

§ 56.1

7 CFR Ch. I (1–1–19 Edition)

FACILITY REQUIREMENTS

- 56.75 Applicability of facility and operating requirements.
- 56.76 Minimum facility and operating requirements for shell egg grading and packing plants.
- 56.77 Health and hygiene of personnel.

AUTHORITY: 7 U.S.C. 1621–1627.

Subpart A—Grading of Shell Eggs

DEFINITIONS

§ 56.1 Meaning of words and terms defined.

For the purpose of the regulations in this part, words in the singular shall be deemed to import the plural and vice versa, as the case may demand. Unless the context otherwise requires, the terms shall have the following meaning:

Acceptable means suitable for the purpose intended by the AMS.

Act means the applicable provisions of the Agricultural Marketing Act of 1946 (60 Stat. 1087, as amended; 7 U.S.C. 1621 *et seq.*), or any other act of Congress conferring like authority.

Administrator means the Administrator of the AMS or any other officer or employee of the Department to whom there has heretofore been delegated, or to whom there may hereafter be delegated the authority to act in the Administrator's stead.

Agricultural Marketing Service or *AMS* means the Agricultural Marketing Service of the Department.

Ambient temperature means the air temperature maintained in an egg storage facility or transport vehicle.

Applicant means any interested person who requests any grading service.

Auditing services means the act of providing independent verification of written quality assurance and value added standards for production, processing and distribution of shell eggs. Auditing services are performed by graders authorized by the Secretary to perform such audits and the service provided will be in accordance with the provisions of this part for grading services, as appropriate.

Cage mark means any stain-type mark caused by an egg coming in contact with a material that imparts a

rusty or blackish appearance to the shell.

Case means, when referring to containers, an egg case, as used in commercial practice in the United States, holding 30 dozens of shell eggs.

Chief of the Grading Branch means the Chief of the Grading Branch, Poultry Programs, AMS.

Class means any subdivision of a product based on essential physical characteristics that differentiate between major groups of the same kind, species, or method of processing.

Condition means any characteristic detected by sensory examination (visual, touch, or odor), including the state of preservation, cleanliness, soundness, or fitness for human food that affects the marketing of the product.

Consumer grades means U.S. Grade AA, A, and B.

Department means the United States Department of Agriculture (USDA).

Eggs of current production means shell eggs that are no more than 21 days old.

Grademark means the official identification symbol (shield) used to identify eggs officially graded according to U.S. consumer grade standards.

Grader means any Federal or State employee or the employee of a local jurisdiction or cooperating agency to whom a license has been issued by the Secretary to investigate and certify in accordance with the regulations in this part, the class, quality, quantity, or condition of products.

Grading or *grading service* means: (1) The act whereby a grader determines, according to the regulations in this part, the class, quality, quantity, or condition of any product by examining each unit thereof or each unit of the representative sample thereof drawn by a grader and issues a grading certificate with respect thereto, except that with respect to grading service performed on a resident basis the issuance of a grading certificate shall be pursuant to a request therefor by the applicant or the AMS; (2) the act whereby the grader identifies, according to the regulations in this part, the graded product; (3) continuous supervision, in an official plant, of the handling or packaging of any product; and (4) any regrading or any appeal grading of a previously graded product.

Grading certificate means a statement, either written or printed, issued by a grader pursuant to the Act and the regulations in this part, relative to the class, quantity, quality, or condition of products.

Holiday or *legal holiday* means the legal public holidays specified by the Congress in paragraph (a) of section 6103, title 5, of the United States Code.

Identify means to apply official identification to products or the containers thereof.

Interested party means any person financially interested in a transaction involving any grading, appeal grading, or regrading of any product.

National supervisor means (a) the officer in charge of the shell egg grading service of the AMS, and (b) other employees of the Department designated by the national supervisor.

Nest run eggs means eggs which are packed as they come from the production facilities without having been washed, sized and/or candled for quality, with the exception that some Checks, Dirties, or other obvious undergrades may have been removed.

Office of grading means the office of any grader.

Official plant or *official establishment* means one or more buildings or parts thereof comprising a single plant in which the facilities and methods of operation therein have been approved by the Administrator as suitable and adequate for grading service and in which grading is carried on in accordance with the regulations in this part.

Official standards means the official U.S. standards grades, and weight classes for shell eggs maintained by and available from Poultry Programs, AMS.

Officially identified means eggs that have official marks applied to the product under the authority of the AMS in accordance with the act and its regulations.

Origin grading means a grading made on a lot of eggs at a plant where the eggs are graded and packed.

Packaging means the primary or immediate container in which eggs are packaged and which serves to protect, preserve, and maintain the condition of the eggs.

Packing means the secondary container in which the primary or immediate container is placed to protect, preserve, and maintain the condition of the eggs during transit or storage.

Person means any individual, partnership, association, business trust, corporation, or any organized group of persons, whether incorporated or not.

Potable water means water that has been approved by the State health authority or agency or laboratory acceptable to the Administrator as safe for drinking and suitable for food processing.

Product or *products* means shell eggs of the domesticated chicken.

Quality means the inherent properties of any product which determine its relative degree of excellence.

Quality assurance inspector means any designated company employee other than the plant owner, manager, foreman, or supervisor, authorized by the Secretary to examine product and to supervise the labeling, dating, and lotting of officially graded shell eggs and to assure that such product is packaged under sanitary conditions, graded by authorized personnel, and maintained under proper inventory control until released by an employee of the Department.

Regional director means any employee of the Department in charge of the shell egg grading service in a designated geographical area.

Regulations means the provisions in this entire part and such United States standards, grades, and weight classes as may be in effect at the time grading is performed.

Sampling means the act of taking samples of any product for grading or certification.

Secretary means the Secretary of the Department or any other officer or employee of the Department to whom there has heretofore been delegated, or to whom there may hereafter be delegated, the authority to act in the Secretary's stead.

Shell egg grading service means the personnel who are actively engaged in the administration, application, and direction of shell egg grading programs and services pursuant to the regulations in this part.

§ 56.2

7 CFR Ch. I (1–1–19 Edition)

Shell eggs means shell eggs of domesticated chickens.

Shell protected means eggs which have had a protective covering such as oil applied to the shell surface. The product used shall be acceptable to the Food and Drug Administration.

Shipped for retail sale means shell eggs that are forwarded from the processing facility for distribution to the ultimate consumer.

State supervisor or *Federal-State supervisor* means any authorized and designated individual who is in charge of the shell egg grading service in a State.

United States Standards for Quality of Individual Shell Eggs means the official U.S. Standards, Grades, and Weight Classes for Shell Eggs (AMS 56) that are maintained by and available from Poultry Programs, AMS.

United States Standards, Grades, and Weight Classes for Shell Eggs (AMS 56) means the official U.S. standards, grades, and weight classes for shell eggs that are maintained by and available from Poultry Programs, AMS.

Washed ungraded eggs means eggs which have been washed and that are either sized or unsized, but not segregated for quality.

[20 FR 669, Feb. 1, 1955]

EDITORIAL NOTE: For FEDERAL REGISTER citations affecting § 56.1, see the List of CFR Sections Affected, which appears in the Finding Aids section of the printed volume and at www.govinfo.gov.

§ 56.2 Designation of official certificates, memoranda, marks, other identifications, and devices for purposes of the Agricultural Marketing Act.

Subsection 203(h) of the Agricultural Marketing Act of 1946, as amended by Pub. L. 272, 84th Congress, provides criminal penalties for various specified offenses relating to official certificates, memoranda, marks or other identifications, and devices for making such marks or identifications, issued or authorized under section 203 of said act, and certain misrepresentations concerning the grading of agricultural products under said section. For the purposes of said subsection and the provisions in this part, the terms listed in this section shall have the respective meanings specified:

(a) *Official certificate* means any form of certification, either written or printed, used under this part to certify with respect to the sampling, class, grade, quality, size, quantity, or condition of products (including the compliance of products with applicable specifications).

(b) *Official memorandum* means any initial record of findings made by an authorized person in the process of grading or sampling pursuant to this part, any processing or plant-operation report made by an authorized person in connection with grading or sampling under this part, and any report made by an authorized person of services performed pursuant to this part.

(c) *Official mark* means the grademark and any other mark, or any variations in such marks approved by the Administrator and authorized to be affixed to any product, or affixed to or printed on the packaging material of any product, stating that the product was graded, or indicating the appropriate U.S. grade or condition of the product, or for the purpose of maintaining the identity of products graded under this part, including but not limited to, those set forth in § 56.36.

(d) *Official identification* means any United States (U.S.) standard designation of class, grade, quality, size, quantity, or condition specified in this part or any symbol, stamp, label or seal indicating that the product has been officially graded and/or indicating the class, grade, quality, size, quantity, or condition of the product approved by the Administrator and authorized to be affixed to any product, or affixed to or printed on the packaging material of any product.

