not to be used for human consumption."

(b) Sheller oil stock residuals shall be positive lot identified using red tags, or other methods acceptable to the Inspection Service, and may be disposed of domestically or to the export market in bulk or bags or other suitable containers. Disposition to crushable may be to approved crushers.

(1) If such peanuts are not tested and certified as to aflatoxin content, pursuant to paragraph (a) of this section, the handler or importer shall cause the following statement to be shown on the shipping papers: "The peanuts covered by this bill of lading (or invoice, etc.) are limited to crushing only and may contain aflatoxin."

(2) If the peanuts are certified as 301 ppb or more aflatoxin content, disposition shall be limited to crushing or export.

(c) *Remilling*. Handlers and importers may remill, or cause to have remilled,

lots of shelled or cleaned-inshell peanuts failing to meet the applicable outgoing quality standards in the table in § 996.31(a). If, after remilling, such peanut lot meets the applicable quality standards in § 996.31, the lot may be moved for human consumption under positive lot identification procedures and accompanied by applicable grade and aflatoxin certificates.

(d) *Blanching.* Handlers and importers may blanch, or cause to have blanched, shelled peanuts failing to meet the outgoing quality standards specified in the table in § 996.31(a). If, after blanching, such peanut lot meets the quality standards in § 996.31(a), except fall through standards as specified below, the lot may be moved for human consumption under positive lot identification procedures and accompanied by applicable grade and aflatoxin certificates. Peanut lots certified as meeting fall through standards as specified in § 996.31(a) prior to blanching shall be exempt from fall through standards after blanching.

(e) *Roasting.* Handlers or importers may roast or cause to be roasted shelled peanuts which meet the grade standards the table in § 996.31(a) but are positive to aflatoxin. Lots of peanuts moved under this provision must be accompanied by a valid grade certificate showing that the lot met grade requirements of § 996.31(a) prior to roasting and a valid aflatoxin certificate. If, after roasting, such peanut lot is certified negative as to aflatoxin and the positive lot identity has been maintained during the roasting process, the lot may be moved for human consumption.

(f) Lots of shelled peanuts moved for remilling, blanching or roasting shall be positive lot identified and accompanied by valid grade inspection certificate, *Except* That, a handler's shelled peanuts may be moved without PLI and grade inspection to the handler's blanching facility that blanches only the handler's peanuts. The title of such peanuts shall be retained by the handler or importer until the peanuts have been certified by the Inspection Service as meeting the outgoing quality standards specified in the table in § 996.31(a). Remilling, blanching, and roasting under the provisions of this

paragraph shall be performed only by those remillers and blanchers approved by USDA. Such approved entities must agree to comply with the handling standards in this part and to report dispositions of all failing peanuts and residual peanuts to USDA.

(g) Residual peanuts resulting from remilling, blanching, or roasting of peanuts shall be red tagged, or identified by other means acceptable to the Inspection Service, and returned directly to the handler for further disposition or, in the alternative, such residual peanuts shall be positive lot identified by the Inspection Service and shall be disposed of to handlers who are crushers, or to approved crushers. Handlers who are crushers and crushers approved by USDA must agree to comply with the terms and conditions of this part.

(h) *Re-inspection.* Whenever USDA has reason to believe that domestic or imported peanuts may have been damaged or deteriorated while in storage, USDA may reject the then effective inspection certificate and may require the owner of the peanuts to have a re-inspection to establish whether or not such peanuts may be disposed of for human consumption.

(i) The cost of transportation, sampling, inspection, certification, chemical analysis, and identification, as well as remilling and blanching, and further inspection of remilled and blanched lots, and disposition of failing peanuts, shall be borne by the applicant. Whenever peanuts are presented for inspection, the handler or importer shall furnish any labor and pay any costs incurred in moving, opening containers, and shipping samples as may be necessary for proper sampling and inspection. The Inspection Service shall bill the applicant or other responsible entity separately for applicable fees covering sampling and inspection, delivering aflatoxin samples to laboratories, positive lot identification measures, and other certifications as may be necessary to certify edible quality or non-edible disposition. The USDA and USDA-approved laboratories shall bill the applicant or other responsible entity separately for applicable fees for aflatoxin assays.

Agricultural Marketing Service, USDA

§ 996.71

§ 996.60 Safeguard procedures for imported peanuts.

(a) Prior to, or upon, arrival of a foreign-produced peanut lot at a port-of-entry, the importer, or customs broker acting on behalf of the importer, shall mail or send by facsimile transmission (fax) a copy of the Customs Service entry documentation for the peanut lot or lots to the Inspection Service office that will perform sampling of the peanut shipment. More than one lot may be entered on one entry document. The documentation shall include: the Customs Service entry number; the container number(s) or other identification of the lot(s); the volume of the peanuts in each lot being entered, the inland shipment destination where the lot will be made available for inspection; and a contact name or telephone number at the destination. The inspection office shall sign, stamp, and return the entry document to the importer. The importer shall cause a copy of the relevant entry documentation to accompany each peanut lot and be presented to the Inspection Service at the time of inspection.

