

## SUBCHAPTER C—REGULATIONS AND STANDARDS UNDER THE AGRICULTURAL MARKETING ACT OF 1946 AND THE EGG PRODUCTS INSPECTION ACT (CONTINUED)

### PART 53—LIVESTOCK (GRADING, CERTIFICATION, AND STANDARDS)

#### Subpart A—Regulations

##### DEFINITIONS

Sec.

- 53.1 Meaning of words.  
53.2 Designation of official certificates, memoranda, marks, other identifications, for purposes of the Agricultural Marketing Act.

##### ADMINISTRATION

- 53.3 Authority.

##### SERVICE

- 53.4 Kind of service.  
53.5 Availability of service.  
53.8 How to obtain service.  
53.9 Order of furnishing service.  
53.10 When request for service deemed made.  
53.11 Withdrawal of application or request for service.  
53.12 Authority of agent.  
53.13 Denial or withdrawal of service.  
53.14 Financial interest of official grader.  
53.15 Accessibility to livestock.  
53.16 Official certificates.  
53.17 Advance information concerning service rendered.

##### CHARGES FOR SERVICE

- 53.18 Fees and other charges for service.  
53.19 Payment of fees and other charges.

##### MISCELLANEOUS

- 53.20 Identification.  
53.21 Errors in service.

#### Subpart B [Reserved]

AUTHORITY: 7 U.S.C. 1621–1627.

SOURCE: 42 FR 53902, Oct. 4, 1977, unless otherwise noted.

#### Subpart A—Regulations

##### DEFINITIONS

##### § 53.1 Meaning of words.

Words used in this subpart in the singular form shall be deemed to import the plural, and vice versa, as the case may demand. For the purposes of such

regulations, unless the context otherwise requires, the following terms shall be construed, respectively, to mean:

*Acceptance service.* The service established and conducted under the regulations for the determination and certification or other identification of the compliance of livestock with specifications.

*Act.* The Agricultural Marketing Act of 1946 (Title II of the act of Congress approved August 14, 1946, 60 Stat. 1087, as amended by Pub. L. 272, 84th Cong., 69 Stat. 553, 7 U.S.C. 1621–1627).

*Administrator.* The Administrator of the Agricultural Marketing Service, or any officer or employee of the Agricultural Marketing Service to whom authority has heretofore been delegated, or to whom authority may hereafter be delegated, to act in his stead.

*Agricultural Marketing Service.* The Agricultural Marketing Service of the Department.

*Applicant.* Any person who has applied for service under the regulations.

*Branch.* The Livestock Market News Branch of the Division.

*Chief.* The Chief of the Branch, or any officer or employee of the Branch to whom authority has heretofore been delegated, or to whom authority may hereafter be delegated, to act in his stead.

*Class.* A subdivision of livestock based on essential physical characteristics that differentiate between major groups of the same kind of species.

*Compliance.* Conformity of livestock to the specifications under which the livestock was purchased or sold, with particular reference to the weight, quality or other characteristics of livestock.

*Cooperative agreement.* A cooperative agreement between the Agricultural Marketing Service and another Federal agency or a State agency, or other agency, organization or person as specified in the Agricultural Marketing Act of 1946, as amended, for conducting the service.

*Department.* The United States Department of Agriculture.

*Director.* The Director of the Division or any officer or employee of the Division to whom authority has heretofore been delegated, or to whom authority may hereafter be delegated, to act in his stead.

*Division.* Livestock, Poultry, Grain and Seed Division.

*Financially interested person.* Any person having a financial interest in the livestock involved, including but not limited to the shipper, receiver, producer, seller, buyer, or carrier of the livestock or products.

*Grade.* (1) As a noun, this term means an important commercial subdivision of livestock based on certain definite and preference determining factors, such as, but not limited to, conformation, finish, and muscling in livestock.

(2) As a verb, this term means to determine the class, grade, or other quality of livestock according to applicable standards for such livestock.

*Grading service.* The service established and conducted under the regulations for the determination and certification or other identification of the class, grade, or other quality of livestock under standards.

*Legal holiday.* Those days designated as legal public holidays in title 5, United States Code, section 6103(a).

*Livestock.* Cattle, sheep, swine, or goats.

*Official grader.* An employee of the Department or other person authorized by the Department to determine and certify or otherwise identify the class, grade, other quality, or compliance of livestock under the regulations.

*Person.* Any individual, partnership, corporation, or other legal entity, or Government agency.

*Regulations.* The regulations in this subpart.

*Service.* Grading service or acceptance service.

*Specifications.* Description with respect to the class, grade, other quality, quantity or condition of livestock approved by the Administrator, and available for use by the industry regardless of the origin of the descriptions.

*Standards.* The standards of the Department contained in Official United

States Standards for Grades of: Carcass Beef; Veal and Calf Carcasses; Lamb, Yearling Mutton, and Mutton Carcasses; and, Pork Carcasses.

*Supervisor.* An official person designated by the Director or Chief to supervise and maintain uniformity and accuracy of service under the regulations.

[42 FR 53902, Oct. 4, 1977, as amended at 63 FR 72101, Dec. 31, 1998]

**§ 53.2 Designation of official certificates, memoranda, marks, other identifications, 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 inspection or grading of agricultural products under said section. For the purposes of said subsection and the provisions in this part, the terms listed below shall have the respective meanings specified:

(a) *Official certificate* means any form of certification, either written or printed, including that prescribed in § 53.16, used under the regulations to certify with respect to the inspection, class, grade, quality, size, quantity, or condition of livestock with applicable specifications.

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

(c) *Official mark or other official identification* means any form of mark or other identification, used under the regulations in marking livestock thereof, to show inspection, class,

## Agricultural Marketing Service, USDA

## § 53.12

grade, quality, size, quantity, or condition of the livestock (including the compliance of livestock with applicable specifications), or to maintain the identity of livestock for which service is provided under the regulations.

### ADMINISTRATION

#### § 53.3 Authority.

The Director is charged with the administration of the regulations and the Act insofar as they relate to livestock.

### SERVICE

#### § 53.4 Kind of service.

Grading service under the regulations shall consist of the determination and certification and other identification, upon request by the applicant, of the class, grade, or other quality of livestock under applicable standards. Class, grade and other quality may be determined under said standards for livestock. Acceptance service under the regulations shall consist of the determination of the conformity of livestock to specifications approved by the Director or Chief and the certification and other identification of such livestock in accordance with specifications, upon request by the applicant.

[42 FR 53902, Oct. 4, 1977, as amended at 63 FR 72101, Dec. 31, 1998]

#### § 53.5 Availability of service.

Service under these regulations may be made available with respect to livestock shipped or received in interstate commerce, and with respect to the livestock not so shipped or received if the Director or Chief determines that the furnishing of service for such livestock would facilitate the marketing, distribution, processing, or utilization of agricultural products through commercial channels. Also, such service may be made available under a cooperative agreement. Service under these regulations shall be provided without discrimination as to race, color, sex, creed, or national origin.

#### § 53.8 How to obtain service.

(a) *Application.* Any person may apply to the Director or Chief for service under the regulations with respect to livestock in which the applicant is fi-

nancially interested. The application shall be made on a form approved by the Director.

(b) *Notice of eligibility for service.* The applicant for service will be notified whether his application is approved.

(c) *Request by applicant for service—(1) Noncommitment.* Upon notification of the approval on an application for service, the applicant may, from time to time as desired, make oral or written requests for service under the regulations with respect to specific livestock for which the service is to be furnished under such application. Such requests shall be made at a market news office either directly or through any employee of the Agricultural Marketing Service who may be designated for such purposes.

#### § 53.9 Order of furnishing service.

Service under the regulations shall be furnished to applicants in the order in which requests therefor are received, insofar as consistent with good management, efficiency and economy. Precedence will be given, when necessary, to requests made by any government agency or any regular user of the service.

#### § 53.10 When request for service deemed made.

A request for service under the regulations shall be deemed to be made when received by a market news office. Records showing the date and time of the request shall be made and kept in such office.

#### § 53.11 Withdrawal of application or request for service.

An application or a request for service under the regulations may be withdrawn by the applicant at any time before the application is approved or prior to performance of service, upon payment, in accordance with §§ 53.18 and 53.19, of any expenses already incurred by the Agricultural Marketing Service in connection therewith.

#### § 53.12 Authority of agent.

Proof of the authority of any person making an application or a request for service under the regulations on behalf of any other person may be required at the discretion of the Director or Chief

### § 53.13

### 7 CFR Ch. I (1–19 Edition)

or the official in charge of the market news office or other employee receiving the application or request under § 53.8.

#### **§ 53.13 Denial or withdrawal of service.**

(a) *For misconduct*—(1) *Bases for denial or withdrawal.* An application or a request for service may be rejected, or the benefits of the service may be otherwise denied to, or withdrawn from, any person who, or whose employee or agent in the scope of his employment or agency: (i) Has willfully made any misrepresentation or has committed any other fraudulent or deceptive practice in connection with any application or request for service under the regulations; (ii) has given or attempted to give, as a loan or for any other purpose, any money, favor, or other thing of value, to any employee of the Department authorized to perform any function under the regulations; (iii) has interfered with or obstructed, or attempted to interfere with or to obstruct, any employee of the Department in the performance of his duties under the regulations by intimidation, threats, assaults, abuse, or any other improper means; (iv) has knowingly falsely made, issued, altered, forged, or counterfeited any official certificate, memorandum, mark, or other identification; (v) has knowingly uttered, published, or used as true any such falsely made, issued, altered, forged, or counterfeited certificate, memorandum, mark, identification, or device; (vi) has knowingly obtained or retained possession of any such falsely made, issued, altered, forged, or counterfeited certificate, memorandum, mark, identification, or device, or of any livestock bearing any such falsely made, issued, altered, forged, or counterfeited mark or identification; or (vii) has in any manner not specified in this paragraph violated subsection 203(h) of the Act: *Provided*, That paragraph (a)(1)(vi) of this section shall not be deemed to be violated if the person in possession of any item mentioned therein notifies the Director or Chief without delay that he has possession of such item and, surrenders it to the Director or Chief or destroys it or brings it into compliance with the regulations by obliterating or removing the viola-

tive features under supervision of the Director or Chief: *And provided, further*, That paragraph (a)(1)(ii) through (vi) of this section shall not be deemed to be violated by any act committed by any person prior to the making of an application for service under the regulations by the principal person. An application or a request for service may be rejected, or the benefits of the service may be otherwise denied to, or withdrawn from, any person who, or whose employee or agent in the scope of his employment or agency, has committed any of the offenses specified in paragraph (a)(1) (i) through (vii) of this section after such application was made. Moreover, an application or a request for service made in the name of a person otherwise eligible for service under the regulations may be rejected, or the benefits of the service may be otherwise denied to, or withdrawn from, such a person (a) in case the service is or would be performed at an establishment operated (1) by a corporation, partnership, or other person from whom the benefits of the service are currently being withheld under this paragraph, or (2) by a corporation, partnership, or other person having an officer, director, partner, or substantial investor from whom the benefits of the service are currently being withheld and who has any authority with respect to the establishment where service is or would be performed, or (b) in case the service is or would be performed with respect to any livestock in which any corporation, partnership, or other person within paragraph (a)(1)(vii)(a)(1) of this section has a contract or other financial interest.

(2) *Procedure.* All cases arising under this paragraph shall be conducted in accordance with the Rules of Practice Governing Formal Adjudicatory Proceedings Instituted by the Secretary Under Various Statutes set forth in §§1.130 through 1.151 of this title and the Supplemental Rules of Practice in part 50 of this chapter.

(b) *For miscellaneous reasons.* An application or a request for service may be rejected, or the benefits of the service may be otherwise denied to, or withdrawn from, any person, without a hearing, by the official in charge of the appropriate market news office with

## Agricultural Marketing Service, USDA

## § 53.18

the concurrence of the Director or Chief: (1) For administrative reasons such as the nonavailability of personnel to perform the service; (2) for the failure to pay for service; (3) for other noncompliance with the conditions on which service is available as provided in the regulations, except matters covered by paragraph (a) of this section; or (4) in case the person is a partnership, corporation, or other person from whom the benefits of the service are currently being withheld under paragraph (a) of this section. Notice of such denial or withdrawal, and the reasons therefor, shall promptly be given to the person involved.

(c) *Filing of records.* The final orders in formal proceedings under paragraph (a) of this section to deny or withdraw the service under the regulations (except orders required for good cause to be held confidential and not cited as precedents) and other records in such proceedings (except those required for good cause to be held confidential) shall be filed with the Hearing Clerk and shall be available for inspection by persons having a proper interest therein.

[42 FR 53902, Oct. 4, 1977, as amended at 60 FR 8464, Feb. 14, 1995]

### § 53.14 Financial interest of official grader.

No official grader shall grade or determine compliance of any livestock in which he or any of his relatives by blood or marriage is directly or indirectly financially interested.

### § 53.15 Accessibility to livestock.

(a) The applicant shall cause livestock, with respect to which service is requested, to be made easily accessible for examination and to be so placed, with adequate illuminating facilities, as to disclose their class, grade, other quality, and compliance. Supervisors and other employees of the Department responsible for maintaining uniformity and accuracy of service under the regulations shall have access to all parts of establishments covered by approved applications for service under the regulations, for the purpose of examining all livestock in the establishments which have been or are to be graded or exam-

ined for compliance with specifications.

(b) [Reserved]

### § 53.16 Official certificates.

(a) *Required; exception.* The official grader shall prepare, sign, and issue a livestock acceptance certificate covering livestock for which compliance has been determined.

(b) Where weight is certified, the word "Not" shall be deleted from the phrases "Weights Not Verified."

(c) *Distribution.* The original certificate, and not to exceed two copies, shall be delivered or mailed to the applicant or other person designated by him. The remaining copies shall be forwarded as required by agency, division, and branch instructions. Additional copies will be furnished to any person financially interested in livestock involved with the concurrence of the applicant and upon payment of fees, as provided in § 53.18(d).

### § 53.17 Advance information concerning service rendered.

Upon request of any applicant, all or any part of the contents of any certificate issued to him under the regulations, or other notification concerning the determination of class, grade, other quality, or compliance of livestock for such applicant may be transmitted by telegraph or telephone to him, or to any person designated by him, at his expense.

#### CHARGES FOR SERVICE

### § 53.18 Fees and other charges for service.

Fees and other charges equal as nearly as may be to the cost of the services rendered shall be assessed and collected from applicants in accordance with the following provisions unless otherwise provided in the cooperative agreement under which the services are furnished, or as provided in § 53.8.

(a) *Fees based on hourly rates.* Except as otherwise provided in this section, fees for service shall be based on the time required to render the service, calculated to the nearest 15-minute period, including time required for the preparation of certificates and travel of the official grader in connection

## § 53.19

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

with the performance of service. A minimum charge for 1 hour shall be made for service pursuant to each request notwithstanding that the time required to perform service may be less than 60 minutes. The base hourly rate shall be \$29.40 per hour for work performed between the hours of 6 a.m. and 6 p.m., Monday through Friday, except on legal holidays; \$32.80 per hour for work performed before 6 a.m. or after 6 p.m., Monday through Friday, and anytime Saturday or Sunday except on legal holidays; and \$58.80 per hour for all work performed on legal holidays.

(b) *Travel charges.* When service is requested at a place so distant from an official grader's headquarters, or place of prior assignment on a circuitous routing that a total of one-half hour or more is required for the grader to travel to such place and back to the headquarters, or to the next place of assignment on a circuitous routing, the charge for such service shall include a mileage charge administratively determined by the Chief, and travel tolls, if applicable, for such travel prorated against all the applicants furnished the service involved on an equitable basis, or where the travel is made by public transportation (including hired vehicle), a fee equal to the actual cost thereof. However, the applicant will not be charged a new mileage rate without notification before the service is rendered.

(c) *Per diem charges.* When service is requested at a place away from the official grader's headquarters, the fee for such service shall include a per diem charge if the employee performing the service is paid per diem in accordance with existing travel regulations. Per diem charges to applicants will cover the same period of time for which the grader receives per diem reimbursement. The per diem rate will be administratively determined by the Chief. However, the applicant will not be charged a new per diem rate without notification before the service is rendered.

(d) *Fees for extra copies of certificates.* In addition to copies of certificates furnished under § 53.16, any financially interested person may obtain not to exceed three copies of any such certificate within 1 year from its date of

issuance upon payment of a fee of \$1.00, and not to exceed three copies of any such certificate at any time thereafter, while a copy of such certificate is on file in the Department, upon payment of a fee of \$5.00.

(e) *Other charges.* When costs, other than costs specified in paragraphs (a), (b), (c), and (d) of this section, are involved in providing the services, the applicant will be charged for these costs. The amount of these charges will be determined administratively by the Chief. However, the applicant will not be charged for such cost without notification before the service is rendered of the charge for such item of expense.

[42 FR 53902, Oct. 4, 1977, as amended at 47 FR 54927, Dec. 7, 1982; 48 FR 16874, Apr. 20, 1983]

### § 53.19 Payment of fees and other charges.

Fees and other charges for service shall be paid in accordance with the following provisions unless otherwise provided in the cooperative agreement under which the service is furnished. Upon receipt of billing for fees and other charges for service the applicant shall remit by check, draft, or money order, made payable to the Agricultural Marketing Service, U.S.D.A., payment for the service in accordance with directions on the billing, and such fees and charges shall be paid in advance if required by the official grader or other authorized official.

#### MISCELLANEOUS

### § 53.20 Identification.

All official graders and supervisors shall have their Agricultural Marketing Service identification cards in their possession at all times while they are performing any function under the regulations and shall identify themselves by such cards upon request.

### § 53.21 Errors in service.

When an official grader, supervisor, or other responsible employee of the Branch has evidence of misgrading, or of incorrect certification or other incorrect determination or identification as to the class, grade, other quality, or compliance of livestock, he shall report the matter to his immediate supervisor. The supervisor will investigate

## Agricultural Marketing Service, USDA

Pt. 54

the matter and, if he deems advisable, will report it to the owner or his agent. The supervisor shall take appropriate action to correct errors found in the determination or identification of class, grade or other quality or compliance of livestock if the livestock is still owned by the person who owned them when, and are still located at the establishment where, the incorrect service was rendered and if such service was rendered by a grader under the jurisdiction of such supervisor, and the supervisor shall take adequate measures to prevent the recurrence of such errors.

### Subpart B [Reserved]

## PART 54—MEATS, PREPARED MEATS, AND MEAT PRODUCTS (GRADING, CERTIFICATION, AND STANDARDS)

### Subpart A—Regulations

#### DEFINITIONS

Sec.

- 54.1 Meaning of words.
- 54.2 Designation of official certificates, memoranda, marks, other identifications, and devices for purposes of the Agricultural Marketing Act.

#### ADMINISTRATION

- 54.3 Authority.

#### SERVICE

- 54.4 Kind of service.
- 54.5 Availability of service.
- 54.6 How to obtain service.
- 54.7 Order of furnishing service.
- 54.8 When request for service deemed made.
- 54.9 Withdrawal of application or request for service.
- 54.10 Authority of agent.
- 54.11 Denial or withdrawal of service.
- 54.12 Financial interest of official grader.
- 54.13 Accessibility and refrigeration of products; access to establishments.
- 54.14 Official certificates.
- 54.15 Advance information concerning service rendered.
- 54.16 Marking of products.
- 54.17 Official identifications.
- 54.18 Custody of identification devices.

#### APPEAL SERVICE

- 54.19 What is appeal service; marking products on appeal; requirements for appeal; certain determinations not appealable.
- 54.20 Request for appeal service.

- 54.21 When request for appeal service may be withdrawn.
- 54.22 Denial or withdrawal of appeal service.
- 54.23 Who shall perform appeal service.
- 54.24 Appeal certificates.
- 54.25 Superseded certificates.
- 54.26 Application of other regulations to appeal service.

#### CHARGES FOR SERVICE

- 54.27 Fees and other charges for service.
- 54.28 Payment of fees and other charges.

#### MISCELLANEOUS

- 54.29 Identification.
- 54.30 Errors in service.
- 54.31 Uniforms.

### Subpart B [Reserved]

## Subpart C—Regulations Governing the Certification of Sanitary Design and Fabrication of Equipment Used in the Slaughter, Processing, and Packaging of Livestock and Poultry Products

- 54.1001 Meaning of words.
- 54.1002 Terms defined.
- 54.1003 Designation of official certificates, memoranda, marks, and other identifications for purposes of the Agricultural Marketing Act.
- 54.1004 Administration and implementation.
- 54.1005 Basis of service.
- 54.1006 Kind of service.
- 54.1007 Availability of service.
- 54.1008 How to obtain service.
- 54.1009 Order of furnishing service.
- 54.1010 When request for service deemed made.
- 54.1011 Withdrawal of application or request for service.
- 54.1012 Authority of agent.
- 54.1013 When an application may be rejected.
- 54.1014 Accessibility of equipment and utensils; access to establishments.
- 54.1015 Official reports, forms, and certificates.
- 54.1016 Advance information concerning service rendered.
- 54.1017 Authority to use official identification.
- 54.1018 Form of official identification and approval for use.
- 54.1019 Renewal of Acceptance Certification.
- 54.1020 Appeal service; marking equipment or utensils on appeal; requirements for appeal; certain determinations not appealable.
- 54.1021 Request for appeal service.
- 54.1022 When request for appeal service may be withdrawn.
- 54.1023 Denial or withdrawal of appeal service.

## § 54.1

## 7 CFR Ch. I (1–19 Edition)

- 54.1024 Who shall perform appeal service.
- 54.1025 Appeal reports.
- 54.1026 Superseded reports.
- 54.1027 Application of other regulations to appeal service.
- 54.1028 Fees and other charges for service.
- 54.1029 Payment of fees and other charges.
- 54.1030 Identification.
- 54.1031 Errors in service.
- 54.1032 Denial or withdrawal of service.
- 54.1033 Confidential treatment.
- 54.1034 OMB control numbers assigned pursuant to the Paperwork Reduction Act.

AUTHORITY: 7 U.S.C. 1621–1627.

SOURCE: 42 FR 53921, Oct. 4, 1977, unless otherwise noted. Redesignated at 46 FR 63203, Dec. 31, 1981.

### Subpart A—Regulations

#### DEFINITIONS

#### § 54.1 Meaning of words.

Words used in this subpart in the singular form shall be deemed to import the plural, and vice versa, as the case may demand. For the purposes of such regulations, unless the context otherwise requires, the following terms shall be construed, respectively, to mean:

*Administrator.* The Administrator of the Agricultural Marketing Service, or any officer or employee of the Agricultural Marketing Service to whom authority has heretofore been delegated or to whom authority may hereafter be delegated, to act in his stead.

*Agricultural Marketing Service.* The Agricultural Marketing Service of the Department.

*Animals.* Cattle, sheep, swine, or goats.

*Applicant.* Any person who has applied for service under the regulations.

*Branch.* The Meat Grading Branch of the Division.

*Carcass.* The commercially prepared or dressed body of any animal intended for human food.

*Carcass Data Service.* The service established and conducted under the regulations to provide producers and other interested persons with data on carcass characteristics.

*Certification service.* The service established and conducted under the regulations for the determination and certification or other identification of the compliance of products with specifications.

*Chief.* The Chief of the Branch, or any officer or employee of the Branch to whom authority has heretofore been delegated, or to whom authority may hereafter be delegated, to act in his stead.

*Class.* A subdivision of a product based on essential physical characteristics that differentiate between major groups of the same kind of species.

*Compliance.* Conformity of a product to the specifications under which the product was purchased or sold, with particular reference to the quality, cleanliness, state of refrigeration, method of processing, and trim of products.

*Contract verification service.* A program allowing institutions or other large purchasers of commodity products to have those products compared to contractual requirements.

*Cooperative agreement.* A cooperative agreement between the Agricultural Marketing Service and another Federal agency or a State agency, or other agency, organization or person as specified in the Agricultural Marketing Act of 1946, as amended, for conducting the service.

*Department.* The United States Department of Agriculture.

*Director.* The Director of the Division, or any officer or employee of the Division to whom authority has heretofore been delegated, or to whom authority may hereafter be delegated, to act in his stead.

*Division.* The Meat Quality Division of the Agricultural Marketing Service.

*Fabricating.* Cutting into wholesale or retail cuts, dicing or grinding.

*Federal Meat Inspection.* The meat inspection system conducted under the Federal Meat Inspection Act as amended by the Wholesome Meat Act (21 U.S.C. 601 *et seq.*) and the regulations thereunder (9 CFR chapter III, subchapter A).

*Financially interested person.* Any person having a financial interest in the products involved, including but not limited to the shipper, receiver, producer, seller, buyer, or carrier of the products.

*Grade.* (1) As a noun, this term means an important commercial subdivision of a product based on certain definite and preference determining factors,



## Agricultural Marketing Service, USDA

## § 54.1

such as, but not limited to, conformation, finish, and quality in meats.

(2) As a verb, this term means to determine the class, grade, or other quality of a product according to applicable standards for such product.

*Grading Service.* The service established and conducted under the regulations for the determination and certification or other identification of the class, grade, or other quality of products under standards.

*Immediate container.* The carton, can, pot, tin, casing, wrapper, or other receptacle or covering constituting the basic unit in which products are directly contained or wrapped when packed in the customary manner for delivery to the meat trade or to consumers.

*Institutional Meat Purchase Specifications.* Specifications describing various meat cuts, meat products, and meat food products derived from all livestock species, commonly abbreviated “IMPS”, and intended for use by any meat procuring activity. For labeling purposes, only product certified by the Meat Grading and Certification Branch may contain the letters “IMPS” on the product label.

*Legal Holiday.* Those days designated as legal public holidays in title 5, United States Code, section 6103(a).

*Livestock.* Bovine, ovine, porcine.

*Meat.* The edible part of the muscle of an animal, which is skeletal, or which is found in the tongue, in the diaphragm, in the heart, or in the esophagus, and which is intended for human food, with or without the accompanying and overlying fat and the portions of bone, skin, sinew, nerve, and blood vessels which normally accompany the muscle tissue and which are not separated from it in the process of dressing. This term does not include the muscle found in the lips, snout, or ears.

*Meat by-products.* All edible parts (other than meat and prepared meats) intended for human food, derived from one or more animals, and including but not limited to such organs and parts as livers, kidneys, sweetbreads, brains, lungs, spleens, stomachs, tripe, lips, snouts, and ears.

*Meat food products.* Any articles intended for human food (other than

meat, prepared meats, and meat by-products) which are derived or prepared in whole or in substantial and definite part, from any portion of any animal, except such articles as organotherapeutic substances, meat juice, meat extract, and the like, which are only for medicinal purposes and are advertised only to the medical profession.

*Office of grading.* The office of an official grader.

*Official grader.* An employee of the Department or other person authorized by the Department to determine and certify or otherwise identify the class, grade, other quality, or compliance of products under the regulations.

*Person.* Any individual, partnership, corporation, or other legal entity, or Government agency.

*Prepared meats.* The products intended for human food which are obtained by subjecting meat to drying, curing, smoking, cooking, grinding, seasoning, or flavoring, or to any combination of such procedures, and to which no considerable quantity of any substance other than meat or meat by-products has been added.

*Processing.* Drying, curing, smoking, cooking, seasoning, or flavoring or any combination of such processes, with or without fabricating.

*Products.* Meats, prepared meats, meat by-products, or meat food products.

*Quality.* A combination of the inherent properties of a product which determines its relative degree of excellence.

*Quality grade.* A designation based on those characteristics of meat which predict the palatability characteristics of the lean.

*Quality Systems Certification Program.* A multifaceted program allowing all aspects of the livestock industry to have quality systems, or processes within quality systems, verified by AMS agent(s) to effectuate use of such quality systems to meet contractual requirements, or as a marketing tool.

*Service.* Grading service or acceptance service.

*Shipping container.* The receptacle or covering in which one or more immediate containers of products are packed for transportation.

## § 54.2

*Specifications.* Descriptions with respect to the class, grade, other quality, quantity or condition of products, approved by the Administrator, and available for use by the industry regardless of the origin of the descriptions.

*Standards.* The standards of the Department contained in Official United States Standards for Grades of: Carcass Beef; Veal and Calf Carcasses; Lamb, Yearling Mutton, and Mutton Carcasses; and, Pork Carcasses.

*Supervisor of grading.* An official grader or other person designated by the Director or Chief to supervise and maintain uniformity and accuracy of service under the regulations.

*The Act.* The Agricultural Marketing Act of 1946 (Title II of the act of Congress approved August 14, 1946, 60 Stat. 1087, as amended by Pub. L. 272, 84th Cong., 69 Stat. 553, 7 U.S.C. 1621-1627).

*The regulations.* The regulations in this subpart.

*Yield grade.* A designation which reflects the estimated yield of retail cuts that may be obtained from a beef, lamb, yearling mutton, or mutton carcass.

[42 FR 53921, Oct. 4, 1977, as amended at 45 FR 51762, Aug. 5, 1980. Redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 61 FR 11505, Mar. 21, 1996; 63 FR 72102, Dec. 31, 1998]

### **§ 54.2 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 inspection or grading of agricultural products under said section. For the purposes of said subsection and the provisions in this part, the terms listed below shall have the respective meanings specified:

(a) *Official certificate* means any form of certification, either written or printed, used under the regulations to cer-

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

tify with respect to the inspection, 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, determining compliance, inspecting, or sampling pursuant to the regulations, any processing or plant-operation report made by an authorized person in connection with grading, determining compliance, inspecting, or sampling under the regulations, and any report made by an authorized person of services performed pursuant to the regulations.

(c) *Official mark or other official identification* means any form of mark or other identification, including those prescribed in § 54.17; used under the regulations in marking any products, or the immediate or shipping containers thereof, to show inspection class, grade quality, size quantity, or condition of the products (including the compliance of products with applicable specifications), or to maintain the identity of products for which service is provided under the regulations.

(d) *Official device* means any roller, stamp, brand or other device used under the regulations to mark any products or the immediate or shipping containers, thereof, with any official mark or other official identification.

### ADMINISTRATION

#### **§ 54.3 Authority.**

The Chief is charged with the administration, under the general supervision and direction of the Director, of the regulations and the Act insofar as they relate to products.

### SERVICE

#### **§ 54.4 Kind of service.**

(a) Grading service under the regulations shall consist of the determination and certification and other identification, upon request by the applicant, of the class, grade, or other quality of products under applicable standards. Class, grade, and other quality may be determined under said standards for

## Agricultural Marketing Service, USDA

## § 54.6

meat of cattle, sheep, or swine in carcass form only, except upon approval by the Director upon his determination of good cause and provided that the meat can be identified in conformance with the standards.

(b) Certification service under the regulations shall consist of the determination of the conformity of products to specifications approved by the Director or Chief and the certification and other identification of such livestock or products in accordance with specifications, upon request by the applicant. Determination as to product compliance with specifications for ingredient content or method of preparation may be based upon information received from the inspection system having jurisdiction over the products involved.

(c) The Carcass Data Service, under the regulations, shall consist of the evaluation of carcass characteristics, in accordance with applicable official United States Standards of carcasses of animals identified with the official eartag as shown in § 54.17, the recording of such data, and transmittal of the data to, or as directed by, the applicant for the service.

(d) The Contract Verification Service, under the regulations, provides wholesale buyers of noncertified commodity products a method of determining whether procurement(s) met contractually specified requirements.

[63 FR 72102, Dec. 31, 1998, as amended at 70 FR 58971, Oct. 11, 2005]

### § 54.5 Availability of service.

Service under these regulations may be made available with respect to products shipped or received in interstate commerce, and with respect to the products not so shipped or received if the Director or Chief determines that the furnishing of service for such products would facilitate the marketing, distribution, processing, or utilization of agricultural products through commercial channels. Also, such service may be made available under a cooperative agreement. Service under these regulations shall be provided without discrimination as to race, color, sex, creed, or national origin. Service will be furnished for products only if they were derived from animals slaughtered

in federally inspected establishments or operated under State meat inspection in a State other than one designated in 9 CFR 331.2. Service under these regulations will be furnished for imported meat only if it is marked so that the name of the country of origin appears on most of the major retail cuts. The mark of foreign origin shall be imprinted by roller brand or handstamp and shall be applied so that the imprint is at least 2 inches from the backbone of lamb, 3 inches from the backbone of veal and calf, and 4 inches from the backbone of beef carcasses. The mark of foreign origin shall be repeated parallel to the backbone of the carcass so as to appear on each round, rump, full loin, rib, and chuck of each bovine and ovine carcass in letters at least one-fourth of an inch high, with no more than three-fourths of an inch space between impressions. Imprints of each such brand shall be submitted to the Chief for the determination of compliance with these regulations prior to use of the brand on meats offered for Federal grading. It shall be the responsibility of the applicant to notify the meat grade performing the service whenever imported meat is offered for grading.

### § 54.6 How to obtain service.

(a) *Application.* Any person may apply to the Director or Chief for service under the regulations with respect to products in which the applicant is financially interested. The application shall be made on a form approved by the Director. In any case in which the service is intended to be furnished at an establishment not operated by the applicant, the application shall be approved by the operator of such establishment and such approval shall constitute an authorization for any employees of the Department to enter the establishment for the purpose of performing their functions under the regulations. The application shall state:

(1) The name and address of the establishment at which service is desired; (2) the name and post office address of the applicant; (3) the financial interest of the applicant in the products, except where application is made by an official of a Government agency in his official capacity; and (4) the signature of

## § 54.7

## 7 CFR Ch. I (1–19 Edition)

the applicant (or the signature and title of his representative). The application shall indicate the legal status of the applicant as an individual, partnership, corporation, or other form of legal entity. Any change in such status, at any time while service is being received, shall be promptly reported to the Director or Chief by the person receiving the service.

(b) *Notice of eligibility for service.* The applicant for service at any establishment will be notified whether his application is approved.

(c) *Request by applicant for service—(1) Noncommitment.* Upon notification of the approval on an application for service, the applicant may, from time to time as desired, make oral or written requests for service under the regulations with respect to specific products for which the service is to be furnished under such application. Such requests shall be made at an office for grading either directly or through any employee of the Agricultural Marketing Service who may be designated for such purposes.

(2) *Commitment.* If desired, the applicant may request to enter into an agreement with the Agricultural Marketing Service for the furnishing of service on a weekly commitment basis, whereby the applicant agrees to pay for 8 hours of service per day, 5 days per week, Monday through Friday, excluding Federal legal holidays occurring Monday through Friday on which no grading and certification services are performed, as provided in § 54.27, and the Agricultural Marketing Service agrees to make an official grader available to perform such service for the applicant. However, the Agricultural Marketing Service reserves the right to use any grader assigned to a plant under such a commitment to perform service for other applicants when, in the opinion of the Chief, the grader is not needed to perform service for the commitment applicant. An applicant who terminates a commitment, and within 1 year after cancellation is granted a new commitment at his request, shall pay for the moving costs actually incurred by the Agricultural Marketing Service to cover the transfer of the grader who will service the applicant's new commitment. If more

than one applicant is involved in the reapplication for a canceled meat grading and certification commitment requiring the transfer of the grader, the moving costs will be prorated among the applicants according to each applicant's committed portion of the grader's services. However, the moving costs will be charged only to those applicants who were parties to the previously canceled commitment. An applicant may, for periods of 3 months or less, enter into an agreement by memorandum with the Agricultural Marketing Service for the furnishing of service on a weekly basis. In the latter case, transfer of graders would not be involved and charges will be made in accordance with § 54.27.

[42 FR 53921, Oct. 4, 1977. Redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 47 FR 44704, Oct. 12, 1982; 79 FR 67321, Nov. 13, 2014]

### § 54.7 Order of furnishing service.

Service under the regulations shall be furnished to applicants in the order in which requests therefor are received, insofar as consistent with good management, efficiency and economy. Precedence will be given, when necessary, to requests made by any government agency or any regular user of the service, and to requests for appeal service under § 54.20.

### § 54.8 When request for service deemed made.

A request for service under the regulations shall be deemed to be made when received by an office of grading. Records showing the date and time of the request shall be made and kept in such office. However, in the case of the Carcass Data Service, the purchase of official USDA eartags shall constitute a request for such service and the requisition form used to purchase the eartags shall be kept in the designated office of record.

### § 54.9 Withdrawal of application or request for service.

An application or a request for service under the regulations may be withdrawn by the applicant at any time before the application is approved or prior to performance of service, upon payment, in accordance with §§ 54.27

## Agricultural Marketing Service, USDA

## § 54.11

and 54.28, of any expenses already incurred by the Agricultural Marketing Service in connection therewith.

### § 54.10 Authority of agent.

Proof of the authority of any person making an application or a request for service under the regulations on behalf of any other person may be required at the discretion of the Director or Chief or the official in charge of the office of grading or other employee receiving the application or request under § 54.6.

### § 54.11 Denial or withdrawal of service.

(a) *For misconduct*—(1) *Bases for denial or withdrawal.* An application or a request for service may be rejected, or the benefits of the service may be otherwise denied to, or withdrawn from, any person who, or whose employee or agent in the scope of his employment or agency:

(i) Has wilfully made any misrepresentation or has committed any other fraudulent or deceptive practice in connection with any application or request for service under the regulations;

(ii) Has given or attempted to give, as a loan or for any other purpose, any money, favor, or other thing of value, to any employee of the Department authorized to perform any function under the regulations;

(iii) Has interfered with or obstructed, or attempted to interfere with or to obstruct, any employee of the Department in the performance of his duties under the regulations by intimidation, threats, assaults, abuse, or any other improper means;

(iv) Has knowingly falsely made, issued, altered, forged, or counterfeited any official certificate, memorandum, mark, or other identification, or device for making any such mark or identification;

(v) Has knowingly uttered, published, or used as true any such falsely made, issued, altered, forged, or counterfeited certificate, memorandum, mark, identification, or device;

(vi) Has knowingly obtained or retained possession of any such falsely made, issued, altered, forged, or counterfeited certificate, memorandum, mark, identification, or device, or of any such official device, or of any prod-

uct bearing any such falsely made, issued, altered, forged, or counterfeited mark or identification, or of any carcass or wholesale or retail cut bearing any designation specified in paragraph (a)(1)(vii) of this section which has not been federally graded or derived from a carcass graded as being of the indicated grade;

(vii) Has applied the designation “Prime,” “Choice,” “Select,” “Good,” “Standard,” “Commercial,” “Utility,” “Cutter,” “Canner,” “Cull,” “Medium,” “No. 1,” “No. 2,” “No. 3,” “No. 4,” “Yield Grade 1,” “Yield Grade 2,” “Yield Grade 3,” “Yield Grade 4,” or “Yield Grade 5” by stamp, or brand directly on any carcass, wholesale cut, or retail cut of any carcass, as part of a grade designation;

(viii) Has applied to immediate containers or shipping containers of carcasses, wholesale cuts, or retail cuts, grade designations specified in paragraph (a)(1)(vii) of this section, when such carcasses, wholesale cuts, or retail cuts contained therein have not been federally graded;

(ix) Has knowingly used, moved, or otherwise altered, in any manner, meat or meat products identified by an official product control device, mark, or other identification as specified in § 54.17, or has removed such official device, mark, or identification from the meat or meat products so identified without the express permission of an authorized representative of the USDA; or

(x) Has in any manner not specified in this paragraph violated subsection 203(h) of the AMA: *Provided*, That paragraph (a)(1)(vi) of this section shall not be deemed to be violated if the person in possession of any item mentioned therein notifies the Director or Chief without such delay that he has possession of such item and, in the case of an official device, surrenders it to the Chief, and, in the case of any other item, surrenders it to the Director or Chief or destroys it or brings it into compliance with the regulations by obliterating or removing the violative features under supervision of the Director or Chief: *And provided further*, That paragraphs (a)(1) (ii) through (ix) of this section shall not be deemed to be violated by any act committed by any

## § 54.12

## 7 CFR Ch. I (1–19 Edition)

person prior to the making of an application of service under the regulations by the principal person. An application or a request for service may be rejected or the benefits of the service may be otherwise denied to, or withdrawn from, any person who operates an establishment for which he has made application for service if, with the knowledge of such operator, any other person conducting any operations in such establishment has committed any of the offenses specified in paragraphs (a)(1) (i) through (x) of this section after such application was made. Moreover, an application or a request for service made in the name of a person otherwise eligible for service under the regulations may be rejected, or the benefits of the service may be otherwise denied to, or withdrawn from, such a person (A) in case the service is or would be performed at an establishment operated (1) by a corporation, partnership, or other person from whom the benefits of the service are currently being withheld under this paragraph, or (2) by a corporation, partnership, or other person having an officer, director, partner, or substantial investor from whom the benefits of the service are currently being withheld and who has any authority with respect to the establishment where service is or would be performed; or (B) in case the service is or would be performed with respect to any product in which any corporation, partnership, or other person within paragraph (a)(1)(x)(A)(1) of this section has a contract or other financial interest.