(e) *Official device* means a stamping appliance, branding device, stencil, printed label, or any other mechanically or manually operated tool that is approved by the Administrator for the purpose of applying any official mark or other identification to any product or the packaging material thereof.

[28 FR 6341, June 20, 1963. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981]

Agricultural Marketing Service, USDA

§ 56.6

GENERAL

§ 56.3 Administration.

The Administrator shall perform, for and under the supervision of the Secretary, such duties as the Secretary may require in the enforcement or administration of the provisions of the Act and the regulations in this part. The Administrator is authorized to waive for limited periods any particular provisions of the regulations in this part to permit experimentation so that new procedures, equipment, and processing techniques may be tested to facilitate definite improvements and at the same time to determine full compliance with the spirit and intent of the regulations in this part. The AMS and its officers and employees shall not be liable in damages through acts of commission or omission in the administration of this part.

[20 FR 670, Feb. 1, 1955, as amended at 38 FR 26798, Sept. 26, 1973; 42 FR 2970, Jan. 14, 1977. Redesignated at 42 FR 32514, June 27, 1977, further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 60 FR 12402, Mar. 7, 1995; 71 FR 42007, July 24, 2006]

§ 56.4 Basis of grading service.

(a) Any grading service in accordance with the regulations in this part shall be for class, quality, quantity, or condition or any combination thereof. Grading service with respect to the determination of the quality of products shall be on the basis of the "United States Standards, Grades, and Weight Classes for Egg Shells." However, grading service may be rendered with respect to products which are bought and sold on the basis of institutional contract specifications or specifications of the applicant and such service, when approved by the Administrator, shall be rendered on the basis of such specifications. The supervision of packaging shall be in accordance with such instructions as may be approved or issued by the Administrator.

(b) Whenever grading service is performed on a representative sample basis, such sample shall be drawn and consist of not less than the minimum number of cases as indicated in the following table. A minimum of one hundred eggs shall be examined per sample case. For lots which consist of less

than 1 case, a minimum of 50 eggs shall be examined. If the lot consists of less than 50 eggs, all eggs will be examined.

MINIMUM NUMBER OF CASES COMPRISING A REPRESENTATIVE SAMPLE

Cases in lot	Cases in sample
1 case	1
2 to 10, inclusive	2
11 to 25, inclusive	3
26 to 50, inclusive	4
51 to 100, inclusive	5
101 to 200, inclusive	8
201 to 300, inclusive	11
301 to 400, inclusive	13
401 to 500, inclusive	14
501 to 600, inclusive	16

For each additional 50 cases, or fraction thereof, in excess of 600 cases, one additional case shall be included in the sample.

[20 FR 670, Feb. 1, 1955, as amended at 22 FR 8167, Oct. 16, 1957; 28 FR 6342, June 20, 1963; 42 FR 2970, Jan. 14, 1977. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 71 FR 42007, July 24, 2006]

§ 56.5 Accessibility of product.

Each product for which grading service is requested shall be so conditioned and placed as to permit a proper determination of the class, quality, quantity, or condition of such product.

[20 FR 670, Feb. 1, 1955, as amended at 27 FR 10317, Oct. 23, 1962. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981]

§ 56.6 Supervision.

All grading service shall be subject to supervision at all times by the responsible State supervisor, regional director and national supervisor. Such service shall be rendered in accordance with instructions issued by the Administrator where the facilities and conditions are satisfactory for the conduct of the service and the requisite graders are available. Whenever the supervisor of a grader has evidence that such grader incorrectly graded a product, such supervisor shall take such action as is necessary to correct the grading and to cause any improper grademarks which appear on the product or the containers thereof to be corrected prior

§ 56.7

to shipment of the product from the place of initial grading.

[40 FR 20055, May 8, 1975. Redesignated at 42 FR 32514, June 27, 1977, as amended at 43 FR 60138, Dec. 26, 1978. Redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 71 FR 42008, July 24, 2006]

§ 56.7 Nondiscrimination.

The conduct of all services and the licensing of graders under these regulations shall be accomplished without discrimination as to race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, or marital or family status.

[71 FR 42008, July 24, 2006]

§ 56.8 Other applicable regulations.

Compliance with the regulations in this part shall not excuse failure to comply with any other Federal, or any State, or municipal applicable laws or regulations.

[20 FR 670, Feb. 1, 1955. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981]

§ 56.9 OMB control number.

(a) *Purpose.* The collecting of information requirements in this part has been approved by the Office of Management and Budget (OMB) and assigned OMB control number 0581-0128.

(b) *Display.*

SECTIONS WHERE INFORMATION COLLECTION REQUIREMENTS ARE IDENTIFIED AND DESCRIBED

56.3(a)	56.24	56.52(b)(3)(ii)
56.4(a)	56.25	56.54(b)(1)
56.10(a)	56.26	56.54(b)(3)(ii)
56.11	56.30	56.56(a)
56.12	56.31(a)	56.57
56.17(b)	56.35(b)	56.58
56.18	56.35(c)	56.60
56.21(a)	56.37	56.62
56.21(b)	56.52(a)(1)	56.76(f)(7)
56.21(c)	56.52(a)(4)	56.76(h)
56.23	56.52(b)(1)	

[71 FR 42008, July 24, 2006; 71 FR 47564, Aug. 17, 2006]

LICENSED AND AUTHORIZED GRADERS

§ 56.10 Who may be licensed and authorized.

(a) Any person who is a Federal or State employee, the employee of a local jurisdiction, or the employee of a cooperating agency possessing proper qualifications as determined by an examination for competency and who is to perform grading service under this part, may be licensed by the Secretary as a grader.

(b) All licenses issued by the Secretary shall be countersigned by the officer in charge of the shell egg grading service of the AMS or any other designated officer.

(c) Any person, who is employed at any official plant and possesses proper qualifications, as determined by the Administrator, may be authorized to candle and grade eggs on the basis of the "U.S. Standards for Quality of Individual Shell Eggs," with respect to eggs purchased from producers or eggs to be packaged with official identification. In addition, such authorization may be granted to any qualified person to act as a "quality assurance inspector" in the packaging and grade labeling of products. No person to whom such authorization is granted shall have authority to issue any grading certificates, grading memoranda, or other official documents; and all eggs which are graded by any such person shall thereafter be check graded by a grader.

[71 FR 42008, July 24, 2006]

§ 56.11 Financial interest of graders.

Graders shall not render service on any product in which they are financially interested.

[71 FR 42008, July 24, 2006]

§ 56.12 Suspension of license; revocation.

Pending final action by the Secretary, any person authorized to countersign a license to perform grading service may, whenever such action is deemed necessary to assure that any grading service is properly performed, suspend any license to perform grading service issued pursuant to this part, by

Agricultural Marketing Service, USDA

§ 56.17

giving notice of such suspension or revocation to the respective licensee, accompanied by a statement of the reasons therefor. Within 7 days after the receipt of the aforesaid notice and statement of reasons, the licensee may file an appeal in writing with the Secretary, supported by any argument or evidence that the licensee may wish to offer as to why their license should not be further suspended or revoked. After the expiration of the aforesaid 7-day period and consideration of such argument and evidence, the Secretary will take such action as deemed appropriate with respect to such suspension or revocation. When no appeal is filed within the prescribed 7 days, the license to perform grading service is revoked.

[71 FR 42008, July 24, 2006]

§ 56.13 Cancellation of license.

Upon termination of the services of a licensed grader, the grader's license shall be immediately surrendered for cancellation.

[71 FR 42008, July 24, 2006]

§ 56.14 Surrender of license.

Each license which is canceled, suspended, or has expired shall immediately be surrendered by the licensee to the office of grading serving the area in which the licensee is located.

[31 FR 2773, Feb. 16, 1966. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 71 FR 42008, July 24, 2006]

§ 56.15 Political activity.

Federal graders may participate in certain political activities, including management of and participation in political campaigns, in accordance with AMS policy. Graders are subject to these rules while they are on leave with or without pay, including furlough; however the rules do not apply to cooperative employees not under Federal supervision and intermittent employees on the days they perform no service. Willful violations of the political activity rules will constitute grounds for removal from the AMS.

[71 FR 42008, July 24, 2006]

§ 56.16 Identification.

Graders shall have in their possession at all times, and present upon request while on duty, the means of identification furnished to them by the Department.

[71 FR 42008, July 24, 2006]

§ 56.17 Equipment and facilities for graders.

Equipment and facilities to be furnished by the applicant for use of graders in performing service on a resident basis shall include, but not be limited to, the following:

(a)(1) An accurate metal stem thermometer;

(2) Electronic digital-display scales graduated in increments of $\frac{1}{10}$ -ounce or less for weighing individual eggs and test weights for calibrating such scales. Plants packing product based on metric weight must provide scales graduated in increments of 1-gram or less;

(3) Electronic digital-display scales graduated in increments of $\frac{1}{4}$ -ounce or less for weighing the lightest and heaviest consumer packages packed in the plant and test weights for calibrating such scales;

(4) Scales graduated in increments of $\frac{1}{4}$ -pound or less for weighing shipping containers and test weights for calibrating such scales;

(5) Two candling lights that provide a sufficient combined illumination through both the aperture and downward through the bottom to facilitate accurate interior and exterior quality determinations.