(b) Importers shall report to AMS the entry number, container number, and inspection certificate of those peanuts which are sampled and inspected but which are subsequently exported as excess of the peanut import quota. Peanuts for which an import application is filed with the Customs Service, and which are not sampled and inspected, but which are subsequently exported as excess of quota, shall not be reported to USDA.

(c) *Early arrival and storage.* Peanut lots sampled and inspected upon arrival in the United States, but placed in storage for more than one month prior to beginning of the quota year for which the peanuts will be entered, must be reported to USDA at the time of inspection. The importer shall file copies of the Customs Service documentation showing the volume of peanuts placed in storage and location, including any identifying number of the storage warehouse. Such peanuts should be stored in clean, dry warehouses and under cold storage conditions consistent with industry standards. The Inspection Service may require re-inspection of the lot at the

time the lot is declared for entry with the Customs Service.

(d) *Additional standards.* (1) Nothing contained in this section shall preclude any importer from milling or reconditioning, prior to importation, any shipment of peanuts for the purpose of making such lot eligible for importation into the United States. However, all peanuts entered for human consumption use must be certified as meeting the quality standards specified in § 996.31(a) prior to such disposition. Failure to fully comply with quality and handling standards as required under this section, will result enforcement action by USDA.

(2) Imported peanut lots sampled and inspected at the port-of-entry, or at other locations, shall meet the quality standards of this part in effect on the date of inspection.

(3) A foreign-produced peanut lot entered for consumption or for warehouse may be transferred or sold to another person: *Provided*, That the original importer shall be the importer of record unless the new owner applies for bond and files Customs Service documents pursuant to 19 CFR 141.113 and 141.20: *And provided further*, That such peanuts must be certified and reported to USDA pursuant to § 996.71 of this part.

(4) The provisions of this section do not supersede any restrictions or prohibitions on peanuts under the Federal Plant Quarantine Act of 1912, the Federal Food, Drug and Cosmetic Act, any other applicable laws, or regulations of other Federal agencies, including import regulations and procedures of the Customs Service.

REPORTS AND RECORDS

§ 996.71 Reports and recordkeeping.

(a) Each handler and importer shall report acquisitions of all farmers stock peanuts, by Segregation, on a form "Monthly Report of Acquisitions" and such other reports or information as may be necessary to enable USDA to carry out the provisions of this part.

(b) Each handler and importer shall maintain records of all receipts and acquisitions of farmers stock peanuts, and all grade and aflatoxin certificates

§ 996.72

showing the results of milling, re-milling, blanching and roasting of peanuts for human consumption and the records of the disposition of peanuts not certified as meeting Outgoing quality standards, specified in §996.31(a) of this part. Such records shall be maintained for at least 2 years after the crop year of their applicability. Such recordkeeping shall be sufficient to document and substantiate the handler or importer's compliance with this part.

(c) USDA shall maintain copies of grade and aflatoxin certificates on all peanut lots inspected and chemically tested. USDA and USDA-approved laboratories shall file copies of all aflatoxin certificates completed by such laboratories with the DC Marketing Field Office, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, 4700 River Road, Suite 2A04, Unit 155, Riverdale, Maryland 20737; Telephone (301) 734-5243, Fax: (301) 734-5275, or other address as determined by USDA.

§ 996.72 Confidential information.

All reports and records furnished or submitted by handlers and importers to USDA which include data or information constituting a trade secret or disclosing a trade position, financial condition, or business operations of the particular handlers or their customers shall be received by, and at all times kept in the custody and control of one or more employees of USDA, and, except as provided in §996.74 or otherwise provided by law, such information shall not be disclosed to any person outside USDA.

§ 996.73 Verification of reports.

For the purpose of checking and verifying reports filed by handlers and importers and the operation of handlers and importers under the provisions of this Part, the officers, employees or duly authorized agents of USDA shall have access to any premises where peanuts may be held and at any time during reasonable business hours and shall be permitted to inspect any peanuts so held by such handler or importer and any and all records of such handler with respect to the acquisition, holding, or disposition of all peanuts

7 CFR Ch. IX (1-1-03 Edition)

which may be held or which may have been disposed by the handler.

§ 996.74 Compliance.