(2) *Procedure.* All cases arising under this paragraph shall be conducted in accordance with the Rules of Practice Governing Formal Adjudicatory Proceedings Instituted by the Secretary Under Various Statutes set forth in §§1.130 through 1.151 of this title and the Supplemental Rules of Practice in part 50 of this chapter.

(b) *For miscellaneous reasons.* An application or a request for service may be rejected, or the benefits of the service may be otherwise denied to, or withdrawn from, any person, without a hearing by the official in charge of the appropriate office of grading, with the concurrence of the Director or Chief (1) for administrative reasons such as the

nonavailability of personnel to perform the service; (2) for the failure to pay for service; (3) in case the application or request relates to products which are not eligible for service under § 54.5 or which are unclean or are in an unclean establishment; (4) for other noncompliance with the conditions on which service is available as provided in the regulations, except matters covered by paragraph (a) of this section; or (5) in case the person is a partnership, corporation, or other person from whom the benefits of the service are currently being withheld under paragraph (a) of this section. Notice of such denial or withdrawal, and the reasons therefor, shall promptly be given to the person involved.

(c) *Filing of records.* The final orders in formal proceedings under paragraph (a) of this section to deny or withdraw the service under the regulations (except orders required for good cause to be held confidential and not cited as precedents) and other records in such proceedings (except those required for good cause to be held confidential) shall be filed with the Hearing Clerk and shall be available for inspection by persons having a proper interest therein.

[42 FR 53921, Oct. 4, 1977. Redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 50 FR 14366, Apr. 12, 1985; 52 FR 35683, Sept. 23, 1987; 60 FR 8464, Feb. 14, 1995]

### § 54.12 Financial interest of official grader.

No official grader shall grade or determine compliance of any products in which he or any of his relatives by blood or marriage is directly or indirectly financially interested.

### § 54.13 Accessibility and refrigeration of products; access to establishments.

(a) The applicant shall cause products, with respect to which service is requested, to be made easily accessible for examination and to be so placed, with adequate illuminating facilities, as to disclose their class, grade, other quality, and compliance. Supervisors of grading and other employees of the Department responsible for maintaining uniformity and accuracy of service under the regulations shall have access

## Agricultural Marketing Service, USDA

## § 54.14

to all parts of establishments covered by approved applications for service under the regulations, for the purpose of examining all products in the establishments which have been or are to be graded or examined for compliance with specifications or which bear any marks of grade or compliance.

(b) Grading service will only be furnished for meat that a USDA grader determines is chilled so that grade factors are developed to the extent that a proper grade determination can be made in accordance with the official standards. To be eligible for grading, beef carcasses must be ribbed at least 10 minutes prior to being offered for grading. Meat that is presented in a frozen condition shall not be eligible for a grade determination. Meat of all eligible species shall be graded only in the establishment where the animal was slaughtered or initially chilled (except for veal and calf carcasses, which shall be graded only after the hide is removed and only in the establishment where such removal occurs). The Director may grant prior approval for grading at a location other than the establishment of slaughter or initial chill upon notification to the Division if the

Branch was unable to provide grading service in a timely manner and that the meat can be identified in conformance with the standards.

[42 FR 53921, Oct. 4, 1977, as amended at 45 FR 51762, Aug. 5, 1980. Redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 63 FR 72102, Dec. 31, 1998]

### § 54.14 Official certificates.

(a) Agricultural Products Certificate Form LS-5-3 (Figure 1) is the official certificate for products under the regulations. The official grader shall prepare, sign, and issue an Agricultural Products Certificate Form LS-5-3 covering products for which that grader determined final specification compliance. Where weight or count is verified, the grader shall initial in the block titled "Weights and Total Count Verified."

(b) Applicant Charges Certificate Form LS-5-5 (Figure 2) will be used to reduce paperwork for applicants assigned multiple graders. Assigned graders will complete one Form LS-5-5. Each grader will enter their code letters and signature in the appropriate location(s) to indicate certificate completion.

**§ 54.14**


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

[illegible]



Figure 2. Applicant charges.

10

U. S. DEPARTMENT OF AGRICULTURE AGRICULTURAL MARKETING SERVICE		WEEK BEGINNING DATE		DOCUMENT NO.				
APPLICANT CHARGES		CY	MONTH	DAY	C-0012007-1			
<p>This certificate is receivable by all officers and all courts of the United States as prima facie evidence of the truth of the statements therein contained. (This certificate does not excuse failure to comply with any of the regulatory laws enforced by the U.S. Department of Agriculture.)</p> <p>The conduct of all service and the licensing of grading personnel under the regulations governing such services shall be accomplished without discrimination as to race, color, religion, sex, or national origin.</p>				<p>APPLICANT INFORMATION</p> <p>NO. 4 4</p> <p>NAME, CITY, STATE</p>				
	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	TOTAL
1	GRAD	CERT	GRAD	CERT	GRAD	CERT	GRAD	CERT
BASE								
PREMIUM								
HOLIDAY								
LAB FEE	\$	\$	\$	\$	\$	\$	\$	\$
PER DIEM	\$	\$	\$	\$	\$	\$	\$	\$
MILES								
TOTAL OTHER	\$	\$	\$	\$	\$	\$	\$	\$
GRADERS EQUIPMENT CODE								
2								
BASE								
PREMIUM								
HOLIDAY								
LAB FEE	\$	\$	\$	\$	\$	\$	\$	\$
PER DIEM	\$	\$	\$	\$	\$	\$	\$	\$
MILES								
TOTAL OTHER	\$	\$	\$	\$	\$	\$	\$	\$
GRADERS EQUIPMENT CODE								
3								
BASE								
PREMIUM								
HOLIDAY								
LAB FEE	\$	\$	\$	\$	\$	\$	\$	\$
PER DIEM	\$	\$	\$	\$	\$	\$	\$	\$
MILES								
TOTAL OTHER	\$	\$	\$	\$	\$	\$	\$	\$
GRADERS EQUIPMENT CODE								
4								
BASE								
PREMIUM								
HOLIDAY								
LAB FEE	\$	\$	\$	\$	\$	\$	\$	\$
PER DIEM	\$	\$	\$	\$	\$	\$	\$	\$
MILES								
TOTAL OTHER	\$	\$	\$	\$	\$	\$	\$	\$
GRADERS EQUIPMENT CODE								
5								
BASE								
PREMIUM								
HOLIDAY								
LAB FEE	\$	\$	\$	\$	\$	\$	\$	\$
PER DIEM	\$	\$	\$	\$	\$	\$	\$	\$
MILES								
TOTAL OTHER	\$	\$	\$	\$	\$	\$	\$	\$
GRADERS EQUIPMENT CODE								

US 6-5 (02-93)

(c) *Distribution.* The original certificate, and not to exceed two copies, shall be delivered or mailed to the applicant or other person designated by

him. The remaining copies shall be forwarded as required by agency, division, and branch instructions. Additional copies will be furnished to any person

## § 54.15

financially interested in the products involved with the concurrence of the applicant and upon payment of fees, as provided in § 54.27.

[42 FR 53921, Oct. 4, 1977. Redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 51 FR 590, Jan. 7, 1986; 61 FR 11506, Mar. 21, 1996]

### § 54.15 Advance information concerning service rendered.

Upon request of any applicant, all or any part of the contents of any certificate issued to him under the regulations, or other notification concerning the determination of class, grade, other quality, or compliance of products for such applicant may be transmitted by telegraph or telephone to him, or to any person designated by him, at his expense.

### § 54.16 Marking of products.

All products for which class and grade under the standards are determined under the regulations, or the immediate and shipping containers thereof, shall be stamped, branded, or otherwise marked with an appropriate official identification: *Provided*, That except as otherwise directed by the Chief, such marking will not be required when an applicant only desires official certificates. The marking of products, or their containers, as required by this section shall be done by official graders or under their immediate supervision.

[42 FR 53921, Oct. 4, 1977. Redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 63 FR 72102, Dec. 31, 1998]

### § 54.17 Official identifications.

(a) A shield enclosing the letters "USDA" and code identification letters of the grader performing the service, as shown below, constitutes a form of official identification under the regulations for preliminary grade of carcasses.



Figure 1.

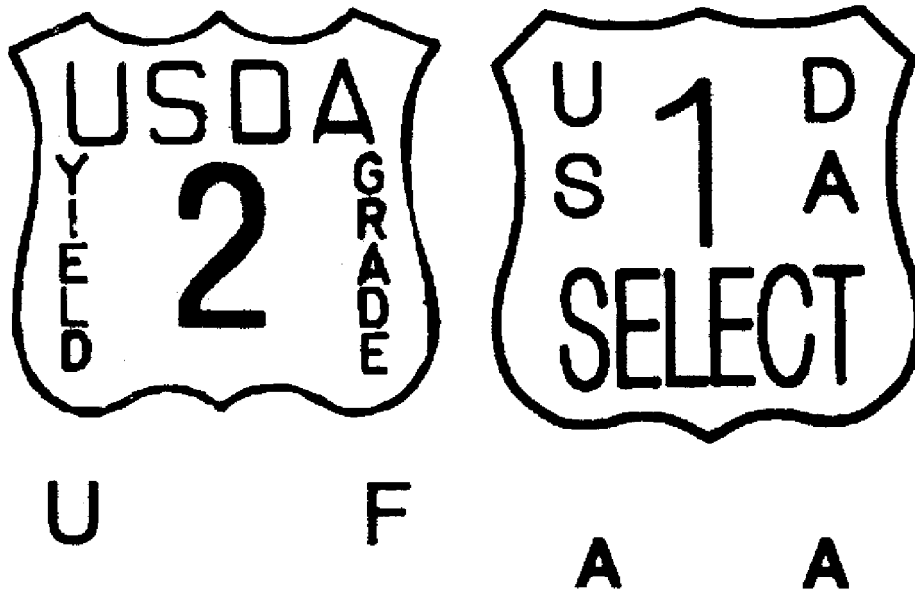
## 7 CFR Ch. I (1-1-19 Edition)

(b) A shield enclosing the letters "USDA" as shown in Figure 1 with the appropriate quality grade designation "Prime," "Choice," "Select," "Good," "Standard," "Commercial," "Utility," "Cutter," "Canner," or "Cull," as provided in the official United States Standards for Grades of Beef, Veal and Calf, Lamb, Yearling Mutton, and Mutton Carcasses and accompanied by the class designation "Bullock," "Veal," "Calf," "Lamb," "Yearling Mutton," or "Mutton," constitutes a form of official identification under the regulations to show the quality grade, and where necessary the class, undersaid standards, of steer, heifer, and cow beef, veal, calf, lamb, yearling mutton and mutton. The code identification letters of the grader performing the service will appear intermittently outside the shield.



Figure 2.

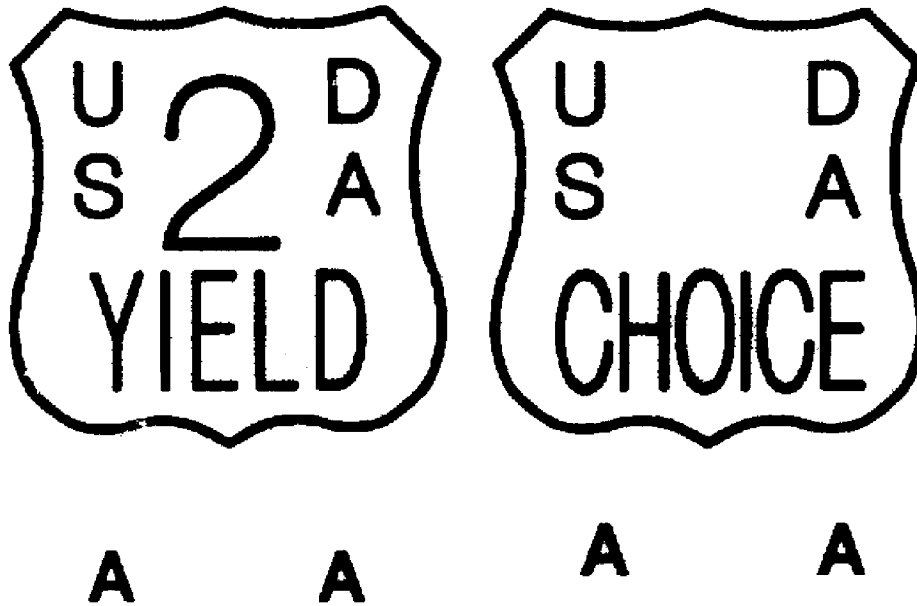
(c) A shield enclosing the letters "USDA" and the words "Yield Grade," as in Figure 1, with the appropriate yield grade designation "1," "2," "3," "4," or "5" as provided in the Official United States Standards for Grades of Fresh Beef Carcasses and the Official United States Standards for Grades of Lamb, Yearling Mutton, and Mutton Carcasses constitutes a form of official identification under the regulations to show the yield grade under said standards. When yield graded, bull and bullock carcasses will be identified with the class designation "Bull" and "Bullock," respectively. The code identification letters of the grader performing the service will appear outside the shield.

**Figure 1.**

(d) Under the regulations, for carcass grade identification purposes only, a shield enclosing the letters "USDA" with the appropriate yield grade designation number of "1," "2," "3," "4," or "5" between the "US" and "DA", with the appropriate quality grade designation of "Prime", "Choice," or "Select," below both as shown in Figure 1. The code identification letters for the grader performing the service will appear outside underneath the shield.

**Figure 1.**

(e) Under the regulations, for yield grade identification purposes only, a shield enclosing the letters "US" on one side and "DA" on the other, with the appropriate Yield Grade designation number "1," "2," "3," "4," or "5" as shown in Figure 1. The code identification letters for the grader performing the service will appear outside underneath the shield.



**Figure 1.**

(f) Under the regulations, for quality grade identification only, a shield enclosing the letters "US" on one side and "DA" on the other with the appropriate Quality Grade designation of "Prime," "Choice," or "Select" as shown in Figure 1. The code identification letters for the grader performing the service will appear outside underneath the shield.

**Figure 1.**

(g) The letters "USDA" with the appropriate grade designation "1," "2," "3," "4," "Utility," or "Cull" enclosed in a shield as shown in Figure 1, as provided in the Official United States Standards for Grades of Pork Carcasses, constitutes a form of official identification under the regulations to show the grade under said standards of barrow, gilt, and sow pork carcasses.



**Figure 1.**

(h) The following constitute forms of official identification under the regulations to show compliance of products:



Figure 1.

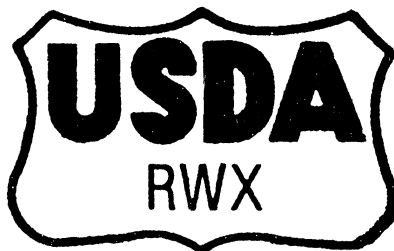


Figure 2.

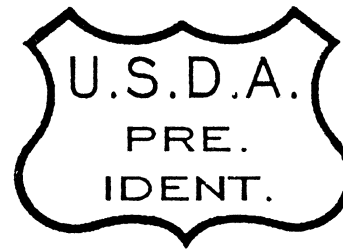


Figure 3.

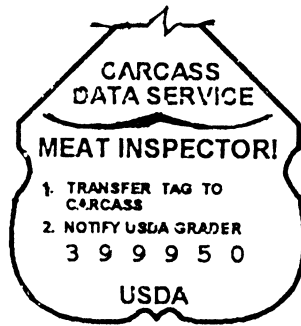
NOTE: The letters "RWX", and "UF" shown in figures 1, and 2 are examples, respectively, of the code identification letters of the official grader performing the service.

(i) The following, as shown in Figure 1, constitutes official identification to show quality system certification:



Figure 1.

(j) A shield-shaped ear tag enclosing the letters "USDA", the words "Carcass Data Service," as shown below (Figure 1), and a serial number constitutes a form of official identification under the regulations for livestock and carcasses. Other information may appear on the backside of the ear tag at the option of the purchasers.



(k)(1) One device used by USDA graders is a rectangular, serially numbered, orange tag on which a shield encloses the letters "USDA" and the words "Product Control" as shown in Figure 1, constitutes a form of official identification under the regulations for meat and meat products.

Figure 1.


<p>FORM LS-10 (2-84)</p> <p style="text-align: right;">NO. 24900</p> <p style="text-align: center;">U.S. DEPARTMENT OF AGRICULTURE AGRICULTURAL MARKETING SERVICE LIVESTOCK DIVISION</p> <div style="text-align: center;">  <p><b>USDA</b> Product Control</p> </div> <p style="text-align: center;">DO NOT REMOVE TAG OR USE PRODUCT WITHOUT AUTHORIZATION</p> <p style="text-align: center;">(SEE REVERSE)</p> <hr/> <p style="text-align: right;">NO. 24900</p> <p>PRODUCT TAGGED _____</p> <p>NO. OF CONTAINERS _____</p>	<p>The product(s) or container(s) to which this tag is attached is (are) controlled under authority of the Agricultural Marketing Act and is (are) not to be used, moved or altered in any manner without the expressed permission of an authorized representative of the United States Department of Agriculture. The unauthorized removal or alteration of this tag or utilization of the tagged product(s) is a violation of the Agricultural Marketing Act of 1946, as amended and regulations issued thereunder.</p> <p>REMARKS:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>AUTHORIZED EMPLOYEE _____ DATE _____</p> <hr/> <p style="text-align: center;">PRODUCT CONTROL</p> <p>LOCATION AND REMARKS _____</p> <p>_____</p> <p>AUTHORIZED EMPLOYEE _____ DATE _____</p> <p style="text-align: right;">FORM LS-10 (2-84) (Reverse)</p>
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Figure 1. Form LS-10. USDA Product Control.

(2) Official graders and supervisors of grading may use "Product Control" tags or other methods and devices as approved by the Administrator for the identification and control of meat and

meat products which are not in compliance with the regulations or are held pending the results of an examination. Any such meat or meat product so identified shall not be used, moved, or

## Agricultural Marketing Service, USDA

## § 54.20

altered in any manner; nor shall official control identification be removed, without the express permission of an authorized representative of the USDA.

[42 FR 53921, Oct. 4, 1977, as amended at 45 FR 51762, Aug. 5, 1980. Redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 50 FR 14367, Apr. 12, 1985; 52 FR 35683, Sept. 23, 1987; 61 FR 11509, Mar. 21, 1996]

### **§ 54.18 Custody of identification devices.**

(a) All identification devices used in marking products or the containers thereof under the regulations, including those indicating compliance with specifications approved by the Chief, shall be kept in the custody of the Branch, and accurate records shall be kept by the Branch of all such devices. Each office of grading shall keep a record of the devices assigned to it. Such devices shall be distributed only to persons authorized by the Department, who shall keep the devices in their possession or control at all times and maintain complete records of such devices.

(b) Upon request, applicants shall provide a metal cabinet(s) or locker(s) for the secure storage of official meat grading equipment and identification devices for each Federal meat grader assigned to their establishment. Such cabinet(s) or locker(s) shall be capable of being locked with a special Government-owned lock and shall be placed in an easily accessible and reasonably secure location within the applicant's establishment.

### **APPEAL SERVICE**

### **§ 54.19 What is appeal service; marking products on appeal; requirements for appeal; certain determinations not appealable.**

(a) Appeal service is a redetermination of the class, grade, other quality, or compliance of product when the applicant for the appeal service formally challenges the correctness of the original determination. Only a person who has title to, or is a party to a contract for the sale of, a product may request appeal service with respect to such product and if the original determination of class, grade, other quality or compliance is found on appeal to have been in error all incorrect marks of

class, grade, other quality and compliance will be removed from the product, and if the person having title to the product so requests, correct marks as determined on the appeal will be applied to the product. Examination requested to determine the class, grade, other quality, or compliance of a product which has been altered or has undergone a material change since the original service, or examination of product requested for the purpose of obtaining an up-to-date certificate and not involving any question as to the correctness of the original service for the product involved shall be considered equivalent to original service and not appeal service.

(b) Grade determinations cannot be appealed for any lot or product consisting of less than 10 similar units. Moreover, appeal service will not be furnished with respect to product that has been altered or has undergone any material change since the original service.

[42 FR 53921, Oct. 4, 1977, as amended at 45 FR 51762, Aug. 5, 1980. Redesignated at 46 FR 63203, Dec. 31, 1981]

### **§ 54.20 Request for appeal service.**

Except as otherwise provided in § 54.19, a request for appeal service with respect to any product under the regulations may be made by any person who is financially interested in the product when he disagrees with the determination as to class, grade, other quality, or compliance of the product as shown by the markings on the product or its containers, or as stated in the applicable certificate. A request for appeal service shall be filed with the Chief, directly or through the official grader who performed the original service or the official in charge of the office of grading to which such grader was assigned at the time of the service, or through the nearest office of grading. The request shall state the reasons therefor and may be accompanied by a copy of any previous certificate or report, or any other information which the applicant may have received regarding the product at the time of the original service. Such request may be made orally (including by telephone) or in writing (including by telegram). If made orally, the person receiving the

#### **§ 54.21**

request may require that it be confirmed in writing. Requests for appeal service received through an official grader or an office of grading shall be transmitted promptly to the Chief for instructions.

#### **§ 54.21 When request for appeal service may be withdrawn.**

A request for appeal service may be withdrawn by the applicant at any time before the appeal service has been performed, upon payment of any expenses already incurred under the regulations by the Branch in connection therewith.

#### **§ 54.22 Denial or withdrawal of appeal service.**

A request for appeal service may be rejected or such service may be otherwise denied to or withdrawn from any person, without a hearing, in accordance with the procedure set forth in § 54.11(b), if it shall appear that the person or product involved is not eligible for appeal service under § 54.19, or that the identity of the product has been lost; or for any of the causes set forth in § 54.11(b). Appeal service may also be denied to, or withdrawn from, any person in any case under § 54.11(a), in accordance with the procedure set forth in said section.

#### **§ 54.23 Who shall perform appeal service.**

Appeal service for products shall be performed by official graders designated by the Chief or by the official in charge of an office of grading when so authorized by the Chief, and shall be conducted jointly by two official graders, or more when practicable. No official grader shall perform appeal service for any product for which he previously performed the service.

#### **§ 54.24 Appeal certificates.**

Immediately after appeal service has been performed for any products, a certificate designated as an "appeal certificate" shall be prepared, signed, and issued referring specifically to the original certificate and stating the class, grade, other quality, or compliance of the products as shown by the appeal service.

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

#### **§ 54.25 Superseded certificates.**

The appeal certificate shall supersede the original certificate which, thereupon, shall become null and void and shall not thereafter be deemed to show the class, grade, other quality, or compliance of the products described therein. However, the fees charged for the original service shall not be remitted. If the original and all copies of the superseded certificate are not delivered to the official with whom the request for appeal service is filed, the official graders issuing the appeal certificate shall forward notice of such issuance and of the cancellation of the original certificate to such persons as they may deem necessary to prevent fraudulent use of the superseded certificate.

#### **§ 54.26 Application of other regulations to appeal service.**

The regulations in §§ 54.1 through 54.18 and §§ 54.27 through 54.30 shall apply to appeal service except insofar as they are manifestly inapplicable.

#### **CHARGES FOR SERVICE**

#### **§ 54.27 Fees and other charges for service.**

(a) Fees and other charges equal as nearly as may be to the cost of the services rendered shall be assessed and collected from applicants in accordance with the following provisions unless otherwise provided in the cooperative agreement under which the services are furnished, or as provided in § 54.6. For each calendar year, AMS will calculate the rate for inspection, grading, or certification services, per hour per program employee using the following formulas:

(1) *Regular rate.* The total AMS grading, inspection, or certification 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, inspection, or certification 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, inspection, or certification 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, inspection, or certification 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, inspection, or certification 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, inspection, or certification 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 service on commitment basis.* Minimum fees for service performed under a commitment agreement or an agreement by memorandum shall be on the basis of 8 hours per day, Monday through Friday, excluding Federal legal holidays occurring Mon-

day through Friday on which no grading and certification services are performed. Fees will be based on the formulas in this section. The Agency reserves the right under such a commitment agreement or agreement by memorandum to use any grader assigned to the plant on a commitment basis to perform service for other applicants, as provided in § 54.6(c), crediting the commitment applicant with the number of hours charged to the other applicant, provided the allowable credit hours plus hours actually worked for the applicants do not exceed 8 hours on any day, Monday through Friday, excluding legal holidays.

(d) *Fees for appeal service.* Fees for appeal service shall be determined on the basis of the time of two official graders required to render the service, including the time required for the preparation of certificates and travel of such graders in connection with the performance of the service. *Provided*, that when on appeal it is found that there was error in the original determination equal to or exceeding ten percent of the total number of similar units of the products involved, no charge will be made for the appeal service unless a special agreement therefor was made with the applicant in advance.

(e) *Fees for extra copies of certificates.* In addition to copies of certificates furnished under § 54.14, any financially interested person may obtain not to exceed three copies of any such certificate within one year from its date of issuance upon payment of a fee, and not to exceed three copies of any such certificate at any time thereafter, while a copy of such certificate is on file in the Department. The fee for copies of certificates will be determined using the formulas in this section.

[79 FR 67321, Nov. 13, 2014]

#### **§ 54.28 Payment of fees and other charges.**

Fees and other charges for service shall be paid in accordance with the following provisions unless otherwise provided in the cooperative agreement under which the service is furnished. Upon receipt of billing for fees and other charges for service the applicant shall remit by check, draft, or money

## § 54.29

order, made payable to the Agricultural Marketing Service, USDA, payment for the service in accordance with directions on the billing, and such fees and charges shall be paid in advance if required by the official grader or other authorized official.

### MISCELLANEOUS

## § 54.29 Identification.

All official graders and supervisors of grading shall have their Agricultural Marketing Service identification cards in their possession at all times while they are performing any function under the regulations and shall identify themselves by such cards upon request.

## § 54.30 Errors in service.

When an official grader, supervisor of grading, or other responsible employee of the Branch has evidence of misgrading, or of incorrect certification or other incorrect determination or identification as to the class, grade, other quality, or compliance of a product, he shall report the matter to his immediate supervisor. The supervisor of grading will investigate the matter and, if he deems advisable, will report it to the owner or his agent. The supervisor of grading shall take appropriate action to correct errors found in the determination or identification of class, grade or other quality or compliance of products if the products are still owned by the person who owned them when, and are still located at the establishment where, the incorrect service was rendered and if such service was rendered by a grader under the jurisdiction of such supervisor, and the supervisor of grading shall take adequate measures to prevent the recurrence of such errors.

## § 54.31 Uniforms.

All meat graders and their supervisory personnel are required to wear clean, white, well-maintained outer frocks while performing any function under these regulations involving contact with or the handling of any meat or meat product.

[45 FR 19214, Mar. 25, 1980. Redesignated at 46 FR 63203, Dec. 31, 1981]

## 7 CFR Ch. I (1–19 Edition)

### Subpart B [Reserved]

### Subpart C—Regulations Governing the Certification of Sanitary Design and Fabrication of Equipment Used in the Slaughter, Processing, and Packaging of Livestock and Poultry Products

SOURCE: 66 FR 1198, Jan. 5, 2001, unless otherwise noted.

## § 54.1001 Meaning of words.

For the purposes of the regulations in this subpart, words in the singular form shall be deemed to impart the plural and vice versa, as the case may demand.

## § 54.1002 Terms defined.

*Act.* The Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 *et seq.*).

*Administrator.* The Administrator of the Agricultural Marketing Service (AMS), United States Department of Agriculture, or the representative to whom authority has been delegated to act in the stead of the Administrator.

*Agricultural Marketing Service (AMS).* The Agricultural Marketing Service of the United States Department of Agriculture.

*Applicant.* Any person who applies for service under the regulations in this subpart.

*Branch.* The Dairy Grading Branch, Dairy Programs, Agricultural Marketing Service.

*Chief.* The Chief of the Dairy Grading Branch, Dairy Programs, Agricultural Marketing Service, or the representative to whom authority has been delegated to act in the stead of the Chief.

*Compliance.* Conformity of a processing system, piece of processing equipment, or a utensil to identified standards.

*Department.* The United States Department of Agriculture.

*Deputy Administrator.* The Deputy Administrator of the Dairy Programs of the Agricultural Marketing Service or any officer or employee of the Dairy Programs to whom authority has heretofore been delegated, or to whom authority may hereafter be delegated to

## Agricultural Marketing Service, USDA

## § 54.1004

act in the stead of the Deputy Administrator.

*Design Review Specialist.* An employee of the Branch who determines and certifies or otherwise evaluates the compliance of equipment or utensils under the regulations.

*Design Evaluation and Certification Service.* The service established and conducted under the regulations for the evaluation and certification or other identification of the compliance of equipment or utensils used for the slaughter, processing or packaging of livestock and poultry products (Referred to hereinafter as “equipment” or “utensils”) with sanitary specifications or standards.

*Fabricator.* Commercial entity engaged in the manufacture or assembly of equipment or utensils.

*Financially interested person.* Any person having a financial interest in the equipment or utensils involved, including but not limited to the designer, fabricator, or user of the equipment or utensils.

*Legal Holiday.* Those days designated as legal public holidays in Title 5, United States Code, section 6103(a).

*Person.* Any individual, partnership, corporation, or other legal entity, or Government agency.

*Processing.* Cooking, baking, curing, heating, drying, mixing, grinding, churning, separating, extracting, cutting, fermenting, eviscerating, preserving, dehydrating, freezing, or otherwise manufacturing, and includes the packaging, canning, jarring, or otherwise enclosing in a container.

*Program.* The Dairy Programs of the Agricultural Marketing Service.

*Standards.* The most recent version of standards for equipment and utensils formulated by the NSF/3-A Joint Committee on Food Processing Equipment (Referred to hereinafter as “NSF/3-A”).

*The regulations.* The regulations in this Subpart.

### **§ 54.1003 Designation of official certificates, memoranda, marks, and other identifications, for purposes of the Agricultural Marketing Act.**

Subsection 203(h) of the Agricultural Marketing Act of 1946, as amended provides criminal penalties for various specified offenses relating to official certificates, memoranda, and marks or

other identifications, issued or authorized under section 203 of said Act, and certain misrepresentations concerning the inspection or grading of agricultural products under said section. For the purposes of said subsection and the provisions in this subpart, the terms listed in paragraphs (a) through (c) of this section shall have the respective meanings specified:

(a) “Official certificate” means any form of certification, either written or printed, used under the regulations to certify with respect to the evaluation, review, condition, or acceptance of equipment or utensils (including the compliance of equipment or utensils with applicable standards).

(b) “Official memorandum” means any initial record of findings made by an authorized employee of the Dairy Grading Branch in the process of determining compliance, evaluating, or reviewing equipment or utensils pursuant to the regulations, any processing or in plant-operation report made by an authorized Dairy Grading Branch employee in connection with determining compliance, evaluating, or reviewing equipment or utensils under the regulations, and any report made by an authorized employee of the Dairy Grading Branch of any other services performed pursuant to the regulations.

(c) “Official mark” or “other official identification” means any form of mark or other identification, including those prescribed in § 54.1018; used under the regulations in marking any equipment or utensils or displayed as an indication that the equipment or utensils has been evaluated by AMS (including the compliance of the equipment or utensils with applicable standards).

### **§ 54.1004 Administration and implementation.**

The Administrator designates the administration and implementation of the Certification of Sanitary Design and Fabrication of Equipment Used in the Processing of Livestock and Poultry Products service to the Dairy Grading Branch, Dairy Programs, Agricultural Marketing Service. The Chief is charged with the administration, under the general supervision and direction of the Deputy Administrator, of the regulations and the Act insofar as they

## **§ 54.1005**

relate to equipment or utensils used to process livestock and poultry products.

### **§ 54.1005 Basis of service.**

(a) Certification of Sanitary Design and Fabrication of Equipment Used in the Slaughter, Processing, and Packaging of Livestock and Poultry Products service shall be performed in accordance with the provisions of this subpart, the instructions and guidelines issued or approved by the Chief and the applicable standards developed by the NSF/3-A.

(b) Copies of standards developed by NSF/3-A that AMS will inspect and certify to are available, for a nominal fee, from NSF International at [www.nsf.org](http://www.nsf.org) or contact Techstreet, 310 Miller Avenue, Ann Arbor, MI 48103; Phone (800) 699-9277. Copies of all other instructions and guidelines can be obtained from, and copies of standards developed by NSF/3-A may be inspected at, the U.S. Department of Agriculture, Agricultural Marketing Service, Dairy Programs, Dairy Grading Branch; Room 2746-S; 1400 Independence Ave., SW., Washington, DC 20250-6456.

(c) All services provided in accordance with the regulations shall be rendered without discrimination on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, or marital or family status.

### **§ 54.1006 Kind of service.**

Certification of Sanitary Design and Fabrication of Equipment Used in the Slaughter, Processing, and Packaging of Livestock and Poultry Products service under the regulations shall consist of the evaluation, certification and/or identification, upon request by the applicant, of the adherence of the design and fabrication of equipment and utensils to sanitary principles and criteria under applicable standards identified in this subpart. Equipment or utensils having an identical design, materials of construction, and fabrication, except for scaling up or down in size, may be submitted for evaluation as a model line or series. Determination as to equipment or utensils compliance with standards for materials of fabrication or method of fabrication

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

may be based upon information received from the fabricator.

### **§ 54.1007 Availability of service.**

Service under these regulations may be made available to the designers, fabricators, users, or other interested person or party, of the equipment or utensils. Subject to the provisions of this subpart, services shall be performed only when a qualified design review specialist is available, and when the location of the equipment or utensils, evaluation facilities and conditions, as determined by the Chief, are suitable for conducting such service.

### **§ 54.1008 How to obtain service.**

(a) *Application.* Any person may apply to the Chief for service under the regulations with respect to equipment or utensils in which the applicant is financially interested. The application shall be made on a form approved by the Chief. In any case in which the service is intended to be furnished at an establishment not operated by the applicant, the applicant shall be responsible for obtaining approval for accessibility of the equipment or utensil from the operator of such establishment and such approval shall constitute an authorization for any employees of the Department to enter the establishment for the purpose of performing their functions under the regulations. The application shall state:

- (1) The name and address of the establishment at which service is desired;
- (2) The name and post office address of the applicant;
- (3) Identification of the party that will be responsible for payment of all services rendered in response to the request;
- (4) The type of equipment or utensil presented for evaluation;
- (5) The date(s) on which service is requested to be performed; and
- (6) The signature of the applicant (or the signature and title of the applicant's representative) and date of the request.

(b) *Notice of eligibility for service.* The applicant for service will be notified whether the applicant's application is approved.

## **Agricultural Marketing Service, USDA**

## **§ 54.1014**

### **§ 54.1009 Order of furnishing service.**

Service under the regulations shall be furnished to applicants, insofar as practicable and subject to the availability of a qualified design review specialist, in the order in which requests therefor are received, insofar as consistent with good management, efficiency and economy. Precedence will be given, when necessary, to requests made by any government agency and to requests for appeal service under § 54.1021.

### **§ 54.1010 When request for service deemed made.**

A request for service under the regulations shall be deemed to be made when received by the Branch. Records showing the date and time of the request shall be maintained.

### **§ 54.1011 Withdrawal of application or request for service.**

An application or a request for service under the regulations may be withdrawn by the applicant at any time before the application is approved or prior to performance of service. The applicant shall be responsible for payment, in accordance with § 54.1028 and § 54.1029, of any expenses already incurred by the Agricultural Marketing Service in connection therewith.

### **§ 54.1012 Authority of agent.**

Proof of the authority of any person making an application or a request for service under the regulations on behalf of any other person may be required at the discretion of the Deputy Administrator or Chief or other employee receiving the application or request under § 54.1008.

### **§ 54.1013 When an application may be rejected.**

(a) An application or a request for service may be denied by the design review specialist, with the concurrence of the Deputy Administrator or Chief when:

(1) For administrative reasons such as the non-availability of personnel to perform the service;

(2) The application or request relates to equipment or utensils which are not eligible for service under § 54.1006;

(3) The applicant fails to meet either the application requirements prescribed in this subpart or the conditions for receiving such service;

(4) The equipment or utensil is owned by, or located on the premises of, a person currently denied the benefits of the Act;

(5) The applicant has substantial financial ties to a person who is currently denied the benefits of the Act, or who has been adjudged, in an administrative or judicial proceeding, responsible in any way for a current denial of benefits of the Act to any other person.

(6) The applicant is currently denied services under the Act.

(7) Any fees billed to the applicant are not paid within 30 days; or

(8) The applicant has failed to comply with the Act or this subpart or with the instructions or guidelines issued hereunder.

(b) The Chief shall provide notice to an applicant whose application is rejected, and shall explain the reason(s) for the rejection. If such notification is made verbally, written confirmation may be provided.

### **§ 54.1014 Accessibility of equipment and utensils; access to establishments.**

(a) The applicant shall cause equipment and utensils to be made easily accessible for examination and to be so placed, with adequate illumination to facilitate evaluation for compliance. The applicant shall furnish or make available any necessary tools; such as boroscope, profilometer, disassembly tools, ladders, radius gauges, and the like; necessary to complete the evaluation.

(b) Supervisors of USDA design review specialists responsible for maintaining uniformity and accuracy of service under the regulations shall have access to all parts of establishments covered by approved applications for service under the regulations, for the purpose of examining all equipment or utensils in the establishments which have been or are to be evaluated for compliance with standards or which bear any marks of compliance.

## § 54.1015

## 7 CFR Ch. I (1–1–19 Edition)

### § 54.1015 Official reports, forms, and certificates.

(a) *Report.* The design review specialist shall prepare, sign, and issue a narrative report covering the observations, comments and recommendations based on the evaluation for conformance with standards of equipment and utensils as provided for in § 54.1005 and indicate the fees and other charges incurred for the services rendered.

(b) *Forms.* Form DA–161 is the official certificate for equipment or utensils evaluated and is accepted under the regulations. Issuance of this certificate is optional at the request of the applicant.

(c) *Distribution.* The original report and official certificate (if requested) shall be delivered or mailed to the applicant or other persons designated by the applicant. Other copies shall be forwarded as required by agency, program, and branch instructions. Additional copies will be furnished to any person financially interested in the equipment or utensil involved with the concurrence of the applicant and upon payment of fees, as provided in § 54.1028 and § 54.1029.

### § 54.1016 Advance information concerning service rendered.

Upon request of any applicant, all or any part of the contents of any report issued to the applicant under the regulations, or other notification concerning the determination of compliance of equipment or utensils for such applicant may be transmitted by facsimile transmission to the applicant, or to any person designated by the applicant at the applicant's expense.

### § 54.1017 Authority to use official identification.

The Chief may authorize an applicant or any persons designated by the appli-

cant to use the official identification symbol to mark equipment or utensils, or for display in descriptive or promotional materials providing the equipment or utensils is evaluated pursuant to this subpart and found to be in compliance.

### § 54.1018 Form of official identification and approval for use.

(a) The official identification symbol approved for use on equipment, utensils, or descriptive or promotional materials shall appear in the form and design shown in Figure 1.

(b) The official identification symbol on equipment or utensils shall be displayed by etching or the placement of a non-removable sticker located in close proximity to the equipment identification plate.

(c) The official identification symbol is recommended to be at least  $\frac{3}{4}$  inch by  $\frac{3}{4}$  inch in size. Symbols which are smaller in size will be considered provided they are sufficiently large to be identifiable and legible.

(d) The official identification symbol shall not be used in descriptive and promotional materials without prior approval by the Chief. The official identification symbol, if used, on the descriptive or promotional materials shall be printed as part of the text or format.

(e) An applicant shall submit to the Chief of the Dairy Grading Branch, Dairy Programs, Agricultural Marketing Service, U.S. Department of Agriculture, P.O. Box 96456, Washington, D.C. 20090–6456, an application, if one is not on file, requesting approval to use the official identification symbol on officially accepted equipment and in descriptive or promotional materials.

Figure 1. Official identification symbol.



**§54.1019 Renewal of acceptance certification.**

The manufacturer of any equipment or utensil which has been issued a report or certification stating acceptance of compliance shall resubmit the design and fabrication details of any change in materials of construction, design, or fabrication which may impair the cleanability or hygienic design of the equipment or utensil. If no change in materials of construction, design, or fabrication which may im-

pair the cleanability or hygienic design of the equipment or utensil has occurred during the period of four years after the date of the most recent report stating acceptance of compliance or if no design or fabrication changes have been made, the applicant may submit a certificate of conformance signed by the chief engineering officer and the chief executive officer of the company stating that no design changes have been made to the specified equipment or utensil.

## **§ 54.1020**

## **7 CFR Ch. I (1–19 Edition)**

### **§ 54.1020 Appeal service; marking equipment or utensils on appeal; requirements for appeal; certain determinations not appealable.**

(a) Appeal service is a re-evaluation of the compliance of a piece of equipment, portion of a piece of equipment, or utensil to design or fabrication criteria according to the standards prescribed by this subpart.