(6) A candling booth adequately darkened and located in close proximity to the work area that is reasonably free of excessive noise. The booth must be sufficient in size to accommodate two graders, two candling lights, and other necessary grading equipment.

(b) Furnished office space, a desk, and file or storage cabinets (equipped with a satisfactory locking device) suitable for the security and storage of official supplies, and other facilities and equipment as may otherwise be required. Such space and equipment must

§ 56.18

meet the approval of the national supervisor.

[32 FR 8230, June 8, 1967. Redesignated at 42 FR 32514, June 27, 1977, as amended at 46 FR 39570, Aug. 4, 1981. Redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 60 FR 12402, Mar. 7, 1995; 63 FR 13330, Mar. 19, 1998; 69 FR 76375, Dec. 21, 2004; 71 FR 42008, July 24, 2006]

§ 56.18 Schedule of operation of official plants.

Grading operating schedules for services performed pursuant to §§ 56.52 and 56.54 shall be requested in writing and be approved by the Administrator. Normal operating schedules for a full week consist of a continuous 8-hour period per day (excluding not to exceed 1 hour for lunch), 5 consecutive days per week, within the administrative workweek, Sunday through Saturday, for each shift required. Less than 8-hour schedules may be requested and will be approved if a grader is available. Clock hours of daily operations need not be specified in the request, although as a condition of continued approval, the hours of operation shall be reasonably uniform from day to day. Graders are to be notified by management 1 day in advance of any change in the hours grading service is requested.

[48 FR 20683, May 9, 1983]

§ 56.19 Prerequisites to grading.

Grading of products shall be rendered pursuant to the regulations in this part and under such conditions and in accordance with such methods as may be prescribed or approved by the Administrator.

[71 FR 42008, July 24, 2006]

APPLICATION FOR GRADING SERVICE

§ 56.20 Who may obtain grading service.

An application for grading service may be made by any interested person, including, but not being limited to any authorized agent of the United States, any State, county, municipality, or common carrier.

[71 FR 42009, July 24, 2006]

7 CFR Ch. I (1–1–19 Edition)

§ 56.21 How application for service may be made; conditions of service.

(a) *Noncontinuous grading service on a fee basis.* An application for any noncontinuous grading service on a fee basis shall be made in any office of grading, or with any grader at or nearest the place where the service is desired. Such application may be made orally (in person or by telephone), in writing, or by other electronic means.

(b) *Continuous grading service on a resident basis or continuous grading service on a nonresident basis.* An application for continuous grading service on a resident basis or for continuous grading service on a nonresident basis must be made in writing on forms approved by the Administrator and filed with the Administrator. Such forms may be obtained at the national, regional, or State grading office, or at the AMS Web site. In making application, the applicant agrees to comply with the terms and conditions of the regulations (including, but not being limited to, such instructions governing grading of products as may be issued from time to time by the Administrator). No member of or Delegate to Congress or Resident Commissioner shall be admitted to any benefit that may arise from such service unless derived through service rendered a corporation for its general benefit.

(c) *Temporary grading service on a fee basis.* An application for grading service on a temporary basis must be made in writing on forms approved by the Administrator and filed with the Administrator. Such forms may be obtained at the national, regional, or State grading office. In making application, the applicant agrees to comply with the terms and conditions of the regulations (including, but not limited to, such instructions governing grading of products as may be issued from time to time by the Administrator). No member of or Delegate to Congress or Resident Commissioner shall be admitted to any benefit that may arise from such service unless derived through

Agricultural Marketing Service, USDA

§ 56.27

service rendered a corporation for its general benefit.

[42 FR 2970, Jan. 14, 1977. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 69 FR 76375, Dec. 21, 2004; 71 FR 42009, July 24, 2006]

§ 56.22 Filing of application.

An application for grading service shall be regarded as filed only when made pursuant to the regulations in this part.

[71 FR 42009, July 24, 2006]

§ 56.23 Form of application.

Each application for grading or sampling a specified lot of any product shall include such information as may be required by the Administrator in regard to the product and the premises where such product is to be graded or sampled.

[28 FR 6342, June 20, 1963. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981]

§ 56.24 Rejection of application.

(a) An application for grading service may be rejected by the Administrator:

(1) Whenever the applicant fails to meet the requirements of the regulations prescribing the conditions under which the service is made available;

(2) Whenever the product is owned by or located on the premises of a person currently denied the benefits of the Act;

(3) Where any individual holding office or a responsible position with or having a substantial financial interest or share in the applicant is currently denied the benefits of the Act or was responsible in whole or in part for the current denial of the benefits of the Act to any person;

(4) Where the Administrator determines that the application is an attempt on the part of a person currently denied the benefits of the Act to obtain grading services;

(5) Whenever the applicant, after an initial survey has been made in accordance with the regulations, fails to bring the grading facilities and equipment into compliance with the regulations within a reasonable period of time;

(6) Notwithstanding any prior approval whenever, before inauguration of service, the applicant fails to fulfill commitments concerning the inauguration of the service;

(7) When it appears that to perform the services specified in this part would not be to the best interests of the public welfare or of the Government; or

(8) When it appears to the Administrator that prior commitments of the Department necessitate rejection of the application.

(b) Each such applicant shall be promptly notified by registered mail of the reasons for the rejection. A written petition for reconsideration of such rejection may be filed by the applicant with the Administrator if postmarked or delivered within 10 days after the receipt of notice of the rejection. Such petition shall state specifically the errors alleged to have been made by the Administrator in rejecting the application. Within 20 days following the receipt of such a petition for reconsideration, the Administrator shall approve the application or notify the applicant by registered mail of the reasons for the rejection thereof.

[71 FR 42009, July 24, 2006]

§ 56.25 Withdrawal of Application.

An application for grading service may be withdrawn by the applicant at any time before the service is performed upon payment by the applicant, of all expenses incurred by the AMS in connection with such application.

[71 FR 42009, July 24, 2006]

§ 56.26 Authority of applicant.

Proof of the authority of any person applying for any grading service may be required at the discretion of the Administrator.

[20 FR 671, Feb. 1, 1955. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981]

§ 56.27 Order of service.

Grading service shall be performed, insofar as practicable and subject to the availability of qualified graders, in the order in which applications therefore are made except that precedence

§ 56.28

may be given to any application for an appeal grading.

[20 FR 671, Feb. 1, 1955; 20 FR 757, Feb. 4, 1955, as amended at 42 FR 2970, Jan. 14, 1977. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 71 FR 42009, July 24, 2006]

§ 56.28 Types of service.

(a) *Noncontinuous grading service.* This type of service is performed when an applicant requests grading of a particular lot of shell eggs. Requests are made not on a regular basis. Charges or fees are based on the time, travel, and expenses needed to perform the work. This service also may be called the fee grading service. Shell eggs graded under fee grading service are not eligible to be identified with the official grademarks shown in § 56.36.

(b) *Continuous grading service on a resident basis and continuous grading service on a nonresident basis.* Service on a resident basis has a scheduled tour of duty, while service on a nonresident basis has a nonscheduled tour of duty. Both of these services are performed when an applicant requests that a USDA licensed grader be stationed in the applicant's processing plant and grade shell eggs in accordance with U.S. Standards. The applicant agrees to comply with the facility, operating, and sanitary requirements of resident service. The charges for resident grading services are based on the hours of the regular tour of duty and the volume of shell eggs received into the plant, while nonscheduled service is based on the cumulative time required to perform the work and an administrative service charge. Shell eggs graded under resident grading service are only eligible to be identified with the official grademarks shown in § 56.36 when processed and graded under the supervision of a grader or quality assurance inspector as provided in § 56.39.

(c) *Temporary grading service.* This type of service is performed when an applicant requests resident grading on a fee basis. The applicant must meet all of the facility, operating, and sanitary requirements of resident service. Charges or fees are based on the time and expenses needed to perform the work. Shell eggs graded under temporary grading service are only eligible

7 CFR Ch. I (1–1–19 Edition)

to be identified with the official grademarks when they are processed and graded under the supervision of a grader or quality assurance inspector as provided in § 56.39.

(d) *Auditing service.* This type of service is performed when an applicant requests independent verification of written quality assurance and value added standards for production, processing, and distribution of shell eggs. Charges or fees are based on time, travel, and expenses needed to perform the work.

[69 FR 76375, Dec. 21, 2004, as amended at 72 FR 11775, Mar. 14, 2007]

§ 56.29 Suspension or withdrawal of plant approval for correctable cause.

(a) Any plant approval given pursuant to the regulations in this part may be suspended by the Administrator for:

(1) Failure to maintain grading facilities and equipment in a satisfactory state of repair, sanitation, or cleanliness;

(2) The use of operating procedures which are not in accordance with the regulations in this part; or

(3) Alterations of grading facilities or equipment which have not been approved in accordance with the regulations in this part.