(a) A handler or importer shall be subject to withdrawal of inspection services, for a period of time to be determined by USDA, if the handler or importer:

(1) Acquires farmers stock peanuts without official incoming inspection, pursuant to §996.30;

(2) Fails to obtain outgoing inspection on shelled or cleaned-inshell peanuts, pursuant to §996.31, and ships such peanuts for human consumption use;

(3) Ships failing quality peanuts, pursuant to §996.31, for human consumption use;

(4) Commingles failing quality peanuts with certified edible quality peanuts and ships the commingled lot for human consumption use;

(5) Fails to maintain positive lot identification, pursuant to §996.40(a), on peanut lots certified for human consumption use;

(6) Fails to maintain and provide access to records, pursuant to §996.71, on the reconditioning or disposition of peanuts acquired by such handler or importer; or

(7) Otherwise violates any provision of section 1308 of the Act or any provision of this part.

(b) Any peanut lot which fails to meet the Outgoing quality standards specified in §996.31, and is not reconditioned to meet such standards, or is not disposed to non-human consumption outlets as specified in §996.50, shall be reported by USDA to the Food and Drug Administration and listed on an Agricultural Marketing Service Web site.

§ 996.75 Effective time.

The provisions of this part, as well as any amendments, shall apply to the remainder of the 2002 crop year peanuts and subsequent crop year peanuts, to 2001 crop year peanuts not yet inspected, and to 2001 crop year failing peanuts that have not met disposition standards, and shall continue in force and effect until modified, suspended, or terminated. Indemnification payments for the 2001 crop peanuts will continue

through December 31, 2002, under the terms and conditions of 7 CFR part 998.

**PART 999—SPECIALTY CROPS;
IMPORT REGULATIONS**

Sec.

- 999.1 Regulation governing the importation of dates.
- 999.100 Regulation governing imports of walnuts.
- 999.200 Regulation governing the importation of prunes.
- 999.300 Regulation governing importation of raisins.
- 999.400 Regulation governing the importation of filberts.
- 999.500 Safeguard procedures for walnuts and certain dates exempt from grade, size, quality, and maturity requirements.

AUTHORITY: 7 U.S.C. 601-674; 7 U.S.C. 1445c-3, and 7 U.S.C. 7271.

§ 999.1 Regulation governing the importation of dates.

(a) *Definitions.* (1) *Dates in retail packages* means whole or pitted dates, other than dates prepared or preserved, wrapped or packaged for sale at retail.

(2) *Dates for packaging* means whole or pitted dates in bulk containers which are to be repacked, in whole or part, in the United States as dates in retail packages.

(3) *Bulk container* means any container of dates which, together with the dates therein, weighs more than ten pounds.

(4) *Dates for processing* means any dates for use in a bakery, confectionery, or other product and includes dates coated with a substance materially altering their color.

(5) *Dates prepared or preserved* means dates processed into a confection or other product, dates coated with a substance materially altering their color, or dates prepared for incorporation into a product by chopping, slicing, or other processing which materially alters their form.

(6) *Person* means any individual, partnership, corporation, association, or other business unit.

(7) *Fruit and Vegetable Division* means the Fruit and Vegetable Division of the Consumer and Marketing Service, United States Department of Agriculture, Washington, DC 20250.

(8) *USDA inspector* means an inspector of the Processed Products Standardization and Inspection Branch, Fruit and Vegetable Division or any other duly authorized employee of the USDA.

(9) *Inspection certificate* means a written statement or memorandum report issued by a USDA inspector setting forth in addition to appropriate descriptive information the quality and condition of the product inspected, and in the case of imported dates, a statement of meeting or failing, as applicable, the U.S. import requirements under section 8e of the AMA Act of 1937.

(10) *Importation* means release from custody of United States Bureau of Customs.

(b) *Grade requirements.* (1) Except as provided in paragraph (d) of this section, the importation into the United States of any lot of dates for packaging or dates in retail packages is prohibited unless the dates are wholesome and unadulterated and meet the following grade requirements which are determined to be comparable to those imposed upon domestic dates handled pursuant to Order No. 987, as amended (part 987 of this chapter: The whole or pitted dates in the lot are of one variety, and are of such quality and condition that upon inspection on the basis of a representative sample thereof, with hydration (of the sample) in accordance with good commercial practice or without any hydration, the dates possess a reasonably good color, are reasonably uniform in size, are reasonably free from defects, possess a reasonably good character, and score not less than 80 points when scored in accordance with the scoring system applicable to U.S. Grade B dates, as prescribed in the U.S. Standards for Grades of Dates (§§ 52.1001 through 52.1011 of this chapter): *Provided*, That not more than 25 percent, by weight, of the dates may possess semidry or dry calyx ends except that not more than 5 percent, by weight, of the dates may possess dry calyx ends: *And provided further*, That in determining the grade for pitted dates, the pitted dates shall not be scored as damaged because of the longitudinal slit caused by removing the pit or the mashing resulting