(b) Only the original applicant or their representative may request appeal service requesting a reevaluation of the original determination of the design and fabrication of the equipment or utensil for compliance with the standards specified in this subpart.

(c) Appeal service will not be furnished for:

(1) A piece of equipment, portion of a piece of equipment, or utensil which has been altered or has undergone a material change since the original service.

(2) For the purpose of obtaining an up-to-date report or certificate which does not involve a question as to the correctness of the original service for the piece of equipment, portion of a piece of equipment, or utensil.

### **§ 54.1021 Request for appeal service.**

(a) Except as otherwise provided in § 54.1020, an applicant or their representative may request appeal service when the applicant or their representative disagree with the determination as to compliance with the standard of the piece of equipment, portion of a piece of equipment, or utensil as documented in the applicable report.

(b) A request for appeal service shall be filed with the Chief, directly or through the design review specialist who performed the original service. The request shall state the reasons for the disagreement with the original determination and may be accompanied by a copy of any previous certificate or report, or any other information which the applicant may have received regarding the piece of equipment, portion of a piece of equipment, or utensil at the time of the original service. Such request may be made orally (including by telephone) or in writing (including by facsimile transmission). If made orally, the Dairy Grading Branch em-

ployee receiving the request may require that it be confirmed in writing.

### **§ 54.1022 When request for appeal service may be withdrawn.**

A request for appeal service may be withdrawn by the applicant at any time before the appeal service has been performed, upon payment of any expenses already incurred under the regulations by the Branch in connection therewith.

### **§ 54.1023 Denial or withdrawal of appeal service.**

A request for appeal service may be rejected or such service may be otherwise denied to or withdrawn from any person in accordance with the procedure set forth in § 54.1013(a), if it appears that the person or product involved is not eligible for appeal service under § 54.1020, or that the identity of the piece of equipment, portion of a piece of equipment, or utensil has been lost; or for any of the causes set forth in § 54.1032.

### **§ 54.1024 Who shall perform appeal service.**

Appeal service for equipment or utensils shall be performed by the Chief or a design review specialist designated by the Chief. No design review specialist may perform appeal service for any piece of equipment, portion of a piece of equipment or utensil for which the original design review specialist performed the initial evaluation service.

### **§ 54.1025 Appeal reports.**

After appeal service has been performed for any piece of equipment, portion of a piece of equipment or utensils, an official report shall be prepared, signed, and issued referring specifically to the original report and stating the determination of the re-evaluation of compliance of the piece of equipment, portion of a piece of equipment or utensil.

### **§ 54.1026 Superseded reports.**

The appeal report shall supersede the original report which, thereupon, shall become null and void for all or a portion of the report pertaining to the appeal service and shall not thereafter be



## **Agricultural Marketing Service, USDA**

## **§ 54.1032**

deemed to show the compliance of the equipment or utensils described therein. However, the fees charged for the original service shall not be remitted to the applicant who filed the appeal.

### **§ 54.1027 Application of other regulations to appeal service.**

The regulations in this subpart shall apply to appeal service except insofar as they are inapplicable.

### **§ 54.1028 Fees and other charges for service.**

Fees and other charges equal as nearly as may be to the cost of the services rendered shall be assessed and collected from applicants in accordance with the provisions for Fees and Charges set forth in 7 CFR part 58, Subpart A, Regulations Governing the Inspection and Grading Services of Manufactured or Processed Dairy Products, sections §§58.38, 58.39, 58.41, 58.42, and 58.43, as appropriate.

### **§ 54.1029 Payment of fees and other charges.**

Fees and other charges for service shall be paid upon receipt of billing for fees and other charges for service. The applicant shall remit by check, draft, or money order, made payable to the Agricultural Marketing Service, USDA, payment for the service in accordance with directions on the billing, and such fees and charges shall be paid in advance if required by the official design review specialist or other authorized official.

### **§ 54.1030 Identification.**

All official design review specialists and supervisors shall have their Agricultural Marketing Service identification cards in their possession at all times while they are performing any function under the regulations and shall identify themselves by such cards upon request.

### **§ 54.1031 Errors in service.**

When a design review specialist, supervisor, or other responsible employee of the Branch has evidence of inaccurate evaluation, or of incorrect certification or other incorrect determination or identification as to the compliance of a piece of equipment or

utensil, such person shall report the matter to the Chief. The Chief will investigate the matter and, if deemed advisable, will report any material errors to the owner or the owner's agent. The Chief shall take appropriate action to correct errors found in the determination of compliance of equipment or utensils, and the Chief shall take adequate measures to prevent the recurrence of such errors.

### **§ 54.1032 Denial or withdrawal of service.**

(a)(1) *Bases for denial or withdrawal.* An application or a request for service may be rejected, or the benefits of the service may be otherwise denied to, or withdrawn from, any person who, or whose employee or agent in the scope of the person's employment or agency:

(i) Has wilfully made any misrepresentation or has committed any other fraudulent or deceptive practice in connection with any application or request for service under the regulations;

(ii) Has given or attempted to give, as a loan or for any other purpose, any money, favor, or other thing of value, to any employee of the Department authorized to perform any function under the regulations;

(iii) Has interfered with or obstructed, or attempted to interfere with or to obstruct, any employee of the Department in the performance of duties under the regulations by intimidation, threats, assaults, abuse, or any other improper means;

(iv) Has knowingly falsely made, issued, altered, forged, or counterfeited any official certificate, memorandum, mark, or other identification;

(v) Has knowingly uttered, published, or used as true any such falsely made, issued, altered, forged, or counterfeited certificate, memorandum, mark or identification;

(vi) Has knowingly obtained or retained possession of any such falsely made, issued, altered, forged, or counterfeited certificate, memorandum, mark or identification, or of any equipment or utensil bearing any such falsely made, issued, altered, forged, or counterfeited mark or identification;

(vii) Has applied the designation "USDA Accepted Equipment", "AMS

Accepted Equipment”, “USDA Approved Equipment”, “AMS Approved Equipment”, “Approved By USDA”, “Approved By AMS”, “Accepted By USDA”, “Accepted By AMS”, “USDA Approved”, “USDA Accepted”, “AMS Approved”, “AMS Accepted”, or any other variation of wording which states or implies official sanction by the United States Department of Agriculture by stamp, or brand directly on any equipment or utensil, or used as part of any promotional materials which has not been inspected and deemed in compliance with this subpart; or,

(viii) Has in any manner not specified in this paragraph violated subsection 203(h) of the AMA: *Provided*, That paragraph (a)(1)(vi) of this section shall not be deemed to be violated if the person in possession of any item mentioned therein notifies the Deputy Administrator or Chief without such delay that such person has possession of such item and, in the case of an official identification, surrenders it to the Chief, and, in the case of any other item, surrenders it to the Deputy Administrator or Chief or destroys it or brings it into compliance with the regulations by obliterating or removing the violative features under supervision of the Deputy Administrator or Chief: *And provided further*, That paragraphs (a)(1) (ii) through (vii) of this section shall not be deemed to be violated by any act committed by any person prior to the making of an application of service under the regulations by the principal person. An application or a request for service may be rejected or the benefits of the service may be otherwise denied to, or withdrawn from, any person who operates an establishment for which such person has made application for service if, with the knowledge of such operator, any other person conducting any operations in such establishment has committed any of the offenses specified in paragraphs (a)(1) (i) through (vii) of this section after such application was made. Moreover, an application or a request for service made in the name of a person otherwise eligible for service under the regulations may be rejected, or the benefits of the service may be otherwise denied to, or withdrawn from, such a person:

(A) In case the service is or would be performed at an establishment operated:

(1) By a corporation, partnership, or other person from whom the benefits of the service are currently being withheld under this paragraph; or

(2) By a corporation, partnership, or other person having an officer, director, partner, or substantial investor from whom the benefits of the service are currently being withheld and who has any authority with respect to the establishment where service is or would be performed; or

(B) In case the service is or would be performed with respect to any product in which any corporation, partnership, or other person within paragraph (a)(1)(viii)(A)(1) of this section has a contract or other financial interest.

(2) *Procedure*. All cases arising under this paragraph shall be conducted in accordance with the Rules of Practice Governing Formal Adjudicatory Proceedings Instituted by the Secretary Under Various Statutes set forth in 7 CFR §§1.130 through 1.151 and the Supplemental Rules of Practice in part 50, 7 CFR §50.1 *et seq.*

(b) *Filing of records*. The final orders in formal proceedings under paragraph (a) of this section to deny or withdraw the service under the regulations (except orders required for good cause to be held confidential and not cited as precedents) and other records in such proceedings (except those required for good cause to be held confidential) shall be filed with the Hearing Clerk and shall be available for inspection by persons having a proper interest therein.

#### § 54.1033 Confidential treatment.

Every design review specialist providing service under these regulations shall keep confidential all information secured and not disclose such information to any person except an authorized representative of the Department.

#### § 54.1034 OMB control numbers assigned pursuant to the Paperwork Reduction Act.

The following control number has been assigned to the information collection requirements in 7 CFR part 54, subpart C, by the Office of Management

## Agricultural Marketing Service, USDA

Pt. 56

and Budget pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35).

7 CFR section where requirements are described	Current OMB control No.
54.1008(a) .....	0581-0126
54.1017 .....	0581-0126
54.1018(e) .....	0581-0126
54.1019 .....	0581-0126
54.1020 .....	0581-0126
54.1021 .....	0581-0126

## PART 56—VOLUNTARY GRADING OF SHELL EGGS

### Subpart A—Grading of Shell Eggs

#### DEFINITIONS

Sec.

- 56.1 Meaning of words and terms defined.  
56.2 Designation of official certificates, memoranda, marks, other identifications, and devices for purposes of the Agricultural Marketing Act.

#### GENERAL

- 56.3 Administration.  
56.4 Basis of grading service.  
56.5 Accessibility of product.  
56.6 Supervision.  
56.7 Nondiscrimination.  
56.8 Other applicable regulations.  
56.9 OMB control number.

#### LICENSED AND AUTHORIZED GRADERS

- 56.10 Who may be licensed and authorized.  
56.11 Financial interest of graders.  
56.12 Suspension of license; revocation.  
56.13 Cancellation of license.  
56.14 Surrender of license.  
56.15 Political activity.  
56.16 Identification.  
56.17 Equipment and facilities for graders.  
56.18 Schedule of operation of official plants.  
56.19 Prerequisites to grading.

#### APPLICATION FOR GRADING SERVICE

- 56.20 Who may obtain grading service.  
56.21 How application for service may be made; conditions of service.  
56.22 Filing of application.  
56.23 Form of application.  
56.24 Rejection of application.  
56.25 Withdrawal of application.  
56.26 Authority of applicant.  
56.27 Order of service.  
56.28 Types of service.  
56.29 Suspension or withdrawal of plant approval for correctable cause.  
56.30 Application for grading service in official plants; approval.

#### REPORTS

- 56.31 Report of grading work.  
56.32 Information to be furnished to graders.  
56.33 Report of violations

#### IDENTIFYING AND MARKING PRODUCTS

- 56.35 Authority to use, and approval of official identification.  
56.36 Form of grademark and information required.  
56.37 Lot marking of officially identified shell eggs.  
56.38 Retention authorities.

#### PREREQUISITES TO PACKAGING SHELL EGGS IDENTIFIED WITH GRADEMARKS

- 56.39 Quality assurance inspector required.  
56.40 Grading requirements of shell eggs identified with grademarks.  
56.41 Check grading officially identified product.  
56.42-56.43 [Reserved]

#### FEES AND CHARGES

- 56.45 Payment of fees and charges.  
56.46 On a fee basis.  
56.47 Fees for appeal grading or review of a grader's decision.  
56.49 Travel expenses and other charges.  
56.52 Charges for continuous grading performed on a resident basis.  
56.53 Fees or charges for grading service performed under cooperative agreement.  
56.54 Charges for continuous grading performed on a nonresident basis.

#### GRADING CERTIFICATES

- 56.55 Forms.  
56.56 Issuance.  
56.57 Disposition.  
56.58 Advance information.

#### APPEAL OF A GRADING OR DECISION

- 56.60 Who may request an appeal grading or review of a grader's decision.  
56.61 Where to file an appeal.  
56.62 How to file an appeal.  
56.63 When an application for an appeal grading may be refused.  
56.64 Who shall perform the appeal.  
56.65 Procedures for appeal gradings.  
56.66 Appeal grading certificates.

#### DENIAL OF SERVICE

- 56.68 Debarment.  
56.69 Misrepresentation, deceptive, or fraudulent act or practice.  
56.70 Use of facsimile forms.  
56.71 Willful violation of the regulations.  
56.72 Interfering with a grader or employee of the AMS.  
56.73 Misleading labeling.  
56.74 Miscellaneous.

## § 56.1

### 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

## 7 CFR Ch. I (1–19 Edition)

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 (1–19 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](http://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]

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

### 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 (1–19 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 (1–19 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

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

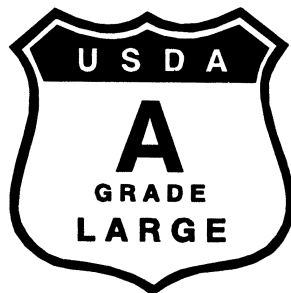


Figure 3



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]

### FEES 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 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

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 reassigned 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](http://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:

(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](http://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 (1–19 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

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 (1–19 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.

## Agricultural Marketing Service, USDA

§ 57.1

### IDENTIFICATION OF RESTRICTED EGGS OR EGG PRODUCTS NOT INTENDED FOR HUMAN CONSUMPTION

- 57.800 Identification of restricted eggs.
- 57.801 Nest run or washed ungraded eggs.
- 57.840 Identification of inedible, unwholesome, or adulterated egg products.
- 57.860 Identification wording.

#### IMPORTS

- 57.900 Requirements for importation of restricted eggs into the United States.
- 57.905 Importation of restricted eggs or eggs containing more restricted eggs than permitted in the official standards for U.S. Consumer Grade B.
- 57.915 Foreign inspection certification required.
- 57.920 Importer to make application for inspection of imported eggs.
- 57.925 Inspection of imported eggs.
- 57.930 Imported eggs; retention in customs custody; delivery under bond; movement prior to inspection; sealing; handling; facilities, and assistance.
- 57.935 Means of conveyance and equipment used in handling eggs to be maintained in sanitary condition.
- 57.945 Foreign eggs offered for importation; reporting of findings to customs; handling of products refused entry.
- 57.950 Labeling of containers of eggs for importation.
- 57.955 Labeling of shipping containers of eggs for importation.
- 57.960 Small importations for consignee's personal use, display, or laboratory analysis.
- 57.965 Returned U.S. inspected and marked products; not importations.
- 57.970 Charges for storage, cartage, and labor with respect to products imported contrary to the Act.

### Subpart B—Rules of Practice Governing Proceedings Under the Egg Products Inspection Act

#### SCOPE AND APPLICABILITY OF RULES OF PRACTICE

- 57.1000 Administrative proceedings.

AUTHORITY: 21 U.S.C. 1031–1056.

SOURCE: 63 FR 69968, Dec. 17, 1998, unless otherwise noted.

EDITORIAL NOTE: 1. At 63 FR 69969, Dec. 17, 1998, part 57 was added by duplicating portions of part 59. At 63 FR 72353, Dec. 31, 1998, part 59 was redesignated as part 590 of 9 CFR.

2. Nomenclature changes to part 57 appear at 63 FR 69971, Dec. 17, 1998.

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

#### GENERAL

#### § 57.1 Definitions.

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 following terms shall have the following meaning:

*Acceptable* means suitable for the purpose intended by the Agricultural Marketing Service.

*Act* means the applicable provisions of the Egg Products Inspection Act, as amended, (Pub. L. 91–597, 84 Stat. 1620 *et seq.*).

*Administrator* means the Administrator of AMS 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 Administrator's stead.

*Adulterated* means any egg under one or more of the following circumstances:

(a) If it bears or contains any poisonous or deleterious substance which may render it injurious to health; but in case the substance is not an added substance, such article shall not be considered adulterated under this clause if the quantity of such substance in or on such article does not ordinarily render it injurious to health;

(b)(1) If it bears or contains any added poisonous or added deleterious substance (other than one which is a pesticide chemical in or on a raw agricultural commodity; a food additive; or a color additive) which may in the judgment of the Secretary, make such article unfit for human food;

(2) If it is, in whole or in part, a raw agricultural commodity and such commodity bears or contains a pesticide chemical which is unsafe within the meaning of section 408 of the Federal Food, Drug, and Cosmetic Act;

(3) If it bears or contains any food additive which is unsafe within the meaning of section 409 of the Federal Food, Drug, and Cosmetic Act;

(4) If it bears or contains any color additive which is unsafe within the meaning of section 706 of the Federal Food, Drug, and Cosmetic Act: Provided, that an article which is not otherwise deemed adulterated under paragraph (b)(2), (3), or (4) of this definition shall nevertheless be deemed adulterated if use of the pesticide chemical, food additive, or color additive, in or on such article, is prohibited by regulations of the Secretary in official plants;

(c) If it consists, in whole or in part, of any filthy, putrid, or decomposed substance, or if it is otherwise unfit for human food;

(d) If it has been prepared, packaged, or held under insanitary conditions whereby it may have become contaminated with filth, or whereby it may have been rendered injurious to health;

(e) If it is an egg which has been subjected to incubation or the product of any egg which has been subjected to incubation;

(f) If its container is composed, in whole or in part, of any poisonous or deleterious substance which may render the contents injurious to health;

(g) If it has been intentionally subjected to radiation, unless the use of the radiation was in conformity with a regulation or exemption in effect pursuant to section 409 of the Federal Food, Drug, and Cosmetic Act; or

(h) If any valuable constituent has been, in whole or in part, omitted or abstracted therefrom; or if any substance has been substituted, wholly or in part therefor; or if damage or inferiority has been concealed in any manner; or if any substance has been added thereto or mixed or packed therewith so as to increase its bulk or weight, or reduce its quality or strength, or make it appear better or of greater value than it is.

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

*Applicant* means any interested party who requests any inspection service.

*Capable of use as human food* means any egg, unless it is denatured, or otherwise identified, as required by these regulations to deter its use as human food.

*Chief of the Grading Branch* means 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.

*Commerce* means interstate, foreign, or intrastate commerce.

*Condition* means any characteristic affecting a products merchantability including, but not being limited to, the following: The state of preservation, cleanliness, soundness, wholesomeness, or fitness for human food of any product; or the processing, handling, or packaging which affects such product.

*Container* or *Package* mean for shell eggs, any carton, basket, case, cart, pallet, or other receptacle.

(a) *Immediate container* means any package or other container in which shell eggs are packed for household or other ultimate consumers.

(b) *Shipping container* means any container used in packing an immediate container.

*Department* means the United States Department of Agriculture.

*Egg* means the shell egg of the domesticated chicken, turkey, duck, goose, or guinea. Some of the terms applicable to shell eggs are as follows:

(a) *Check* means an egg that has a broken shell or crack in the shell but has its shell membranes intact and contents not leaking.

(b) *Clean and sound shell egg* means any egg whose shell is free of adhering dirt or foreign material and is not cracked or broken.

(c) *Dirty egg* or *Dirties* means an egg(s) that has an unbroken shell with adhering dirt, or foreign material.

(d) *Incubator reject* means an egg that has been subjected to incubation and has been removed from incubation during the hatching operations as infertile or otherwise unhatchable.

(e) *Inedible* means eggs of the following descriptions: Black rots, yellow rots, white rots, mixed rots, sour eggs, eggs with green whites, eggs with stuck yolks, moldy eggs, musty eggs, eggs showing blood rings, and eggs containing embryo chicks (at or beyond the blood ring stage).

(f) *Leaker* means an egg that has a crack or break in the shell and shell membranes to the extent that the egg contents are exposed or are exuding or free to exude through the shell.

(g) *Loss* means an egg that is unfit for human food because it is smashed or broken so that its contents are leaking; or overheated, frozen, or contaminated; or an incubator reject; or because it contains a bloody white, large meat or blood spot, a large quantity of blood, or other foreign material.

(h) *Restricted egg* means any check, dirty egg, incubator reject, inedible, leaker, or loss.

*Egg handler* means any person, excluding the household consumer, who engages in any business in commerce that involves buying or selling any eggs or processing any egg products, or otherwise using any eggs in the preparation of human food.

*Federal Food, Drug, and Cosmetic Act* means the Act so entitled, approved June 25, 1938 (52 Stat. 1040), and Acts amendatory thereof or supplementary thereto.

*Inedible egg products* means dried, frozen, or liquid inedible egg products that are unfit for human consumption.

*Inspection* means the application of such inspection methods and techniques as are deemed necessary by the responsible Secretary to carry out the provisions of the Egg Products Inspection Act and the regulations under this part.

*Interested party* means any person financially interested in a transaction involving any surveillance inspection service.

*Label* means a display of any printed, graphic, or other method of identification upon the shipping container, if any, or upon the immediate container, including but not limited to, an individual consumer package of eggs, or accompanying such product.

*National supervisor* means:

(a) The officer-in-charge of the surveillance inspection service; and

(b) Other employee of the Department designated by the national supervisor.

*Nest-run eggs* means eggs that have been 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 inspection* means the office of any inspector.

*Official certificate* means any certificate prescribed by regulations of the Administrator for issuance by an inspector or other person performing official functions under this part.

*Official device* means any device prescribed or authorized by the Secretary for use in applying any official mark.

*Official egg products processing plant* means one or more buildings or parts thereof comprising a single plant in which the plant facilities and methods of operation therein have been approved by the Administrator of the Food Safety Inspection Service as suitable and adequate for the continuous inspection of egg products and in which inspection service is carried on.

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

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

*Pesticide chemical, Food additive, Color additive, and Raw agricultural commodity* mean the same for purposes of this part as under the Federal Food, Drug, and Cosmetic Act.

*Plant* means any place of business where eggs are processed.

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

*Regional director* means any employee of the Department in charge of the surveillance inspection service in a designated geographical area.

*Regulations* means the provisions in this entire part and such U.S. Standards, Grades, and Weight Classes for Shell Eggs as may be in effect at the time grading is performed.

*Regulatory inspector or Inspector* means any Federal employee or the employee of a cooperating agency to whom a license has been issued by the Secretary to make such inspections as required in § 57.28 of these regulations.

## § 57.10

*Regulatory officer or staff officer* means staff assistants to regional directors who assist the regional director in administering the surveillance inspection service.

*Sampling* means the act of taking samples of any product for inspection.

*Secretary* means the Secretary of Agriculture or any other officer or employee of the Department to whom the authority to act in the Secretary's stead has been delegated.

*Service* means the personnel who are actively engaged in the administration, application, and direction of the surveillance inspection service pursuant to the regulations in this part.

*Shell egg packer* means any person engaged in the sorting of eggs into their various qualities.

(a) *Producer-packer* means any person engaged in the sorting of eggs from their own production into their various qualities, either mechanically or by other means.

(b) *Grading station* means any person engaged in the sorting of eggs from their own production and sources other than their own production into their various qualities, either mechanically or by other means.

*State* means any State of the United States of America, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, and the District of Columbia.

*State supervisor or Federal-State supervisor* means any authorized and delegated individual who is in charge of the surveillance inspection program in a state.

*Surveillance inspection service* means the official service within the Department having the responsibility for carrying out the provisions of the Egg Products Inspection Act under this part.

*Ultimate consumer* means any household consumer, restaurant, institution, or any other party who has purchased or received shell eggs for consumption.

*Unclassified eggs* means eggs that have been washed or are unwashed and show evidence of segregating or sizing.

*United States Standards, Grades, and Weight Classes for Shell Eggs (AMS 56)* means the official U.S. standards, grades, and weight classes for shell

## 7 CFR Ch. I (1–1–19 Edition)

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.

[69 FR 57164, Sept. 24, 2004, as amended at 71 FR 12614, Mar. 13, 2006]

### § 57.10 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, grading, inspection, 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.

[69 FR 57166, Sept. 24, 2004]

### § 57.13 Federal and State cooperation.

The Secretary shall, whenever determined necessary to effectuate the purposes of the Act, authorize the Administrator to cooperate with appropriate State and other governmental agencies in carrying out any provisions of the Egg Products Inspection Act and this part. In carrying out the provisions of the Act and the regulations in this part, the Secretary may conduct such examinations, investigations, and inspections as the Secretary determines practicable through any officer or employee of any such agency commissioned by the Secretary for such purpose. The Secretary shall reimburse the States and other agencies for the services rendered by them stated in the cooperative agreements signed by the Administrator and the duly authorized agent of the State or other agency.

[69 FR 57166, Sept. 24, 2004]

## Agricultural Marketing Service, USDA

## § 57.45

### § 57.17 Nondiscrimination.

The conduct of all services and the licensing of inspectors 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.

[69 FR 57166, Sept. 24, 2004]

### § 57.18 OMB control number.

The information collection requirements in this part have been approved by the Office of Management and Budget and assigned OMB control number 0581-0113.

[63 FR 69970, Dec. 17, 1998]

### SCOPE OF INSPECTION

### § 57.20 Inspection in accordance with methods prescribed or approved.

Inspection of eggs shall be rendered pursuant to these regulations and under such conditions and in accordance with such methods as may be prescribed or approved by the Administrator.

[63 FR 69968, 69970, Dec. 17, 1998]

### § 57.22 Basis of service.

This part provides for inspection services pursuant to the Egg Products Inspection Act, as amended. Eggs shall be inspected in accordance with such standards, methods, and instructions as may be issued or approved by the Administrator. Inspection services shall be subject to supervision at all times by the applicable Federal-State supervisor, staff officer, regulatory officer, regional director, and national supervisor.

[69 FR 57166, Sept. 24, 2004]

### § 57.28 Inspections.

(a) Periodic inspections shall be made of business premises, facilities, inventories, operations, transport vehicles, and records of egg handlers, and the records of all persons engaged in the business of transporting, shipping, or receiving any eggs. In the case of shell egg packers packing eggs for the ultimate consumer, such inspections shall be made a minimum of once each calendar quarter. Hatcheries are to be

inspected a minimum of once each fiscal year.

(2) [Reserved]

(b) Inspections shall be made of imported eggs as required in this part.

[63 FR 69968, 69970, Dec. 17, 1998, as amended at 69 FR 57166, Sept. 24, 2004]

### RELATION TO OTHER AUTHORITIES

### § 57.35 Eggs in commerce.

(a)(1) For eggs that moved or are moving in interstate or foreign commerce, no State or local jurisdiction:

(i) May require the use of standards of quality, condition, grade, or weight classes which are in addition to or different than the official standards; or

(ii) Other than states in noncontiguous areas of the United States, may require labeling to show the State or other geographical area of production or origin.

(2) This shall not preclude a State from requiring the name, address, and license number of the person processing or packaging eggs to be shown on each container.

(b) Any State or local jurisdiction may exercise jurisdiction for the purpose of preventing the distribution of eggs for human food purposes that are in violation of this part or any other Federal acts or State or local laws consistent therewith.

[69 FR 57166, Sept. 24, 2004]

### EGGS NOT INTENDED FOR HUMAN FOOD

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

(a) No person shall buy, sell, or transport, or offer to buy or sell, or offer or receive for transportation in commerce, any eggs that are not intended for use as human food, unless they are denatured or decharacterized, unless shipped under seal as authorized in § 57.720(a) and identified as required by the regulations in this part.

(b) No person shall import or export shell eggs classified as loss, inedible, or incubator rejects unless they are denatured or decharacterized and identified as required by the regulations in this part.

[63 FR 69968, 69970, Dec. 17, 1998, as amended at 69 FR 57166, Sept. 24, 2004]

EXEMPTIONS

**§ 57.100 Specific exemptions.**

The following are exempt to the extent prescribed as to the provisions for control of restricted eggs in section 8(a)(1) and (2) of the Act: *Provided*, That as to paragraphs (c) through (f) of this section, the exemptions do not apply to restricted eggs when prohibited by State or local law: *And provided further*, That the sale of “hard-cooked shell eggs” or “peeled hard-cooked shell eggs” prepared from checks is subject to the conditions for exemption in paragraphs (c), (d), and (f) of this section: *And provided further*, That the conditions for exemption and provisions of these regulations are met:

(a) The sale, transportation, possession, or use of eggs that contain no more restricted eggs than are allowed by the tolerances in the official standards for U.S. Consumer Grade B shell eggs;

(b) [Reserved]

(c) The sale at the site of production, on a door-to-door retail route, or at an established place of business away from the site of production, by a poultry producer of eggs from his own flock’s production directly to a household consumer exclusively for use by such consumer and members of his household and his nonpaying guests and employees, and the transportation, possession, and use of such eggs: *Provided*, That each such sale of restricted eggs shall be limited to no more than 30 dozen eggs; *And provided further*,

(1) That eggs sold directly to consumers at an established place of business away from the site of production be moved directly from the producer to such place of business;

(2) That such business away from the site of production be owned and managed by the producer; and

(3) That such eggs which are sold on a door-to-door route or at an established place of business away from the site of production shall contain no more loss and/or leakers than allowed in the official standards for U.S. Consumer Grade B shell eggs.

(d) The sale of eggs by any producer with an annual egg production from a flock of 3,000 hens or less and the record requirements of § 57.200;

(e) The processing and sale of egg products by any producer from eggs of the producer’s own flock when sold directly to a household consumer exclusively for use by such consumer and members of the consumer’s household and the consumer’s nonpaying guests and employees;

(f) The sale of eggs by shell egg packers on the premises where the grading station is located, directly to household consumers for use by such consumer and members of the consumer’s household and the consumer’s nonpaying guests and employees, and the transportation, possession, and use of such eggs. Each such sale of “restricted eggs” shall be limited to no more than 30 dozen eggs;

(g) The processing in nonofficial plants, including but not limited to bakeries, restaurants, and other food processors, without continuous inspection, of certain categories of food products which contain eggs or egg products as an ingredient, and the sale and possession of such products: *Provided*, That such products are manufactured from inspected egg products processed in accordance with this part or from eggs containing no more restricted eggs than are allowed in the official standards for U.S. Consumer Grade B shell eggs;

(h) The purchase, sale, possession, or transportation of shell eggs containing more restricted eggs than allowed in the tolerances for U.S. Consumer Grade B shell eggs: *Provided*, That such eggs are handled in accordance with §§ 57.200 and 57.700 through 57.860 to assure that only eggs fit for human food are used for such purpose. This exemption applies to the following:

(1) Egg producers, assemblers, wholesalers, and grading operations;

(2) Hatcheries;

(3) Transporters;

(4) Laboratories, pharmaceutical companies; and

(5) Processors of products not intended for use as human food.

[63 FR 69968, 69971, Dec. 17, 1998, as amended at 69 FR 57166, Sept. 24, 2004]

**§ 57.105 Suspension or termination of exemptions.**

(a) The Administrator may modify or revoke any regulation of this part,



## Agricultural Marketing Service, USDA

## § 57.134

granting exemptions whenever he determines such action appropriate to effectuate the purposes of the Act.

(b) Failure to comply with the condition of the exemptions contained in § 57.100 shall subject such person to the penalties provided for in the Act and in this part.

[63 FR 69968, Dec. 17, 1998, as amended at 69 FR 57166, Sept. 24, 2004]

### PERFORMANCE OF SERVICES

#### § 57.110 Licensed inspectors.

(a) Any person who is a Federal employee or the employee of a cooperating agency who possesses proper qualifications as determined by an examination for competency, and who is to perform surveillance inspection services, may be licensed by the Secretary as an inspector.

(b) All licenses issued by the Secretary shall be countersigned by the Administrator or by any other designated official of the service.

[69 FR 67166, Sept. 24, 2004]

#### § 57.112 Suspension of license or authority; revocation.

Pending final action by the Secretary, any person authorized to countersign a license to perform surveillance inspection services may, whenever such action is necessary to assure that any inspection service is properly performed, suspend or revoke any license to perform inspection services issued pursuant to this part by giving notice of such action to the respective licensee, accompanied by a statement of the reasons. Within 7 days after the receipt of the suspension or revocation notice and statement of reasons, the licensee may file an appeal in writing to the Secretary, supported by any argument or evidence that the licensee may wish to offer as to why the license should not be suspended or revoked. After the expiration of the 7-day period and consideration of such argument and evidence, the Secretary will take appropriate action regarding the suspension or revocation. When no appeal is filed within the prescribed 7 days, the license is revoked or suspended.

[69 FR 57166, Sept. 24, 2004]

#### § 57.114 Surrender of license.

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

[69 FR 57167, Sept. 24, 2004]

#### § 57.119 Political activity.

Federal inspectors may participate in certain political activities, including management and participation in political campaigns as allowed by Federal regulation and AMS directives. Inspectors 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 constitute grounds for removal from the service.

[69 FR 57167, Sept. 24, 2004]

#### § 57.120 Financial interest of inspectors.

An inspector shall not inspect any product in which the inspector is financially interested.

[69 FR 57167, Sept. 24, 2004]

#### § 57.130 Identification.

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

[69 FR 57167, Sept. 24, 2004]

#### § 57.132 Access to plants.

Access shall not be refused to any representative of the Secretary to any plant, place of business, or transport vehicle subject to inspection under the provisions of this part upon presentation of identification furnished by the Department.

[63 FR 69968, Dec. 17, 1998, as amended at 69 FR 57166, Sept. 24, 2004]

#### § 57.134 Accessibility of product.

Each product for which inspection service is required shall be so placed as

## **§ 57.200**

to disclose fully its class, quality, quantity, and condition as the circumstances may warrant.

[63 FR 69968, Dec. 17, 1998, as amended at 69 FR 57167, Sept. 24, 2004]

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

#### **§ 57.200 Records and related requirements.**

(a) Persons engaged in the business of transporting, shipping, or receiving any eggs in commerce, or holding such articles so received, and all egg handlers, including hatcheries, shall maintain for 2 years records showing the receipt, delivery, sale, movement, and disposition of all eggs handled by them, and upon the request of an authorized representative of the Secretary, shall permit the representative, at reasonable times, to have access to and to copy all such records.

(b) All egg handlers shall maintain production records as approved by the Administrator. The records (bills of sale, inventories, receipts) shall show the name and address of the shipper and receiver, the date of the transaction, the quality of the eggs (graded eggs, nest-run eggs, dirties, checks, leakers, loss, inedible eggs), and the quantity of the eggs (amount). Producers who ship all of their production as nest-run eggs without segregation need only to maintain records indicating the amount of shell eggs shipped, date of shipment, and the receivers' name and address.

[69 FR 57167, Sept. 24, 2004]

#### **§ 57.220 Information and assistance to be furnished to inspectors.**

When surveillance inspection service is performed at any plant, the plant operator shall furnish the inspector such information and assistance as may be required for the performance of inspection functions, preparing certificates, reports, and for other official duties.

[63 FR 69968, Dec. 17, 1998, as amended at 69 FR 57167, Sept. 24, 2004]

## **7 CFR Ch. I (1–1–19 Edition)**

### **ADMINISTRATIVE DETENTION**

#### **§ 57.240 Detaining product.**

Whenever any eggs subject to the Act are found by any authorized representative of the Secretary upon any premises, and there is reason to believe that they are or have been processed, bought, sold, possessed, used, transported, or offered or received for sale or transportation in violation of the Act or the regulations in this part, or that they are in any other way in violation of the Act, or whenever any restricted eggs capable of use as human food are found by such a representative in the possession of any person not authorized to acquire such eggs under the regulations in this part, such articles may be detained by such representative for a period not to exceed 20 days, as more fully provided in section 19 of the Act. A detention tag or other similar device shall be used to identify detained product, and the custodian or owner shall be given a written notice of such detention. Only authorized representatives of the Secretary shall affix or remove detention identification. The provisions of this section shall in no way derogate from authority for condemnation or seizure conferred by other provisions of the Act, the regulations in this part, or other laws.

[63 FR 69968, 69971, Dec. 17, 1998]

### **APPEAL OF AN INSPECTION**

#### **§ 57.300 Who may request an appeal inspection.**

An appeal inspection may be requested by any interested party who is dissatisfied with the determination by an inspector of the class, quality, quantity, or condition of any product.

[69 FR 57167, Sept. 24, 2004]

#### **§ 57.310 Where to file an appeal.**

Any interested party that is not satisfied with the determination of the class, quality, quantity, or condition of product which was inspected may request an appeal inspection by filing such request with the Regional Director in the region where the product is

## **Agricultural Marketing Service, USDA**

## **§ 57.690**

located or with the Chief of the Grading Branch.

[63 FR 69971, Dec. 17, 1998, as amended at 69 FR 57167, Sept. 24, 2004]

### **§ 57.320 How to file an appeal.**

The request for an appeal inspection may be made orally or in writing. If made orally, written confirmation may be required. The applicant shall clearly state the identity of the product, the decision that is questioned, and the reason(s) for requesting the appeal service.

[69 FR 57167, Sept. 24, 2004]

### **§ 57.330 When an application for an appeal inspection 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 condition of the product has undergone a material change since the original inspection, 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 inspection may be refused. In such case, the applicant shall be promptly notified of the reason(s) for such refusal.

[63 FR 69968, Dec. 17, 1998, as amended at 69 FR 57167, Sept. 24, 2004]

### **§ 57.340 Who shall perform the appeal.**

The assignment of the inspector(s) who will make the appeal inspection under § 57.310 shall be made by the Regional Director or the Chief of the Grading Branch.

[63 FR 69968, 69971, Dec. 17, 1998, as amended at 69 FR 57167, Sept. 24, 2004]

### **§ 57.350 Procedures for selecting appeal samples.**

(a) Products shall not have been moved from the place where the inspection being appealed was performed and must have been maintained under adequate refrigeration when applicable.

(b) The appeal sample shall consist of product taken from the original sample containers plus an equal number of containers selected at random. When the original samples are not available or have been altered, such as removing the undergrades, the sample size shall

be double the number of samples required in 7 CFR 56.4.

[63 FR 69968, 69971, Dec. 17, 1998, as amended at 69 FR 57167, Sept. 24, 2004]

### **§ 57.360 Appeal inspection certificates.**

Immediately after an appeal inspection is completed, an appeal certificate shall be issued to show that the original inspection was sustained or was not sustained.

[63 FR 69968, Dec. 17, 1998, as amended at 69 FR 57167, Sept. 24, 2004]

### **§ 57.370 Cost of appeals.**

The costs of an appeal inspection shall be borne by the appellant on a fee basis at rates set forth in 7 CFR 56.46, plus any travel and additional expenses. If the appeal inspection or review of an inspector's decision discloses that a material error was made in the original determination, no fee or expense will be charged.

[69 FR 57157, Sept. 24, 2004]

## **RETENTION**

### **§ 57.426 Retention.**

Retention tags or other devices and methods as may be approved by the Administrator shall be used for the identification and control of products which are not in compliance with the regulations or are held for further examination. No product, shall be released for use until it has been made acceptable. Such identification shall not be removed by anyone other than an inspector.

[63 FR 69968, Dec. 17, 1998, as amended at 69 FR 57168, Sept. 24, 2004]

## **REGISTRATION OF SHELL EGG HANDLERS**

### **§ 57.690 Person required to register.**

Egg handlers, except for producer-packers with an annual egg production from a flock of 3,000 hens or less, who grade and pack eggs for the ultimate consumer, and hatcheries, are required to register with the Department by furnishing their name, place of business, and such other information requested on the registration form available from the Department. Completed forms shall be sent to the addressee indicated on

## § 57.700

## 7 CFR Ch. I (1–19 Edition)

the form. Persons above who are establishing a business will be required to register before they start operations.

[69 FR 571688, Sept. 24, 2004]

### INSPECTION AND DISPOSITION OF RESTRICTED EGGS

#### § 57.700 Prohibition on disposition of restricted eggs.

(a) No person shall buy, sell, or transport, or offer to buy or sell, or offer or receive for transportation in any business in commerce any restricted eggs, except as authorized in §§ 57.100 and 57.720.

(b) No egg handler shall possess any restricted eggs, except as authorized in §§ 57.100 and 57.720.

(c) No egg handler shall use any restricted eggs in the preparation of human food, except as provided in §§ 57.100 and 57.720.

[36 FR 9814, May 28, 1971. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 63 FR 69970, Dec. 17, 1998]

#### § 57.720 Disposition of restricted eggs.

(a) Eggs classified as checks, dirties, incubator rejects, inedibles, leakers, or loss shall be disposed of by one of the following methods at point and time of segregation:

(1) By shipping directly or indirectly to an official egg products processing plant for segregation and processing, if a check or dirty and if labeled in accordance with § 57.800. Inedible and loss eggs shall not be intermingled in the same container with checks and dirties.

(2) By destruction and identification in a manner approved by the Administrator.