(b) Whenever it is feasible to do so, written notice in advance of a suspension shall be given to the person concerned and shall specify a reasonable period of time in which corrective action must be taken. If advance written notice is not given, the suspension action shall be promptly confirmed in writing and the reasons therefor shall be stated, except in instances where the person has already corrected the deficiency. Such service, after appropriate corrective action is taken, will be restored immediately, or as soon thereafter as a grader can be made available. During such period of suspension, grading service shall not be rendered. However, the other provisions of the regulations pertaining to providing grading service on a resident basis will remain in effect unless such service is terminated in accordance with the provisions of this part.

(c) If the grading facilities or methods of operation are not brought into compliance within a reasonable period

Agricultural Marketing Service, USDA

§ 56.35

of time as specified by the Administrator, the Administrator shall initiate withdrawal action pursuant to the Rules of Practice Governing Formal Adjudicatory Proceedings (7 CFR part 1, subpart H), and the operator shall be afforded an opportunity for an oral hearing upon written request in accordance with such Rules of Practice, with respect to the merits or validity of the withdrawal action, but any suspension shall continue in effect pending the outcome of such hearing unless otherwise ordered by the Administrator. Upon withdrawal of grading service in an official plant, the plant approval shall also become terminated and all labels, seals, tags, or packaging material bearing official identification shall, under the supervision of a person designated by the AMS, either be destroyed or the official identification completely obliterated or sealed in a manner acceptable to the AMS.

(d) In any case where grading service is withdrawn under this section, the person concerned may thereafter apply for grading service as provided in §§ 56.20 through 56.29 of these regulations.

[71 FR 42009, July 24, 2006]

§ 56.30 Application for grading service in official plants; approval.

Any person desiring to process and pack products in a plant under grading service must receive approval of such plant and facilities as an official plant prior to the rendition of such service. An application for grading service to be rendered in an official plant shall be approved according to the following procedure: When application has been filed for grading service, as aforesaid, the State supervisor or the supervisor's assistant shall examine the grading office, facilities, and equipment and specify any facility or equipment modifications needed for the service. When the plant survey has been completed and approved in accordance with the regulations in this part, service may be installed.

[71 FR 42009, July 24, 2006]

REPORTS

§ 56.31 Report of grading work.

Reports of grading work performed within official plants shall be forwarded to the Administrator by the grader in a manner as may be specified by the Administrator.

[71 FR 42010, July 24, 2006]

§ 56.32 Information to be furnished to graders.

The applicant for grading service shall furnish to the grader rendering such service such information as may be required for the purposes of this part.

[71 FR 42010, July 24, 2006]

§ 56.33 Report of violations.

Each grader shall report, in the manner prescribed by the Administrator, all violations of and noncompliance with the Act and the regulations in this part of which such grader has knowledge.

[71 FR 42010, July 24, 2006]

IDENTIFYING AND MARKING PRODUCTS

§ 56.35 Authority to use, and approval of official identification.

(a) *Authority to use official identification.* Authority to officially identify product graded pursuant to this part is granted only to applicants who make the services of a grader or quality assurance inspector available for use in accordance with this part. Packaging materials bearing official identification marks shall be approved pursuant to §§ 56.35 to 56.37, inclusive, and shall be used only for the purpose for which approved and prescribed by the Administrator. Any unauthorized use or disposition of approved labels or packaging materials which bear any official identification may result in cancellation of the approval and denial of the use of labels or packaging materials bearing official identification or denial of the benefits of the Act pursuant to the provisions of § 56.31.

(b) *Approval of official identification.* No label, container, or packaging material which bears official identification may contain any statement that

§56.36

7 CFR Ch. I (1–19 Edition)

is false or misleading. No label, container, or packaging material bearing official identification may be printed or prepared for use until the printers' or other final proof has been approved by the Administrator in accordance with the regulations in this part, the Federal Food, Drug, and Cosmetic Act, the Fair Packaging and Labeling Act, and the regulations promulgated under these acts. The use of finished labels must be approved as prescribed by the Administrator. A grader may apply official identification stamps to shipping containers if they do not bear any statement that is false or misleading. If the label is printed or otherwise applied directly to the container, the principal display panels of such container shall for this purpose be considered as the label. The label shall contain the name, address, and ZIP Code of the packer or distributor of the product, the name of the product, a statement of the net contents of the container, and the U.S. grademark.

(c) *Nutritional labeling.* Nutrition information must be included on the labeling of each unit container of consumer packaged shell eggs in accordance with the provisions of title 21, chapter I, part 101, Regulations for the Enforcement of the Federal Food, Drug, and Cosmetic Act and the Fair Packaging and Labeling Act. The nutrition information included on labels is subject to review by the Food and Drug Administration prior to approval by the Department.

(d) *Refrigeration labeling.* All containers bearing official U.S. Grade AA, A, or B identification shall be labeled to indicate that refrigeration is required, e.g., "Keep Refrigerated," or words of similar meaning.

[40 FR 20055, May 8, 1975, as amended at 42 FR 2970, Jan. 14, 1977. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 60 FR 12402, Mar. 7, 1995; 64 FR 56947, Oct. 22, 1999; 71 FR 42010, July 24, 2006]

§56.36 Form of grademark and information required.

(a) *Form of official identification symbol and grademark.* (1) The shield set forth in Figure 1 of this section shall be the official identification symbol for purposes of this part and when used,

imitated, or simulated in any manner in connection with shell eggs, shall be deemed prima facie to constitute a representation that the product has been officially graded for the purposes of §56.2.

(2) Except as otherwise authorized, the grademark permitted to be used to officially identify USDA consumer-graded shell eggs shall be of the form and design indicated in Figures 2 through 4 of this section. The shield shall be of sufficient size so that the printing and other information contained therein is legible and in approximately the same proportion as shown in these figures.

(3) The "Produced From" grademark in Figure 5 of this section may be used to identify products for which there are no official U.S. grade standards (e.g., pasteurized shell eggs), provided that these products are approved by the Agency and are prepared from U.S. Consumer Grade AA or A shell eggs.

(b) *Information required on grademark.*

(1) Except as otherwise authorized by the Administrator, each grademark used shall include the letters "USDA" and the U.S. grade of the product it identifies, such as "A Grade," as shown in Figure 2 of this section. Such information shall be printed with the shield and the wording within the shield in contrasting colors in a manner such that the design is legible and conspicuous on the material upon which it is printed.

(2) The size or weight class of the product, such as "Large," may appear within the grademark as shown in Figure 3 of this section. If the size or weight class is omitted from the grademark, it must appear prominently on the main panel of the carton.

(3) Except as otherwise authorized, the bands of the shield in Figure 4 of this section shall be displayed in three colors, with the color of the top, middle, and bottom bands being blue, white, and red, respectively.

(4) The "Produced From" grademark in Figure 5 of this section may be any one of the designs shown in Figures 2 through 4 of this section. The text outside the shield shall be conspicuous, legible, and in approximately the same proportion and close proximity to the

shield as shown in Figure 5 of this section.

(5) The plant number of the official plant preceded by the letter "P" must be shown on each carton or packaging material.



Figure 1



Figure 2

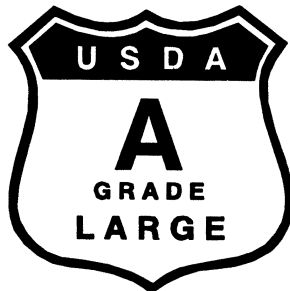


Figure 3



Figure 4

Produced From



Shell Eggs

Figure 5

[63 FR 13330, Mar. 19, 1998, as amended at 68 FR 25485, May 13, 2003]

§ 56.37 Lot marking of officially identified shell eggs.

Shell eggs identified with the grademarks shown in § 56.36 shall be legibly lot numbered on either the individual egg, the carton, or the consumer package. The lot number shall be the consecutive day of the year on which the eggs were packed (e.g., 132), except other lot numbering systems may be used when submitted in writing and approved by the Administrator.

[35 FR 5664, Apr. 8, 1970. Redesignated at 42 FR 32514, June 27, 1977, as amended at 46 FR 39570, Aug. 4, 1981. Redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 60 FR 12402, Mar. 7, 1995; 63 FR 13331, Mar. 19, 1998; 69 FR 76376, Dec. 21, 2004]

§ 56.38 Retention authorities.

A grader may use retention tags or other devices and methods as approved

§ 56.39

by the Administrator for the identification and control of shell eggs which are not in compliance with the regulations or are held for further examination and for any equipment, utensils, rooms or compartments which are found unclean or otherwise in violation of the regulations. Any such item shall not be released until in compliance with the regulations and retention identification shall not be removed by anyone other than a grader.