(i) Loss and inedible eggs shall be crushed and shall be placed in a container containing a sufficient amount of approved denaturant or decharacterant, such as FD&C brown, blue, black, or green colors, meat and fish by-products, grain and milling by-products, or any other substance, as approved by the Administrator, that

will accomplish the purposes of this section. The approved denaturant or decharacterant substance shall be dispersed through the product in amounts sufficient to give the product a distinctive appearance or odor.

(ii) The denatured and decharacterized product shall be labeled as required in §§ 57.840 and 57.860.

(3) By processing for industrial use or for animal food. Such product shall be denatured or decharacterized in accordance with § 57.720(a)(2) and identified as provided in §§ 57.840 and 57.860, or handled in accordance with other procedures approved by the Administrator. Notwithstanding the foregoing, product which was produced under official supervision and transported for industrial use or animal food need not be denatured or decharacterized if it is shipped under Government seal and received by an inspector or grader as defined in this part.

(4) By coloring the shells of loss and inedible eggs with a sufficient amount of FD&C color to give a distinct appearance, or applying a substance that will penetrate the shell and decharacterize the egg meat. Except that, lots of eggs containing significant percentages of blood spots or meat spots, but no other types of loss or inedible eggs may be shipped directly to official egg products processing plants, provided they are conspicuously labeled with the name and address of the shipper and the wording “Spots—For Processing Only In Official Egg Products Processing Plants.”

(b) Eggs which are packed for the ultimate consumer and which have been found to exceed the tolerance for restricted eggs permitted in the official standards for U.S. Consumer Grade B shall be identified as required in §§ 57.800 and 57.860 and shall be shipped directly or indirectly:

(1) To an official egg products processing plant for proper segregation and processing; or

(2) Be regraded so that they comply with the official standards; or

(3) Used as other than human food.

## Agricultural Marketing Service, USDA

## § 57.905

(c) Records shall be maintained as provided in § 57.200 to assure proper disposition.

[36 FR 9814, May 28, 1971; 36 FR 10841, June 4, 1971; 37 FR 6659, Apr. 1, 1972; 40 FR 20059, May 8, 1975. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 47 FR 745, Jan. 7, 1982; 60 FR 49170, Sept. 21, 1995. Redesignated at 63 FR 69970, Dec. 17, 1998, as amended at 69 FR 57168, Sept. 24, 2004]

### IDENTIFICATION OF RESTRICTED EGGS OR EGG PRODUCTS NOT INTENDED FOR HUMAN CONSUMPTION

#### § 57.800 Identification of restricted eggs.

The shipping container of restricted eggs shall be determined to be satisfactorily identified if such container bears the packer's name and address, the quality of the eggs in the container (e.g., dirties, checks, inedibles, or loss), or the statement "Restricted Eggs—For Processing Only In An Official USDA Egg Products Processing Plant," for checks or dirties, or "Restricted Eggs—Not To Be Used As Human Food," for inedibles, loss, and incubator rejects, or "Unclassified Eggs—To Be Regraded" for graded eggs which contain more restricted eggs than are allowed in the official standards for U.S. Consumer Grade B shell eggs. The size of the letters of the identification wording shall be as required in § 57.860. When eggs are packed in immediate containers, e.g., cartons, sleeve packs, overwrapped 2½- or 3-dozen packs, etc., for sale to household consumers under the exemptions provided for in section 57.100 (c), or (f), they shall be deemed to be satisfactorily identified in accordance with the requirements of this part if such immediate containers bear the packer's name and address and the quality of the eggs. Alternatively, a point of sale sign may be displayed showing the above information.

[63 FR 69968, Dec. 17, 1998, as amended at 69 FR 57168, Sept. 24, 2004]

#### § 57.801 Nest run or washed ungraded eggs.

Nest run or washed ungraded eggs are exempt from the labeling provisions in § 57.800. However, when such eggs are packed and sold to consumers, they

may not exceed the tolerance for restricted eggs permitted in the official standards for U.S. Consumer Grade B shell eggs.

[60 FR 49171, Sept. 21, 1995. Redesignated at 63 FR 69970, Dec. 17, 1998]

#### § 57.840 Identification of inedible, unwholesome, or adulterated egg products.

All inedible, unwholesome, or adulterated egg products shall be identified with the name and address of the processor, the words "Inedible Egg Products—Not To Be Used as Human Food."

#### § 57.860 Identification wording.

The letters of the identification wording shall be legible and conspicuous.

### IMPORTS

#### § 57.900 Requirements for importation of restricted eggs into the United States.

(a) Restricted eggs may be imported into the United States from any foreign country only in accordance with these regulations. The importation of any egg in violation of the regulations of this part is prohibited. The importation of any egg in violation of the regulations of this part is prohibited.

(b) All such imported articles shall upon entry into the United States be deemed and treated as domestic articles and be subject to the other provisions of the Act, these regulations, and other Federal or State requirements.

[63 FR 69968, 69971, Dec. 17, 1998, as amended at 69 FR 57168, Sept. 24, 2004]

#### § 57.905 Importation of restricted eggs or eggs containing more restricted eggs than permitted in the official standards for U.S. Consumer Grade B.

(a) No containers of restricted egg(s) other than checks or dirties shall be imported into the United States. The shipping containers of such eggs shall be identified with the name, address, and country of origin of the exporter, and the date of pack and quality of the eggs (e.g., checks, or dirties) preceded by the word "Imported" or the statement "Imported Restricted Eggs—For Processing Only In An Official USDA

## § 57.915

Processing Plant,” or “Restricted Eggs—Not To Be Used As Human Food.” Such identification shall be legible and conspicuous. Alternatively, for properly sealed and certified shipments of shell eggs imported for breaking at an official egg products processing plant, the shipping containers need not be labeled, provided that the shipment is segregated and controlled upon arrival at the destination breaking plant.

(b) Eggs which are imported for use as human food and upon entry are found to contain more restricted eggs than permitted in the official standards for U.S. Consumer Grade B, shall be refused entry and returned to the importing country or be conspicuously and legibly identified as “Imported Restricted Eggs” and be sent directly under official seal: (1) To a place where they may be regraded to comply with the official U.S. standards for consumer grades; (2) to an official USDA egg products processing plant; or (3) to be used as other than human food.

[63 FR 69968, 69971, Dec. 17, 1998, as amended at 69 FR 57168, Sept. 24, 2004]

## § 57.915 Foreign inspection certification required.

(a) [Reserved]

(b) Except as otherwise provided in § 57.960, each consignment of shell eggs shall be accompanied by a foreign inspection certificate, that, unless otherwise approved by the Administrator contains the following information:

- (1) Name of Country exporting product;
- (2) City and date where issued;
- (3) Quality or description of eggs;
- (4) Number of cases and total quantity;
- (5) Identification marks on containers;
- (6) Name and address of exporter;
- (7) Name and address of importer;
- (8) A certification that the quality or description of the shell eggs, including date of pack, is true and accurate;
- (9) A certification that shell eggs which have been packed into containers destined for the ultimate consumer have, at all times after packing, been stored and transported under refrigeration at an ambient temperature of no greater than 45 °F (7.2 °C); and

## 7 CFR Ch. I (1–19 Edition)

(10) Name (including signature) and title of person authorized to issue inspection certificates for shell eggs exported to the United States.

[63 FR 69968, 69971, Dec. 17, 1998, as amended at 69 FR 57168, Sept. 24, 2004]

## § 57.920 Importer to make application for inspection of imported eggs.

Each person importing any eggs as defined in these regulations, unless exempted by § 57.960 shall make application for inspection upon LPS Form 222-Import Request. The application may be submitted to the address located on LPS Form 222, filed through electronic submission via [QAD.importrequesteggs@ams.usda.gov](mailto:QAD.importrequesteggs@ams.usda.gov), or by accessing the U.S. Customs and Border Protection’s International Trade Data System. Application shall be made as far in advance as possible prior to the arrival of the product. Each application shall state the approximate date of product arrival in the United States, the name of the ship or other carrier, the country from which the product was shipped, the destination, the quantity and class of product, and the point of first arrival in the United States.

[81 FR 1482, Jan. 13, 2016]

## § 57.925 Inspection of imported eggs.

(a) Except as provided in § 57.960, eggs offered for importation from any foreign country shall be subject to inspection in accordance with established inspection procedures, including the examination of the labeling information on the containers, by an inspector before the product shall be admitted into the United States. Importers will be advised of the point where inspection will be made, and in case of small shipments (less than carload lots), the importer may be required to move the product to the location of the nearest inspector.

(b) Inspectors may take samples, without cost to the United States, of any product offered for importation that is subject to quality determination, except that samples shall not be taken of any products offered for importation under § 57.960, unless there is reason for suspecting the presence

## Agricultural Marketing Service, USDA

## § 57.935

therein of a substance in violation of that section.

[63 FR 69968, 69971, Dec. 17, 1998, as amended at 69 FR 57168, Sept. 24, 2004]

### **§ 57.930 Imported eggs; retention in customs custody; delivery under bond; movement prior to inspection; sealing; handling; facilities, and assistance.**

(a) No eggs required by this part to be inspected shall be released from customs custody prior to required inspections, but such product may be delivered to the consignee, or his agent, prior to inspection if the consignee shall furnish a bond, in the form prescribed by the Secretary of the Treasury, conditioned that the product shall be returned, if demanded, to the collector of the port where the same is offered for clearance through customs.

(b) Notwithstanding paragraph (a) of this section, no product required by this part to be inspected shall be moved prior to inspection from the port of arrival where first unloaded, and if arriving by water from the wharf where first unloaded at such port, to any place other than the place designated in accordance with this part as the place where the same shall be inspected; and no product shall be conveyed in any manner other than in compliance with this part.

(c) Means of conveyance or packages in which any product is moved in accordance with this part, prior to inspection, from the port or wharf where first unloaded in the United States, shall be sealed with special import seals of the Department or otherwise identified as provided herein, unless already sealed with customs or consular seals in accordance with the customs regulations. Such special seals shall be affixed by an inspector or, if there is no inspector at such port, by a customs officer. In lieu of sealing packages, the carrier or importer may furnish and attach to each package of product a warning notice on bright yellow paper, not less than 5 × 8 inches in size, containing the following legend in black type of a conspicuous size:

(Name of Truck Line or Carrier)

#### NOTICE

This package of \_\_\_\_\_ must be delivered intact to an inspector of the Poultry Programs, U.S. Department of Agriculture.

#### WARNING

Failure to comply with these instructions will result in penalty action being taken against the holder of the customs entry bond.

If the product is found to be acceptable upon inspection, the product may be released to the consignee, or his agent, and this warning notice defaced.

(d) No person shall affix, break, alter, deface, mutilate, remove, or destroy any special import seal of the Department, except customs officers or inspectors, or as provided in paragraph (f) of this section.

(e) No product shall be removed from any means of conveyance or package sealed with a special import seal of the Department, except under the supervision of an inspector or a customs officer, or as provided in paragraph (f) of this section.

(f) In case of a wreck or similar extraordinary emergency, the special import seal of the Department on a car, truck, or other means of conveyance may be broken by the carrier and, if necessary, the articles may be reloaded into another means of conveyance for transportation to destination. In all such cases, the carrier shall immediately report the facts to the Chief of the Grading Branch.

(g) The consignee or his agent shall provide such facilities and assistance as the inspector may require for the inspection and handling and marking of products offered for importation.

[63 FR 69968, 69971, Dec. 17, 1998, as amended at 69 FR 57168, Sept. 24, 2004]

### **§ 57.935 Means of conveyance and equipment used in handling eggs to be maintained in sanitary condition.**

Compartments of boats, railroad cars, and other means of conveyance transporting any product to the United States, and all chutes, platforms, racks, tables, tools, utensils, and all

## § 57.945

## 7 CFR Ch. I (1–19 Edition)

other devices used in moving and handling such product offered for importation, shall be maintained in a sanitary condition.

### **§ 57.945 Foreign eggs offered for importation; reporting of findings to customs; handling of products refused entry.**

(a) Inspectors shall report their findings to the collector of customs at the port where products are offered for entry, and shall request the collector to refuse entry to eggs that are marked or designated “U.S. Refused Entry” or otherwise are not in compliance with the regulations in this part. Unless such products are exported by the consignee within a time specified by the collector of customs (usually 30 days), the consignee shall cause the destruction of such products for human food purposes under the supervision of an inspector. If products are destroyed for human food purposes under the supervision of an inspector, he shall give prompt notice thereof to the District Director of Customs.

(b) Consignees shall, at their own expense, return immediately to the collector of customs, in means of conveyance or packages sealed by the Department, any eggs received by them under this part which in any respect do not comply with this part.

(c) Except as provided in § 57.930(a), no person shall remove or cause to be removed from any place designated as the place of inspection, any eggs that the regulations require to be marked in any way, unless the same has been clearly and legibly marked in compliance with this part.

[63 FR 69968, 69971, Dec. 17, 1998, as amended at 69 FR 57168, Sept. 24, 2004]

### **§ 57.950 Labeling of containers of eggs for importation.**

(a) Immediate containers of product offered for importation shall bear a label, printed in English, showing:

- (1) The name of product;
- (2) The name of the country of origin of the product, and for consumer packaged products, preceded by the words “Product of,” which statement shall appear immediately under the name of the product;

(3) The quality or description of shell eggs, including date of pack;

(4) For shell eggs, the words, “Keep Refrigerated,” or words of similar meaning;

(5) [Reserved]

(6) The name and place of business of manufacturer, packer, or distributor, qualified by a phrase which reveals the connection that such person has with the product;

(7) An accurate statement of the quantity;

(b) For properly sealed and certified shipments of shell eggs imported for breaking at an official egg products processing plant, the immediate containers need not be labeled, provided that the shipment is segregated and controlled upon arrival at the destination breaking plant.

(c) The labels shall not be false or misleading in any respect.

[63 FR 69968, 69971, Dec. 17, 1998, as amended at 69 FR 57168, Sept. 24, 2004]

### **§ 57.955 Labeling of shipping containers of eggs for importation.**

(a) Shipping containers of foreign product offered for importation shall bear a label, printed in English, showing:

(1) The common or usual name of the product;

(2) The name of the country of origin;

(3)–(4) [Reserved]

(5) The quality or description of the eggs, except as required in § 57.905;

(6) The words “Keep refrigerated” or words of similar meaning.

(b) Labeling on shipping containers examined at the time of inspection in the United States, if found to be false or misleading, shall be cause for the product to be refused entry.

(c) For properly sealed and certified shipments of shell eggs imported for breaking at an official egg products plant, the shipping containers need not be labeled, provided that the shipment is segregated and controlled upon arrival at the destination breaking plant.

(d) In the case of products which are not in compliance solely because of misbranding, such products may be brought into compliance with the regulations only under the supervision of



## Agricultural Marketing Service, USDA

## § 57.1000

an authorized representative of the Administrator.

[63 FR 69968, 69971, Dec. 17, 1998, as amended at 69 FR 57168, Sept. 24, 2004]

### **§ 57.960 Small importations for consignee's personal use, display, or laboratory analysis.**

Any eggs that are offered for importation, exclusively for the consignee's personal use, display, or laboratory analysis, and not for sale or distribution; which is sound, healthful, wholesome, and fit for human food; and which is not adulterated and does not contain any substance not permitted by the Act or regulations, may be admitted into the United States without a foreign inspection certificate. Such product is not required to be inspected upon arrival in the United States and may be shipped to the consignee without further restriction under this part: *Provided*, That the Department may, with respect to any specific importation, require that the consignee certify that such product is exclusively for the consignee's personal use, display, or laboratory analysis and not for sale or distribution. The amount of such product imported shall not exceed 30-dozen shell eggs, unless otherwise authorized by the Administrator.

[63 FR 69968, 69971, Dec. 17, 1998, as amended at 69 FR 57168, Sept. 24, 2004]

### **§ 57.965 Returned U.S. inspected and marked products; not importations.**

Products that have been inspected by the Department and so marked, and which are returned from foreign countries are not importations within the meaning of this part. Such returned shipments shall be reported to the Administrator by letter.

[63 FR 69968, 69971, Dec. 17, 1998, as amended at 69 FR 57168, Sept. 24, 2004]

### **§ 57.970 Charges for storage, cartage, and labor with respect to products imported contrary to the Act.**

All charges for storage, cartage, and labor with respect to any product that is imported contrary to this part shall be paid by the owner or consignee, and in default of such payment shall constitute a lien against such product and any other product thereafter imported

under the Act by or for such owner or consignee.

[63 FR 69968, 69971, Dec. 17, 1998, as amended at 69 FR 57168, Sept. 24, 2004]

## **Subpart B—Rules of Practice Governing Proceedings Under the Egg Products Inspection Act**

SOURCE: 64 FR 40738, July 28, 1999, unless otherwise noted.

### **SCOPE AND APPLICABILITY OF RULES OF PRACTICE**

#### **§ 57.1000 Administrative proceedings.**

(a) The Uniform Rules of Practice for the Department of Agriculture promulgated in subpart H of part 1, subtitle A, title 7, Code of Federal Regulations, are the Rules of Practice applicable to adjudicating administrative proceedings under section 12(c) of the Egg Products Inspection Act (21 U.S.C. 1041).

(b) In addition to the proceedings set forth in paragraph (a) of this section, the Administrator, at any time prior to the issuance of a complaint seeking a civil penalty under the Act may enter into a stipulation with any person, in accordance with the following prescribed conditions:

(1) The Administrator gives notice of an apparent violation of the Act or the regulations issued thereunder by such person and affords such person an opportunity for a hearing regarding the matter as provided by the Act;

(2) Such person expressly waives hearing and agrees to a specified order including an agreement to pay a specified civil penalty within a designated time; and

(3) The Administrator agrees to accept the specified civil penalty in settlement of the particular matter involved if it is paid within the designated time.

(4) If the specified penalty is not paid within the time designated in such stipulation, the amount of the stipulated penalty shall not be relevant in any respect to the penalty that may be assessed after the institution of a formal administrative proceeding pursuant to the Uniform Rules of Practice,

Subpart H, Part 1, Title 7, Code of Federal Regulations.

[64 FR 40738, July 28, 1999, as amended at 69 FR 57168, Sept. 24, 2004]

## **PART 58—GRADING AND INSPECTION, GENERAL SPECIFICATIONS FOR APPROVED PLANTS AND STANDARDS FOR GRADES OF DAIRY PRODUCTS<sup>1</sup>**

### **Subpart A—Regulations Governing the Inspection and Grading Services of Manufactured or Processed Dairy Products**

#### **DEFINITIONS**

##### **Sec.**

- 58.1 Meaning of words.  
58.2 Designation of official certificates, memoranda, marks, identifications, and devices for purpose of the Agricultural Marketing Act.

#### **ADMINISTRATION**

- 58.3 Authority.

#### **INSPECTION OR GRADING SERVICE**

- 58.4 Basis of service.  
58.5 Where service is offered.  
58.6 Supervision of service.  
58.7 Who may obtain service.  
58.8 How to make application.  
58.9 Form of application.  
58.10 Filing of application.  
58.11 Approval of application.  
58.12 When application may be rejected.  
58.13 When application may be withdrawn.  
58.14 Authority of applicant.  
58.15 Accessibility and condition of product.  
58.16 Disposition of samples.  
58.17 Order of service.  
58.18 Inspection or grading certificates, memoranda, or reports.  
58.19 Issuance of inspection or grading certificates.  
58.20 Disposition of inspection or grading certificates or reports.  
58.21 Advance information.

#### **APPEAL INSPECTION OR GRADING AND REINSTATEMENT OF REGRADING**

- 58.22 When appeal inspection or grading may be requested.  
58.23 How to obtain appeal inspection or grading.  
58.24 Record of filing time.  
58.25 When an application for appeal inspection or grading may be refused.

<sup>1</sup>Compliance with these standards does not excuse failure to comply with the provisions of the Federal Food, Drug and Cosmetic Act.

- 58.26 When an application for an appeal inspection or grading may be withdrawn.  
58.27 Order in which appeal inspections or gradings are performed.  
58.28 Who shall make appeal inspections or gradings.  
58.29 Appeal inspection or grading certificate or report.  
58.30 Application for reinspection or regrading.  
58.31 Reinspection or regrading certificate or report.  
58.32 Superseded certificates or reports.

#### **LICENSING OF INSPECTORS OR GRADERS**

- 58.33 Who may be licensed.  
58.34 Suspension or revocation of license.  
58.35 Surrender of license.  
58.36 Identification.  
58.37 Financial interest of licensees.

#### **FEES AND CHARGES**

- 58.38 Payment of fees and charges.  
58.39 Fees for holiday or other nonworktime.  
58.40 Fees for appeal inspection or grading.  
58.41 Fees for additional copies of certificates.  
58.42 Travel expenses and other charges.  
58.43 Fees for inspection, grading, sampling, and certification.  
58.45 Fees for continuous resident services.  
58.46 Fees for service performed under cooperative agreement.

#### **MARKING, BRANDING, AND IDENTIFYING PRODUCT**

- 58.49 Authority to use official identification.  
58.50 Approval and form of official identification.  
58.51 Information required on official identification.  
58.52 Time limit for packaging inspected or graded products with official identification.

#### **PREREQUISITES TO PACKAGING PRODUCTS WITH OFFICIAL IDENTIFICATION**

- 58.53 Supervisor of packaging required.  
58.54 Packing and packaging room and equipment.  
58.55 Facilities for keeping quality samples.  
58.56 Incubation of product samples.  
58.57 Product not eligible for packaging with official identification.

#### **VIOLATIONS**

- 58.58 Debarment of service.

#### **MISCELLANEOUS**

- 58.61 Political activity.  
58.62 Report of violations.  
58.63 Other applicable regulations.

## Agricultural Marketing Service, USDA

Pt. 58

58.64 OMB control numbers assigned pursuant to the Paperwork Reduction Act.

### Subpart B—General Specifications for Dairy Plants Approved for USDA Inspection and Grading Service

#### DEFINITIONS

58.100 OMB control numbers assigned pursuant to the Paperwork Reduction Act.  
58.101 Meaning of words.

#### PURPOSE

58.122 Approved plants under USDA inspection and grading service.

#### APPROVED PLANTS

58.123 Survey and approval.  
58.124 Denial or suspension of plant approval.

#### PREMISES, BUILDINGS, FACILITIES, EQUIPMENT AND UTENSILS

58.125 Premises.  
58.126 Buildings.  
58.127 Facilities.  
58.128 Equipment and utensils.

#### PERSONNEL, CLEANLINESS AND HEALTH

58.129 Cleanliness.  
58.130 Health.

#### PROTECTION AND TRANSPORT OF RAW MILK AND CREAM

58.131 Equipment and facilities.

#### QUALITY SPECIFICATIONS FOR RAW MILK

58.132 Basis for classification.  
58.133 Methods for quality and wholesomeness determination.  
58.134 Sediment content for milk in cans.  
58.135 Bacterial estimate.  
58.136 Rejected milk.  
58.137 Excluded milk.  
58.138 Quality testing of milk from new producers.  
58.139 Record of tests.  
58.140 Field service.  
58.141 Alternate quality control program.

#### OPERATIONS AND OPERATING PROCEDURES

58.142 Product quality and stability.  
58.143 Raw product storage.  
58.144 Pasteurization or ultra-pasteurization.  
58.145 Composition and wholesomeness.  
58.146 Cleaning and sanitizing treatment.  
58.147 Insect and rodent control program.  
58.148 Plant records.  
58.149 Alternate quality control programs for dairy products.

#### PACKAGING AND GENERAL IDENTIFICATION

58.150 Containers.

58.151 Packaging and repackaging.  
58.152 General identification.

#### STORAGE OF FINISHED PRODUCT

58.153 Dry storage.  
58.154 Refrigerated storage.

#### INSPECTION, GRADING AND OFFICIAL IDENTIFICATION

58.155 Grading.  
58.156 Inspection.  
58.157 Inspection or grading certificates.  
58.158 Official identification.

#### EXPLANATION OF TERMS

58.159 Terms.

#### SUPPLEMENTAL SPECIFICATIONS FOR PLANTS MANUFACTURING, PROCESSING AND PACKAGING NONFAT DRY MILK, INSTANT NONFAT DRY MILK, DRY WHOLE MILK, AND DRY BUTTERMILK

#### DEFINITIONS

58.205 Meaning of words.

#### ROOMS AND COMPARTMENTS

58.210 Dry storage of product.  
58.211 Packaging room for bulk products.  
58.212 Hopper or dump room.  
58.213 Repackaging room.

#### EQUIPMENT AND UTENSILS

58.214 General construction, repair and installation.  
58.215 Pre-heaters.  
58.216 Hotwells.  
58.217 Evaporators and/or vacuum pans.  
58.218 Surge tanks.  
58.219 High pressure pumps and lines.  
58.220 Drying systems.  
58.221 Collectors and conveyors.  
58.222 Dry dairy product cooling equipment.  
58.223 Special treatment equipment.  
58.224 Sifters.  
58.225 Clothing and shoe covers.  
58.226 Portable and stationary bulk bins.  
58.227 Sampling device.  
58.228 Dump hoppers, screens, mixers and conveyors.  
58.229 Filler and packaging equipment.  
58.230 Heavy duty vacuum cleaners.

#### QUALITY SPECIFICATIONS FOR RAW MATERIALS

58.231 General.  
58.232 Milk.  
58.233 Skim milk.  
58.234 Buttermilk.  
58.235 Modified dry milk products.

#### OPERATIONS AND OPERATING PROCEDURES

58.236 Pasteurization and heat treatment.  
58.237 Condensed surge supply.  
58.238 Condensed storage tanks.  
58.239 Drying.

**Pt. 58**

**7 CFR Ch. I (1–1–19 Edition)**

- 58.240 Cooling dry products.
- 58.241 Packaging, repackaging and storage.
- 58.242 Product adulteration.
- 58.243 Checking quality.
- 58.244 Number of samples.
- 58.245 Method of sample analysis.
- 58.246 Cleaning of dryers, collectors, conveyors, ducts, sifters and storage bins.
- 58.247 Insect and rodent control program.

**REQUIREMENTS FOR FINISHED PRODUCTS  
BEARING USDA OFFICIAL IDENTIFICATION**

- 58.248 Nonfat dry milk.
- 58.249 Instant nonfat dry milk.
- 58.250 Dry whole milk.
- 58.251 Dry buttermilk and dry buttermilk product.

**SUPPLEMENTAL SPECIFICATIONS FOR PLANTS  
MANUFACTURING, PROCESSING AND PACK-  
AGING BUTTER AND RELATED PRODUCTS**

**DEFINITIONS**

- 58.305 Meaning of words.

**ROOMS AND COMPARTMENTS**

- 58.311 Coolers and freezers.
- 58.312 Churn rooms.
- 58.313 Print and bulk packaging rooms.

**EQUIPMENT AND UTENSILS**

- 58.314 General construction, repair and installation.
- 58.315 Continuous churns.
- 58.316 Conventional churns.
- 58.317 Bulk butter trucks, boats, texturizers, and packers.
- 58.318 Butter, frozen or plastic cream melting machines.
- 58.319 Printing equipment.
- 58.320 Brine tanks.
- 58.321 Cream storage tanks.

**QUALITY SPECIFICATIONS FOR RAW MATERIAL**

- 58.322 Cream.
- 58.323 [Reserved]
- 58.324 Butteroil.
- 58.325 Anhydrous milkfat.
- 58.326 Plastic cream.
- 58.327 Frozen cream.
- 58.328 Salt.
- 58.329 Color.
- 58.330 Butter starter cultures.
- 58.331 Starter distillate.

**OPERATIONS AND OPERATING PROCEDURES**

- 58.332 Segregation of raw material.
- 58.334 Pasteurization.
- 58.335 Quality control tests.
- 58.336 Frequency of sampling for quality control of cream, butter and related products.
- 58.337 Official test methods.
- 58.338 Composition and wholesomeness.
- 58.339 Containers.
- 58.340 Printing and packaging.

- 58.341 Repackaging.
- 58.342 General identification.
- 58.343 Storage of finished product in coolers.
- 58.344 Storage of finished product in freezer.

**REQUIREMENTS FOR FINISHED PRODUCTS  
BEARING USDA OFFICIAL IDENTIFICATION**

- 58.345 Butter.
- 58.346 Whipped butter.
- 58.347 Butteroil or anhydrous milkfat.
- 58.348 Plastic cream.
- 58.349 Frozen cream.

**SUPPLEMENTAL SPECIFICATIONS FOR PLANTS  
MANUFACTURING AND PACKAGING CHEESE**

**DEFINITIONS**

- 58.405 Meaning of words.

**ROOMS AND COMPARTMENTS**

- 58.406 Starter facility.
- 58.407 Make room.
- 58.408 Brine room.
- 58.409 Drying room.
- 58.410 Paraffining room.
- 58.411 Rindless cheese wrapping area.
- 58.412 Coolers or curing rooms.
- 58.413 Cutting and packaging rooms.

**EQUIPMENT AND UTENSILS**

- 58.414 General construction, repair and installation.
- 58.415 Starter vats.
- 58.416 Cheese vats, tanks and drain tables.
- 58.417 Mechanical agitators.
- 58.418 Automatic cheese making equipment.
- 58.419 Curd mill and miscellaneous equipment.
- 58.420 Hoops, forms and followers.
- 58.421 Press.
- 58.422 Brine tank.
- 58.423 Cheese vacuumizing chamber.
- 58.424 Monorail.
- 58.425 Conveyor for moving and draining block or barrel cheese.
- 58.426 Rindless cheese wrapping equipment.
- 58.427 Paraffin tanks.
- 58.428 Specialty equipment.
- 58.429 Washing machine.

**QUALITY SPECIFICATIONS FOR RAW MATERIAL**

- 58.430 Milk.
- 58.431 Hydrogen peroxide.
- 58.432 Catalase.
- 58.433 Cheese cultures.
- 58.434 Calcium chloride.
- 58.435 Color.
- 58.436 Rennet, pepsin, or other milk clotting enzymes and flavor enzymes.
- 58.437 Salt.

**OPERATIONS AND OPERATING PROCEDURES**

- 58.438 Cheese from pasteurized milk.
- 58.439 Cheese from unpasteurized milk.
- 58.440 Make schedule.

## Agricultural Marketing Service, USDA

Pt. 58

- 58.441 Records.
- 58.442 Laboratory and quality control tests.
- 58.443 Whey handling.
- 58.444 Packaging and repackaging.
- 58.445 General identification.

### REQUIREMENTS FOR FINISHED PRODUCTS BEARING USDA OFFICIAL IDENTIFICATION

- 58.446 Quality requirements.

### SUPPLEMENTAL SPECIFICATIONS FOR PLANTS MANUFACTURING AND PACKAGING COTTAGE CHEESE

#### DEFINITIONS

- 58.505 Meaning of words.

#### ROOMS AND COMPARTMENTS

- 58.510 Rooms and compartments.

#### EQUIPMENT AND UTENSILS

- 58.511 General construction, repair and installation.
- 58.512 Cheese vats or tanks.
- 58.513 Agitators.
- 58.514 Container fillers.
- 58.515 Mixers.
- 58.516 Starter vats.

#### QUALITY SPECIFICATIONS FOR RAW MATERIAL

- 58.517 General.
- 58.518 Milk.
- 58.519 Dairy products.
- 58.520 Nondairy ingredients.

#### OPERATIONS AND OPERATING PROCEDURES

- 58.521 Pasteurization and product flow.
- 58.522 Reconstituting nonfat dry milk.
- 58.523 Laboratory and quality control tests.
- 58.524 Packaging and general identification.
- 58.525 Storage of finished product.

#### REQUIREMENTS FOR COTTAGE CHEESE BEARING USDA OFFICIAL IDENTIFICATION

- 58.526 Official identification.
- 58.527 Physical requirements.
- 58.528 Microbiological requirements.
- 58.529 Chemical requirements.
- 58.530 Keeping quality requirements.

#### SUPPLEMENTAL SPECIFICATIONS FOR PLANTS MANUFACTURING, PROCESSING, AND PACK- AGING FROZEN DESSERTS

#### DEFINITIONS

- 58.605 Meaning of words.

#### ROOMS AND COMPARTMENTS

- 58.619 Mix processing room.
- 58.620 Freezing and packaging rooms.
- 58.621 Freezing tunnels.
- 58.622 Hardening and storage rooms.

#### EQUIPMENT AND UTENSILS

- 58.623 Homogenizer.

- 58.624 Freezers.
- 58.625 Fruit or syrup feeders.
- 58.626 Packaging equipment.

#### QUALITY SPECIFICATIONS FOR RAW MATERIAL

- 58.627 Milk and dairy products.
- 58.628 Sweetening agents.
- 58.629 Flavoring agents.
- 58.630 Stabilizers.
- 58.631 Emulsifiers.
- 58.632 Acid.
- 58.633 Color.

#### OPERATIONS AND OPERATING PROCEDURES

- 58.634 Assembling and combining mix ingredients.
- 58.635 Pasteurization of the mix.
- 58.636 Homogenization.
- 58.637 Cooling the mix.
- 58.638 Freezing the mix.
- 58.639 Addition of flavor.
- 58.640 Packaging.
- 58.641 Hardening and storage.
- 58.642 Quality control tests.
- 58.643 Frequency of sampling.
- 58.644 Test methods.
- 58.645 General identification.

#### REQUIREMENTS FOR FINISHED PRODUCTS BEARING USDA OFFICIAL IDENTIFICATION

- 58.646 Official identification.
- 58.647 Composition requirements for ice cream.
- 58.648 Microbiological requirements for ice cream.
- 58.649 Physical requirements for ice cream.
- 58.650 Requirements for frozen custard.
- 58.651 [Reserved]
- 58.652 Composition requirements for sherbet.
- 58.653 Microbiological requirements for sherbet.
- 58.654 Physical requirements for sherbet.

#### SUPPLEMENTAL SPECIFICATIONS FOR PLANTS MANUFACTURING, PROCESSING AND PACK- AGING PASTEURIZED PROCESS CHEESE AND RELATED PRODUCTS

#### DEFINITIONS

- 58.705 Meaning of words.

#### EQUIPMENT AND UTENSILS

- 58.706 General construction, repair and installation.
- 58.707 Conveyors.
- 58.708 Grinders or shredders.
- 58.709 Cookers.
- 58.710 Fillers.

#### QUALITY SPECIFICATIONS FOR RAW MATERIAL

- 58.711 Cheddar, colby, washed or soaked curd, granular or stirred curd cheese.
- 58.712 Swiss.
- 58.713 Gruyere.
- 58.714 Cream cheese, Neufchatel cheese.

**Pt. 58**

**7 CFR Ch. I (1–1–19 Edition)**

- 58.715 Cream, plastic cream and anhydrous milkfat.
- 58.716 Nonfat dry milk.
- 58.717 Whey.
- 58.718 Flavor ingredients.
- 58.719 Coloring.
- 58.720 Acidifying agents.
- 58.721 Salt.
- 58.722 Emulsifying agents.

**OPERATIONS AND OPERATING PROCEDURES**

- 58.723 Basis for selecting cheese for processing.
- 58.724 Blending.
- 58.725 Trimming and cleaning.
- 58.726 Cutting and grinding.
- 58.727 Adding optional ingredients.
- 58.728 Cooking the batch.
- 58.729 Forming containers.
- 58.730 Filling containers.
- 58.731 Closing and sealing containers.
- 58.732 Cooling the packaged cheese.
- 58.733 Quality control tests.

**REQUIREMENTS FOR PROCESSED CHEESE PRODUCTS BEARING USDA OFFICIAL IDENTIFICATION**

- 58.734 Official identification.
- 58.735 Quality specifications for raw materials.

**QUALITY SPECIFICATIONS FOR FINISHED PRODUCTS**

- 58.736 Pasteurized process cheese.
- 58.737 Pasteurized process cheese food.
- 58.738 Pasteurized process cheese spread and related products.

**SUPPLEMENTAL SPECIFICATIONS FOR PLANTS MANUFACTURING, PROCESSING, AND PACKAGING WHEY, WHEY PRODUCTS AND LACTOSE**

**DEFINITIONS**

- 58.805 Meaning of words.

**ROOMS AND COMPARTMENTS**

- 58.806 General.

**EQUIPMENT AND UTENSILS**

- 58.807 General construction, repair and installation.

**QUALITY SPECIFICATIONS FOR RAW MATERIALS**

- 58.808 Whey.

**OPERATIONS AND OPERATING PROCEDURES**

- 58.809 Pasteurization.
- 58.810 Temperature requirements.
- 58.811 General.
- 58.812 Methods of sample analysis.

**REQUIREMENTS FOR FINISHED PRODUCTS BEARING USDA OFFICIAL IDENTIFICATION**

- 58.813 Dry whey.

**SUPPLEMENTAL SPECIFICATIONS FOR PLANTS MANUFACTURING, PROCESSING AND PACKAGING EVAPORATED AND CONDENSED MILK OR ULTRA-PASTEURIZED PRODUCTS**

**DEFINITIONS**

- 58.905 Meaning of words.

**EQUIPMENT AND UTENSILS**

- 58.912 General construction, repair and installation.
- 58.913 Evaporators and vacuum pans.
- 58.914 Fillers.
- 58.915 Batch or continuous in-container thermal processing equipment.
- 58.916 Homogenizer.

**OPERATIONS AND OPERATING PROCEDURES**

- 58.917 General.
- 58.918 Standardization.
- 58.919 Pre-heat, pasteurization.
- 58.920 Homogenization.
- 58.921 Concentration.
- 58.922 Thermal processing.
- 58.923 Filling containers.
- 58.924 Aseptic filling.
- 58.925 Sweetened condensed.
- 58.926 Heat stability.
- 58.927 Storage.
- 58.928 Quality control tests.
- 58.929 Frequency of sampling for quality control.
- 58.930 Official test methods.
- 58.931 General identification.

**QUALITY SPECIFICATIONS FOR RAW MATERIALS**

- 58.932 Milk.
- 58.933 Stabilizers.
- 58.934 Sugars.
- 58.935 Chocolate and cocoa.

**REQUIREMENTS FOR FINISHED PRODUCTS BEARING USDA OFFICIAL IDENTIFICATION**

- 58.936 Milk.
- 58.937 Physical requirements for evaporated milk.
- 58.938 Physical requirements and microbiological limits for sweetened condensed milk.

**Subparts C–V [Reserved]**

**Subpart W—United States Department of Agriculture Standard for Ice Cream**

- 58.2825 United States Standard for ice cream.
- 58.2826 General identification.
- 58.2827 Official identification.

**AUTHORITY:** 7 U.S.C. 1621–1627.

**SOURCE:** 23 FR 9410, Dec. 5, 1958, unless otherwise noted. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981.

## Agricultural Marketing Service, USDA

## § 58.1

NOTE: Compliance with these standards does not excuse failure to comply with the provisions of the Federal Food, Drug, and Cosmetic Act.

### Subpart A—Regulations Governing the Inspection and Grading Services of Manufactured or Processed Dairy Products

SOURCE: 37 FR 22363, Oct. 19, 1972, unless otherwise noted. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981.

#### DEFINITIONS

##### § 58.1 Meaning of words.

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

*Act* means the applicable provisions of the Agricultural Marketing Act of 1946 (60 Stat. 1087, as amended; 7 U.S.C. 1621–1627) or any other act of Congress conferring like authority.

*Administrator* means the Administrator of the Agricultural Marketing Service or any other officer or employee of the Agricultural Marketing Service to whom authority has heretofore been delegated, or to whom authority may hereafter be delegated, to act in his stead.

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

*Applicant* means any interested party who has applied for inspection or grading service.

*Approved laboratory* means a laboratory in which the facilities and equipment used for official testing have been adequate to perform the necessary official tests in accordance with this part.

*Approved plant* means one or more adjacent buildings, or parts thereof, comprising a single plant at one location in which the facilities and methods of operation therein have been surveyed and approved by the Administrator as suitable and adequate for inspection or grading service in accordance with this part.

*Area Supervisor* means any employee of the Branch in charge of dairy inspection or grading service in a designated geographical area.

*Branch* means the Dairy Inspection Branch of the Poultry and Dairy Quality Division.

*Chief* means the Chief of the Branch, or any officer or employee of the Branch to whom authority has been heretofore delegated, or to whom authority may hereafter be delegated, to act in his stead.

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

*Condition of container* means the degree of acceptability of the container with respect to freedom from defects which affect its serviceability, including appearance as well as usability, of the container for its intended purpose.

*Condition of product* or *condition* is an expression of the extent to which a product is free from defects which affect its usability, including but not limited to, the state of preservation, cleanliness, soundness, wholesomeness, or fitness for human food.

*Continuous resident service* or *resident service* is inspection or grading service performed at a dairy manufacturing plant or grading station by an inspector or grader assigned to the plant or station on a continuous, year-round, resident basis.

*Department* or *USDA* means the U.S. Department of Agriculture.