[35 FR 5664, Apr. 8, 1970. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981. Redesignated at 71 FR 42010, July 24, 2006]

PREREQUISITES TO PACKAGING SHELL EGGS IDENTIFIED WITH GRADEMARKS

§ 56.39 Quality assurance inspector required.

The official identification with the grademark of any product as provided in §§ 56.35 to 56.41, inclusive, shall be done only under the supervision of a grader or quality assurance inspector. The grader or quality assurance inspector shall have supervision over the use and handling of all material bearing any official identification.

[42 FR 2971, Jan. 14, 1977. Redesignated at 42 FR 32514, June 27, 1977, as amended at 46 FR 39570, Aug. 4, 1981. Redesignated at 46 FR 63203, Dec. 31, 1981; 69 FR 76376, Dec. 21, 2004]

§ 56.40 Grading requirements of shell eggs identified with grademarks.

(a) Shell eggs to be identified with the grademarks illustrated in § 56.36 must be individually graded by a grader or by authorized personnel pursuant to § 56.11 and thereafter check graded by a grader.

(b) Shell eggs not graded in accordance with paragraph (a) of this section may be officially graded on a sample basis and the shipping containers may be identified with grademarks which contain the words "Sample Graded" and which are approved by the Administrator.

(c) In order to be officially identified with a USDA consumer grademark, shell eggs shall:

- (1) Be eggs of current production;
- (2) Not possess any undesirable odors or flavors;

7 CFR Ch. I (1–19 Edition)

(3) Not have previously been shipped for retail sale;

(4) Not originate from a layer house environment determined positive for the presence of *Salmonella Enteritidis* (SE), unless the eggs from the layer house have been sampled and have tested negative for the presence of SE in the eggs; and

(5) Not originate from eggs testing positive for SE, or not have been subject to a product recall.

[32 FR 8231, June 8, 1967. Redesignated at 42 FR 32514, June 27, 1977, as amended at 46 FR 39571, Aug. 4, 1981. Redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 63 FR 13331, Mar. 19, 1998; 69 FR 76376, Dec. 21, 2004; 71 FR 20292, Apr. 19, 2006; 81 FR 63676, Sept. 16, 2016]

§ 56.41 Check grading officially identified product.

Officially identified shell eggs packed or received in an official plant may be subject to final check grading prior to their shipment. Such product found not to be in compliance with the assigned official grade shall be placed under a retention tag until it is regraded to comply with the grade assigned or until the official identification is removed.

[35 FR 5664, Apr. 8, 1970. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981]

§§ 56.42–56.43 [Reserved]

FEEES AND CHARGES

§ 56.45 Payment of fees and charges.

(a) Fees and charges for any grading service shall be paid by the interested party making the application for such grading service, in accordance with the applicable provisions of this section and §§ 56.46 to 56.54, both inclusive; and, if so required by the grader, such fees and charges shall be paid in advance.

(b) Fees and charges for any grading service shall, unless otherwise required pursuant to paragraph (c) of this section, be paid by check, draft, or money order payable to the Agricultural Marketing Service and remitted promptly to the AMS.

(c) Fees and charges for any grading service under a cooperative agreement with any State or person shall be paid

Agricultural Marketing Service, USDA

§ 56.47

in accordance with the terms of such cooperative agreement.

[33 FR 20004, Dec. 31, 1968 and 42 FR 2971, Jan. 14, 1977. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 71 FR 42010, July 24, 2006]

§ 56.46 On a fee basis.

(a) Unless otherwise provided in this part, the fees to be charged and collected for any service performed, in accordance with this part, on a fee basis shall be based on the applicable formulas specified in this section. For each calendar year or crop year, AMS will calculate the rate for grading or audit services, per hour per program employee using the following formulas:

(1) *Regular rate.* The total AMS grading or audit program personnel direct pay divided by direct hours, which is then multiplied by the next year's percentage of cost of living increase, plus the benefits rate, plus the operating rate, plus the allowance for bad debt rate. If applicable, travel expenses may also be added to the cost of providing the service.

(2) *Overtime rate.* The total AMS grading or audit program personnel direct pay divided by direct hours, which is then multiplied by the next year's percentage of cost of living increase and then multiplied by 1.5 plus the benefits rate, plus the operating rate, plus an allowance for bad debt. If applicable, travel expenses may also be added to the cost of providing the service.

(3) *Holiday rate.* The total AMS grading or audit program personnel direct pay divided by direct hours which is then multiplied by the next year's percentage of cost of living increase and then multiplied by 2, plus benefits rate, plus the operating rate, plus an allowance for bad debt. If applicable, travel expenses may also be added to the cost of providing the service.

(b)(1) For each calendar year, based on previous fiscal year/historical actual costs, AMS will calculate the benefits, operating, and allowance for bad debt components of the regular, overtime and holiday rates as follows:

(i) *Benefits rate.* The total AMS grading or audit program direct benefits costs divided by the total hours (regular, overtime, and holiday) worked,

which is then multiplied by the next calendar year's percentage cost of living increase. Some examples of direct benefits are health insurance, retirement, life insurance, and Thrift Savings Plan (TSP) retirement basic and matching contributions.

(ii) *Operating rate.* The total AMS grading or audit program operating costs divided by total hours (regular, overtime, and holiday) worked, which is then multiplied by the percentage of inflation.

(iii) *Allowance for bad debt rate.* Total AMS grading or audit program allowance for bad debt divided by total hours (regular, overtime, and holiday) worked.

(2) The calendar year cost of living expenses and percentage of inflation factors used in the formulas in this section are based on the most recent Office of Management and Budget's Presidential Economic Assumptions.

(c) Fees for grading services will be based on the time required to perform the services. The hourly charges shall include the time actually required to perform the grading, waiting time, travel time, and any clerical costs involved in issuing a certificate.

(d) Fees for audit services will be based on the time and expenses required to perform the audit. The hourly charge shall include the time actually required to perform the audit, waiting time, travel time, and any clerical costs involved in issuing an audit report.

[79 FR 67322, Nov. 13, 2014]

§ 56.47 Fees for appeal grading or review of a grader's decision.

The cost of an appeal grading or review of a grader's decision shall be borne by the appellant on a fee basis at rates set forth in § 56.46, plus any travel and additional expenses. If the appeal grading or review of a grader's decision discloses that a material error was made in the original determination, no fee or expenses will be charged.

[63 FR 52133, Sept. 30, 1998]

§ 56.49

§ 56.49 Travel expenses and other charges.

Charges are to be made to cover the cost of travel and other expenses incurred by the AMS in connection with rendering grading service. Such charges shall include the cost of transportation, per diem, and any other expenses.

[42 FR 2971, Jan. 14, 1977. Redesignated at 42 FR 32514, June 27, 1977, as amended at 46 FR 8, Jan. 2, 1981. Redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 71 FR 42010, July 24, 2006]

§ 56.52 Charges for continuous grading performed on a resident basis.

Fees to be charged and collected for any grading service, other than for an appeal grading, on a resident grading basis, shall be calculated as described in this part. The fees to be charged for any appeal grading shall be as provided in § 56.47.

(a) *Charges.* The charges for the grading of shell eggs shall be paid by the applicant for the service and shall include items listed in this section as are applicable. Payment for the full cost of the grading service rendered to the applicant shall be made by the applicant to AMS. Such full costs shall comprise such of the items listed in this section as are due and included in the bill or bills covering the period or periods during which the grading service was rendered. Bills will be rendered by the 10th day following the end of the period in which the service was rendered and are payable upon receipt.

(1) When a signed application for service has been received, the State supervisor or the supervisor's assistant shall complete a plant survey pursuant to § 56.30. The costs for completing the plant survey shall be borne by the applicant on a fee basis as described in § 56.46. No charges will be assessed when the application is required because of a change in name or ownership. If service is not installed within 6 months from the date the application is filed, or if service is inactive due to an approved request for removal of a grader(s) for a period of 6 months, the application will be considered terminated, but a new application may be filed at any time. In addition there will be a charge of \$300 if the application is

7 CFR Ch. I (1-1-19 Edition)

terminated at the request of the applicant for reasons other than for a change in location, within 12 months from the date of the inauguration of service.

(2) Charges for the cost of each grader assigned to a plant will be calculated as described in § 56.46, except that no charge will be assessed when the assigned grader is temporarily re-assigned by AMS to perform grading service for other than the applicant. Base salary rates will be determined on a national average for all official plants operating in States under a Federal Trust Fund Agreement where Federal graders, State graders, or a combination of Federal and State graders are used, by averaging the salary rates paid to each Federal or State grader assigned to such plants. Charges to plants are as follows:

(i) For all regular hours of work scheduled and approved as an established tour of duty for a plant, the regular rate charge will be made. The regular rate charge will be determined by adding an amount to the base salary rate to cover the costs to AMS for such items as the Employer's Tax imposed under the U.S. Internal Revenue Code (26 U.S.C.) for Old Age and Survivor's Benefits under the Social Security System, retirement benefits, group life insurance, severance pay, sick leave, annual leave, additional salary and travel costs for relief grading service, accident payments, certain moving costs, and related servicing costs.