*Director* means the Director of the Poultry and Dairy Quality Division, or any other officer or employee of the Division to whom authority has heretofore been delegated or to whom authority may hereafter be delegated, to act in his stead.

*Division* means the Poultry and Dairy Quality Division of the Agricultural Marketing Service.

*Inspection or grading service* or *service* means in accordance with this part, the act of (a) drawing samples of any product; (b) determining the class, grade, quality, composition, size, quantity, or condition of any product by examining each unit or representative samples; (c) determining condition of product containers; (d) identifying any

## §58.2

## 7 CFR Ch. I (1–19 Edition)

product or packaging material by means of official identification; (e) re-grading or appeal grading of a previously graded product; (f) inspecting dairy plant facilities, equipment, and operations; such as, processing, manufacturing, packaging, repackaging, and quality control; (g) supervision of packaging inspected or graded product; (h) reinspection or appeal inspection; and (i) issuing an inspection or grading certificate or sampling, inspection, or other report related to any of the foregoing.

*Inspector or grader* means any Federal or State employee to whom a license has been issued by the Administrator to perform one or more types of inspection or grading services.

*Inspection or grading office* means the office of any inspector or grader.

*Interested party* means any person financially interested in a transaction involving any inspection or grading service.

*Licensed plant employee* means an employee of an approved plant to whom a license is issued by the Administrator to supervise packaging of officially inspected or graded product, perform laboratory tests, or perform other duties as assigned by the Administrator. A licensed plant employee is not authorized to issue any inspection or grading certificate.

*Product* means butter, cheese (whether natural or processed), milk, cream, milk products (whether dried, frozen, evaporated, stabilized, or condensed), ice cream, dry whey, dry buttermilk, and any other food product, which is prepared or manufactured in whole or in part from any of the aforesaid products, as the Administrator may hereafter designate.

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

*Plant survey* means an appraisal of the plant to determine extent to which facilities, equipment, method of operation, and raw material being received are in accordance with the provisions of this part. The survey shall be used to determine suitability of the plant for inspection or grading service.

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

*Regulations* means the provisions of this subpart.

*Sampling report* means a statement issued by an inspector or grader identifying samples taken by him for inspection or grading service.

*Supervisor of packaging* means an employee of the Department or other person licensed by the Administrator to supervise the packaging and official identification of product or any repackaging of bulk product.

(60 Stat. 1087, 7 U.S.C. 1621 *et seq.*; 84 Stat. 1620, 21 U.S.C. 1031 *et seq.*)

[37 FR 22363, Oct. 19, 1972, as amended at 38 FR 4381, Feb. 14, 1973. 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 54 FR 15167, Apr. 17, 1989]

### **§58.2 Designation of official certificates, memoranda, marks, identifications, and devices for purpose 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 identifications, and devices for making such marks or identifications, issued or authorized under section 203 of said Act, and certain misrepresentations concerning the inspection or grading of agricultural products under said section. For the purposes of said subsection and the provisions in this part, the terms listed below shall have the respective meanings specified:

(a) *Official certificate* means any form of certification, either written or printed (including that prescribed in §58.18) used under the regulations in this subpart to certify with respect to the inspection of dairy processing plants and the inspection, class, grade, quality, size, quantity, or condition of products (including the compliance of products and packaging material with applicable specifications).

(b) *Official memorandum* means any initial record of findings made by an



## Agricultural Marketing Service, USDA

## § 58.8

authorized person in the process of inspecting, grading, determining compliance, or sampling pursuant to the regulations in this subpart, any processing or plant-operation report made by an authorized person in connection with inspecting, grading, determining compliance, or sampling under the regulations in this subpart, and any report made by an authorized person of services performed pursuant to the regulations in this subpart.

(c) *Official identification or other official marks* means any form of identification or mark (including, but not limited to, those in §§ 58.49 through 58.51) approved by the Administrator and authorized to be affixed to any product, or affixed to or printed on the packaging material of any product certifying the inspection, class, grade, quality, size, quantity, or condition of the products (including the compliance of products with applicable specifications) or to maintain the identity of the product for which service is provided under the regulations in this subpart.

(d) *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.

### ADMINISTRATION

#### § 58.3 Authority.

The Administrator shall perform such duties as may be required in the enforcement and administration of the provisions of the Act and this part.

### INSPECTION OR GRADING SERVICE

#### § 58.4 Basis of service.

Inspection or grading service shall be performed in accordance with the provisions of this part, the instructions and procedures issued or approved by the Administrator, U.S. standards for grades, Federal specifications, and specifications as defined in a specific purchase contract. All services provided in accordance with these regulations shall be rendered without dis-

crimination on the basis of race, color, creed, or national origin.

[39 FR 986, Jan. 4, 1974. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981]

#### § 58.5 Where service is offered.

Subject to the provisions of this part, inspection or grading service may be performed when a qualified inspector or grader is available, and when the facilities and conditions are satisfactory for the conduct of the service.

#### § 58.6 Supervision of service.

All inspection or grading service shall be subject to supervision by a supervisory inspector or grader, Area Supervisor, or by the Chief, or such other person of the Branch as may be designated by the Chief. Whenever there is evidence that inspection or grading service has been incorrectly performed, a supervisor shall immediately make a reinspection or regrading, and he shall supersede the previous inspection or grading certificate or report with a new certificate or report showing the corrected information.

#### § 58.7 Who may obtain service.

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

#### § 58.8 How to make application.

(a) *On a fee basis.* An application for inspection or grading service may be made in any inspection or grading office or with any inspector or grader. Such application may be made orally (in person or by telephone), in writing, or by telegraph. If made orally, written confirmation may be required.

(b) *On a continuous basis.* Application for inspection or grading service on a continuous basis as provided in § 58.45 shall be made in writing on application forms as approved by the Administrator and filed with the Administrator.

## **§ 58.9**

## **7 CFR Ch. I (1–19 Edition)**

### **§ 58.9 Form of application.**

Each application for inspection or grading service shall include such information as may be required by the Administrator in regard to the type of service; kind of products and place of manufacture, processing, or packaging; and location where service is desired.

### **§ 58.10 Filing of application.**

An application for inspection or grading service shall be regarded as filed only when made pursuant to this subpart.

### **§ 58.11 Approval of application.**

An application for inspection or grading service may be approved when (a) a qualified inspector or grader is available, (b) facilities and conditions are satisfactory for the conduct of the service, and (c) the product has been manufactured or processed in a plant approved for inspection or grading service in accordance with the provisions of this part and instructions issued thereunder.

### **§ 58.12 When application may be rejected.**

An application for inspection or grading service may be rejected by the Administrator (a) when the applicant fails to meet the requirements of the regulations in this subpart prescribing the conditions under which the service is made available; (b) when the product is owned by, or located on the premises of, a person currently denied the benefits of the Act; (c) when an individual holding office or a responsible position with or having a substantial financial interest or share with 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; (d) when the application is an attempt on the part of a person currently denied the benefits of the Act to obtain inspection or grading service; (e) when the product was produced from unwholesome raw material or was produced under insanitary or otherwise unsatisfactory conditions; (f) when the product is of illegal composition or is lacking satisfactory keeping quality; (g) when the product has been produced in a plant which has not been surveyed and approved for inspection

or grading service; (h) when fees billed are not paid within 30 days; or (i) when there is noncompliance with the Act or this part or instructions issued hereunder. When an application is rejected, the applicant shall be notified in writing by the Area Supervisor or his designated representative, the reason or reasons for the rejection.

[37 FR 22363, Oct. 19, 1972, as amended at 53 FR 20278, June 3, 1988]

### **§ 58.13 When application may be withdrawn.**

An application for inspection or 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 AMS in connection with such application.

### **§ 58.14 Authority of applicant.**

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

### **§ 58.15 Accessibility and condition of product.**

Each lot of product for which inspection or grading service is requested shall be so conditioned and placed as to permit selection of representative samples and proper determination of the class, grade, quality, quantity, or condition of such product. In addition, if sample packages are furnished by the applicant, such samples shall be representative of the lot to be inspected or graded and additional samples shall be made available for verification. The room or area where the service is to be performed shall be clean and sanitary, free from foreign odors, and shall be provided with adequate lighting, ventilation, and temperature control.

### **§ 58.16 Disposition of samples.**

Any sample of product used for inspection or grading may be returned to the applicant at his request and at his expense if such request was made at the time of the application for the service. In the event the aforesaid request was not made at the time of application for the service, the sample of product may be destroyed, disposed of

## Agricultural Marketing Service, USDA

## § 58.23

to a charitable organization, or disposed of by any other method prescribed by the Administrator.

### § 58.17 Order of service.

Inspection or grading service shall be performed, insofar as practicable and subject to the availability of qualified inspectors or graders, in the order in which applications are made except that precedence may be given to any application for an appeal inspection or grading.

### § 58.18 Inspection or grading certificates, memoranda, or reports.

Inspection or grading certificates and sampling, plant survey, and other memoranda or reports shall be issued on forms approved by the Administrator.

### § 58.19 Issuance of inspection or grading certificates.

An inspection or grading certificate shall be issued to cover a product inspected or graded in accordance with Instructions issued by the Administrator and shall be signed by an inspector or grader. This does not preclude an inspector or grader from granting a power of attorney to another person to sign in his stead, if such grant of power of attorney has been approved by the Administrator: *Provided*, That in all cases any such certificate shall be prepared in accordance with the facts set forth in the official memorandum defined in § 58.2(b): And provided further, that whenever a certificate is signed by a person under a power of attorney the certificate should so indicate. The signature of the holder of the power shall appear in conjunction with the name of the grader or inspector who personally graded or inspected the product.

[39 FR 986, Jan. 4, 1974. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981]

### § 58.20 Disposition of inspection or grading certificates or reports.

The original of any inspection or grading certificate or report issued pursuant to § 58.19, and not to exceed four copies thereof, shall immediately upon issuance be delivered or mailed to the applicant or person designated by him. One copy shall be filed in the in-

spection and grading office serving the area in which the service was performed and all other copies shall be filed in such manner as the Administrator may approve. Additional copies of any such certificate or report may be supplied to any interested party as provided in § 58.41.

### § 58.21 Advance information.

Upon request of an applicant, all or part of the contents of any inspection or grading certificate or report issued to such applicant may be telephoned or telegraphed to him, or to any person designed by him, at applicant's expense.

#### APPEAL INSPECTION OR GRADING AND REINSTATEMENT OF REGRADING

### § 58.22 When appeal inspection or grading may be requested.

(a) An application for an appeal inspection or grading may be made by any interested party who is dissatisfied with any determination stated in any inspection or grading certificate or report if the identity of the samples or the product has not been lost; or the conditions under which inspection service was performed have not changed. Such application for appeal inspection or grading shall be made within 2 days following the day on which the service was performed. Upon approval by the Administrator, the time within which an application for an appeal grading may be made may be extended.

(b) An appeal inspection shall be limited to a review of the sampling procedure and in analysis of the official sample used, when, as a result of the original inspection, the commodity was found to be contaminated with filthy, putrid, and decomposed material. If it is determined that the sampling procedures were improper, a new sample shall be obtained.

### § 58.23 How to obtain appeal inspection or grading.

Appeal inspection or grading may be obtained by filing a request therefore, (a) with the Administrator, (b) with the inspector or grader who issued the inspection or grading certificate or report with respect to which the appeal

## **§ 58.24**

service is requested, or (c) with the supervisor of such inspector or grader. The application for appeal inspection or grading shall state the reasons therefore, and may be accompanied by a copy of the aforesaid inspection or grading certificate or report or any other information the applicant may have secured regarding the product or the service from which the appeal is requested. Such application may be made orally (in person or by telephone), in writing, or by telegraph. If made orally, written confirmation may be required.

### **§ 58.24 Record of filing time.**

A record showing the date and hour when each such application for appeal inspection or grading is received shall be maintained in such manner as the Administrator may prescribe.

### **§ 58.25 When an application for appeal inspection or grading may be refused.**

The Administrator may refuse an application for an appeal inspection or grading when (a) the quality or condition of the products has undergone a material change since the time of original service, (b) the identical products inspected or graded cannot be made accessible for reinspection or regrading, (c) the conditions under which inspection service was performed have changed, (d) it appears that the reasons for an appeal inspection or grading are frivolous or not substantial, or (e) the Act or this part have not been complied with. The applicant shall be promptly notified of the reason for such refusal.

### **§ 58.26 When an application for an appeal inspection or grading may be withdrawn.**

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

### **§ 58.27 Order in which appeal inspections or gradings are performed.**

Appeal inspections or gradings shall be performed, insofar as practicable, in

## **7 CFR Ch. I (1–1–19 Edition)**

the order in which applications therefor are received; and any such application may be given precedence pursuant to § 58.17.

### **§ 58.28 Who shall make appeal inspections or gradings.**

An appeal inspection or grading of any product or service shall be made by any inspector or grader (other than the one from whose service the appeal is made) designated for this purpose by the Administrator; and, whenever practical, such appeal inspection or grading shall be conducted jointly by two such inspectors or graders.

### **§ 58.29 Appeal inspection or grading certificate or report.**

Immediately after an appeal inspection or grading has been completed, an appeal inspection or grading certificate or report shall be issued showing the results of the inspection or grading. Such certificate or report shall thereupon supersede the previous certificate or report and will be effective retroactive to the date of the previous certificate or report. Each appeal certificate or report shall clearly set forth the number and the date of the previous certificate or report which it supersedes. The provisions of §§ 58.18 through 58.21 shall, whenever applicable, also apply to appeal certificates or reports except that copies shall be furnished each interested party of record.

### **§ 58.30 Application for reinspection or regrading.**

An application for the reinspection or regrading of any previously inspected or graded product may be made at any time by any interested party; and such application shall clearly indicate the reasons for requesting the reinspection or regrading. The provisions of the regulations in this subpart relative to inspection or grading service shall apply to reinspection or regrading service.

### **§ 58.31 Reinspection or regrading certificate or report.**

Immediately after a reinspection or regrading has been completed, a reinspection or a regrading certificate or report shall be issued showing the results of such reinspection or regrading;

## **Agricultural Marketing Service, USDA**

## **§ 58.38**

and such certificate or report shall thereupon supersede, as of the time of issuance, the inspection or grading certificate or report previously issued. Each reinspection or regrading certificate or report shall clearly set forth the number and date of the inspection or grading certificate or report that it supersedes. The provisions of §§ 58.18 through 58.21 shall, whenever applicable, also apply to reinspection or regrading certificates or reports except that copies shall be furnished each interested party of record.

### **§ 58.32 Superseded certificates or reports.**

When any inspection or grading certificate or report is superseded in accordance with this part, such certificate or report shall become null and void and, after the effective time of the supersedure, shall no longer represent the class, grade, quality, quantity, or condition described therein. If the original and all copies of such superseded certificate or report are not returned to the inspector or grader issuing the reinspection or regrading or appeal inspection or grading certificate or report, the inspector or grader shall notify such persons as he considers necessary to prevent fraudulent use of the superseded certificate or report.

#### **LICENSING OF INSPECTORS OR GRADERS**

### **§ 58.33 Who may be licensed.**

Any person processing proper qualifications, as determined by an examination for competency, held at such time and in such manner as may be prescribed by the Administrator, may be licensed to perform specified inspection or grading service. Each license issued shall be signed by the Administrator.

[53 FR 20278, June 3, 1988]

### **§ 58.34 Suspension or revocation of license.**

For good cause and in instances of willful wrongdoing, the Administrator may suspend any license issued under the regulations in this subpart by giving notice of such suspension to the respective individual involved, accompanied by a statement of reasons therefor. Within 10 days after receipt of the

aforesaid notice and statement of reasons by such individual, he may file an appeal in writing with the Administrator supported by any argument or evidence that he may wish to offer as to why his license should not be suspended or revoked. In conjunction therewith, he may request and, in such event, shall be accorded an oral hearing. After consideration of such argument and evidence, the Administrator will take such action as warranted with respect to such suspension or revocation. When no appeal is filed within the prescribed 10 days, the license is revoked.

### **§ 58.35 Surrender of license.**

Each license which is suspended or revoked shall be surrendered promptly by the licensee to his supervisor. Upon termination of the services of a licensee, the license shall be surrendered promptly by the licensee to his supervisor.

### **§ 58.36 Identification.**

Each licensee shall have his license card in his possession at all times while performing any function under the regulations in this subpart and shall identify himself by such card upon request.

### **§ 58.37 Financial interest of licensees.**

No licensee shall render service on any product in which he is financially interested.

#### **FEES AND CHARGES**

### **§ 58.38 Payment of fees and charges.**

(a) Fees and charges for any inspection or grading service shall be paid by the interested party, making the application for such service, in accordance with the applicable provisions of this section and §§ 58.39 through 58.46 and, if so required by the inspector or grader, such fees and charges shall be paid in advance.

(b) Fees and charges for any inspection or grading service performed by any inspector or grader who is a salaried employee of the Department shall, unless otherwise required pursuant to paragraph (c) of this section, be paid by the interested party making application for such inspection or grading

## **§ 58.39**

service by check, draft, or money order payable to the Agricultural Marketing Service and remitted promptly to the office indicated on the bill.

(c) Fees and charges for any inspection or grading service under a cooperative agreement with any State or person shall be paid in accordance with the terms of the cooperative agreement by the interested party making application for the service.

## **§ 58.39 Fees for holiday or other nonworktime.**

If an applicant requests that inspection or grading service be performed on a holiday, Saturday, or Sunday or in excess of each 8-hour shift Monday through Friday, the applicant shall be charged for such service at a rate determined using the formulas in § 58.43.

[79 FR 67323, Nov. 13, 2014]

## **§ 58.40 Fees for appeal inspection or grading.**

The fees to be charged for any appeal inspection or grading shall be double the fees specified on the inspection or grading certificate from which the appeal is taken: *Provided*, That the fee for any appeal grading requested by any agency of the U.S. Government shall be the same as set forth in the certificate from which the appeal is taken. If the result of any appeal inspection or grading discloses that a material error was made in the inspection or grading appealed from, no fee shall be required.

## **§ 58.41 Fees for additional copies of certificates.**

Additional copies of any inspection or grading certificates (including take-off certificates), other than those provided for in § 58.20 may be supplied to any interested party upon payment of a fee based on time required to prepare such copies at the hourly rate specified in § 58.43.

[54 FR 15167, Apr. 17, 1989]

## **§ 58.42 Travel expenses and other charges.**

Charges shall be made to cover the cost of travel and other expenses incurred by AMS in connection with the

## **7 CFR Ch. I (1–1–19 Edition)**

performance of any inspection or grading service.

[53 FR 20278, June 3, 1988]

## **§ 58.43 Fees for inspection, grading, sampling, and certification.**

(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, AMS will calculate the rate for grading, certification, or inspection services, per hour per program employee using the following formulas:

(1) *Regular rate.* The total AMS grading, certification, or inspection 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, certification, or inspection 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, certification, or inspection 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) 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:

(1) *Benefits rate.* The total AMS grading, certification, or inspection program direct benefits costs divided by the total hours (regular, overtime, and

## Agricultural Marketing Service, USDA

## § 58.50

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.

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

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

(c) 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.

[79 FR 67323, Nov. 13, 2014]

### § 58.45 Fees for continuous resident services.

Charges for the inspector(s) and grader(s) assigned to a continuous resident program shall be calculated using the formulas in § 58.43.

[79 FR 67323, Nov. 13, 2014]

### § 58.46 Fees for service performed under cooperative agreement.

The fees to be charged and collected for any service performed under cooperative agreement shall be those provided for by such agreement.

#### MARKING, BRANDING, AND IDENTIFYING PRODUCT

### § 58.49 Authority to use official identification.

Whenever the Administrator determines that the granting of authority to any person to package any product, inspected or graded pursuant to this part, and to use official identification, pursuant to §§ 58.49 through 58.57, will not be inconsistent with the Act and this part, he may authorize such use of official identification. Any application for such authority shall be submitted to the Administrator in such form as he may require.

### § 58.50 Approval and form of official identification.

(a) Any package label or packaging material which bears any official identification shall be used only in such manner as the Administrator may prescribe, and such official identification shall be of such form and contain such information as the Administrator may require. No label or packaging material bearing official identification shall be used unless finished copies or samples thereof have been approved by the Administrator.

(b) Inspection or grade mark permitted to be used to officially identify packages containing dairy products which are inspected or graded pursuant to this part shall be contained in a shield in the form and design indicated in Figures 1, 2, and 3 of this section or such other form, design, or wording as may be approved by the Administrator.



FIGURE 1.



FIGURE 2.



FIGURE 3.

The official identification illustrated in Figure 1 is designed for use on graded product packed under USDA inspection. Figure 2 is designed for graded

## § 58.51

product processed and packed under USDA inspection. Figure 3 is designated for inspected product (when U.S. standards for grades are not established) processed and packed under USDA quality control service. The official identification shall be printed on the package label, on the carton or on the wrapper and, preferably, on one of the main panels of the carton or wrapper. The shield identification shall be not less than  $\frac{3}{4}$  inch by  $\frac{3}{4}$  inch in size, and preferably 1 inch by 1 inch on 1-pound cartons or wrappers. Consideration will be given by the Administrator of a smaller shield on special packages where the size of the label does not permit use of the  $\frac{3}{4}$  inch by  $\frac{3}{4}$  inch shield.

(c) Official identification under this subpart shall be limited to U.S. Grade B or higher or to an equivalent standard of quality for U.S. name grades or numerical score grades when U.S. standards for grades of a product have not been established.

(d) A sketch, proof, or photocopy of each proposed label or packaging material bearing official identification shall be submitted to the Chief of the Dairy Inspection Branch, Poultry and Dairy Quality Division, Agricultural Marketing Service, U.S. Department of Agriculture, Washington, DC 20250, for review and tentative approval prior to acquisition of a supply of material.

(e) The firm packaging the product shall furnish to the Chief four copies of the printed labels and packaging materials bearing official identification for final approval prior to use.

(60 Stat. 1087, 7 U.S.C. 1621 *et seq.*; 84 Stat. 1620, 21 U.S.C. 1031 *et seq.*)

[37 FR 22363, Oct. 19, 1972, as amended at 39 FR 987, Jan. 4, 1974. 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]

## § 58.51 Information required on official identification.

Each official identification shall conspicuously indicate the U.S. grade of the product it identifies, if there be a grade, or such other appropriate terminology as may be approved by the Administrator. Also, it shall include the appropriate phrase: "Officially graded," "Officially Inspected," or "Fed-

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

eral-State graded." When required by the Administrator, the package label, carton, or wrapper bearing official identification for dairy products shall be stamped or perforated with the date packed and the certificate number or a code number to indicate lot and date packed. Such coding shall be made available to and approved by the Administrator.

## § 58.52 Time limit for packaging inspected or graded products with official identification.

Any lot of butter which is graded for packaging with official grade identification shall be packaged within 10 days immediately following the date of grading, and any lot of natural cheese or dry milk shall be packaged within 30 days immediately following date of grading provided the product is properly stored during the 10- or 30-day period. Time limit for packaging other inspected or graded products shall be as approved by the Administrator. If inspected or graded product is moved to another location, a reinspection or regrading shall be required.

## PREREQUISITES TO PACKAGING PRODUCTS WITH OFFICIAL IDENTIFICATION

## § 58.53 Supervisor of packaging required.

The official identification of any inspected or graded product, as provided in §§ 58.50 through 58.52, this section, and §§ 58.54 through 58.57, shall be done only under the supervision of a supervisor of packaging. The authority to use official identification may be granted by the Administrator only to applicants who utilize the services of a supervisor of packaging in accordance with this subpart. The supervisor of packaging shall have jurisdiction over the use and handling of all packaging material bearing any official identification.

## § 58.54 Packing and packaging room and equipment.

Each applicant who is granted authority to package any product with official identification and who operates, for such purpose, a packaging room shall maintain the room and the equipment therein in accordance with this part.



## Agricultural Marketing Service, USDA

## § 58.58

### § 58.55 Facilities for keeping quality samples.

Each applicant granted authority, as aforesaid, to package product with official identification shall provide and maintain suitable equipment for the purpose of incubating samples of product.

### § 58.56 Incubation of product samples.

(a) Samples of product may be taken from any lot of product which is submitted for inspection or grading and packaging with official identification, or sample may be taken after packaging for the purpose of determining in accordance with provisions of this part if such product possesses satisfactory keeping quality.

(b) Samples of product may be taken for keeping quality tests in accordance with provisions of this part from any lot of product submitted for inspection or grading. Issuance of the inspection or grading certificate may be withheld pending completion of the tests.

### § 58.57 Product not eligible for packaging with official identification.

(a) When a lot of inspected or graded product shows unsatisfactory keeping quality, other lots from the same manufacturing plant shall not be packaged with official identification. Packaging with official identification may be resumed only when it is determined that product from such plant possesses satisfactory keeping quality.

(b) Any manufacturing or processing plant supplying product, directly or indirectly, for packaging with official identification shall be surveyed and approved for inspection or grading service.

## VIOLATIONS

### § 58.58 Debarment of service.

(a) The following acts or practices, 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 any or all benefits of the Act for a specified period. The rules of practice governing withdrawal of inspection and grading services in formal adjudicatory proceedings instituted by the Sec-

retary (7 CFR, part 1, subpart H) shall be applicable to such debarment action.

(1) *Fraud or misrepresentation.* Any willful misrepresentation or deceptive or fraudulent practice or act found to be made or committed by any person in connection with:

(i) The making or filing of any application for any inspection or grading service, appeal reinspection, or regrading service;

(ii) The making of the product accessible for inspection or grading service;

(iii) The making, issuing, or using or attempting to issue or use any inspection or grading certificate issued pursuant to the regulations in this subpart or the use of any official stamp, label, or identification;

(iv) The use of the terms "United States," "U.S.," "Officially graded," "Officially Inspected," "Federal-State graded," or "Government graded," or terms of similar import in the labeling or advertising of any product without stating in conjunction therewith the official U.S. grade of the product; or

(v) The use of any of the aforesaid terms or an official stamp, label, or identification in the labeling or advertising of any product that has not been inspected or graded pursuant to this part.

(2) *Use of facsimile form.* Using or attempting to use a form which simulates in whole or in part any official identification for the purpose of purporting to evidence the U.S. grade of any product; or the unauthorized use of a facsimile form which simulates in whole or in part any official inspection or grading certificate, stamp, label, or other official inspection mark; and

(3) *Mislabeling.* The use of any words, numerals, letters, or facsimile form which simulates in whole or in part any identification purporting to be a grade when such product does not comply with any recognized standards in general use for such grade, and such activity may be deemed sufficient cause for debarring such person from any or all benefits of the Act.

(4) *Willful violation of the regulations in this subpart.* Willful violation of the provisions in this part or the Act, or the instructions or specifications issued thereunder.

## § 58.61

(5) *Interfering with an inspector or grader.* Any interference with or obstruction or any attempted interference or obstruction of any inspector or grader in the performance of his duties by intimidation, threat, bribery, assault, or other improper means.

(b) [Reserved]

(60 Stat. 1087, 7 U.S.C. 1621 *et seq.*; 84 Stat. 1620, 21 U.S.C. 1031 *et seq.*)

[37 FR 22363, Oct. 19, 1972. 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]

### MISCELLANEOUS

#### § 58.61 Political activity.

All inspectors or graders are forbidden during the period of their respective appointments or licenses to take an active part in political management or in political campaigns. Political activities in city, county, State, or national elections, whether primary or regular, or in behalf of any party or candidate, or any measure to be voted upon, is prohibited. This applies to all appointees, including, but not being limited to, temporary and cooperative employees and employees on leave of absence with or without pay. Willful violation of this section will constitute grounds for dismissal in the case of appointees and revocation of licenses in the case of licensees.

#### § 58.62 Report of violations.

Each inspector, grader, and supervisor of packaging shall report, in the manner prescribed by the Administrator, all violations and noncompliances under the Act and this part of which such inspector, grader, or supervisor of packaging has knowledge.

#### § 58.63 Other applicable regulations.

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

#### § 58.64 OMB control numbers assigned pursuant to the Paperwork Reduction Act.

The following control number has been assigned to the information collection requirements in 7 CFR part 58,

## 7 CFR Ch. I (1–1–19 Edition)

subpart A, by the Office of Management and Budget pursuant to the Paperwork Reduction Act of 1980, Pub. L. 96–511.

7 CFR section where requirements are described	Current OMB control No.
58.8(a)(b) .....	0581–0126
58.9 .....	0581–0126
58.14 .....	0581–0126
58.23 .....	0581–0126
58.30 .....	0581–0126
58.33 .....	0581–0126
58.49 .....	0581–0126
58.50(d)(e) .....	0581–0126
58.51 .....	0581–0126
58.122(b) .....	0581–0126

[49 FR 6881, Feb. 24, 1984]

### Subpart B—General Specifications for Dairy Plants Approved for USDA Inspection and Grading Service<sup>1</sup>

SOURCE: 40 FR 47911, Oct. 10, 1975, unless otherwise noted. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981.

### DEFINITIONS

#### § 58.100 OMB control numbers assigned pursuant to the Paperwork Reduction Act.

The following control number has been assigned to the information collection requirements in 7 CFR part 58, subpart B, by the Office of Management and Budget pursuant to the Paperwork Reduction Act of 1980, Pub. L. 96–511.

7 CFR section where requirements are described	Current OMB control No.
58.139 .....	0581–0110
58.148 .....	0581–0110
58.441 .....	0581–0110

[49 FR 6881, Feb. 24, 1984, as amended at 61 FR 67448, Dec. 23, 1996]

<sup>1</sup> Compliance with these standards does not excuse failure to comply with the provisions of the Federal Food, Drug, and Cosmetic Act, Environmental Protection Act, or applicable laws and regulations of any State or Municipality.

**§ 58.101 Meaning of words.**

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

(a) *Act*. The applicable provisions of the Agricultural Marketing Act of 1946 (60 Stat. 1087, as amended; (7 U.S.C. 1621-1627)), or any other Act of Congress conferring like authority.

(b) *Administrator*. The Administrator of the Agricultural Marketing Service or any other officer or employee of the Agricultural Marketing Service of the Department to whom there has heretofore been delegated, or to whom there may hereafter be delegated the authority to act in his stead.

(c) *Approved laboratory*. A laboratory in which the facilities and equipment used for official testing have been approved by the Administrator as being adequate to perform the necessary official tests in accordance with this part, and operates under a USDA surveillance program as set forth by the Administrator.

(d) *Approved plant*. One or more adjacent buildings, or parts thereof, comprising a single plant at one location in which the facilities and methods of operation therein have been surveyed and approved by the Administrator as suitable and adequate for inspection or grading service in accordance with the following:

(1) Shall satisfactorily meet the specifications of this subpart as determined by the Administrator.

(2) Receive dairy products only from plants, transfer stations, receiving stations and cream buying stations which satisfactorily comply with the applicable requirements of this subpart as determined by the Administrator. (Occasional shipments may be received from nonapproved plants provided the product is tested and meets the quality requirements for No. 2 milk.)

(e) *Sanitizing treatment*. Subjection of a clean product contact surface to steam, hot water, hot air, or an acceptable sanitizing solution for the destruction of most human pathogens and other vegetative microorganisms to a level considered safe for product pro-

duction. Such treatment shall not adversely affect the equipment, the milk or the milk product, or the health of consumers. Sanitizing solutions shall comply with 21 CFR 178.1010.

(f) *Resident service*. Inspection or grading service performed at a dairy manufacturing plant or grading station by an inspector or grader assigned to the plant or station on a continuous basis.

(g) *Dairy products*. Butter, cheese (whether natural or processed), skim milk, cream, whey or buttermilk (whether dry, evaporated, stabilized or condensed), frozen desserts and any other food product which is prepared or manufactured in whole or in part from any of the aforesaid products, as the Administrator may hereafter designate.

(h) *Grader*. Any employee of the Department authorized by the Administrator or any other person to whom a license has been issued by the Administrator to investigate and certify, in accordance with the Act and this part, to shippers of products and other interested parties, the class, quality, quantity, and condition of such products.

(i) *Inspector*. Any employee of the Department authorized by the Administrator or any other person to whom a license has been issued by the Administrator to inspect and certify quality, quantity and condition of products, observe the manufacturing, processing, packaging and handling of dairy products, and to perform dairy plant surveys in accordance with the regulations of this part.

(j) *Inspection or grading service*. Means in accordance with this part, the act of (1) drawing samples of any product; (2) determining the class, grade, quality, composition, size, quantity, condition, or wholesomeness of any product by examining each unit or representative samples; (3) determining condition of product containers; (4) identifying any product or packaging material by means of official identification; (5) regrading or appeal grading of a previously graded product; (6) inspecting dairy plant facilities, equipment, and operations; such as, processing, manufacturing, packaging, repackaging, and quality control; (7) supervision of packaging inspected or graded product; (8)

**§ 58.101**

reinspection or appeal inspection; and (9) issuing an inspection or grading certificate or sampling, inspection, or other report related to any of the foregoing.

(k) *Milk*. The term *milk* shall include the following:

(1) Milk is the lacteal secretion, practically free from colostrum, obtained by the complete milking of one or more healthy cows. The cows shall be located in a Modified Accredited Area, an Accredited Free State, or an Accredited Free Herd for tuberculosis as determined by the Department. In addition, the cows shall be located in States meeting Class B status or Certified-Free Herds or shall be involved in a milk ring testing program or blood testing program under the current USDA Brucellosis Eradication Uniform Methods and Rules.

(2) Goat milk is the lacteal secretion, practically free from colostrum, obtained by the complete milking of one or more healthy goats. The goats shall be located in States meeting the current USDA Uniform Methods and Rules for Bovine Tuberculosis Eradication or an Accredited Free Goat Herd. Goat milk shall only be used to manufacture dairy products that are legally provided for in 21 CFR or recognized as non-standardized traditional products normally manufactured from goats milk.

(l) *Official identification*. Official identification is provided for use on product packed under USDA inspection. Any package label or packaging material which bears any official identification shall be used only in such manner as the Administrator may prescribe, and such official identification shall be of such form and contain such information as the Administrator may require.

(m) *Official Methods of Analysis of the Association of Official Analytical Chemists*. "Official Methods of Analysis of the Association of Official Analytical Chemists," a publication of the Association of Official Analytical Chemists International, 481 North Frederick Avenue, Suite 500, Gaithersburg, MD 20877-2417.

(n) *Pasteurization (Pasteurized)*. Pasteurization shall mean that every particle of product shall have been heated in properly operated equipment to one

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

of the temperatures specified in the table and held continuously at or above that temperature for at least the specified time (or other time/temperature relationship equivalent thereto in microbial destruction):

FLUID PRODUCTS	
Temperature	Time
145 °F (vat pasteurization) .....	30 minutes.
161 °F (high temperature short time pasteurization).	15 seconds.
191 °F (higher heat shorter time pasteurization).	1.0 second.
194 °F (higher heat shorter time pasteurization).	0.5 second.
201 °F (higher heat shorter time pasteurization).	0.1 second.
204 °F (higher heat shorter time pasteurization).	.05 second.
212 °F (higher heat shorter time pasteurization).	.01 second.

**PRODUCTS HAVING DAIRY INGREDIENTS WITH A FAT CONTENT OF 10 PERCENT OR MORE, OR CONTAIN ADDED SWEETENERS**

150 °F .....	30 minutes.
166 °F .....	15 seconds.

**FROZEN DESSERT MIX**

155 °F .....	30 minutes.
175 °F .....	25 seconds.

**CONDENSED MILK TO BE REPASTEURIZED**

166 °F .....	15 seconds.
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(o) *Plant survey*. An appraisal of a plant to determine the extent to which facilities, equipment, method of operation, and raw material being received are in accordance with the provisions of this part. The survey shall be used to determine suitability of the plant for USDA inspection or grading service.

(p) *Plant status*. The extent to which a plant complies with this subpart shall be determined under procedures as set forth by the Administrator.

(q) *Producer*. The person or persons who exercise control over the production of the milk delivered to a processing plant or receiving station and who receive payment for this product.

(r) *Quality control*. The inspection of the quality of the raw material and the conditions relative to the preparation of the product from its raw state through each step in the entire process. It includes the inspection of conditions under which the product is prepared, processed, manufactured, packed and

## Agricultural Marketing Service, USDA

## § 58.124

stored. In addition, assistance and guidance is offered to improve the raw milk quality, processing methods, quality, stability, and packaging and handling of the finished product.

(s) *Regulations*. The term “regulations” means the provisions contained in this part.

(t) *Shall*. Expresses a provision that is mandatory.

(u) *Should*. Expresses recommended nonmandatory provisions which when followed would significantly aid in a quality improvement program.

(v) *Standard Methods for the Examination of Dairy Products*. “Standard Methods for the Examination of Dairy Products,” a publication of the American Public Health Association, 1015 Fifteenth Street, NW Washington, D.C. 20005.

(w) *3-A Sanitary Standards and Accepted Practice*. The latest standards for dairy equipment and accepted practices formulated by the 3-A Sanitary Standards Committees representing the International Association for Food Protection, the Food and Drug Administration, and the Dairy Industry Committee. Published by the International Association for Food Protection, 6200 Aurora Avenue, Suite 200 W, Des Moines, Iowa 50322-2863.

(x) *USDA or Department*. Means the United States Department of Agriculture.

(y) *Receiving Station*. Any place, premise, or establishment where milk or dairy products are received, collected or handled for transfer to a processing or manufacturing plant.

(z) *Transfer station*. Any place, premise, or establishment where milk or dairy products are transferred directly from one transport tank to another.

(aa) *Corrosion-resistant*. Those materials that maintain their original surface characteristics under prolonged influence of the product to be contacted, cleaning compounds and sanitizing solutions, and other conditions of the environment in which used.

[40 FR 47911, Oct. 10, 1975. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 50 FR 34672, Aug. 27, 1985; 58 FR 42413, Aug. 9, 1993; 59 FR 24321, May 10, 1994; 59 FR 50121, Sept. 30, 1994; 67 FR 48974, July 29, 2002]

### PURPOSE

#### § 58.122 Approved plants under USDA inspection and grading service.

(a) Adoption of certain sound practices at dairy plants will significantly aid the operators to manufacture more consistently, uniform high-quality stable dairy products. Only dairy products manufactured, processed and packaged in an approved plant may be graded or inspected and identified with official identification. The specifications established herein provide the basis for a quality maintenance program which may be effectively carried forward through official inspection, grading, and quality control service.

(b) USDA inspection and grading service is provided to dairy product manufacturing plants on a voluntary basis. The operator of any dairy plant desiring to have such a plant qualified as an approved plant under USDA inspection and grading service may request surveys of such plant, premises, equipment, facilities, methods of operation, and raw material to determine whether they are adequate to permit inspection and grading service. The cost of this survey shall be borne by the applicant.

### APPROVED PLANTS

#### § 58.123 Survey and approval.

Prior to the approval of a plant, a designated representative of the Administrator shall make a survey of the plant, premises, storage facilities, equipment and raw material, volume of raw material processed daily, and facilities for handling the products at the plant. The survey shall be made at least twice a year to determine whether the facilities, equipment, method of operation, and raw material being received are adequate and suitable for USDA inspection and grading service in accordance with the provisions of this part. To be eligible for approval a plant shall satisfactorily meet the specifications of this subpart as determined by the Administrator.

#### § 58.124 Denial or suspension of plant approval.

Plant approval may be denied or suspended if a determination is made by a

## § 58.125

designated representative of the Administrator that the plant is not performing satisfactorily in regard to;

- (a) The classification of milk,
- (b) Proper segregation and disposal of unwholesome raw materials or finished product,
- (c) Adequate facilities and condition of processing equipment,
- (d) Sanitary conditions of plant and equipment,
- (e) Control of insects, rodents and other vermin,
- (f) Use of non-toxic product contact surfaces and prevention of adulteration of raw materials and products with chemicals or other foreign material,
- (g) Proper operating procedures,
- (h) The maintenance of legal composition of finished products,
- (i) The manufacture of stable dairy products, of desirable keeping quality characteristics,
- (j) Proper storage conditions for ingredients and dairy products, or
- (k) Suitable and effective packaging methods and material.

[40 FR 47911, Oct. 10, 1975. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 67 FR 48974, July 29, 2002]

### PREMISES, BUILDINGS, FACILITIES, EQUIPMENT AND UTENSILS

## § 58.125 Premises.

- (a) The premises shall be kept in a clean and orderly condition, and shall be free from strong or foul odors, smoke, or excessive air pollution. Construction and maintenance of driveways and adjacent plant traffic areas should be of cement, asphalt, or similar material to keep dust and mud to a minimum.
- (b) *Surroundings.* The immediate surroundings shall be free from refuse, rubbish, overgrown vegetation, and waste materials to prevent harborage of rodents, insects and other vermin.
- (c) *Drainage.* A suitable drainage system shall be provided which will allow rapid drainage of all water from plant buildings and driveways, including surface water around the plant and on the premises, and all such water shall be disposed of in such a manner as to prevent an environmental or health hazard.