(ii) All hours worked by an assigned grader or another grader in excess of the approved tour of duty, or worked on a nonscheduled workday, or actually worked on a holiday in excess of the tour of duty, will be considered as overtime. The charge for such overtime will be 150 percent of the grader's base salary rate.

(iii) For work performed on a holiday which is within the established tour of duty approved for a plant, the added charge will be the same as the grader's base rate.

(iv) For work performed between 6 p.m. and 6 a.m., night differential charges (for regular, overtime, or holiday hours worked during this period) will be at the applicable rates established plus 10 percent of the base rate.

Agricultural Marketing Service, USDA

§ 56.54

(v) For work performed on Sunday, Sunday differential charges (for regular, overtime, or holiday hours worked on Sunday) will be at the applicable rates established plus 25 percent of the base rate.

(vi) For all hours of work performed in a plant without an approved tour of duty, the charge will be one of the applicable hourly rates in § 56.46.

(3) A charge at the hourly rates specified in § 56.46, plus actual travel expenses incurred by AMS for intermediate surveys to firms without grading service in effect.

(4) An administrative service charge based upon the aggregate number of 30-dozen cases of all shell eggs handled in the plant per billing period multiplied by \$0.055 beginning March 30, 2008, and \$0.058 on or after January 25, 2009, except that the minimum charge per billing period shall be \$275 and the maximum charge shall be \$3,150 beginning March 30, 2008, and \$3,225 on or after January 25, 2009. The minimum charge also applies where an approved application is in effect and no product is handled.

(b) *Other provisions.* (1) The applicant shall designate in writing the employees of the applicant who will be required and authorized to furnish each grader with such information as may be necessary for the performance of the grading service.

(2) AMS will provide, as available, an adequate number of graders to perform the grading service. The number of graders required will be determined by AMS based on the expected demand for service.

(3) The grading service shall be provided at the designated plant and shall be continued until the service is suspended, withdrawn, or terminated by:

(i) Mutual consent;

(ii) Thirty (30) days' written notice, by either the applicant or AMS specifying the date of suspension, withdrawal, or termination;

(iii) One (1) day's written notice by AMS to the applicant if the applicant fails to honor any invoice within thirty (30) days after date of invoice covering the cost of the grading service; or

(iv) Action taken by AMS pursuant to the provisions of § 56.31.

(4) Graders will be required to confine their activities to those duties necessary in the rendering of grading service and such closely related activities as may be approved by AMS: *Provided*, That in no instance may the graders assume the duties of management.

[34 FR 8232, May 28, 1969]

EDITORIAL NOTE: For FEDERAL REGISTER citations affecting § 56.52, see the List of CFR Sections Affected, which appears in the Finding Aids section of the printed volume and at www.govinfo.gov.

§ 56.53 Fees or charges for grading service performed under cooperative agreement.

Fees or charges to be made to an applicant for grading service which differ from those listed in §§ 56.45 through 56.54 shall be provided for by a cooperative agreement.

[36 FR 7894, Apr. 28, 1971. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981]

§ 56.54 Charges for continuous grading performed on a nonresident basis.

Fees to be charged and collected for grading service on a nonresident grading basis, shall be calculated as described in this part. The fees to be charged for any appeal grading shall be calculated as provided in § 56.47.

(a) *Charges.* The charges for the grading of shell eggs shall be paid by the applicant for the service and shall include items listed in this section as are applicable. Payment for the full cost of the grading service rendered to the applicant shall be made by the applicant to the AMS. Such full costs shall comprise such of the items listed in this section as are due and included in the bill or bills covering the period or periods during which the grading service was rendered. Bills will be rendered by the 10th day following the end of the billing period in which the service was rendered and are payable upon receipt.

(1) A charge for the salary and other costs, calculated as described in § 56.46, for each grader while assigned to a plant, except that no charge will be made when the assigned grader is temporarily reassigned by AMS to perform grading service for other than the applicant. Charges to plants are as follows:

§ 56.55

7 CFR Ch. I (1–1–19 Edition)

(i) For all regular hours of work scheduled and approved as an established tour of duty for a plant, the regular rate charge will be made. The regular rate charge will be determined by adding an amount to the base salary rate to cover the costs to AMS for such items as the Employer's Tax imposed under the U.S. Internal Revenue Code (26 U.S.C.) for Old Age and Survivor's Benefits under the Social Security System, retirement benefits, group life insurance, severance pay, sick leave, annual leave, additional salary and travel costs for relief grading service, accident payments, certain moving costs, and related servicing costs.

(ii) All hours worked by an assigned grader or another grader in excess of the approved tour of duty, or worked on a nonscheduled workday, or actually worked on a holiday in excess of the tour of duty, will be considered as overtime. The charge for such overtime will be 150 percent of the grader's base salary rate.

(iii) For work performed on a holiday which is within the established tour of duty approved for a plant, the added charge will be the same as the grader's base rate.

(iv) For work performed between 6 p.m. and 6 a.m., night differential charges (for regular, overtime, or holiday hours worked during this period) will be at the applicable rates established plus 10 percent of the base rate.

(v) For work performed on Sunday, Sunday differential charges (for regular, overtime, or holiday hours worked on Sunday) will be at the applicable rates established plus 25 percent of the base rate.

(vi) For all hours of work performed in a plant without an approved tour of duty, the charge will be one of the applicable hourly rates in § 56.46.

(2) An administrative service charge equal to 25 percent of the grader's total salary costs. A minimum charge of \$275 will be made each billing period. The minimum charge also applies where an approved application is in effect and no product is handled.

(b) *Other provisions.* (1) The applicant shall designate in writing the employees of the applicant who will be required and authorized to furnish each grader with such information as may

be necessary for the performance of the grading service.

(2) AMS will provide, as available, an adequate number of graders to perform the grading service. The number of graders required will be determined by AMS based on the expected demand for service.

(3) The grading service shall be provided at designated locations and shall be continued until the service is suspended, withdrawn, or terminated by:

(i) Mutual consent;

(ii) Thirty (30) days' written notice, by either the applicant or AMS specifying the date of suspension, withdrawal, or termination;

(iii) One (1) day's written notice by AMS to the applicant if the applicant fails to honor any invoice within thirty (30) days after date of invoice covering the cost of the grading service; or

(iv) Action taken by AMS pursuant to the provisions of § 56.31.

(4) Graders will be required to confine their activities to those duties necessary in the rendering of grading service and such closely related activities as may be approved by AMS: *Provided*, That in no instance may the graders assume the duties of management.

(5) When similar nonresident grading services are furnished to the same applicant under part 70 of this chapter, the charges listed in this section shall not be repeated.

[35 FR 19327, Dec. 22, 1970]

EDITORIAL NOTE: For FEDERAL REGISTER citations affecting § 56.54, see the List of CFR Sections Affected, which appears in the Finding Aids section of the printed volume and at www.govinfo.gov.

GRADING CERTIFICATES

§ 56.55 Forms.

Grading certificates and sampling report forms (including appeal grading certificates and regrading certificates) shall be issued on forms approved by the Administrator.

[71 FR 42010, July 24, 2006]

§ 56.56 Issuance.

(a) *Resident grading basis.* Certificates will be issued only upon request therefor by the applicant or the AMS. When requested, a grader shall issue a certificate covering product graded by such

Agricultural Marketing Service, USDA

§ 56.62

grader. In addition, a grader may issue a grading certificate covering product graded in whole or in part by another grader when the grader has knowledge that the product is eligible for certification based on personal examination of the product or official grading records.

(b) *Other than resident grading.* Each grader shall, in person or by the grader's authorized agent, issue a grading certificate covering each product graded by such grader. A grader's name may be signed on a grading certificate by a person other than the grader, if such person has been designated as the authorized agent of such grader by the national supervisor: *Provided*, That the certificate is prepared from an official memorandum of grading signed by the grader: *And provided further*, That a notarized power of attorney authorizing such signature has been issued to such person by the grader and is on file in the office of grading. In such case, the authorized agent shall sign both the agent's name and the grader's name, *e.g.*, "John Doe by Mary Roe."

[71 FR 42010, July 24, 2006]

§ 56.57 Disposition.

The original and a copy of each grading certificate, issued pursuant to § 56.56, and not to exceed two additional copies thereof if requested by the applicant prior to issuance, shall, immediately upon issuance, be delivered or mailed to the applicant or the applicant's designee. Other copies shall be filed and retained in accordance with the disposition schedule for grading program records.

[36 FR 9842, May 29, 1971. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 47 FR 46070, Oct. 15, 1982; 47 FR 54421, Dec. 3, 1982; 71 FR 42010, July 24, 2006]

§ 56.58 Advance information.

Upon request of an applicant, all or part of the contents of any grading certificate issued to such applicant may be telephoned or electronically transmitted to the applicant, or to the applicant's designee, at the applicant's expense.

[69 FR 76376, Dec. 21, 2004]

APPEAL OF A GRADING OR DECISION

SOURCE: Sections 56.60 through 56.66 appear at 35 FR 9918, June 17, 1970, unless otherwise noted. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981.

§ 56.60 Who may request an appeal grading or review of a grader's decision.

An appeal grading may be requested by any interested party who is dissatisfied with the determination by a grader of the class, quality, quantity, or condition of any product as evidenced by the USDA grademark and accompanying label, or as stated on a grading certificate and a review may be requested by the operator of an official plant with respect to a grader's decision or on any other matter related to grading in the official plant.

§ 56.61 Where to file an appeal.

(a) *Appeal from resident grader's grading or decision in an official plant.* Any interested party who is not satisfied with the determination of the class, quality, quantity, or condition of product which was graded by a grader in an official plant and has not left such plant, and the operator of any official plant who is not satisfied with a decision by a grader on any other matter related to grading in such plant may request an appeal grading or review of the decision by the grader by filing such request with the grader's immediate supervisor.

(b) *All other appeal requests.* Any interested party who is not satisfied with the determination of the class, quality, quantity, or condition of product which has left the official plant where it was graded or which was graded other than in an official plant may request an appeal grading by filing such request with the regional director in the area where the product is located or with the Chief of the Grading Branch.

[35 FR 9918, June 17, 1970. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 71 FR 42010, July 24, 2006]

§ 56.62 How to file an appeal.

Any request for an appeal grading or review of a grader's decision may be

§ 56.63

made orally or in writing. If made orally, written confirmation may be required. The applicant shall clearly state the reasons for requesting the appeal service and a description of the product, or the decision which is questioned. If such appeal request is based on the results stated on an official certificate, the original and all available copies of the certificate shall be returned to the appeal grader assigned to make the appeal grading.

§ 56.63 When an application for an appeal grading may be refused.

When it appears to the official with whom an appeal request is filed that the reasons given in the request are frivolous or not substantial, or that the quality or condition of the product has undergone a material change since the original grading, or that the original lot has changed in some manner, or the Act or the regulations in this part have not been complied with, the applicant's request for the appeal grading may be refused. In such case, the applicant shall be promptly notified of the reason(s) for such refusal.

§ 56.64 Who shall perform the appeal.

(a) An appeal grading or review of a decision requested under § 56.61(a) shall be made by the grader's immediate supervisor, or by one or more licensed graders assigned by the immediate supervisor.

(b) Appeal gradings requested under § 56.61(b) shall be performed by a grader other than the grader who originally graded the product.

(c) Whenever practical, an appeal grading shall be conducted jointly by two graders. The assignment of the grader(s) who will make the appeal grading requested under § 56.61(b) shall be made by the regional director or the Chief of the Grading Branch.

[35 FR 9918, June 17, 1970, as amended at 40 FR 20056, May 8, 1975. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981; 71 FR 42010, July 24, 2006]

§ 56.65 Procedures for appeal gradings.

(a) The appeal sample shall consist of product taken from the original sample

7 CFR Ch. I (1-1-19 Edition)

container plus an equal number of samples selected at random.

(b) When the original samples are not available or have been altered, such as the removal of undergrades, the appeal sample size for the lot shall consist of double the samples required in § 56.4(b).

(c) Shell eggs shall not have been moved from the original place of grading and must have been maintained under adequate refrigeration and humidity conditions.

[35 FR 9918, June 17, 1970. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 47 FR 46070, Oct. 15, 1982; 47 FR 54421, Dec. 3, 1982; 69 FR 76376, Dec. 21, 2004; 71 FR 42010, July 24, 2006]

§ 56.66 Appeal grading certificates.

Immediately after an appeal grading is completed, an appeal certificate shall be issued to show that the original grading was sustained or was not sustained. Such certificate shall supersede any previously issued certificate for the product involved and shall clearly identify the number and date of the superseded certificate. The issuance of the appeal certificate may be withheld until any previously issued certificate and all copies have been returned when such action is deemed necessary to protect the interest of the Government. When the appeal grader assigns a different grade to the lot, the existing grademark shall be changed or obliterated as necessary. When the appeal grader assigns a different class or quantity designation to the lot, the labeling shall be corrected.

[35 FR 9918, June 17, 1970. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 71 FR 42010, July 24, 2006]

DENIAL OF SERVICE

§ 56.68 Debarment.

The acts or practices set forth in §§ 56.69 through 56.74, or the causing thereof, may be deemed sufficient cause for the debarment by the Administrator of any person, including any agents, officers, subsidiaries, or affiliates of such person, from all benefits of the act for a specified period. The Rules of Practice Governing Formal Adjudicatory Proceedings (7 CFR part

Agricultural Marketing Service, USDA

§ 56.76

1, subpart H) shall be applicable to such debarment action.

[71 FR 42011, July 24, 2006]

§ 56.69 Misrepresentation, deceptive, or fraudulent act or practice.

Any willful misrepresentation or any deceptive or fraudulent act or practice found to be made or committed by any person in connection with:

(a) The making or filing of an application for any grading service, appeal, or regrading service;

(b) The making of the product accessible for sampling or grading;

(c) The making, issuing, or using or attempting to issue or use any grading certificate, symbol, stamp, label, seal, or identification authorized pursuant to the regulations in this part;

(d) The use of the terms "United States" or "U.S." in conjunction with the grade of the product;

(e) The use of any of the aforesaid terms or any official stamp, symbol, label, seal, or identification in the labeling or advertising of any product.

[71 FR 42011, July 24, 2006]

§ 56.70 Use of facsimile forms.

Using or attempting to use a form which simulates in whole or in part any certificate, symbol, stamp, label, seal or identification authorized to be issued or used under the regulations in this part.

[71 FR 42011, July 24, 2006]

§ 56.71 Willful violation of the regulations.

Any willful violation of the regulations in this part or the Act.

[71 FR 42011, July 24, 2006]

§ 56.72 Interfering with a grader or employee of the AMS.

Any interference with or obstruction or any attempted interference or obstruction of or assault upon any graders, licensees, or employees of the AMS in the performance of their duties. The giving or offering, directly or indirectly, of any money, loan, gift, or anything of value to an employee of the AMS or the making or offering of any contribution to or in any way supplementing the salary, compensa-

tion or expenses of an employee of the AMS or the offering or entering into a private contract or agreement with an employee of the AMS for any services to be rendered while employed by the AMS.

[71 FR 42011, July 24, 2006]

§ 56.73 Misleading labeling.

The use of the terms "Government Graded", "Federal-State Graded", or terms of similar import in the labeling or advertising of any product without stating in the label or advertisement the U.S. grade of the product as determined by an authorized grader.

[71 FR 42011, July 24, 2006]

§ 56.74 Miscellaneous.

The existence of any of the conditions set forth in § 56.24 constituting the basis for the rejection of an application for grading service.

[71 FR 42011, July 24, 2006]

FACILITY REQUIREMENTS

§ 56.75 Applicability of facility and operating requirements.

The provisions of § 56.76 shall be applicable to any grading service that is provided on a resident or temporary basis.

[69 FR 76376, Dec. 21, 2004]

§ 56.76 Minimum facility and operating requirements for shell egg grading and packing plants.

(a) Applicants must comply with all applicable Federal, State and local government occupational safety and health regulations.

(b) *General requirements for premises, buildings and plant facilities.* (1) The outside premises shall be free from refuse, rubbish, waste, unused equipment, and other materials and conditions which constitute a source of odors or a harbor for insects, rodents, and other vermin.

(2) The outside premises adjacent to grading, packing, cooler, and storage rooms must be properly graded and well drained to prevent conditions that may constitute a source of odors or propagate insects or rodents.

(3) Buildings shall be of sound construction so as to prevent, insofar as

§56.76

7 CFR Ch. I (1-1-19 Edition)

practicable, the entrance or harboring of vermin.

(4) Grading and packing rooms shall be of sufficient size to permit installation of necessary equipment and conduct grading and packing in a sanitary manner. These rooms shall be kept reasonably clean during grading and packing operations and shall be thoroughly cleaned at the end of each operating day.

(5) The floors, walls, ceilings, partitions, and other parts of the grading and packing rooms including benches and platforms shall be constructed of materials that are readily cleanable, maintained in a sanitary condition, and impervious to moisture in areas exposed to cleaning solutions or moist conditions. The floors shall be constructed as to provide proper drainage.

(6) Adequate toilet accommodations which are conveniently located and separated from the grading and packing rooms are to be provided. Handwashing facilities shall be provided with hot and cold running water, an acceptable handwashing detergent, and a sanitary method for drying hands. Toilet rooms shall be ventilated to the outside of the building and be maintained in a clean and sanitary condition. Signs shall be posted in the toilet rooms instructing employees to wash their hands before returning to work. In new or remodeled construction, toilet rooms shall be located in areas that do not open directly into processing rooms.