## 7 CFR Ch. I (1–1–19 Edition)

## § 58.126 Buildings.

The building or buildings shall be of sound construction and shall be kept in good repair to prevent the entrance or harboring of rodents, birds, insects, vermin, dogs, and cats. All service pipe openings through outside walls shall be effectively sealed around the opening or provided with tight metal collars.

- (a) *Outside doors, windows, openings, etc.* All openings to the outer air including doors, windows, skylights and transoms shall be effectively protected or screened against the entrance of flies and other insects, rodents, birds, dust and dirt. All outside doors opening into processing rooms shall be in good condition and fit properly. All hinged, outside screen doors shall open outward. All doors and windows should be kept clean and in good repair. Outside conveyor openings and other special-type outside openings shall be effectively protected to prevent the entrance of flies and rodents, by the use of doors, screens, flaps, fans or tunnels. Outside openings for sanitary pipelines shall be covered when not in use. On new construction window sills should be slanted downward at approximately a 45° angle.

- (b) *Walls, ceilings, partitions and posts.* The walls, ceilings, partitions, and posts of rooms in which milk, or dairy products are processed, manufactured, handled, packaged or stored (except dry storage of packaged finished products and supplies) or in which utensils are washed and stored, shall be smoothly finished with a suitable material of light color, which is substantially impervious to moisture and kept clean. They shall be refinished as often as necessary to maintain a neat, clean surface. For easier cleaning new construction should have rounded cove at the juncture of the wall and floor in all receiving, pasteurizing, manufacturing, packaging and storage rooms.

- (c) *Floors.* The floors of all rooms in which milk, or dairy products are processed, manufactured, packaged or stored or in which utensils are washed shall be constructed of tile properly laid with impervious joint material, concrete, or other equally impervious material. The floors shall be smooth,

kept in good repair, graded so that there will be no pools of standing water or milk products after flushing, and all openings to the drains shall be equipped with traps properly constructed and kept in good repair. On new construction, bell and standpipe type traps shall not be used. The plumbing shall be so installed as to prevent the back-up of sewage into the drain lines and to the floor of the plant. Cold storage rooms used for storage of product and starter rooms need not be provided with floor drains if the floor is sloped to drain to an exit.

Sound, smooth, wood floors which can be kept clean, may be used in rooms where new containers and supplies and certain packaged finished products are stored.

(d) *Lighting and ventilation.* (1) Light shall be ample, natural or artificial, or both, of good quality and well distributed. All rooms in which dairy products are manufactured or packaged or where utensils are washed shall have at least 30 foot-candles of light intensity on all working surfaces. Rooms where dairy products are graded or examined for condition and quality shall have at least 50 foot-candles of light intensity on the working surface. Restrooms and locker rooms should have at least 30 foot-candles of light intensity. In all other rooms there shall be provided at least 5 foot-candles of light intensity when measured at a distance of 30 inches from the floor. Where contamination of product by broken glass is possible, light bulbs and fluorescent tubes shall be protected against breakage.

(2) There shall be adequate heating, ventilation or air conditioning for all rooms and compartments to permit maintenance of sanitary conditions. Exhaust or inlet fans, vents, hoods or temperature and humidity control equipment shall be provided where and when needed, to minimize or control room temperatures, eliminate objectionable odors, and aid in prevention of moisture condensation and mold. Inlet fans should be provided with an adequate air filtering device to eliminate dirt and dust from the incoming air. Ventilation systems shall be cleaned periodically as needed and maintained in good repair. Exhaust outlets shall be

screened or provided with self closing louvers to prevent the entrance of insects when not in use.

(e) *Rooms and compartments.* Rooms and compartments in which any raw material, packaging, ingredient supplies or dairy products are handled, manufactured, packaged or stored shall be so designed, constructed and maintained as to assure desirable room temperatures and clean and orderly operating conditions free from objectionable odors and vapors. Enclosed bulk milk receiving rooms, when present, shall be separated from the processing rooms by a wall. Rooms for receiving can milk shall be separated from the processing rooms by a partition or by suitable arrangement of equipment. Processing rooms shall be kept free from equipment and materials not regularly used.

(1) *Coolers and freezers.* Coolers and freezers where dairy products are stored shall be clean, reasonably dry and maintained at the proper uniform temperature and humidity to adequately protect the product, and minimize the growth of mold. Adequate circulation of air shall be maintained at all times. They shall be free from rodents, insects, and pests. Shelves shall be kept clean and dry. Refrigeration units shall have provisions for collecting and disposing of condensate.

(2) *Supply room.* The supply rooms or areas used for the storing of packaging materials; containers, and miscellaneous ingredients shall be kept clean, dry, orderly, free from insects, rodents, and mold, and maintained in good repair. Such items stored therein shall be adequately protected from dust, dirt, or other extraneous material and so arranged on racks, shelves or pallets to permit access to the supplies and cleaning and inspection of the room. Insecticides, rodenticides, cleaning compounds and other nonfood products shall be properly labeled and segregated, and stored in a separate room or cabinet away from milk, dairy products, ingredients or packaging supplies.

(3) *Boiler rooms, shop rooms and shop areas.* The boiler, and shop rooms shall be separated from other rooms where milk, and dairy products are processed, manufactured, packaged, handled or stored. Shop rooms or areas should be

## § 58.127

## 7 CFR Ch. I (1–1–19 Edition)

kept orderly and reasonably free from dust and dirt.

(4) *Toilet and dressing rooms.* Adequate toilet and dressing room facilities shall be conveniently located.

(i) Toilet rooms shall not open directly into any room in which milk or dairy products are processed, manufactured, packaged or stored; doors shall be self-closing; ventilation shall be provided by mechanical means to the outer air; fixtures shall be kept clean and in good repair.

(ii) All employees shall be furnished with a locker or other suitable facility and the lockers and dressing rooms shall be kept clean and orderly. Adequate handwashing facilities shall be provided. Legible signs shall be posted conspicuously in each toilet or dressing room directing employees to wash their hands before returning to work.

(5) *Laboratory.* (i) Consistent with the size and type of plant and the volume of dairy products manufactured, an adequately equipped laboratory shall be maintained and properly staffed with qualified and trained personnel for quality control and analytical testing. The laboratory should be located reasonably close to the processing activity and be of sufficient size to perform tests necessary in evaluating the quality of raw and finished products.

(ii) Approved laboratories shall be supervised by the USDA resident inspector in all aspects of official testing and in reporting results. Plant laboratory personnel in such plants may be authorized by USDA to perform official duties. The AMS Science and Technology Programs will provide independent auditing of laboratory analysis functions.

(iii) An approved central control laboratory serving more than one plant may be acceptable, if conveniently located to the dairy plants, and if samples and results can be transmitted without undue delay.

(6) *Starter facilities.* Adequate facilities shall be provided for the handling of starter cultures. The facilities shall not be located near areas where contamination is likely to occur.

(7) *Grading and inspection room.* When grading or inspection of product is performed the plants shall furnish a room or designated area specifically for this

purpose. The room or area shall be suitably located, sufficient in size, well lighted (see § 58.126d), ventilated and the temperature shall be not less than 60 °F. It shall be kept clean and dry, free from foreign odors and reasonably free from disturbing elements which would interfere with proper concentration by the grader or inspector. The grading or inspection room or area shall be equipped with a table or desk and convenient facilities for washing hands.

(8) *Resident inspector's facilities.* In resident plants, an office or space shall be provided for official purposes. The room or space should be conveniently located in or near the approved laboratory, adequate in size, and equipped with desk and a lockable storage supply cabinet, and clothes locker. It shall be well lighted, ventilated or air conditioned, and heated. Custodial service shall be furnished on a regular basis.

(9) *Lunch rooms and eating areas.* When these areas are provided, they (i) shall be kept clean and orderly, (ii) should not open directly into any room in which milk or dairy products are processed, manufactured or packaged, and (iii) signs shall be posted directing employees to wash their hands before returning to work.

[40 FR 47911, Oct. 10, 1975. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 58 FR 42413, Aug. 9, 1993; 59 FR 24321, May 10, 1994; 59 FR 50121, Sept. 30, 1994; 67 FR 48974, July 29, 2002]

### § 58.127 Facilities.

(a) *Water supply.* There shall be an ample supply of both hot and cold water of safe and sanitary quality, with adequate facilities for its proper distribution throughout the plant, and protected against contamination. Water from other facilities, when officially approved, may be used for boiler feed water and condenser water provided that such water lines are completely separated from the water lines carrying the sanitary water supply, and the equipment is so constructed and controlled as to preclude contamination of product contact surfaces. There shall be no cross connection between potable water lines and non-potable water lines or between public and



private water supplies. Bacteriological examinations shall be made of the plant's sanitary water supply taken at the plant at least twice a year, or as often as necessary to determine safety and suitability as related to product keeping quality for use in manufactured products shall be made by a USDA or State agency laboratory except for supplies that are regularly tested for purity and bacteriological quality, and approved by the local health officer. The results of all water tests shall be kept on file at the plant for which the test was performed.

The location, construction, and operation of any well shall comply with regulations of the appropriate agency.

(b) *Drinking-water facilities.* Drinking-water facilities of a sanitary type shall be provided in the plant and should be conveniently located.

(c) *Hand-washing facilities.* Convenient hand-washing facilities shall be provided, including hot and cold running water, soap or other detergents, and sanitary single service towels or air driers. Such accommodations shall be located in or adjacent to toilet and dressing rooms and also at such other places in the plant as may be essential to the cleanliness of all personnel handling products. Vats for washing equipment or utensils shall not be used as hand-washing facilities. Containers shall be provided for used towels and other wastes. The containers may be metal or plastic, disposable or reusable and should have self-closing covers.

(d) *Steam.* Steam shall be supplied in sufficient volume and pressure for satisfactory operation of each applicable piece of equipment. Culinary steam used in direct contact with milk or dairy products shall be free from harmful substances or extraneous material and only those boiler water additives that meet the requirements of 21 CFR 173.310 shall be used, or a secondary steam generator shall be used in which soft water is converted to steam and no boiler compounds are used. Steam traps, strainers, and condensate traps shall be used wherever applicable to insure a satisfactory and safe steam supply. Culinary steam shall comply with the 3-A Accepted Practices for a Method of Producing Steam of Culinary

Quality, number 609. This document is available from the International Association for Food Protection, 6200 Aurora Avenue, Suite 200 W, Des Moines, Iowa 50322-2863.

(e) *Air under pressure.* The method for supplying air under pressure, which comes in contact with milk or dairy products or any product contact surface shall comply with the 3-A Accepted Practices for Supplying Air Under Pressure.

(f) *Disposal of wastes.* Dairy wastes shall be properly disposed of from the plant and premises consistent with requirements imposed by the Environmental Protection Act. The sewer system shall have sufficient slope and capacity to readily remove all waste from the various processing operations. Where a public sewer is not available, all wastes shall be properly disposed of so as not to contaminate milk equipment or to create a nuisance or public health hazard. Containers used for the collection and holding of wastes shall be constructed of metal, plastic, or other equally impervious material and kept covered with tight fitting lids. Waste shall be stored in an area or room in a manner to protect it from flies and vermin. Solid wastes shall be disposed of regularly and the containers cleaned before reuse. Accumulation of dry waste paper and cardboard shall be kept to a minimum and disposed of in a manner that is environmentally acceptable.

[40 FR 47911, Oct. 10, 1975. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 67 FR 48974, July 29, 2002]

#### § 58.128 Equipment and utensils.

(a) *General construction, repair and installation.* The equipment and utensils used for the processing of milk and manufacture of dairy products shall be constructed to be readily demountable where necessary for cleaning and sanitizing. The product contact surfaces of all utensils and equipment such as holding tanks, pasteurizers, coolers, vats, agitators, pumps, sanitary piping and fittings or any specialized equipment shall be constructed of stainless steel, or other materials which under conditions of intended use are as equally corrosion resistant. Non-metallic

parts other than glass having product contact surfaces shall comply with 3-A Sanitary Standards for Plastic or Rubber and Rubber-Like Materials. Equipment and utensils used for cleaning shall be in an acceptable condition, such as not rusty, pitted or corroded. All equipment and piping shall be designed and installed so as to be easily accessible for cleaning, and shall be kept in good repair, free from cracks and corroded surfaces. New or rearranged equipment, shall be set away from any wall or spaced in such a manner as to facilitate proper cleaning and to maintain good housekeeping. All parts or interior surfaces of equipment, pipes (except certain piping cleaned-in-place) or fittings, including valves and connections shall be accessible for inspection. Milk and dairy product pumps shall be of a sanitary type and easily dismantled for cleaning or shall be of specially approved construction to allow effective cleaning in place.

All C.I.P. systems shall comply with the 3-A Accepted Practices for Permanently Installed Sanitary Product, Pipelines and Cleaning Systems.

(b) *Weigh cans and receiving tanks.* Weigh cans and receiving tanks shall comply with the 3-A Sanitary Standards for Weigh Cans and Receiving Tanks for Raw Milk and shall be easily accessible for cleaning both inside and outside and shall be elevated above the floor and protected sufficiently with the necessary covers or baffles to prevent contamination from splash, condensate and drippage. Where necessary to provide easy access for cleaning of floors and adjacent wall areas, the receiving tank shall be equipped with wheels or casters to allow easy removal.

(c) *Can washers.* Can washers shall have sufficient capacity and ability to discharge a clean dry can and cover and shall be kept properly timed in accordance with the instructions of the manufacturer. They should be equipped with proper temperature controls on the wash and rinse tanks and the following additional devices: Prerinse jet, wash tank solution feeder, can sanitizing attachment, forced air vapor exhaust, and removable air filter on drying chamber. The water and steam lines supplying the washer shall main-

tain a reasonably uniform pressure and if necessary be equipped with pressure regulating valves. The steam pressure to the can washer should be not less than 80 pounds, and the temperature of the wash and final rinse solution should be automatically controlled and not exceed 140 °F.

(d) *Product storage tanks or vats.* Storage tanks or vats shall be fully enclosed or tightly covered and well insulated. The entire interior surface, agitator and all appurtenances shall be accessible for thorough cleaning and inspection. Any opening at the top of the tank or vat including the entrance of the shaft shall be suitably protected against the entrance of dust, moisture, insects, oil or grease. The sight glasses, if used, shall be sound, clear, and in good repair. Vats which have hinged covers shall be easily cleaned and shall be so designed that moisture, or dust on the surface cannot enter the vat when the covers are raised. If the storage tanks or vats are equipped with air agitation, the system shall be of an approved type and properly installed in accordance with the 3-A Accepted Practices for Supplying Air Under Pressure. Storage tanks or vats intended to hold product for longer than approximately 8 hours shall be equipped with adequate refrigeration and/or have adequate insulation. New or replacement storage tanks or vats shall comply with the appropriate 3-A Sanitary Standards for Storage Tanks for Milk and Milk Products or Sanitary Standards for Silo-Type Storage Tanks for Milk and Milk Products and shall be equipped with thermometers in good operating order.

(e) *Separators.* All product contact surfaces of separators shall be free from rust and pits and insofar as practicable shall be of stainless steel or other equally noncorrosive metals.

(f) *Coil or dome type batch pasteurizers.* Coil or dome type batch pasteurizers shall be stainless steel lined and if the coil is not stainless steel or other equally noncorrosive metal it shall be properly tinned over the entire surface. Sanitary seal assemblies at the shaft ends of coil vats shall be of the removable type, except that existing equipment not provided with this type gland will be acceptable if the packing glands

are maintained and operated without adverse effects. New or replacement units shall be provided with removable packing glands. Dome type pasteurizer agitators shall be stainless steel except that any non-metallic parts shall comply with 3-A Sanitary Standards for Plastic or Rubber and Rubberlike Materials, as applicable. Each pasteurizer used for heating product at a temperature of 5 °F. or more above the minimum pasteurization temperature need not have the airspace heater. It shall be equipped with an airspace thermometer to insure a temperature at least 5 °F. above that required for pasteurization of the product. There shall be adequate means of controlling the temperature of the heating medium. Batch pasteurizers shall have temperature indicating and recording devices.

(g) *Short time pasteurizing systems.* When pasteurization is intended or required, an approved timing pump or device, recorder-controller, automatic flow diversion valve and holding tube or its equivalent, if not a part of the existing equipment, shall be installed on all such equipment used for pasteurization, to assure complete pasteurization. The entire facility shall comply with the 3-A Accepted Practices for the Sanitary Construction, Installation, Testing and Operation of High Temperature Short Time Pasteurizers. After the unit has been tested according to the 3-A Accepted Practices, the timing pump or device and the recorder controller shall be sealed at the correct setting to assure pasteurization. The system should be rechecked semi-annually to assure continued compliance with the 3-A Accepted Practices. Sealing and rechecking of the unit shall be performed by the control authority having jurisdiction. When direct steam pasteurizers are used, the steam, prior to entering the product, shall be conducted through a steam strainer and a steam purifier equipped with a steam trap and only steam meeting the requirements for culinary steam shall be used.

(h) *Thermometers and recorders—(1) Indicating thermometers.* (i) Long stem indicating thermometers which are accurate within 0.5 °F., plus or minus, for the applicable temperature range, shall be provided for checking the tempera-

ture of pasteurization and cooling of products in vats and checking the accuracy of recording thermometers.

(ii) Short stem indicating thermometers, which are accurate within 0.5 °F., plus or minus, for the applicable temperature range, shall be installed in the proper stationary position in all pasteurizers. Storage tanks where temperature readings are required shall have thermometers which are accurate within 2.0 °F., plus or minus.

(iii) Air space indicating thermometers, where applicable, which are accurate within 1.0 °F., plus or minus, for the proper temperature range shall also be installed above the surface of the products pasteurized in vats, to make certain that the temperature of the foam and/or air above the products pasteurized also received the required minimum temperature treatment.

(2) *Recording thermometers.* (i) Recording thermometers that are accurate within 1 °F., plus or minus, for the applicable temperature range, shall be used on each heat treating, pasteurizing or thermal processing unit to record the heating process.

(ii) Additional use of recording thermometers accurate within 2 °F., plus or minus may be required where a record of temperature or time of cooling and holding is of significant importance.

(iii) Recorder charts shall be marked to show date and plant identification, reading of the indicating thermometer at a particular referenced reading point on the recording chart, amount and name of product, product temperature at which the “cut-in” and “cut-out” function, record of the period in which flow diversion valve is in forward-flow position, signature or initials of operator.

(i) *Surface coolers.* Surface coolers shall be equipped with hinged or removable covers for the protection of the product. The edges of the fins shall be so designed as to divert condensate on nonproduct contact surfaces away from product contact surfaces. All gaskets or swivel connections shall be leak proof.

(j) *Plate type heat exchangers.* Plate type heat exchanger shall comply with the 3-A Sanitary Standards Plate Type Heat Exchangers for Milk and Milk Products. All gaskets shall be tight

§ 58.128

7 CFR Ch. I (1–1–19 Edition)

and kept in good operating order. Plates shall be opened for inspection by the operator at sufficiently frequent intervals to determine if the equipment is clean and in satisfactory condition. A cleaning regimen should be posted to insure proper cleaning procedures between inspection periods.

(k) *Internal return tubular heat exchangers.* Internal return tubular heat exchangers shall comply with the 3-A Sanitary Standards for Internal Return Tubular Heat Exchangers for Use with Milk and Milk Products.

(l) *Pumps.* Pumps used for milk, and dairy products shall be of the sanitary type and constructed to comply with 3-A Sanitary Standards for Pumps for Milk and Milk Products. Unless pumps are specifically designed for effective cleaning-in-place they shall be disassembled and thoroughly cleaned after use.

(m) *Scales.* All scales shall comply with National Bureau of Standards Handbook 44. (Latest revision).

(1) Small capacity scales shall be capable of the following accuracy, and shall be graduated in no higher than one ounce graduations. (This table taken from the presently effective 1973 revision.)

	Minimum tolerance	
	Ounces	Pounds
Load in pounds:		
0 to 4 inclusive .....	1/32	.002
5 to 10 inclusive .....	1/16	.004
11 to 20 inclusive .....	1/8	.008
21 to 30 inclusive .....	3/16	.012
31 to 50 inclusive .....	1/2	.031
51 to 500 inclusive .....	3/4	.047

(2) Large capacity scales shall be capable of the following accuracy, and shall be graduated in no higher than 1/4 pound graduations for scales of capacity of up to 250 pounds; 1/2 pound graduations for scales above 250 pounds capacity.

(This table taken from the presently effective 1973 revision.)

	Minimum tolerance	
	Ounces	Pounds
Load in pounds:		
101 to 150 inclusive .....	1 1/4	0.078
151 to 250 inclusive .....	2	.125
251 to 500 inclusive .....	4	.250
501 to 1000 inclusive .....	8	.500

	Minimum tolerance	
	Ounces	Pounds
1001 to 2500 inclusive .....	.....	1.0

Compliance shall be determined by the appropriate regulatory authority.

(n) *Homogenizers.* Homogenizers and high pressure pumps of the plunger type shall comply with the 3-A Sanitary Standards for Homogenizers and Pumps of the Plunger Type and shall be disassembled and thoroughly cleaned after use.

(o) *New replacement or modified equipment, processing system, or utensils.* All new, replacement, or modified equipment and all processing systems, cleaning systems, utensils, or replacement parts shall comply with the most current, appropriate 3-A Sanitary Standards or 3-A Accepted Practices. If 3-A Sanitary Standards or 3-A Accepted Practices are not available, such equipment and replacements shall meet the general criteria of this section and the USDA Guidelines for the Sanitary Design and Fabrication of Dairy Processing Equipment available from USDA, Agricultural Marketing Service, Dairy Programs, Dairy Grading Branch, or by accessing the Internet at [www.ams.gov/dairy/grade.htm](http://www.ams.gov/dairy/grade.htm).

(p) *Vacuumizing equipment.* The vacuum chamber, as used for flavor control, shall be made of stainless steel or other equally corrosion resistant metal. The unit shall be constructed to facilitate cleaning and all product contact surfaces shall be accessible for inspection. Vacuum chambers located on the pasteurized side of the unit shall be isolated by means of a vacuum breaker and a positive activated check valve on the product inlet side and a vacuum breaker and a positive activated check valve on the discharge side. If direct steam is used, it should also be equipped with a ratio controller to regulate the composition when applicable to the finished product. Only steam which meets the requirements for culinary steam shall be used. The incoming steam supply shall be regulated by an automatic solenoid valve which will cut off the steam supply in the event the flow diversion valve of the pasteurizer is not in the forward flow position. Condensers when used shall

## Agricultural Marketing Service, USDA

## § 58.131

be equipped with a water level control and an automatic safety shutoff valve.

[40 FR 47911, Oct. 10, 1975. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 67 FR 48974, July 29, 2002]

### PERSONNEL, CLEANLINESS AND HEALTH

#### § 58.129 Cleanliness.

All employees shall wash their hands before beginning work and upon returning to work after using toilet facilities, eating, smoking or otherwise soiling their hands. They shall keep their hands clean and follow good hygienic practices while on duty. Expectoration or use of tobacco in any form shall be prohibited in each room and compartment where any milk, dairy products, or supplies are prepared, stored or otherwise handled. Clean white or light-colored washable or disposable outer garments and caps (paper caps, hard hats, or hair nets acceptable) shall be worn to adequately protect the hair and beards when grown by all persons engaged in receiving, testing, processing milk, manufacturing, packaging or handling dairy products.

#### § 58.130 Health.

No person afflicted with a communicable disease shall be permitted in any room or compartment where milk and dairy products are prepared, manufactured or otherwise handled. No person who has a discharging or infected wound, sore or lesion on hands, arms or other exposed portion of the body shall work in any dairy processing rooms or in any capacity resulting in contact with milk, or dairy products. Each employee whose work brings him in contact with the processing or handling of dairy products, containers or equipment should have a medical and physical examination by a registered physician or by the local department of health at the time of employment. An employee returning to work following illness from a communicable disease shall have a certificate from the attending physician to establish proof of complete recovery.

### PROTECTION AND TRANSPORT OF RAW MILK AND CREAM

#### § 58.131 Equipment and facilities.

(a)(1) *Milk cans.* Cans used in transporting milk from dairy farm to plant shall be of such construction (preferably seamless with umbrella lids) as to be easily cleaned, and shall be inspected, repaired, and replaced as necessary to exclude substantially the use of cans and lids with open seams, cracks, rust, milkstone, or any unsanitary condition. Adequate provisions should be made so that milk in cans will be cooled immediately after milking to 50 °F. or lower unless delivered to the plant within two hours after milking.

(2) *Farm bulk tanks.* Farm bulk tanks shall comply with 3-A Sanitary Standards for Farm Cooling and Holding Tanks or 3-A Sanitary Standards for Farm Milk Storage Tanks, as applicable. They shall be installed in a milk house in accordance with the requirements of the regulatory agency in jurisdiction. The bulk cooling tanks shall be designed and equipped with refrigeration to permit the cooling of the milk to 40 °F. or lower within two hours after milking, and maintain it at 45 °F. or below until picked up.

(b)(1) *Receiving stations.* Receiving stations shall comply with the applicable sections of this subpart covering premises, buildings, facilities, equipment, utensils, personnel, cleanliness and health.

(2) *Transfer stations.* Transfer stations shall comply with the applicable sections of this subpart covering premises, floors, lighting, water supply, handwashing facilities, disposal of wastes, general construction, repair and installation of equipment, piping and utensils and personnel—cleanliness and health. As climatic and operating conditions require the transfer station shall comply with the applicable sections for walls, ceilings, doors and windows.

(3) *Cream stations.* Cream stations shall provide adequate protection and facilities for the handling, transferring and cooling of farm separated cream. The area shall be large enough to avoid undue crowding with a normal volume of business and shall be separated from

## § 58.132

other areas and the outside by self closing, tight fitting doors. All openings shall be screened during fly season. The floor, walls and ceiling shall be of satisfactory construction, in good repair and kept clean. Lighting and ventilation shall meet the requirements of § 58.126(d). Cooling facilities shall be provided to cool the cream to 50 °F. or lower unless shipped within 8 hours after receipt. Facilities shall be provided to wash, sanitize and store cans and equipment used in the operation. The cream should not be more than 4 days old when picked up for delivery to the processing plant.

(c)(1) *Transporting milk or cream.* Vehicles used for the transportation of can milk or cream shall be of the enclosed type, constructed and operated to protect the product from extreme temperature, dust, or other adverse conditions and they shall be kept clean. Decking boards or racks shall be provided where more than one tier of cans is carried. Cans or vehicles used for the transportation of milk from the farm to the plant shall not be used for transporting skim milk, buttermilk, or whey to producers.

(2) *Transport tanks.* The exterior shell shall be clean and free from open seams or cracks which would permit liquid to enter the jacket. The interior shell shall be stainless steel and so constructed that it will not buckle, sag or prevent complete drainage. All product contact surfaces shall be smooth, easily cleaned and maintained in good repair. The pump and hose cabinet shall be fully enclosed with tight fitting doors and the inlet and outlet shall be provided with dust covers to give adequate protection from road dust. Tank manholes should be equipped with an adequate filtering system during loading and unloading. New and replacement transport tanks shall comply with 3-A Sanitary Standards for Stainless Steel Automotive Milk and Milk Products Transportation Tanks for Bulk Delivery and/or Farm Pick-up Service.

(3) *Facilities for cleaning and sanitizing.* Enclosed or covered facilities (as climatic conditions require) shall be available for washing and sanitizing of transport tanks, piping, and accessories, at central locations or at all

## 7 CFR Ch. I (1–1–19 Edition)

plants that receive or ship milk or milk products in transport tanks.

(d) *Transfer of milk to transport tank.* Milk shall be transferred under sanitary conditions from farm bulk tanks through stainless steel piping or approved tubing. The sanitary piping and tubing shall be capped when not in use.

[40 FR 47911, Oct. 10, 1975. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 67 FR 48975, July 29, 2002]

### QUALITY SPECIFICATIONS FOR RAW MILK

#### § 58.132 Basis for classification.

The quality classification of raw milk for manufacturing purposes from each producer shall be based on an organoleptic examination for appearance and odor, a drug residue test, and quality control tests for sediment content, bacterial estimate and somatic cell count. All milk received from producers shall not exceed the Food and Drug Administration's established limits for pesticide, herbicide and drug residues. Producers shall be promptly notified of any shipment or portion thereof of their milk that fails to meet any of these quality specifications.

[58 FR 26912, May 6, 1993]

#### § 58.133 Methods for quality and wholesomeness determination.

(a) *Appearance and odor.* The appearance of acceptable raw milk shall be normal and free of excessive coarse sediment when examined visually or by an acceptable test procedure. The milk shall not show any abnormal condition (including, but not limited to, curdled, ropy, bloody or mastitic condition), as indicated by sight or other test procedures. The odor shall be fresh and sweet. The milk shall be free from objectionable feed and other off-odors that adversely affect the finished product.

(b) *Somatic cell count.* (1) A laboratory examination to determine the level of somatic cells shall be made at least four times in each 6-month period at irregular intervals on milk received from each patron.

(2) A screening test may be conducted on goat herd milk. When a goat

herd screening sample test exceeds either of the following results, a confirmatory test identified in paragraph (b)(3) of this section shall be conducted.

(3) Milk shall be tested for somatic cell content by using one of the following procedures or by any other method approved by Standard Methods for the Examination of Dairy Products (confirmatory test for somatic cells in goat milk):

(i) Direct Microscopic Somatic Cell Count (Single Strip Procedure). Pyronin Y-methyl green stain or "New York" modification shall be used as the confirmatory test for goat's milk.

(ii) Electronic Somatic Cell Count (particle counter).

(iii) Electronic Somatic Cell Count (fluorescent dye).

(4) The somatic cell test identified in paragraph (b)(3) of this section shall be considered as the official results.

(5) Whenever the official test indicates the presence of more than 750,000 somatic cells per ml. (1,500,000 per ml. for goat milk), the following procedures shall be applied:

(i) The producer shall be notified with a warning of the excessive somatic cell count.

(ii) Whenever two out of the last four consecutive somatic cell counts exceed 750,000 per ml. (1,500,000 per ml. for goat milk), the appropriate State regulatory authority shall be notified and a written notice given to the producer. This notice shall be in effect as long as two of the last four consecutive samples exceed 750,000 per ml. (1,500,000 per ml. for goat milk).

(6) An additional sample shall be taken after a lapse of 3 days but within 21 days of the notice required in paragraph (b)(5)(ii) of this section. If this sample also exceeds 750,000 per ml. (1,500,000 per ml. for goat milk), subsequent milkings shall not be accepted for market until satisfactory compliance is obtained. Shipment may be resumed and a temporary status assigned to the producer by the appropriate State regulatory agency when an additional sample of herd milk is tested and found satisfactory. The producer may be assigned a full reinstatement status when three out of four consecutive somatic cell count tests do not exceed 750,000 per ml. (1,500,000 per ml. for

goat milk). The samples shall be taken at a rate of not more than two per week on separate days within a 3-week period.

(c) *Drug residue level.* (1) USDA-approved plants shall not accept for processing any milk testing positive for drug residue. All milk received at USDA-approved plants shall be sampled and tested prior to processing for beta lactam drug residue. When directed by the regulatory agency, additional testing for other drug residues shall be performed. Samples shall be analyzed for beta lactams and other drug residues by methods that have been independently evaluated or evaluated by the Food and Drug Administration (FDA) and that have been accepted by the (FDA) as effective to detect drug residues at current safe or tolerance levels. Safe and tolerance levels for particular drugs are established by the FDA and can be obtained from the U.S. Food and Drug Administration Center for Food Safety and Applied Nutrition, 200 C Street SW., Washington, DC 20204.

(2) Individual producer milk samples for beta lactam drug residue testing shall be obtained from each milk shipment as follows:

(i) *Milk in farm bulk tanks.* A sample shall be taken at each farm and shall include milk from each farm bulk tank.

(ii) *Milk in cans.* A sample shall be formed separately at the receiving plant for each can milk producer included in a delivery, and shall be representative of all milk received from the producer.

(3) Load milk samples for beta lactam drug residue testing shall be obtained from each milk shipment as follows:

(i) *Milk in bulk milk pickup tankers.* A sample shall be taken from the bulk milk pickup tanker after its arrival at the plant and prior to further commingling.

(ii) *Milk in cans.* A sample representing all of the milk received on a shipment shall be formed at the plant, using a sampling procedure that includes milk from every can on the vehicle.

(4) *Follow-up to positive-testing samples.* (i) When a load sample tests positive for drug residue, the appropriate State regulatory agency shall be notified immediately of the positive test result and of the intended disposition of the shipment of milk containing the drug residue.

(ii) Each individual producer sample represented in the positive-testing load sample shall be singly tested to determine the producer of the milk sample testing positive for drug residue. Identification of the producer responsible for producing the milk testing positive for drug residue, and details of the final disposition of the shipment of milk containing the drug residue, shall be reported immediately to the appropriate agency.

(iii) Milk shipment from the producer identified as the source of milk testing positive for drug residue shall cease immediately and may resume only after a sample from a subsequent milking does not test positive for drug residue.

[50 FR 34672, Aug. 27, 1985, as amended at 58 FR 26912, May 6, 1993; 67 FR 48975, July 29, 2002; 77 FR 31720, May 30, 2012]

#### § 58.134 Sediment content for milk in cans.

(a) *Method of testing.* Methods for determining the sediment content of the milk of individual producers shall be those described in the latest edition of Standard Methods for the Examination of Dairy Products. Sediment content shall be based on comparison with applicable charts of the United States Sediment Standards for Milk and Milk Products, available from USDA, AMS, Dairy Programs, Dairy Standardization Branch.

(b) *Sediment content classification.* Milk in cans shall be classified for sediment content, regardless of the results of the appearance and odor examination required in § 58.133(a), as follows:

##### USDA SEDIMENT STANDARD

No. 1 (acceptable)—not to exceed 0.50 mg. or equivalent.

No. 2 (acceptable)—not to exceed 1.50 mg. or equivalent.

No. 3 (probational, not over 10 days)—not to exceed 2.50 mg. or equivalent.

No. 4 (reject)—over 2.50 mg. or equivalent.

(c) *Frequency of tests.* At least once each month, at irregular intervals, one or more cans of milk selected at random from each producer shall be tested.

(d) *Acceptance or rejection of milk.* If the sediment disc is classified as No. 1, No. 2, or No. 3, the producer's milk may be accepted. If the sediment disc is classified No. 4 the milk shall be rejected: *Provided that*, If the shipment of milk is commingled with other milk in a transport tank the next shipment shall not be accepted until its quality has been determined before being picked up; however, if the person making the test is unable to get to the farm before the next shipment it may be accepted but no further shipments shall be accepted unless the milk meets the requirements of No. 3 or better. In the case of milk classified as No. 3 or No. 4, all cans shall be tested. Producers of No. 3 or No. 4 milk shall be notified immediately and shall be furnished applicable sediment discs and the next shipment shall be tested.

(e) *Retests.* On test of the next shipment all cans shall be tested. Milk classified as No. 1, No. 2, or No. 3 may be accepted, but No. 4 milk shall be rejected. The producers of No. 3 or No. 4 milk shall be notified immediately, furnished applicable sediment discs and the next shipment tested. This procedure of retesting successive shipments and accepting probational (No. 3) milk and rejecting No. 4 milk may be continued for not more than 10 calendar days. If at the end of this time all of the producer's milk does not meet the acceptable sediment content classification (No. 1 or No. 2), it shall be rejected.

This procedure of retesting successive shipments and accepting probational (No. 3) milk and rejecting No. 4 milk may be continued for not more than 10 calendar days. If at the end of this time all of the producer's milk does not meet the acceptable sediment content classification (No. 1 or No. 2), it shall be rejected.

[40 FR 47911, Oct. 10, 1975, Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 50 FR 34673, Aug. 27, 1985; 67 FR 48975, July 29, 2002; 77 FR 31720, May 30, 2012]



## Agricultural Marketing Service, USDA

## § 58.139

### § 58.135 Bacterial estimate.

(a) *Methods of Testing.* Milk shall be tested for bacterial estimate by using one of the following methods or by any other method approved by Standard Methods for the Examination of Dairy Products.

- (1) Direct Microscopic clump count;
- (2) Standard plate count;
- (3) Plate loop count;
- (4) Pectin gel plate count;
- (5) Petrifilm aerobic count;
- (6) Spiral plate count;
- (7) Hydrophobic grid membrane filter count;
- (8) Impedance/conductance count;
- (9) Reflectance calorimetry.

(b) *Frequency of Testing.* A laboratory examination to determine the bacterial estimate shall be made on a representative sample of each producer's milk at least once each month at irregular intervals. Samples shall be analyzed at a laboratory in accordance with State regulations.

(c) *Acceptance of milk.* The following procedures shall be applied with respect to bacterial estimates:

(1) Whenever the bacterial estimate indicates the presence of more than 500,000 bacteria per ml., the producer shall be notified with a warning of the excessive bacterial estimate.

(2) Whenever two of the last four consecutive bacterial estimates exceed 500,000 per ml., the appropriate regulatory authority shall be notified and a written warning notice given to the producer. The notice shall be in effect so long as two out of the last four consecutive samples exceed 500,000 per ml.

(3) An additional sample shall be taken after a lapse of 3 days but within 21 days of the notice required in paragraph (c) (2) of this section. If this sample also exceeds 500,000 per ml., subsequent milkings shall be excluded from the market until satisfactory compliance is obtained. Shipment may be resumed when an additional sample of herd milk is tested and found satisfactory.

[67 FR 48975, July 29, 2002]

### § 58.136 Rejected milk.

A plant shall reject specific milk from a producer if the milk fails to meet the requirements for appearance

and odor (§ 58.133(a)), if it is classified No. 4 for sediment content (§ 58.134), or if it tests positive for drug residue (§ 58.133(c)).

[58 FR 26913, May 6, 1993]

### § 58.137 Excluded milk.

A plant shall not accept milk from a producer if:

(a) The milk has been in a probational (No. 3) sediment content classification for more than 10 calendar days (§ 58.134);

(b) Three of the last five milk samples have exceeded the maximum bacterial estimate of 500,000 per ml. (§ 58.135 (c)(3)).

(c) Three of the last five milk samples have exceeded the maximum somatic cell count level of 750,000 per ml. (1,000,000 per ml. for goat milk) (§ 58.133 (b)(6)); or

(d) The producer's milk shipments to either the Grade A or the manufacturing grade milk market currently are not permitted due to a positive drug residue test (§ 58.133(c)(4)).

[58 FR 26913, May 6, 1993, as amended at 67 FR 48975, July 29, 2002]

### § 58.138 Quality testing of milk from new producers.

A quality examination and tests shall be made on the first shipment of milk from a producer shipping milk to a plant for the first time or resuming shipment to a plant after a period of non-shipment. The milk shall meet the requirements for acceptable milk, somatic cell count and drug residue level (§§ 58.133, 58.134 and 58.135). The buyer shall also confirm that the producer's milk is currently not excluded from the market (§ 58.137). Thereafter, the milk shall be tested in accordance with the provisions in §§ 58.133, 58.134 and 58.135.

[58 FR 26913, May 6, 1993]

### § 58.139 Record of tests.

Accurate records listing the results of quality and drug residue tests for each producer shall be kept on file at the plant. Additionally, the plant shall obtain the quality and drug residue test records (§ 58.148(a), (e) and (g)) for any producer transferring milk shipment from another plant. These

## **§ 58.140**

records shall be available for examination by the inspector.

[58 FR 26913, May 6, 1993]

### **§ 58.140 Field service.**

A representative of the plant shall arrange to promptly visit the farm of each producer whose milk tests positive for drug residue, exceeds the maximum somatic cell count level, or does not meet the requirements for acceptable milk. The purpose of the visit shall be to inspect the milking equipment and facilities and to offer assistance to improve the quality of the producer's milk and eliminate any potential causes of drug residues. A representative of the plant should routinely visit each producer as often as necessary to assist and encourage the production of high quality milk.

[58 FR 26913, May 6, 1993]

### **§ 58.141 Alternate quality control program.**

When a plant has in operation an acceptable quality program, at the producer level, which is approved by the Administrator as being effective in obtaining results comparable to or higher than the quality program as outlined above for milk or cream, then such a program may be accepted in lieu of the program herein prescribed.

#### **OPERATIONS AND OPERATING PROCEDURES**

### **§ 58.142 Product quality and stability.**

The receiving, holding and processing of milk and cream and the manufacturing, handling, packaging, storing and delivery of dairy products shall be in accordance with clean and sanitary methods, consistent with good commercial practices to promote the production of the highest quality of finished product and improve product stability. Milk should not be more than three days old when picked up from the producer and delivered to the plant, receiving station or transfer station.

### **§ 58.143 Raw product storage.**

(a) All milk shall be held and processed under conditions and at temperatures that will avoid contamination and rapid deterioration. Drip milk

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

from can washers and any other source shall not be used for the manufacture of dairy products. Bulk milk in storage tanks within the dairy plant shall be handled in such a manner as to minimize bacterial increase and shall be maintained at 45 °F. or lower until processing begins. This does not preclude holding milk at higher temperatures for a period of time, where applicable to particular manufacturing or processing practices.

(b) The bacteriological quality of commingled milk in storage tanks shall not exceed 1,000,000/ml.

[40 FR 47911, Oct. 10, 1975. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 67 FR 48976, July 29, 2002]

### **§ 58.144 Pasteurization or ultra-pasteurization.**

When pasteurization or ultra-pasteurization is intended or required, or when a product is designated "pasteurized" or "ultra-pasteurized" every particle of the product shall be subjected to such temperatures and holding periods in approved systems as will assure proper pasteurization or ultra-pasteurization of the product. The heat treatment by either process shall be sufficient to insure public health safety and to assure adequate keeping quality, yet retaining the most desirable flavor and body characteristics of the finished product.

### **§ 58.145 Composition and wholesomeness.**

All necessary precautions shall be taken to prevent contamination or adulteration of the milk or dairy products during manufacturing. All substances and ingredients used in the processing or manufacturing of any dairy product shall be subject to inspection and shall be wholesome and practically free from impurities. The finished products shall comply with the requirements of the Federal Food, Drug, and Cosmetic Act as to their composition and wholesomeness.

### **§ 58.146 Cleaning and sanitizing treatment.**

(a) *Equipment and utensils.* The equipment, sanitary piping and utensils used in receiving and processing of the milk,

and manufacturing and handling of the product shall be maintained in a sanitary condition. Sanitary seal assemblies shall be removable on all agitators, pumps, and vats and shall be inspected at regular intervals and kept clean. Unless other provisions are recommended in the following supplement sections, all equipment not designed for C.I.P. cleaning or mechanical cleaning shall be disassembled after each day's use for thorough cleaning. Dairy cleaners, detergents, wetting agents or sanitizing agents, or other similar materials which will not contaminate or adversely affect the products may be used. Steel wool or metal sponges shall not be used in the cleaning of any dairy equipment or utensils.

(1) Product contact surfaces shall be subjected to an effective sanitizing treatment prior to use, except where dry cleaning is permitted. Utensils and portable equipment used in processing and manufacturing operations shall be stored above the floor in clean, dry locations and in a self draining position on racks constructed of impervious corrosion-resistant material.

(2) C.I.P. cleaning or mechanical cleaning systems shall be used only on equipment and pipeline systems which have been designed, engineered and installed for that purpose. When such cleaning is used, careful attention shall be given to the proper procedures to assure satisfactory cleaning. All C.I.P. installations and cleaning procedures shall be in accordance with 3-A Suggested Method for the Installation and Cleaning of Cleaned-In-Place Sanitary Milk Pipelines for Milk and Milk Products Plants. Because of the possibilities of corrosion, the recommendations of the cleaning compound manufacturer should be followed with respect to time, temperature and concentration of specific acid or alkaline solutions and bactericides. Such cleaning operation should be preceded by a thorough rinse at approximately 110–115 °F. continuously discarding the water. Following the circulation of the cleaning solution the equipment and lines shall be thoroughly rinsed with lukewarm water and checks should be made for effectiveness of cleaning. All caps, plugs, special fittings, valve seats, cross ends, pumps, and tee ends shall

be opened or removed and brushed clean. All non-pasteurized product contact surfaces should be sanitized. Immediately prior to starting the product flow, the pasteurized product contact surfaces shall be given sanitizing treatment.

(b) *Milk cans and can washers.* Milk cans and lids shall be cleaned, sanitized and dried before returning to producers. Inspection, repair or replacement of cans and lids shall be adequate to substantially exclude from use cans and lids showing open seams, cracks, rust condition, milkstone or any unsanitary condition.

Washers shall be maintained in a clean and satisfactory operating condition and kept free from accumulation of scale or debris which will adversely affect the efficiency of the washer. Only washing compounds which are compatible with the water for effective cleaning, should be used. The can washer should be checked regularly during the run for proper operation. At the end of the day, the wash and rinse tanks should be drained and cleaned, jets and strainers cleaned, air filters checked and changed or cleaned if needed, and checks should be made for proper adjustment and condition of mechanical parts.

(c) *Milk transport tanks.* A covered or enclosed wash dock and cleaning and sanitizing facilities shall be available to all plants that receive or ship milk in tanks. Milk transport tanks, sanitary piping, fittings, and pumps shall be cleaned and sanitized at least once each day after use: Provided that, if they are not to be used immediately after emptying a load of milk, they shall be washed promptly after use and given bactericidal treatment immediately before use. After being washed and sanitized, each tank should be identified by a tag attached to the outlet valve, bearing the following information: Plant and specific location where cleaned, date and time of day of washing and sanitizing, and name of person who washed and name of person who sanitized the tank. The tag shall not be removed until the tank is again washed and sanitized.

(d) *Building.* All windows, glass, partitions, and skylights should be washed as often as necessary to keep them

## § 58.147

clean. Cracked or broken glass shall be replaced promptly. The walls, ceilings and doors should be washed periodically and kept free from soil and unsightly conditions. The shelves and ledges should be wiped or vacuumed as often as necessary to keep them free from dust and debris. The material picked up by the vacuum cleaners shall be disposed of in sealed containers which will prevent contamination or insect infestation from the waste material.

### § 58.147 Insect and rodent control program.

In addition to any commercial pest control service, if one is utilized, a specially designated employee should be made responsible for the performance of a regularly scheduled insect and rodent control program. Poisonous substances shall be properly labeled, and shall be handled, stored and used in such a manner as considered satisfactory by the Environmental Protection Agency.

### § 58.148 Plant records.

Adequate plant records shall be maintained of all required tests and analyses performed in the laboratory or throughout the plant during storage, processing and manufacturing, on all raw milk receipts and dairy products. Such records shall be available for examination at all reasonable times by the inspector. The following are the records which shall be maintained for examination at the plant or receiving station where performed.

(a) Sediment and bacterial test results on raw milk from each producer. Retain for 12 months.

(1) Routine tests and monthly summary of all producers showing number and percent of total in each class.

(2) Retests, if initial test places milk in probationary status.

(3) Rejections of raw milk over No. 3 in quality.

(b) Pasteurization recorder charts. Retain for 3 months.

(c) Water supply test certificate. Retain current copy for 6 months.

(d) Cooling and heating recorder charts. Retain for 3 months.

(e) Load and individual drug residue test results. Retain for 12 months.

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

(f) Notifications to appropriate State regulatory agencies of positive drug residue tests and intended and final dispositions of milk testing positive for drug residue. Retain for 12 months.

(g) Somatic cell count test results on raw milk from each producer. Retain for 12 months.

(Approved by the Office of Management and Budget under OMB control number 0583-0047)<sup>1</sup>

[40 FR 47911, Oct. 10, 1975. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 47 FR 745, Jan. 7, 1982; 58 FR 26913, May 6, 1993]

### § 58.149 Alternate quality control programs for dairy products.

(a) When a plant has in operation an acceptable quality control program which is approved by the Administrator as being effective in obtaining results comparable to or higher than the quality control program as outlined in this subpart, then such a program may be accepted in lieu of the program herein prescribed.

(b) Where a minimum number of samples per batch of product, or per unit of time on continuous production runs are not specified, the phrase "as many samples shall be taken as is necessary to assure compliance to specific quality requirements" is used. Acceptable performance of this would be any method approved by the Administrator as meeting sound statistical methods of selecting samples and determining the number of samples to be taken.

## PACKAGING AND GENERAL IDENTIFICATION

### § 58.150 Containers.

(a) The size, style, and type of packaging used for dairy products shall be commercially acceptable containers and packaging materials which will satisfactorily cover and protect the quality of the contents during storage and regular channels of trade and under normal conditions of handling.

(b) Packaging materials for dairy products shall be selected which will provide sufficiently low permeability

<sup>1</sup>EDITORIAL NOTE: See table appearing in § 58.100 for correct OMB control number.

to air and vapor to prevent the formation of mold growth and surface oxidation. In addition, the wrapper should be resistant to puncturing, tearing, cracking or breaking under normal conditions of handling, shipping and storage. When special type packaging is used, the instructions of the manufacturer shall be followed closely as to its application and methods of closure.

**§ 58.151 Packaging and repackaging.**

(a) Packaging dairy products or cutting and repackaging all styles of dairy products shall be conducted under rigid sanitary conditions. The atmosphere of the packaging rooms, the equipment and packaging materials shall be practically free from mold and bacterial contamination. Methods for checking the level of contamination shall be as prescribed by the latest edition of Standard Methods or by other satisfactory methods approved by the Administrator.

(b) When officially graded bulk dairy products are to be repackaged into consumer type packages with official grade labels or other official identification, a supervisor of packaging shall be required, see subpart A of this part. (title 7, §§58.2 and 58.53 of the Code of Federal Regulations). If the packaging or repackaging is done in a plant other than the one in which the dairy product is manufactured, the plant, equipment, facilities and personnel shall meet the same requirements as outlined in this subpart.

**§ 58.152 General identification.**

All commercial bulk packages or consumer packaged product containing dairy products manufactured under the provisions of this subpart shall comply with the applicable regulation of the Food and Drug Administration.

**STORAGE OF FINISHED PRODUCT**

**§ 58.153 Dry storage.**

The product should be stored at least 18 inches from the wall in aisles, rows, or sections and lots, in such a manner as to be orderly and easily accessible for inspection. Rooms should be cleaned regularly. It is recommended that dunnage or pallets be used when practical. Care shall be taken in the

storage of any other product foreign to dairy products in the same room, in order to prevent impairment or damage to the dairy product from mold, absorbed odors, or vermin or insect infestation. Control of humidity and temperature shall be maintained at all times, consistent with good commercial practices, to prevent conditions detrimental to the product and container.

**§ 58.154 Refrigerated storage.**

Finished product in containers subject to such conditions that will affect its useability shall be placed on shelves, dunnage or pallets and properly identified. It shall be stored under temperatures that will best maintain the initial quality. The product shall not be exposed to anything from which it might absorb any foreign odors or be contaminated by drippage or condensation.

**INSPECTION, GRADING AND OFFICIAL IDENTIFICATION**

**§ 58.155 Grading.**

Dairy products which have been processed or manufactured in accordance with the provisions of this subpart may be graded by the grader in accordance with the U.S. Standards for Grades. Laboratory analyses, when required in determining the final grade shall be conducted in an approved laboratory.

**§ 58.156 Inspection.**

Dairy products, which have been processed or manufactured in an approved plant, and for which there are no official U.S. Standards for Grades, shall be inspected for quality by the inspector in accordance with contract requirements or product specifications established by the U.S. Department of Agriculture or other Federal agency or buyer and seller. Laboratory analysis when required shall be conducted in an approved laboratory.

**§ 58.157 Inspection or grading certificates.**

All dairy products which have been processed or manufactured, packaged and inspected or graded in accordance with the provision of this part may be covered by an inspection or grading

## § 58.158

certificate issued by the inspector or grader.

### § 58.158 Official identification.

(a) Application for authority to apply official identification to packaging material or containers shall be made in accordance with the provisions of subpart A of this part. (title 7, §§ 58.49 through 58.57 of the Code of Federal Regulations.)

(b) Only dairy products received, processed, or manufactured in accordance with the specifications contained in this subpart and inspected and/or graded in accordance with the provisions of this part may be identified with official identification.

#### EXPLANATION OF TERMS

### § 58.159 Terms.

(a) *Fresh and sweet.* Free from "old milk" flavor of developed acidity or other off-flavors.

(b) *Normal feed.* Regional feed flavors, such as alfalfa, clover, silage, or similar feeds or grasses (weed flavors, such as peppergrass, French weed, onion, garlic, or other obnoxious weeds, excluded).

(c) *Off-flavors.* Tastes or odors, such as utensil, bitter, barny, or other associated defects when present to a degree readily detectable.

(d) *Developed acidity.* An apparent increase from the normal acidity of the milk to a degree of taste and odor which is detectable.

(e) *Extraneous matter.* Foreign substances, such as filth, hair, insects and fragments thereof, and rodents, and materials, such as metal, fiber, wood and glass.

(f) *Sediment.* Fine particles of material other than the foreign substances and materials defined in paragraph (e) of this section.

(g) *C.I.P.* The abbreviation of an approved system of cleaning pipelines called "Cleaned-in-Place."

(h) *Mechanical cleaning.* Denotes cleaning solely by circulation and/or flowing chemical detergent solution and water rinses onto and over the surfaces to be cleaned, by mechanical means.

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

SUPPLEMENTAL SPECIFICATIONS FOR PLANTS MANUFACTURING, PROCESSING, AND PACKAGING NONFAT DRY MILK, INSTANT NONFAT DRY MILK, DRY WHOLE MILK, AND DRY BUTTERMILK

#### DEFINITIONS

### § 58.205 Meaning of words.

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

(a) *Nonfat dry milk.* The product obtained by the removal of only water from pasteurized skim milk. It contains not more than 5 percent by weight of moisture and not more than 1½ percent by weight of milkfat and it conforms to the applicable provisions of 21 CFR 131 "Milk and Cream" as issued by the Food and Drug Administration. Nonfat dry milk shall not contain nor be derived from dry buttermilk, dry whey, or products other than skim milk, and shall not contain any added preservative, neutralizing agent, or other chemical.

(b) *Instant nonfat dry milk.* Instant nonfat dry milk is nonfat dry milk which has been produced in such a manner as to substantially improve its dispersing and reconstitution characteristics over that produced by the conventional process. Instant nonfat dry milk shall not contain dry buttermilk, dry whey, or products other than nonfat dry milk, except that lactose may be added as a processing aid during instantizing. The instant nonfat dry milk shall not contain any added preservatives, neutralizing agent, or other chemical. If lactose is used, the amount of lactose shall be the minimum required to produce the desired effect, but in no case shall the amount exceed 2.0 percent of the weight of the nonfat dry milk. If instant nonfat dry milk is fortified with vitamin A, and the product is reconstituted in accordance with the label directions, each quart of the reconstituted product shall contain 2000 International Units thereof. If instant nonfat dry milk is fortified with vitamin D, and the product is reconstituted in accordance with

## Agricultural Marketing Service, USDA

## § 58.213

the label directions, each quart of the reconstituted product shall contain 400 International Units thereof.

(c) *Dry whole milk.* The pasteurized product resulting from the removal of water from milk and contains the lactose, milk proteins, milk fat, and milk minerals in the same relative proportions as in the fresh milk from which made. The milk may be standardized but shall not contain buttermilk, or any added preservative, neutralizing agent or other chemicals.

(d) *Dry buttermilk.* The product resulting from drying liquid buttermilk that was derived from the churning of butter and pasteurized prior to condensing at a temperature of 161 °F for 15 seconds or its equivalent in bacterial destruction. Dry buttermilk shall have a protein content of not less than 30.0 percent. Dry buttermilk shall not contain nor be derived from nonfat dry milk, dry whey, or products other than buttermilk, and shall not contain any added preservative, neutralizing agent, or other chemical.

(e) *Dry buttermilk product.* The product resulting from drying liquid buttermilk that was derived from the churning of butter and pasteurized prior to condensing at a temperature of 161 °F for 15 seconds or its equivalent in bacterial destruction. Dry buttermilk product has a protein content less than 30.0 percent. Dry buttermilk product shall not contain nor be derived from nonfat dry milk, dry whey, or products other than buttermilk, and shall not contain any added preservative, neutralizing agent, or other chemical.

[40 FR 47911, Oct. 10, 1975. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 56 FR 33855, July 24, 1991; 61 FR 17548, Apr. 22, 1996; 61 FR 35590, July 8, 1996]

### ROOMS AND COMPARTMENTS

#### § 58.210 Dry storage of product.

Storage rooms for the dry storage of product shall be adequate in size, kept clean, orderly, free from rodents, insects, and mold, and maintained in good repair. They shall be adequately lighted and ventilated. The ceilings, walls, beams and floors should be free from structural defects and inaccess-

sible false areas which may harbor insects.

#### § 58.211 Packaging room for bulk products.

A separate room or area shall be provided for filling bulk containers, and shall be constructed in accordance with § 58.126. The number of control panels and switch boxes in this area should be kept to a minimum. Control panels shall be mounted a sufficient distance from the walls to facilitate cleaning or satisfactorily sealed to the wall, or shall be mounted in the wall and provided with tight fitting removable doors to facilitate cleaning. An adequate exhaust system shall be provided to minimize the accumulation of product dust within the packaging room and where needed, a dust collector shall be provided and properly maintained to keep roofs and outside areas free of dry product. Only packaging materials that are used within a day's operation may be kept in the packaging area. These materials shall be kept on metal racks or tables at least six inches off the floor. Unnecessary fixtures, equipment, or false areas which may collect dust and harbor insects, should not be allowed in the packaging room.

#### § 58.212 Hopper or dump room.

A separate room shall be provided for the transfer of bulk dry dairy products to the hoppers and conveyors which lead to the fillers. This room shall meet the same requirements for construction and facilities as the bulk packaging operation. Areas and facilities provided for the transfer of dry dairy products from portable bulk bins will be accepted if gasketed surfaces or direct connections are used that appreciably eliminate the escape of product into the area.

#### § 58.213 Repackaging room.

A separate room shall be provided for the filling of small packages and shall meet the same requirements for construction and facilities as the bulk packaging operation.

## § 58.214

## 7 CFR Ch. I (1–19 Edition)

### EQUIPMENT AND UTENSILS

#### § 58.214 General construction, repair and installation.

All equipment and utensils necessary to the manufacture of dry milk products, including pasteurizer, timing-pump or device, flow diversion valve and recorder controller, shall meet the same general requirements as outlined in § 58.128 of this subpart. In addition, for certain other equipment the following requirements shall be met.

#### § 58.215 Pre-heaters.

The pre-heaters shall be of stainless steel or other equally corrosion resistant material, cleanable, accessible for inspection and shall be equipped with suitable automatic temperature controls.

#### § 58.216 Hotwells.

The hotwells shall be enclosed or covered and should be equipped with indicating thermometers either in the hotwell or in the hot milk inlet line to the hotwell. If used for holding high heat products, they should also have recorders.

#### § 58.217 Evaporators and/or vacuum pans.

Evaporators or vacuum pans or both, with open type condensers shall be equipped with an automatic condenser water level control, barometric leg, or so constructed so as to prevent water from entering the product. New or replacement units shall comply with the 3-A Sanitary Standards for Milk and Milk Products Evaporators and Vacuum Pans. When enclosed type condensers are used, no special controls are needed to prevent water from entering the product. Water collected from the condensing of product (cow water) in this equipment may be utilized for prerinsing and cleaning solution make-up; provided it is equipped with proper controls that will automatically divert water with entrained solids to the waste water system. "Cow water" shall not be used for acidified or final equipment rinse.

#### § 58.218 Surge tanks.

If surge tanks are used for hot milk, and temperatures of product including

foam being held in the surge tank during processing, is not maintained at a minimum of 150 °F, then two or more surge tanks shall be installed with cross connections to permit flushing and cleaning during operation. Covers easily removable for cleaning shall be provided and used at all times.

#### § 58.219 High pressure pumps and lines.

High pressure lines may be cleaned-in-place and shall be of such construction that dead ends, valves and the high pressure pumps can be disassembled for hand cleaning. The high pressure pump shall comply with the 3-A Sanitary Standard for Homogenizers and Pumps of the Plunger Type.

#### § 58.220 Drying systems.

(a) *Spray dryers.* Spray dryers shall be of a continuous discharge type and all product contact surfaces shall be of stainless steel or other equally corrosion resistant material. All joints and seams in the product contact surfaces shall be welded and ground smooth. All dryers shall be constructed so as to facilitate ease in cleaning and inspection. Sight glasses or ports of sufficient size shall be located at strategic positions. Dryers shall be equipped with suitable air intake filters. The filter system shall comply with the applicable requirements of the 3-A Accepted Practices for Milk and Milk Products Spray Drying Systems. The filtering system shall be cleaned or component parts replaced as often as necessary to maintain a clean and adequate air supply. In gas fired dryers, precautions should be taken to assure complete combustion. Air shall be drawn into the dryer from sources free from objectionable odors and smoke, dust or dirt. New systems, replacement systems, or portions of systems replaced shall comply with the requirements of the 3-A Accepted Practices for Milk and Milk Products Spray Drying Systems.

(b) *Roller dryers.* (1) The drums of a roller dryer shall be smooth, readily cleanable and free of pits and rust. The knives shall be maintained in such condition so as not to cause scoring of the drums.



(2) The end boards shall have an impervious surface and be readily cleanable. They shall be provided with a means of adjustment to prevent leakage and accumulation of milk solids. The stack, hood, the drip pan inside of the hood and related shields shall be constructed of stainless steel and be readily cleanable. The lower edge of the hood shall be constructed so as to prevent condensate from entering the product zone. The hood shall be properly located and the stack of adequate capacity to remove the vapors. The stack shall be closed when the dryer is not in operation. The augers shall be stainless steel or properly plated, and readily cleanable. The auger troughs and related shields shall be of stainless steel and be readily cleanable. All air entering the dryer room shall be filtered to eliminate dust and dirt. The filter system shall consist of filtering media or device that will effectively, and in accordance with good commercial practices, prevent the entrance of foreign substances into the drying room. The filtering system shall be cleaned or component parts replaced as often as necessary to maintain a clean and adequate air supply. All dryer adjustments shall be made and the dryer operating normally before food grade product is collected from the dryer.

(c) *Other drying systems.* These systems shall be constructed following the applicable principles of the 3-A Accepted Practices for Milk and Milk Products Spray Drying Systems.

#### **§ 58.221 Collectors and conveyors.**

Collectors shall be made of stainless steel or equally noncorrosive material and should be constructed to facilitate cleaning and inspection. Filter sack collectors, if used, shall be in good condition and the system shall be of such construction that all parts are accessible for cleaning and inspection. Conveyors shall be of stainless steel or equally corrosion resistant material and should be constructed to facilitate thorough cleaning and inspection.

#### **§ 58.222 Dry dairy product cooling equipment.**

Cooling equipment shall be provided with sufficient capacity to cool the product as specified in § 58.240. A suit-

able dry air supply with an effective filtering system meeting the requirements of § 58.220(a) shall be provided where air cooling and conveying is used.

#### **§ 58.223 Special treatment equipment.**

Any special equipment (instantizers, hammer mills, etc.) used to treat dry milk products shall be of sanitary construction and all parts shall be accessible for cleaning and inspection. New or replacement instantizing systems shall comply with the 3-A Accepted Practices for Instantizing Systems for Dry Milk and Dry Milk Products.

#### **§ 58.224 Sifters.**

All newly installed sifters used for dry milk and dry milk products shall comply with the 3-A Sanitary Standards for Sifters for Dry Milk and Dry Milk Products. All other sifters shall be constructed of stainless steel or other equally noncorrosive material and shall be of sanitary construction and accessible for cleaning and inspection. The mesh size of sifter screen used for various dry dairy products shall be those recommended in the appendix of the 3-A Standard for sifters.

#### **§ 58.225 Clothing and shoe covers.**

Clean clothing and shoe covers shall be provided exclusively for the purpose of cleaning the interior of the dryer when it is necessary to enter the dryer to perform the cleaning operation.

#### **§ 58.226 Portable and stationary bulk bins.**

Bulk bins shall be constructed of stainless steel, aluminum or other equally corrosion resistant materials, free from cracks, seams and must have an interior surface that is relatively smooth and easily cleanable. All product contact surfaces shall be easily accessible for cleaning. The capacity of each portable and bulk bin shall be limited to permit proper operating procedures such as sampling and daily removal of all product to preclude commingling of different days production.

#### **§ 58.227 Sampling device.**

If automatic sampling devices are used, they shall be constructed in such a manner as to prevent contamination

## **§ 58.228**

of the product, and all parts must be readily accessible for cleaning. The type of sampler and the sampling procedure shall be as approved by the Administrator.

### **§ 58.228 Dump hoppers, screens, mixers and conveyors.**

The product contact surfaces of dump hoppers, screens, mixers and conveyors which are used in the process of transferring dry products from bulk containers to fillers for small packages or containers, shall be of stainless or equally corrosion resistant material and designed to prevent contamination. All parts should be accessible for cleaning. The dump hoppers shall be of such height above floor level as to prevent foreign material or spilled product from entering the hopper.

### **§ 58.229 Filler and packaging equipment.**

All filling and packaging equipment shall be of sanitary construction and all parts, including valves and filler heads accessible for cleaning. New or replacement equipment should comply with the 3-A Sanitary Standards for equipment for Packaging Dry Milk and Dry Milk Products.

### **§ 58.230 Heavy duty vacuum cleaners.**

Each plant handling dry milk products shall be equipped with a heavy duty industrial vacuum cleaner. The vacuum cleaner shall be of a type that has a collector or disposable bag which will not recontaminate the atmosphere of the processing and packaging areas. Regular scheduling shall be established for its use in vacuuming applicable areas.

## **QUALITY SPECIFICATIONS FOR RAW MATERIALS**

### **§ 58.231 General.**

All raw materials received at the drying plant shall meet the following quality specifications.

### **§ 58.232 Milk.**

Raw milk shall meet the requirements as outlined in §§ 58.132 through 58.138 and, unless processed within two hours after being received, it shall be

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

cooled to and held at a temperature of 45 °F. or lower until processed.

### **§ 58.233 Skim milk.**

The skim milk shall be separated from whole milk meeting the requirements as outlined in §§ 58.132 through 58.138, and unless processed immediately, it shall be cooled to and maintained at a temperature of 45 °F. or lower from the time of separating until the time of processing.

### **§ 58.234 Buttermilk.**

Buttermilk for drying as dry buttermilk or dry buttermilk product shall be fresh and derived from the churning of butter, with or without the addition of harmless lactic culture. No preservative, neutralizing agent or other chemical may be added. Fluid buttermilk, unless cultured, shall be held at 45 °F or lower unless processed within 2 hours.

[56 FR 33855, July 24, 1991]

### **§ 58.235 Modified dry milk products.**

Dry milk products to which approved neutralizing agents or chemicals have been added or constituents removed to alter their original characteristics for processing or usage shall come from products meeting the requirements of §§ 58.232, 58.233, or 58.234. These products shall meet the applicable labeling requirements.

## **OPERATIONS AND OPERATING PROCEDURES**

### **§ 58.236 Pasteurization and heat treatment.**

All milk and buttermilk used in the manufacture of dry milk products and modified dry milk products shall be pasteurized at the plant where dried, except that acidified buttermilk containing 40 percent or more solids may be transported to another plant for drying without repasteurization. Provided the condensed product is handled according to sanitary conditions approved by the Administrator.

(a) *Pasteurization.* (1) All milk or skim milk to be used in the manufacture of nonfat dry milk shall be pasteurized prior to condensing at a minimum temperature of 161 °F. for at least 15 seconds or its equivalent in

bacterial destruction. Condensed milk products made from pasteurized milk may be transported to a drying plant, provided that it shall be effectively re-pasteurized at the drying plant, prior to drying, at no less than 166 °F. for 15 seconds or its equivalent in bacterial destruction.

(2) All buttermilk to be used in the manufacture of dry buttermilk or dry buttermilk product shall be pasteurized prior to condensing at a temperature of 161 °F for 15 seconds or its equivalent in bacterial destruction.

(b) *Heat treatment*—(1) *High-heat*. The finished product shall not exceed 1.5 mg. undenatured whey protein nitrogen per gram of nonfat dry milk as classified in the U.S. Standards for Grades of Nonfat Dry Milk (Spray Process).

(2) *Medium-heat*. The finished product shall show undenatured whey protein nitrogen between the levels of “high-heat” and “low-heat” (1.51 to 5.99 mg.).

(3) *Low-heat*. The finished product shall show not less than 6.0 undenatured whey protein nitrogen per gram of non-fat dry milk as classified in the U.S. Standards for Grades of Nonfat Dry Milk (Spray Process).

[40 FR 47911, Oct. 10, 1975. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 56 FR 33855, July 24, 1991]

#### § 58.237 Condensed surge supply.

Surge tanks or balance tanks if used between the evaporators and dryer shall be used to hold only the minimum amount of condensed product necessary for a uniform flow to the dryers. Such tanks holding product at temperatures below 150 °F. shall be completely emptied and washed after each 4 hours of operation or less. Alternate tanks shall be provided to permit continuous operation during washing of tanks.

#### § 58.238 Condensed storage tanks.

(a) Excess production of condensed product over that which the dryer will take continuously from the pans should be bypassed through a cooler into a storage tank at 50 °F. or lower and held at this temperature until used.

(b) Product cut-off points shall be made at least every 24 hours and the tank completely emptied, washed, and sanitized before reuse.

#### § 58.239 Drying.

Each dryer should be operated to produce the highest quality dry product consistent with the most efficient operation. The dry products shall be removed from the drying chamber continuously during the drying process.

#### § 58.240 Cooling dry products.

Prior to packaging and immediately following removal from the drying chamber the dry product shall be cooled to a temperature not exceeding 110 °F, however, if the product is to be held in a bulk bin the temperature should be reduced to approximately 90 °F but shall be not more than 110 °F.

#### § 58.241 Packaging, repackaging and storage.

(a) *Containers*. Packages or containers used for the packaging of nonfat dry milk or other dry milk products shall be any clean, sound commercially accepted container or packaging material which will satisfactorily protect the contents through the regular channels of trade, without significant impairment of quality with respect to flavor, wholesomeness or moisture content under the normal conditions of handling. In no instance will containers which have previously been used for nonfood items, or food items which would be deleterious to the dairy product be allowed to be used for the bulk handling of dairy products.

(b) *Filling*. Empty containers shall be protected at all times from possible contamination and containers which are to be lined shall not be prepared more than one hour in advance of filling. Every precaution shall be taken during the filling operation to minimize product dust and spillage. When necessary a mechanical shaker shall be provided; the tapping or pounding of containers should be prohibited. The containers shall be closed immediately after filling and the exteriors shall be vacuumed or brushed when necessary to render them practically free of residual product before being transferred

from the filling room to the palleting or dry storage areas.

(c) *Repackaging.* The entire repackaging operation shall be conducted in a sanitary manner with all precautions taken to prevent contamination and to minimize dust. All exterior surfaces of individual containers shall be practically free of product before overwrapping or packing in shipping containers. The room shall be kept free of dust accumulation, waste, cartons, liners, or other refuse. Conveyors, packaging and carton making equipment shall be vacuumed frequently during the operating day to prevent the accumulation of dust. No bottles or glass materials of any kind shall be permitted in the repackaging or hopper room. The inlet openings of all hoppers and bins shall be of minimum size, screened and placed well above the floor level. The room and all packaging equipment shall be cleaned as often as necessary to maintain a sanitary operation. Close attention shall be given to cleaning equipment where residues of the dry product may accumulate. A thorough clean-up including windows, doors, walls, light fixtures and ledges, should be performed as frequently as is necessary to maintain a high standard of cleanliness and sanitation. All waste dry dairy products including dribble product at the fillers, shall be properly identified and disposed of as animal feed.

(d) *Storage—(1) Product.* The packaged dry milk product shall be stored or so arranged in aisles, rows, or sections and lots at least 18 inches from any wall and in such a manner as to be orderly, easily accessible for inspection or for cleaning of the room. All bags and small containers of products shall be placed on pallets elevated from the floor. Products in small containers may be stored by methods preventing direct contact with the floor when the condition of the container is satisfactorily maintained. The storage room shall be kept clean and dry and all openings protected against entrance of insects and rodents.

(2) *Supplies.* All supplies shall be placed on dunnage or pallets and arranged in an orderly manner for accessibility and cleaning of the room. It is preferable that supplies be stored in an

area separate from that used for storing the dry products. Supplies shall be kept enclosed in their original wrapping material until used. After removal of supplies from their original containers, they shall be kept in an enclosed metal cabinet, bins or on shelving and if not enclosed shall be protected from powder, and dust or other contamination. The room should be vacuumed as often as necessary and kept clean and orderly.

**§ 58.242 Product adulteration.**

All necessary precautions shall be taken throughout the entire operation to prevent the adulteration of one product with another. The commingling of one type of liquid or dry product with another shall be considered as an adulteration of that product. This does not prohibit the normal standardization of like products in accordance with good commercial practices or the production of specific products for special uses, provided applicable labeling requirements are met.

**§ 58.243 Checking quality.**

All milk, milk products and dry milk products shall be subject to inspection and analysis by the dairy plant for quality and condition throughout each processing operation. Periodically samples of product and environmental material shall be tested for salmonella. Test results shall be negative when samples are tested for salmonella. Line samples should be taken periodically as an aid to quality control in addition to the regular routine analysis made on the finished products.

**§ 58.244 Number of samples.**

As many samples shall be taken from each dryer production lot as is necessary to assure proper composition and quality control. A sufficient number of representative samples from the lot shall be taken to assure compliance with the stated net weight on the container.

**§ 58.245 Method of sample analysis.**

Samples shall be tested according to the applicable methods of laboratory analysis contained in either DA Instruction 918–RL as issued by the

## Agricultural Marketing Service, USDA

## § 58.305

USDA, Agricultural Marketing Service, Dairy Programs, or Official Methods of Analysis of the Association of Analytical Chemists or Standard Methods for the Examination of Dairy Products.

[67 FR 48976, July 29, 2002]

### § 58.246 Cleaning of dryers, collectors, conveyors, ducts, sifters and storage bins.

This equipment shall be cleaned as often as is necessary to maintain such equipment in a clean and sanitary condition. The kind of cleaning procedure either wet or dry and the frequency of cleaning shall be based upon observation of actual operating results and conditions.

### § 58.247 Insect and rodent control program.

In addition to any commercial pest control service, if one is utilized, a specially designated employee should be made responsible for the performance of a regularly scheduled insect and rodent control program as outlined in University of Wisconsin Extension Bulletin A2518 or subsequent revisions thereof, or one equivalent thereto.

### REQUIREMENTS FOR FINISHED PRODUCTS BEARING USDA OFFICIAL IDENTIFICATION

#### § 58.248 Nonfat dry milk.

(a) Nonfat dry milk in commercial bulk containers bearing an official identification shall meet the requirements of U.S. Extra Grade or U.S. Standard Grade.

(b) Regular nonfat dry milk in consumer size packages which bears an official identification shall meet the requirements of U.S. Extra Grade. In addition, the nonfat dry milk shall be sampled and tested in accordance with §§ 58.244 and 58.245.

#### § 58.249 Instant nonfat dry milk.

(a) Only instant nonfat dry milk manufactured and packaged in accordance with the requirements of this part and with the applicable requirements in subpart A of this part which has been officially inspected in process and found to be in compliance with these requirements may be identified with

the official USDA U.S. Extra Grade, processed and packed inspection shield.

(b) Instant nonfat dry milk shall meet the applicable standard for U.S. Extra Grade.

### § 58.250 Dry whole milk.

Dry whole milk in commercial bulk containers which bears an official identification shall meet the requirements for the U.S. Standards for Grades of Dry Whole Milk. Quality requirements for dry whole milk in consumer packages shall be for U.S. Extra Grade and shall be gas packed with an oxygen content of not more than 2.0 percent.

### § 58.251 Dry buttermilk and dry buttermilk product.

The quality requirements for dry buttermilk or dry buttermilk product bearing an official identification shall be in accordance with the U.S. Standards for Grades of Dry Buttermilk and Dry Buttermilk Product.

[56 FR 33855, July 24, 1991]

### SUPPLEMENTAL SPECIFICATIONS FOR PLANTS MANUFACTURING, PROCESSING AND PACKAGING BUTTER AND RELATED PRODUCTS

#### DEFINITIONS

### § 58.305 Meaning of words.

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

(a) *Butter*. The food product usually known as butter, and which is made exclusively from milk or cream, or both, with or without common salt, with or without additional coloring matter, and containing not less than 80 percent by weight of milkfat, all tolerances having been allowed for.

(b) *Butteroil*. The food product resulting from the removal of practically all of the moisture and solids-not-fat from butter. It contains not less than 99.6 percent fat and not more than 0.3 percent moisture and not more than 0.1 percent other butter constituents, of which the salt shall be not more than

## § 58.311

0.05 percent. Antioxidants permitted to be used are as follows:

Antioxidant	Maximum level
Propyl gallate .....	0.02% of fat.
Butylated hydroxytoluene (BHT) .....	0.02% of fat.
Butylated hydroxyanisole (BHA) .....	0.02% of fat.
Tocopherols .....	Limit by GMP.
Ascorbyl palmitate .....	Limit by GMP.
Dilauryl thiodipropionate .....	0.02% of fat.
Antioxidant synergists	
Citric acid .....	Limit by GMP.
Sodium citrate .....	Limit by GMP.
Isopropyl citrate .....	0.02% of food.
Phosphoric acid .....	Limit by GMP.
Monoglyceride citrate .....	200 ppm of fat.

An inert gas may be used to flush air-tight containers before, during, and after filling. Carbon dioxide may not be used for this purpose.

(c) *Anhydrous milkfat*. The food product resulting from the removal of practically all of the moisture and solids-not-fat from pasteurized cream or butter. It contains not less than 99.8 percent fat and not more than 0.1 percent moisture and, when produced from butter, not more than 0.1 percent other butter constituents, of which the salt shall be not more than 0.05 percent. An inert gas may be used to flush air-tight containers before, during, and after filling. Carbon dioxide may not be used for this purpose.

(d) *Frozen cream*. Sweet cream which has been pasteurized and frozen. It contains approximately 40 percent milkfat.

(e) *Plastic cream*. Sweet cream which has been pasteurized and contains approximately 80 percent milkfat.

(f) *Whipped butter*. The food product is made by the uniform incorporation of air or inert gas into butter.

[40 FR 47911, Oct. 10, 1975. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 59 FR 1264, Jan. 10, 1994; 60 FR 4825, Jan. 24, 1995]

## ROOMS AND COMPARTMENTS

### § 58.311 Coolers and freezers.

The coolers and freezers shall be equipped with facilities for maintaining proper temperature and humidity conditions, consistent with good commercial practices for the applicable product, to protect the equality and condition of the products during storage or during tempering prior to fur-

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

ther processing. Coolers and freezers shall be kept clean, orderly, free from insects, rodents, and mold, and maintained in good repair. They shall be adequately lighted and proper circulation of air shall be maintained at all times. The floors, walls, and ceilings shall be of such construction as to permit thorough cleaning.

### § 58.312 Churn rooms.

Churn rooms in addition to proper construction and sanitation shall be so equipped that the air is kept free from objectionable odors and vapors and extreme temperatures by means of adequate ventilation and exhaust systems or air conditioning and heating facilities.

### § 58.313 Print and bulk packaging rooms.

Rooms used for packaging print or bulk butter and related products should, in addition to proper construction and sanitation, provide an atmosphere relatively free from mold (not more than 15 colonies per plate during a 15 min. exposure), dust, or other airborne contamination and maintain a reasonable room temperature in accordance with good commercial practices.

## EQUIPMENT AND UTENSILS

### § 58.314 General construction, repair and installation.

All equipment and utensils necessary to the manufacture of butter and related products shall meet the same general requirements as outlined in § 58.128. In addition for certain other equipment, the following requirements shall be met.

### § 58.315 Continuous churns.

All product contact surfaces of the churn and related equipment shall be of noncorrosive material. All non-metallic product contact surfaces shall comply with 3-A Standards for Plastic, Rubber, and Rubber-Like Materials. All product contact surfaces of the churn and related equipment shall be readily accessible for cleaning and inspection. Construction shall follow the applicable principles of the 3-A Sanitary Standards.

## Agricultural Marketing Service, USDA

## § 58.326

### § 58.316 Conventional churns.

Churns shall be constructed of aluminum, stainless steel or equally corrosion resistant metal, free from cracks, and in good repair. All gasket material shall be fat resistant, nontoxic and reasonably durable. Seals around the doors shall be tight.

### § 58.317 Bulk butter trucks, boats, texturizers, and packers.

Bulk butter trucks, boats, texturizers, and packers shall be constructed of aluminum, stainless steel, or equally corrosion resistant metal free from cracks, seams and must have a surface that is relatively smooth and easily cleanable. All non-metallic product surfaces shall comply with 3-A Standards for Plastic, Rubber, and Rubber-Like Material.

### § 58.318 Butter, frozen or plastic cream melting machines.

Shavers, shredders or melting machines used for rapid melting of butter, frozen or plastic cream shall be of stainless steel or equally corrosion resistant metal, free from cracks and of sanitary construction, and readily cleanable.