(7) A separate refuse room or a designated area for the accumulation of trash must be provided in plants which do not have a system for the daily removal or destruction of such trash.

(8) Adequate packing and packaging storage areas are to be provided that protect packaging materials and are dry and maintained in a clean and sanitary condition.

(c) *Grading and packing room requirements.* (1) The egg grading or candling area shall be adequately darkened to make possible the accurate quality determination of the candled appearance of eggs. There shall be no other light source or reflection of light that interfere with, or prohibit the accurate quality determination of eggs in the grading or candling areas.

(2) The grading and candling equipment shall provide adequate light to facilitate quality determinations. When needed, other light sources and equipment or facilities shall be provided to permit the detection and removal of stained and dirty eggs or other undergrade eggs.

(3) The grading and candling equipment must be sanitarily designed and constructed to facilitate cleaning. Such equipment shall be kept reasonably clean during grading and packing operations and be thoroughly cleaned at the end of each operating day.

(4) Egg weighing equipment shall be constructed of materials to permit cleaning; operated in a clean, sanitary manner; and shall be capable of ready adjustment.

(5) Adequate ventilation, heating, and cooling shall be provided where needed.

(d) *Cooler room requirements.* (1) Cooler rooms holding shell eggs that are identified with a consumer grade shall be refrigerated and capable of maintaining an ambient temperature no greater than 45 °F (7.2 °C) and equipped with humidifying equipment capable of maintaining a relative humidity which will minimize shrinkage.

(2) Accurate thermometers and hygrometers shall be provided for monitoring cooler room temperatures and relative humidity.

(3) Cooler rooms shall be free from objectionable odors and from mold, and shall be maintained in a sanitary condition.

(e) *Shell egg protecting operations.* (1) Shell egg protecting (oil application) operations shall be conducted in a manner to avoid contamination of the product and maximize conservation of its quality.

(2) Component equipment within the shell egg protecting system, including holding tanks and containers, must be sanitarily designed and maintained in a clean and sanitary manner, and the application equipment must provide an adequate amount of oil for shell coverage of the volume of eggs processed.

(3) Eggs with excess moisture on the shell shall not be shell protected.

(4) Oil having any off odor, or that is obviously contaminated, shall not be used in shell egg protection operations.

Oil is to be filtered prior to application.

(5) The component equipment of the application system shall be washed, rinsed, and treated with a bactericidal agent each time the oil is removed.

(6) Adequate coverage and protection against dust and dirt shall be provided when the equipment is not in use.

(f) *Shell egg cleaning operations.* (1) Shell egg washing equipment must be sanitarily designed, maintained in a clean and sanitary manner, and thoroughly cleaned at the end of each operating day.

(2) Shell egg drying equipment must be sanitarily designed and maintained in a clean and sanitary manner. Air used for drying purposes must be filtered. These filters shall be cleaned or replaced as needed to maintain a sanitary process.

(3) The temperature of the wash water shall be maintained at 90 °F (32.2 °C) or higher, and shall be at least 20 °F (6.7 °C) warmer than the internal temperature of the eggs to be washed. These temperatures shall be maintained throughout the cleaning cycle. Accurate thermometers shall be provided for monitoring wash water temperatures.

(4) Approved cleaning compounds shall be used in the wash water.

(5) Wash water shall be changed approximately every 4 hours or more often if needed to maintain sanitary conditions, and at the end of each shift. Remedial measures shall be taken to prevent excess foaming during the egg washing operation.

(6) Replacement water shall be added continuously to the wash water of washers. Chlorine or quaternary sanitizing rinse water may be used as part of the replacement water, provided, they are compatible with the washing compound. Iodine sanitizing rinse water may not be used as part of the replacement water.

(7) Only potable water may be used to wash eggs. Each official plant shall submit certification to the national office stating that their water supply is potable. An analysis of the iron content of the water supply, stated in parts per million, is also required. When the iron content exceeds 2 parts per million, equipment shall be pro-

vided to reduce the iron content below the maximum allowed level. Frequency of testing for potability and iron content shall be determined by the Administrator. When the water source is changed, new tests are required.

(8) Waste water from the egg washing operation shall be piped directly to drains.

(9) The washing, rinsing, and drying operations shall be continuous and shall be completed as rapidly as possible to maximize conservation of the egg's quality and to prevent sweating of eggs. Eggs shall not be allowed to stand or soak in water. Immersion-type washers shall not be used.

(10) Prewetting shell eggs prior to washing may be accomplished by spraying a continuous flow of water over the eggs in a manner which permits the water to drain away or other methods which may be approved by the Administrator. The temperature of the water shall be the same as prescribed in this section.

(11) Washed eggs shall be spray-rinsed with water having a temperature equal to, or warmer than, the temperature of the wash water. The spray-rinse water shall contain a sanitizer that has been determined acceptable for the intended use by the national supervisor and of not less than 100 p/m nor more than 200 p/m of available chlorine or its equivalent. Alternate procedures, in lieu of a sanitizer rinse, may be approved by the national supervisor.

(12) Test kits shall be provided and used to determine the strength of the sanitizing solution.

(13) During non-processing periods, eggs shall be removed from the washing and rinsing area of the egg washer and from the scanning area whenever there is a buildup of heat that may diminish the quality of the egg.

(14) Washed eggs shall be reasonably dry before packaging and packing.

(15) Steam, vapors, or odors originating from the washing and rinsing operation shall be continuously and directly exhausted to the outside of the building.

(g) *Requirements for eggs officially identified with a grademark.* (1) Shell eggs that are officially identified with a grademark shall be placed under refrigeration at an ambient temperature

§56.77

no greater than 45 °F (7.2 °C) promptly after packaging.

(2) Eggs that are to be officially identified with the grademark shall be packed only in new or good used packing material and new packaging materials that are clean, free of mold, mustiness and off odors, and must be of sufficient strength and durability to adequately protect the eggs during normal distribution. When packed in other than fiber packing material, the containers must be of sound construction and maintained in a reasonably clean manner.

(h) *Use of approved chemicals and compounds.* (1) All egg washing and equipment cleaning compounds, defoamers, destainers, sanitizers, inks, oils, lubricants, or any other compound that comes into contact with the shell eggs shall be approved by the national supervisor for their specified use and handled in accordance with the manufacturer's instructions.

(2) All pesticides, insecticides, and rodenticides shall be approved for their specified use and handled in accordance with the manufacturer's instructions.

[69 FR 76376, Dec. 21, 2004]

§56.77 Health and hygiene of personnel.

(a) No person known to be affected by a communicable or infectious disease shall be permitted to come in contact with the product.

(b) Plant personnel coming into contact with the product shall wear clean clothing.

[32 FR 8232, June 8, 1967. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981]

**PART 57—INSPECTION OF EGGS
(EGG PRODUCTS INSPECTION ACT)**

**Subpart A—Regulations Governing the
Inspection of Eggs**

GENERAL

- Sec.
- 57.1 Definitions.
- 57.10 Administration.
- 57.13 Federal and State cooperation.
- 57.17 Nondiscrimination.
- 57.18 OMB control number.

7 CFR Ch. I (1–1–19 Edition)

SCOPE OF INSPECTION

- 57.20 Inspection in accordance with methods prescribed or approved.
- 57.22 Basis of service.
- 57.28 Inspections.

RELATION TO OTHER AUTHORITIES

- 57.35 Eggs in commerce.

EGGS NOT INTENDED FOR HUMAN FOOD

- 57.45 Prohibition on eggs not intended for use as human food.

EXEMPTIONS

- 57.100 Specific exemptions.
- 57.105 Suspension or termination of exemptions.

PERFORMANCE OF SERVICES

- 57.110 Licensed inspectors.
- 57.112 Suspension of license or authority; revocation.
- 57.114 Surrender of license.
- 57.119 Political activity.
- 57.120 Financial interest of inspectors.
- 57.130 Identification.
- 57.132 Access to plants.
- 57.134 Accessibility of product.

**RECORDS AND RELATED REQUIREMENTS FOR
EGG HANDLERS AND RELATED INDUSTRIES**

- 57.200 Records and related requirements.
- 57.220 Information and assistance to be furnished to inspectors.

ADMINISTRATIVE DETENTION

- 57.240 Detaining product.

APPEAL OF AN INSPECTION

- 57.300 Who may request an appeal inspection.
- 57.310 Where to file an appeal.
- 57.320 How to file an appeal.
- 57.330 When an application for an appeal inspection may be refused.
- 57.340 Who shall perform the appeal.
- 57.350 Procedures for selecting appeal samples.
- 57.360 Appeal inspection certificates.
- 57.370 Cost of appeals.

RETENTION

- 57.426 Retention.

REGISTRATION OF SHELL EGG HANDLERS

- 57.690 Persons required to register.

**INSPECTION AND DISPOSITION OF RESTRICTED
EGGS**

- 57.700 Prohibition on disposition of restricted eggs.
- 57.720 Disposition of restricted eggs.