### § 58.319 Printing equipment.

All printing equipment shall be designed so as to adequately protect the product and be readily demountable for cleaning of product contact surfaces. All product contact surfaces shall be aluminum, stainless steel or equally corrosion resistant metal, or plastic, rubber and rubber like material which comply with 3-A standards, except that conveyors may be constructed of material which can be properly cleaned and maintained in a satisfactory manner.

### § 58.320 Brine tanks.

Brine tanks used for the treating of parchment liners shall be constructed of noncorrosive material and have an adequate and safe means of heating the salt solution for the treatment of the liners. The tank should also be provided with a satisfactory drainage outlet.

### § 58.321 Cream storage tanks.

Cream storage tanks shall meet the requirements of § 58.128(d). Cream storage tanks for continuous churns should be equipped with effective temperature controls and recording devices.

#### QUALITY SPECIFICATIONS FOR RAW MATERIAL

### § 58.322 Cream.

Cream separated at an approved plant and used for the manufacture of butter shall have been derived from raw material meeting the requirements as listed under §§ 58.132 through 58.138 of this subpart.

[50 FR 34673, Aug. 27, 1985]

### § 58.323 [Reserved]

### § 58.324 Butteroil.

To produce butteroil eligible for official certification, the butter used shall conform to the flavor requirements of U.S. Grade AA, U.S. Grade A, or U.S. Grade B, and shall have been manufactured in an approved plant.

### § 58.325 Anhydrous milkfat.

If cream is used in the production of anhydrous milkfat that is eligible for official certification, the anhydrous milkfat shall be made by a continuous separation process directly from milk or cream. The cream used shall be comparable to the flavor quality specified above for U.S. Grade AA or U.S. Grade A butter. The milkfat from cream may then be further concentrated into oil. The cream or oil shall be pasteurized in accordance with the procedures for cream for buttermaking (§ 58.334a). If butter is used in the production of anhydrous milkfat that is eligible for official certification, the butter used shall conform to the flavor requirements of U.S. Grade AA or U.S. Grade A butter and shall have been manufactured in an approved plant. The appearance of anhydrous milkfat should be fairly smooth and uniform in consistency.

[60 FR 4826, Jan. 24, 1995]

### § 58.326 Plastic cream.

To produce plastic cream eligible for official certification, the quality of the

**§ 58.327**

cream used shall meet the requirements of cream acceptable for the manufacture of U.S. Grade AA or U.S. Grade A butter.

**§ 58.327 Frozen cream.**

To produce frozen cream eligible for official certification, the quality of the cream used shall meet the requirements of cream acceptable for the manufacture of U.S. Grade AA or U.S. Grade A butter.

**§ 58.328 Salt.**

The salt shall be free-flowing, white refined sodium chloride and shall meet the requirements of The Food Chemical Codex.

**§ 58.329 Color.**

Coloring, when used shall be Annatto or any color which is approved by the U.S. Food and Drug Administration.

**§ 58.330 Butter starter cultures.**

Harmless bacterial cultures when used in the development of flavor components in butter and related products shall have a pleasing and desirable flavor and shall have the ability to transmit these qualities to the finished product.

**§ 58.331 Starter distillate.**

The refined flavor components when used to flavor butter and related products. It shall be of food grade quality, free of extraneous material and prepared in accordance with good commercial practice.

OPERATIONS AND OPERATING  
PROCEDURES

**§ 58.332 Segregation of raw material.**

The milk and cream received at the dairy plant shall meet the quality specifications as indicated under § 58.322. The milk and cream should be segregated by quality and processed separately in such a manner that the finished product will fully meet the requirements of a particular U.S. Grade or other specification, whichever is applicable.

**§ 58.334 Pasteurization.**

The milk or cream shall be pasteurized at the plant where the milk or

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

cream is processed into the finished product or by procedures as set forth by the Administrator.

(a) *Cream for butter making.* The cream for butter making shall be pasteurized at a temperature of not less than 165 °F. and held continuously in a vat at such temperature for not less than 30 minutes; or pasteurized by HTST method at a minimum temperature of not less than 185 °F. for not less than 15 seconds; or it shall be pasteurized by any other equivalent temperature and holding time which will assure adequate pasteurization. Additional heat treatment above the minimum pasteurization requirement is advisable to insure improved keeping-quality characteristics.

Adequate pasteurization control shall be used and the diversion valve shall be set to divert at no less than 185 °F. with a 15 second holding time or its equivalent in time and temperature to assure pasteurization. If the vat or holding method of pasteurization is used, vat covers shall be closed prior to holding period to assure temperature of air space reaching 5 °F. higher than the minimum temperature during the holding time. Covers shall also be kept closed during the holding and cooling period.

(b) *Cream for plastic or frozen cream.* The pasteurization of cream for plastic or frozen cream shall be accomplished in the same manner as in paragraph (a) of this section, except, that the temperature for the vat method shall be not less than 170 °F. for not less than 30 minutes, or not less than 190 °F. for not less than 15 seconds or by any other temperature and holding time which will assure adequate pasteurization and comparable keeping-quality characteristics.

**§ 58.335 Quality control tests.**

All milk, cream and related products are subject to inspection for quality and condition throughout each processing operation. Quality control tests shall be made on flow samples as often as necessary to check the effectiveness of processing and manufacturing and as an aid in correcting deficiencies in processing and manufacturing. Routine analysis shall be made on raw materials and finished products to assure



## Agricultural Marketing Service, USDA

## § 58.339

adequate microbiological, composition and chemical control.

### § 58.336 Frequency of sampling for quality control of cream, butter and related products.

(a) *Microbiological*. Samples shall be taken from churnings or batches and should be taken as often as is necessary to insure microbiological control.

(b) *Composition*. Sampling and testing for product composition shall be made on churns or batches as often as is necessary to insure adequate composition control. For in-plant control, the Kohman or modified Kohman test may be used.

(c) *Chemical*—(1) *Acid degree value*. This test should be made on churnings or batches from samples taken from the cream as often as is necessary to aid in the control of lipase activity.

(2) *Free fatty acid*. This test should be made on churnings or batches from samples taken from the butter as often as is necessary to aid in the control of lipase activity.

(d) *Other analysis*. Other chemical analysis or physical measurements shall be performed as often as is necessary to insure meeting grade standards and contract specifications.

(e) *Weight or volume control*. Representative samples of the packaged product should be checked using procedures prescribed by the Administrator during the packaging operation to assure compliance with the stated net weight or volume on the container.

(f) *Keeping quality and stability*. Samples from churnings shall be subjected to a seven day keeping quality test at a temperature of 72 °F. to establish and maintain a satisfactory keeping quality history. Optionally 98 °F. for 48 hours may be used, however, in case of a dispute, the results of the seven days at 72 °F. will prevail.

### § 58.337 Official test methods.

(a) *Chemical*. Chemical analyses except where otherwise prescribed herein, shall be made in accordance with the methods described in the latest edition of Official Methods of Analysis of the Association of Official Analytical Chemists, published by the Association of Official Analytical Chemists, the Of-

ficial and Tentative Methods of the American Oil Chemists Society or any other methods giving equivalent results.

(b) *Microbiological*. Microbiological determinations shall be made in accordance with the methods described or suggested in the latest edition of Standard Methods for the Examination of Dairy Products, published by the American Public Health Association.

### § 58.338 Composition and wholesomeness.

All ingredients used in the manufacture of butter and related products shall be subject to inspection and shall be wholesome and practically free from impurities. Chlorinating facilities shall be provided for butter wash water if needed and all other necessary precautions shall be taken to prevent contamination of products. All finished products shall comply with the requirements of the Federal Food, Drug and Cosmetic Act, as to composition and wholesomeness.

### § 58.339 Containers.

(a) Containers used for the packaging of butter and related products shall be commercially acceptable containers or packaging material that will satisfactorily protect the quality of the contents in regular channels of trade. Caps or covers which extend over the lip of the container shall be used on all cups or tubs containing two pounds or less, to protect the product from contamination during subsequent handling.

(b) *Liners and wrappers*. Supplies of parchment liners, wrappers and other packaging material shall be protected against dust, mold and other possible contamination.

(1) Prior to use, parchment liners for bulk butter packages shall be completely immersed in a boiling salt solution in a suitable container constructed of stainless steel or other equally non-corrosive material. The liners shall be maintained in the solution for not less than 30 minutes. The liners shall be effectively treated with a solution consisting of at least 15 pounds of salt for every 85 pounds of water and shall be strengthened or changed as frequently as necessary to

#### § 58.340

keep the solution full strength and in good condition.

(2) Other liners such as polyethylene shall be treated or handled in such a manner as to prevent contamination of the liner prior to filling.

(c) *Filling bulk butter containers.* The lined butter containers shall be protected from possible contamination prior to filling. Use of parchment liners may be accomplished by alternately inverting one container over the other or stacking the lined boxes on their sides in a rack, until ready for use. When using polyethylene liners the boxes should be lined immediately prior to use. When packing butter into the bulk containers, care shall be taken to fill the corners leaving as few holes or openings as possible. The surface of the butter as well as the covering liner shall be smoothed evenly over the top surface before closing and sealing the container. Containers should be stacked only as high as the firmness of the product will support weight, so as not to crush or distort the container.

#### § 58.340 Printing and packaging.

Printing and packaging of consumer size containers of butter shall be conducted under sanitary conditions. Separate rooms equipped with automatic filling and packaging equipment should be provided. The outside cartons should be removed from bulk butter in a room outside of the printing operation but the parchment removal and cutting of the butter may be done in the print room.

#### § 58.341 Repackaging.

When officially graded or inspected bulk product is to be repackaged into consumer type packages for official grade labeling or other official identification, a supervisor of packaging shall be required and the plant, equipment, facilities and personnel shall meet the same specifications as outlined in this part, including such markings or identification as may be required.

#### § 58.342 General identification.

Commercial bulk shipping containers shall be legibly marked with the name of the product, net weight, name and address of manufacturer, processor or

#### 7 CFR Ch. I (1–19 Edition)

distributor or other assigned plant identification (manufacturer's lot number, churn number, etc.) and any other identification that may be required. Packages of plastic or frozen cream shall be marked with the percent of milkfat.

#### § 58.343 Storage of finished product in coolers.

All products shall be kept under refrigeration at temperatures of 40 °F. or lower after packaging and until ready for distribution or shipment. The products shall not be placed directly on floors or exposed to foreign odors or conditions such as drippage due to condensation which might cause package or product damage.

#### § 58.344 Storage of finished product in freezer.

(a) *Sharp freezers.* Plastic cream or frozen cream intended for storage shall be placed in quick freezer rooms immediately after packaging, for rapid and complete freezing within 24 hours. The packages shall be piled or spaced in such a manner that air can freely circulate between and around the packages. The rooms shall be maintained at –10 °F. or lower and shall be equipped to provide sufficient high velocity, air circulation for rapid freezing. After the products have been completely frozen, they may be transferred to a freezer storage room for continued storage.

(b) *Freezer storage.* The room shall be maintained at a temperature of 0 °F. or lower. Adequate air circulation is desirable.

Butter intended to be held more than 30 days shall be placed in a freezer room as soon as possible after packaging. If not frozen before being placed in the freezer, the packages shall be spaced in such a manner as to permit rapid freezing and repiled, if necessary, at a later time.

#### REQUIREMENTS FOR FINISHED PRODUCTS BEARING USDA OFFICIAL IDENTIFICATION

#### § 58.345 Butter.

The quality requirements for butter shall be in accordance with the U.S. Standards for Grades of Butter for U.S.

## Agricultural Marketing Service, USDA

§ 58.349

Grade AA, U.S. Grade A, or U.S. Grade B, respectively.

(a) In addition, the butter is subject to the following specifications when sampled and tested in accordance with §§ 58.336 and 58.337.

(b) Proteolytic count, not more than 100 per gram; yeast and mold count, not more than 20 per gram; coliform count, not more than 10 per gram.

(c) Optional except when required or requested: Copper content, not more than 0.3 ppm; iron content, not more than 1.0 ppm; enterococci, not more than 10 per gram.

### § 58.346 Whipped butter.

(a) The quality requirements for whipped butter shall be in accordance with the U.S. Standards for Grades of Whipped Butter for U.S. Grade AA and U.S. Grade A, respectively.

(b) Whipped butter shall also be subject to the following specifications

when sampled and tested in accordance with § 58.336 and § 58.337, respectively:

(1) Proteolytic count, not more than 50 per gram; yeast and mold count, not more than 10 per gram; coliform count, not more than 10 per gram; and keeping-quality test, satisfactory after 7 days at 72 °F.

(2) Optional except when required or requested: Copper content, not more than 0.3 ppm; iron content, not more than 1.0 ppm; enterococci, not more than 10 per gram.

[59 FR 1264, Jan. 10, 1994, as amended at 67 FR 48976, July 29, 2002]

### § 58.347 Butteroil or anhydrous milkfat.

The flavor shall be bland and free from rancid, oxidized, or other objectionable flavors.

(a) In addition, the finished products shall meet the following specifications when sampled and tested in accordance with §§ 58.336 and 58.337:

	Butteroil	Anhydrous milkfat
Milkfat .....	Not less than 99.6 percent .....	Not less than 99.8 percent.
Moisture .....	Not more than 0.3 percent .....	Not more than 0.1 percent.
Other butter constituents including salt .....	Not more than 0.1 percent .....	Not more than 0.1 percent.
Salt .....	Not more than 0.05 percent .....	Not more than 0.05 percent.
Antioxidants .....	Those permitted by standards of the Codex Alimentarius Commission and authorized for use by the Food and Drug Administration.	Those permitted by standards of the Codex Alimentarius Commission and authorized for use by the Food and Drug Administration.
Free fatty acids .....	Not more than 0.5 percent (calculated as oleic acid).	Not more than 0.3 percent (calculated as oleic acid).
Peroxide value .....	Not more than 0.1 milliequivalent per kilogram of fat.	Not more than 0.1 milliequivalent per kilogram of fat.
Iron content .....	Not more than 0.2 ppm .....	Not more than 0.2 ppm.
Copper content .....	Not more than 0.05 ppm .....	Not more than 0.05 ppm.

(b) [Reserved]

[60 FR 4826, Jan. 24, 1995]

### § 58.348 Plastic cream.

The flavor shall be sweet, pleasing and desirable but may possess the following flavors to a slight degree; aged, bitter, flat, smothered and storage; and cooked and feed flavors to a definite degree. It shall be free from rancid, oxidized or other objectionable flavors.

(a) In addition, the finished product shall meet the following specifications when sampled and tested in accordance with §§ 58.336 and 58.337.

(b) Standard plate count, not more than 30,000 per gram; coliform count,

not more than 10 per gram; yeast and mold, not more than 20 per gram;

(c) Optional except when required or requested: Copper content not more than 0.3 ppm; iron content not more than 1.0 ppm.

### § 58.349 Frozen cream.

The flavor shall be sweet, pleasing and desirable, but may possess the following flavors to a slight degree: Aged, bitter, flat, smothered, storage; and cooked and feed flavors to a definite degree. It shall be free from rancid, oxidized or other objectionable flavors.

(a) In addition, the product shall meet the following specifications when sampled and tested in accordance with

## § 58.405

§§ 58.336 and 58.337. Samples for analysis should be taken prior to freezing of the product.

(b) Standard plate count, not more than 30,000 per ml.; coliform count, not more than 10 per ml.; yeast and mold, not more than 20 per ml.

(c) Optional except when required or requested: Copper content, not more than 0.3 ppm; iron content not more than 1.0 ppm.

### SUPPLEMENTAL SPECIFICATIONS FOR PLANTS MANUFACTURING AND PACKAGING CHEESE

#### DEFINITIONS

#### § 58.405 Meaning of words.

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

(a) *Cheese*. The fresh or matured product obtained by draining after coagulation of milk, cream, skimmed, or partly skimmed milk or a combination of some or all of these products and including any cheese that conforms to the requirements of the Food and Drug Administration for cheeses and related cheese products (21 CFR part 133).

(b) *Milkfat from whey*. The fat obtained from the separation of cheese whey.

[40 FR 47911, Oct. 10, 1975. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 67 FR 48976, July 29, 2002]

#### ROOMS AND COMPARTMENTS

#### § 58.406 Starter facility.

A separate starter room or properly designed starter tanks and satisfactory air movement techniques shall be provided for the propagation and handling of starter cultures. All necessary precaution shall be taken to prevent contamination of the facility, equipment and the air therein. A filtered air supply with a minimum average efficiency of 90 percent when tested in accordance with the ASHRAE Synthetic Dust Arrestance Test should be provided so as to obtain outward movement of air

## 7 CFR Ch. I (1–1–19 Edition)

from the room to minimize contamination.

#### § 58.407 Make room.

The rooms in which the cheese is manufactured shall be of adequate size, and the equipment adequately spaced to permit movement around the equipment for proper cleaning and satisfactory working conditions. Adequate filtered air ventilation should be provided. When applicable, the mold count should be not more than 15 colonies per plate during a 15 minute exposure.

#### § 58.408 Brine room.

A brine room, when applicable, should be a separate room constructed so it can be readily cleanable. The brine room equipment shall be maintained in good repair and corrosion kept at a minimum.

#### § 58.409 Drying room.

When applicable, a drying room of adequate size shall be provided to accommodate the maximum production of cheese during the flush period. Adequate shelving and air circulation shall be provided for proper drying. Temperature and humidity control facilities should be provided which will promote the development of a sound, dry surface of the cheese.

#### § 58.410 Paraffining room.

When applicable for rind cheese, a separate room or compartment should be provided for paraffining and boxing the cheese. The room shall be of adequate size and the temperature maintained near the temperature of the drying room to avoid sweating of the cheese prior to paraffining.

#### § 58.411 Rindless cheese wrapping area.

For rindless cheese a suitable space shall be provided for proper wrapping and boxing of the cheese. The area shall be free from dust, condensation, mold or other conditions which may contaminate the surface of the cheese or contribute to unsatisfactory packaging of the cheese.

#### § 58.412 Coolers or curing rooms.

Coolers or curing rooms where cheese is held for curing or storage shall be

clean and maintained at the proper uniform temperature and humidity to adequately protect the cheese, and minimize the undesirable growth of mold. Proper circulation of air shall be maintained at all times. The shelves shall be kept clean and dry. This does not preclude the maintenance of suitable conditions for the curing of mold and surface ripened varieties.

**§ 58.413 Cutting and packaging rooms.**

When small packages of cheese are cut and wrapped, separate rooms shall be provided for the cleaning and preparation of the bulk cheese and for the cutting and wrapping operation. The rooms shall be well lighted, ventilated and provided with filtered air. Air movement shall be outward to minimize the entrance of unfiltered air into the cutting and packaging room. The waste materials and waste cheese shall be disposed of in an environmentally and/or sanitary approved manner.

**EQUIPMENT AND UTENSILS**

**§ 58.414 General construction, repair and installation.**

All equipment and utensils necessary to the manufacture of cheese and related products shall meet the same general requirements as outlined in § 58.128. In addition, for certain other equipment the following requirements shall be met.

**§ 58.415 Starter vats.**

Bulk starter vats shall be of stainless steel or equally corrosion resistant metal and should be constructed according to the applicable 3-A Sanitary Standards. New or replacement vats shall be constructed according to the applicable 3-A Sanitary Standards. The vats shall be in good repair, equipped with tight fitting lids and have adequate temperature controls such as valves, indicating and/or recording thermometers.

**§ 58.416 Cheese vats, tanks and drain tables.**

(a) The vats, tanks and drain tables used for making cheese should be of metal construction with adequate jacket capacity for uniform heating. The inner liner shall be minimum 16 gauge

stainless steel or other equally corrosion resistant metal, properly pitched from side to center and from rear to front for adequate drainage. The liner shall be smooth, free from excessive dents or creases and shall extend over the edge of the outer jacket. The outer jacket shall be constructed of stainless steel or other metal which can be kept clean and sanitary. The junction of the liner and outer jackets shall be constructed so as to prevent milk or cheese from entering the inner jacket.

(b) The vat, tank and/or drain table shall be equipped with a suitable sanitary outlet valve. Effective valves shall be provided and properly maintained to control the application of heat to this equipment. If this equipment is provided with removable cloth covers, they shall be clean.

**§ 58.417 Mechanical agitators.**

The mechanical agitators shall be of sanitary construction. The carriages shall be of the enclosed type and all product contact surfaces, shields, shafts, and hubs shall be constructed of stainless steel or other equally corrosion resistant metal. Metal blades, forks, or stirrers shall be constructed of stainless steel and of material approved in the 3-A Sanitary Standards for Plastic, and Rubber and Rubber-Like Materials and shall be free from rough or sharp edges which might scratch the equipment or remove metal particles.

**§ 58.418 Automatic cheese making equipment.**

(a) *Automatic Curd Maker.* The automatic curd making system shall be constructed of stainless steel or of material approved in the 3-A Sanitary Standards for Plastic, and Rubber and Rubber-Like Material. All areas shall be free from cracks and rough surfaces and constructed so that they can be easily cleaned.

(b) *Curd conveying systems.* The curd conveying system, conveying lines and cyclone separator shall be constructed of stainless steel or other equally corrosion resistant metal and in such manner that it can be satisfactorily cleaned. The system shall be of sufficient size to handle the volume of curd and be provided with filtered air of the

**§ 58.419**

quality satisfactory for the intended use. Air compressors or vacuum pumps shall not be located in the processing or packaging areas.

(c) *Automatic salter.* The automatic salter shall be constructed of stainless steel or other equally corrosion resistant metal. This equipment shall be constructed to equally distribute the salt throughout the curd. It shall be designed to accurately weigh the amount of salt added. The automatic salter shall be constructed so that it can be satisfactorily cleaned. The salting system shall provide for adequate absorption of the salt in the curd. Water and steam used to moisten the curd prior to salting shall be potable water or culinary steam.

(d) *Automatic curd filler.* The automatic curd filler shall be constructed of stainless steel or other equally corrosion resistant metal. This equipment shall be of sufficient size to handle the volume of curd and constructed and controlled so as to accurately weigh the amount of curd as it fills. The curd filler shall be constructed so that it can be satisfactorily cleaned.

(e) *Hoop and barrel washer.* The washer shall be constructed so that it can be satisfactorily cleaned. It shall also be equipped with temperature and pressure controls to ensure satisfactory cleaning of the hoops or barrels. It should be adequately vented to the outside.

**§ 58.419 Curd mill and miscellaneous equipment.**

Knives, hand rakes, shovels, scoops, paddles, strainers, and miscellaneous equipment shall be stainless steel or of material approved in the 3-A Sanitary Standards for Plastic and Rubber-like Material. The product contact surfaces of the curd mill should be of stainless steel. All pieces of equipment shall be so constructed that they can be kept clean and free from rough or sharp edges which might scratch the equipment or remove metal particles. The wires in the curd knives shall be stainless steel, kept tight and replaced when necessary.

**§ 58.420 Hoops, forms and followers.**

The hoops, forms, and followers shall be constructed of stainless steel, heavy

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

tinned steel or other approved materials. If tinned, they shall be kept tinned and free from rust. All hoops, forms, and followers shall be kept in good repair. Drums or other special forms used to press and store cheese shall be clean and sanitary.

**§ 58.421 Press.**

The cheese press should be constructed of stainless steel and all joints welded and all surfaces, seams and openings readily cleanable. The pressure device shall be the continuous type. Press cloths shall be maintained in good repair and in a sanitary condition. Single service press cloths shall be used only once.

**§ 58.422 Brine tank.**

The brine tank shall be constructed of suitable non-toxic material and should be resistant to corrosion, pitting or flaking. The brine tank shall be operated so as to assure the brine is clean, well circulated, and of the proper strength and temperature for the variety of cheese being made.

**§ 58.423 Cheese vacuumizing chamber.**

The vacuum chamber shall be satisfactorily constructed and maintained so that the product is not contaminated with rust or flaking paint. An inner liner of stainless steel or other corrosion resistant material should be provided.

**§ 58.424 Monorail.**

The monorail shall be constructed so as to prevent foreign material from falling on the cheese or cheese containers.

**§ 58.425 Conveyor for moving and draining block or barrel cheese.**

The conveyor shall be constructed so that it will not contaminate the cheese and be easily cleaned. It shall be installed so that the press drippings will not cause an environmental problem.

**§ 58.426 Rindless cheese wrapping equipment.**

The equipment used to heat seal the wrapper applied to rindless cheese shall have square interior corners, reasonably smooth interior surface and have controls that shall provide uniform

## Agricultural Marketing Service, USDA

## § 58.438

pressure and heat equally to all surfaces. The equipment used to apply shrinkable wrapping material to rindless cheese shall operate to maintain the natural intended shape of the cheese in an acceptable manner, reasonably smooth surfaces on the cheese and tightly adhere the wrapper to the surface of the cheese.

### § 58.427 Paraffin tanks.

The metal tank should be adequate in size, have wood rather than metal racks to support the cheese, have heat controls and an indicating thermometer. The cheese wax shall be kept clean.

### § 58.428 Speciality equipment.

All product contact areas of speciality equipment shall be constructed of stainless steel or of material approved in the 3-A Sanitary Standards for Plastic and Rubber and Rubber-Like Material, and constructed following 3-A Sanitary Standards principles.

### § 58.429 Washing machine.

When used, the washing machine for cheese cloths and bandages shall be of commercial quality and size; or of sufficient size to handle the applicable load. It should be equipped with temperature and water level controls.

### QUALITY SPECIFICATIONS FOR RAW MATERIAL

### § 58.430 Milk.

The milk shall be fresh, sweet, pleasing and desirable in flavor and shall meet the requirements as outlined under §§ 58.132 through 58.138. The milk may be adjusted by separating part of the fat from the milk or by adding one or more of the following dairy products: Cream, skim milk, concentrated skim milk, nonfat dry milk, and water in a quantity sufficient to reconstitute any concentrated or dry milk used. Such dairy products shall have originated from raw milk meeting the same requirements as outlined under §§ 58.132 through 58.138.

### § 58.431 Hydrogen peroxide.

The solution shall comply with the specification of the U.S. Pharmacopeia,

except that it may exceed the concentration specified therein and it does not contain added preservative. Application and usage shall be as specified in the "Definitions and Standards of Identity for Cheese and Cheese Products", Food and Drug Administration.

### § 58.432 Catalase.

The catalase preparation shall be a stable, buffered solution, neutral in pH, having a potency of not less than 100 Keil units per milliliter. The source of the catalase, its application and usage shall be as specified in the "Definitions and Standards of Identity for Cheese and Cheese Products," Food and Drug Administration.

### § 58.433 Cheese cultures.

Harmless microbial cultures used in the development of acid and flavor components in cheese shall have a pleasing and desirable taste and odor and shall have the ability to actively produce the desired results in the cheese during the manufacturing process.

### § 58.434 Calcium chloride.

Calcium chloride, when used, shall meet the requirements of the Food Chemical Codex.

### § 58.435 Color.

Coloring when used, shall be Annatto or any cheese or butter color which meet the requirements of the Food and Drug Administration.

### § 58.436 Rennet, pepsin, other milk clotting enzymes and flavor enzymes.

Enzyme preparations used in the manufacture of cheese shall be safe and suitable.

### § 58.437 Salt.

The salt shall be free-flowing, white refined sodium chloride and shall meet the requirements of the Food Chemical Codex.

### OPERATIONS AND OPERATING PROCEDURES

### § 58.438 Cheese from pasteurized milk.

If the cheese is labeled as pasteurized, the milk shall be pasteurized by

## § 58.439

subjecting every particle of milk to a minimum temperature of 161 °F. for not less than 15 seconds or by any other acceptable combination of temperature and time treatment approved by the Administrator. HTST pasteurization units shall be equipped with the proper controls and equipment to assure pasteurization. If the milk is held more than 2 hours between the time of pasteurization and setting, it shall be cooled to 45 °F. or lower until time of setting.

### § 58.439 Cheese from unpasteurized milk.

If the cheese is labeled as “heat treated”, “unpasteurized,” “raw milk”, or “for manufacturing” the milk may be raw or heated at temperatures below pasteurization. Cheese made from unpasteurized milk shall be cured for a period of 60 days at a temperature not less than 35 °F. If the milk is held more than 2 hours between time of receipt or heat treatment and setting, it shall be cooled to 45 °F. or lower until time of setting.

### § 58.440 Make schedule.

A uniform schedule should be established and followed as closely as possible for the various steps of setting, cutting, cooking, draining the whey and milling the curd, to promote a uniform quality of cheese.

### § 58.441 Records.

Starter and make records should be kept at least three months.

(Approved by the Office of Management and Budget under OMB control number 0583-0047)<sup>1</sup>

[40 FR 47911, Oct. 10, 1975. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 47 FR 745, Jan. 7, 1982]

### § 58.442 Laboratory and quality control tests.

(a) *Chemical analyses*—(1) *Milkfat and moisture*. One sample shall be tested from each vat of the finished cheese to assure compliance with composition requirements.

<sup>1</sup>EDITORIAL NOTE: See table appearing in § 58.100 for correct OMB control number.

## 7 CFR Ch. I (1–1–19 Edition)

(2) *Test method*. Chemical analysis shall be made in accordance with the methods described in Official Methods of Analysis of the Association of Official Analytical Chemists as specified in the appropriate standards of identity, the latest edition of Standard Methods or by other methods giving equivalent results.

(b) *Weight or volume control*. Representative samples of the finished product shall be checked during the packaging operation to assure compliance with the stated net weight on the container of consumer size packages.

### § 58.443 Whey handling.

(a) Adequate sanitary facilities shall be provided for the handling of whey. If outside, necessary precautions shall be taken to minimize flies, insects and development of objectionable odors.

(b) Whey or whey products intended for human food shall at all times be handled in a sanitary manner in accordance with the procedures of this subpart as specified for handling milk and dairy products.

(c) Milkfat from whey should not be more than four days old when shipped.

### § 58.444 Packaging and repackaging.

(a) Packaging rindless cheese or cutting and repackaging all styles of bulk cheese shall be conducted under rigid sanitary conditions. The atmosphere of the packaging rooms, the equipment and the packaging material shall be practically free from mold and bacterial contamination.

(b) When officially graded bulk cheese is to be repackaged into consumer type packages with official grade labels or other official identification, a supervisor of packaging shall be required. If the repackaging is performed in a plant other than the one in which the cheese is manufactured and the product is officially identified, the plant, equipment, facilities and personnel shall meet the same requirements as outlined in this part.

### § 58.445 General identification.

Bulk cheese for cutting and the container for cheese for manufacturing shall be legibly marked with the name



## Agricultural Marketing Service, USDA

§ 58.505

of the product, code or date of manufacture, vat number, officially designated code number or name and address of manufacturer. Each consumer sized container shall meet the applicable regulations of the Food and Drug Administration.

### REQUIREMENTS FOR FINISHED PRODUCTS BEARING USDA OFFICIAL IDENTIFICATION

#### § 58.446 Quality requirements.

(a) *Cheddar cheese*. The quality requirements for Cheddar cheese shall be in accordance with the U.S. Standards for Grades of Cheddar Cheese.

(b) *Colby cheese*. The quality requirements for Colby cheese shall be in accordance with the U.S. Standards for Grades of Colby Cheese.

(c) *Monterey (Monterey Jack) cheese*. The quality requirements for Monterey (Monterey Jack) cheese shall be in accordance with the U.S. Standards for Grades of Monterey (Monterey Jack) Cheese.

(d) *Swiss cheese, Emmentaler cheese*. The quality requirements for Swiss cheese, Emmentaler cheese shall be in accordance with the U.S. Standards for Grades for Swiss Cheese, Emmentaler Cheese.

(e) *Bulk American cheese for manufacturing*. The quality requirements for bulk American cheese for manufacturing shall be in accordance with the U.S. Standards for Grades of Bulk American Cheese for Manufacturing.

### SUPPLEMENTAL SPECIFICATIONS FOR PLANTS MANUFACTURING AND PACKAGING COTTAGE CHEESE

#### DEFINITIONS

#### § 58.505 Meaning of words.

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

(a) *Condensed skim*. Skim milk which has been condensed to approximately one-third the original volume in accordance with standard commercial practice.

(b) *Cottage cheese*. (1) The soft uncured cheese meeting the requirements of the Food and Drug Administration for dry curd cottage cheese (21 CFR 133.129).

(2) *Cottage Cheese*. The soft uncured cheese meeting the requirements of the Food and Drug Administration for cottage cheese (21 CFR 133.128).

(3) *Reduced Fat, Light, and Fat Free Cottage Cheese*. The products conforming to all applicable Federal Regulations including "Cottage cheese," Food and Drug Administration (21 CFR 133.128), "Dry curd cottage cheese," Food and Drug Administration (21 CFR 133.129), "Nutrient content claims for fat, fatty acid, and cholesterol content of foods," Food and Drug Administration (21 CFR 101.62), and "Requirements for foods named by use of a nutrient content claim and a standardized term," Food and Drug Administration (21 CFR 130.10).

(c) *Direct acidification*. The production of cottage cheese, without the use of bacterial starter cultures, through the use of approved food grade acids. This product shall be labeled according to the requirements of the Food and Drug Administration, 21 CFR 133.128 or 133.129, as appropriate.

(d) *Cottage Cheese with fruits, nuts, chives, or other vegetables*. Shall consist of cottage cheese to which has been added fruits, nuts, chives, and other vegetables. The finished cheese shall comply with the requirements of the Food and Drug Administration for cottage cheese (21 CFR 133.128).

(e) *Cream*. The milkfat portion of milk which rises to the surface of milk on standing or is separated from it by centrifugal force and contains not less than 18.0 percent of milkfat.

(f) *Creaming mixture*. The creaming mixture consists of cream or a mixture of cream with milk or skim milk or both. To adjust the solids content, non-fat dry milk or concentrated skim milk may be added but not to exceed 3.0 percent by weight of the creaming mixture. It may or may not contain a culture of harmless lactic acid and flavor producing bacteria, food grade acid, salt, and stabilizers with or without carriers. The creaming mixture in its

## § 58.510

final form may or may not be homogenized and shall conform to the requirements of the Food and Drug Administration (21 CFR 133.128(b)).

[40 FR 47911, Oct. 10, 1975. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 67 FR 48976, July 29, 2002]

### ROOMS AND COMPARTMENTS

#### § 58.510 Rooms and compartments.

(a) Processing operations with open cheese vats should be separated from other rooms or areas. Excessive personnel traffic or other possible contaminating conditions should be avoided. Rooms, compartments, coolers, and dry storage space in which any raw material, packaging or ingredients supplies or finished products are handled, processed, packaged or stored shall be designed and constructed to assure clean and orderly operations.

(b) *Ventilation.* Processing and packaging rooms or compartments shall be ventilated to maintain sanitary conditions, preclude the growth of mold and air borne bacterial contaminants, prevent undue condensation of water vapor and minimize or eliminate objectionable odors. To minimize air borne contamination in processing and packaging rooms a filtered air supply meeting the requirements of § 58.510(c) shall be provided. The incoming air shall exert an outward pressure so that the movement of air will be outward and prevent the movement of unfiltered air inward.

(c) *Starter facility.* A separate starter room or properly designed starter tanks and satisfactory air movement techniques shall be provided for the propagation and handling of starter cultures. All necessary precautions shall be taken to prevent contamination of the room, equipment and the air therein. A filtered air supply with a minimum average efficiency of 90% when tested in accordance with the ASHRAE Synthetic Dust Arrestance Test should be provided so as to obtain an outward movement of air from the room to minimize contamination.

(d) *Coolers.* Coolers shall be equipped with facilities for maintaining proper temperature and humidity conditions, consistent with good commercial prac-

## 7 CFR Ch. I (1–19 Edition)

tices for the applicable product, to protect the quality and condition of the products. Coolers shall be kept clean, orderly and free from mold, and maintained in good repair. They shall be adequately lighted and proper circulation of air shall be maintained at all times. The floors, walls, and ceilings shall be of such construction as to permit thorough cleaning.

### EQUIPMENT AND UTENSILS

#### § 58.511 General construction, repair and installation.

The equipment and utensils used for the manufacture and handling of cottage cheese shall be as specified in § 58.128. In addition for certain other equipment the following requirements shall be met.

#### § 58.512 Cheese vats or tanks.

(a) Cheese vats or tanks shall meet the requirements of § 58.416. When direct steam injection is used for heating the milk, the vat or tank may be of single shell construction. The steam shall be culinary steam.

(b) Vats shall be equipped with valves to control the heating and cooling medium and a suitable sanitary outlet valve. Vats used for creaming curd should be equipped with a refrigerated cooling medium. A circulating pump for the heating and cooling medium is recommended.

#### § 58.513 Agitators.

Mechanical agitators shall meet the requirements of § 58.417.

#### § 58.514 Container fillers.

Shall comply with the 3-A Sanitary Standards for Equipment for Packaging Frozen Desserts and Cottage Cheese.

#### § 58.515 Mixers.

Only mixers shall be used which will mix the cheese carefully and keep shattering of the curd particles to a minimum. They shall be constructed in such a manner as to be readily cleanable. If shafts extend through the wall of the tank below the level of the product, they shall be equipped with proper seals which are readily removable for cleaning and sanitizing. The mixer

## Agricultural Marketing Service, USDA

## § 58.521

shall be enclosed or equipped with tight fitting covers.

### § 58.516 Starter vats.

Bulk starter vats shall meet the requirements of § 58.415.

### QUALITY SPECIFICATIONS FOR RAW MATERIAL

### § 58.517 General.

Raw materials used for manufacturing cottage cheese shall meet the following quality specifications.

### § 58.518 Milk.

The selection of raw milk for cottage cheese shall be in accordance with §§ 58.132 through 58.138.

### § 58.519 Dairy products.

(a) *Raw skim milk.* All raw skim milk obtained from a secondary source shall be separated from milk meeting the same quality requirements for milk as outlined in § 58.518 above. Skim milk after being pasteurized and separated shall be cooled to 45 °F. or lower unless the skim milk is to be set for cheese within two hours after pasteurizing. The skim milk should not be more than 48 hours old from the time the milk was received at the plant and the skim milk is set for cheese.

(b) *Nonfat dry milk.* Nonfat dry milk, when used, shall be obtained from milk meeting the same quality requirements as outlined in § 58.518 above. It shall be processed according to the requirements of this Subpart, and should meet the requirements of § 58.236(b)(3).

(c) *Condensed skim milk.* Condensed skim milk, if used, shall be prepared from raw milk or skim milk that meets the same quality requirements outlined above for raw milk or skim milk. It shall be cooled promptly after drawing from the vacuum pan or evaporator and shall have been pasteurized before concentrating or during the manufacture. The standard plate count of the concentrated milk shall not exceed 30,000 per ml. at time of use.

(d) *Cream.* Any cream used for preparing the dressing for creamed cottage cheese shall be separated from milk meeting at least the same quality requirements as the skim milk used for making the curd. The flavor of the

cream shall be fresh and sweet. Cream obtained from a secondary source shall meet the same requirements. The creaming mixture prepared from this cream, after pasteurization, shall have a standard plate count of no more than 30,000 per ml.

### § 58.520 Nondairy ingredients.

(a) *Calcium chloride.* Calcium chloride, when used, shall be of food grade quality and free from extraneous material.

(b) *Salt.* Salt shall be free flowing, white refined sodium chloride and shall meet the requirements of The Food Chemical Codex.

(c) *Other ingredients.* Other ingredients such as fruits, nuts, chives or other vegetables used or blended with cottage cheese shall be reasonably free of bacteria so as not to appreciably increase the bacterial count of the finished product. The various ingredients in kind shall be consistent in size and color so as to produce the desired appearance and appeal of the finished product. The flavor of the ingredients used shall be natural and represent the intended flavor and intensity desired in the finished product. Such ingredients shall be clean, wholesome, of uniformly good quality, free from mold, rancid or decomposed particles. Vegetables used in cottage cheese may first be soaked for 15 to 20 minutes in a cold 25 to 50 ppm chlorine solution to appreciably reduce the bacterial population. After soaking, the vegetables shall be drained and used soon thereafter.

### OPERATIONS AND OPERATING PROCEDURES

### § 58.521 Pasteurization and product flow.

(a) The skim milk used for the manufacture of cottage cheese shall be pasteurized not more than 24 hours prior to the time of setting by heating every particle of skim milk to a temperature of 161 °F. for not less than 15 seconds or by any other combination of temperature and time giving equivalent results. All skim milk must be cooled promptly to setting temperature. If held more than two hours between pasteurization and time of setting, the

## § 58.522

## 7 CFR Ch. I (1–19 Edition)

skim milk shall be cooled and held at 45 °F. or lower until set.

(b) Cream or cheese dressing shall be pasteurized at not less than 150 °F. for not less than 30 minutes or at not less than 166 °F. for not less than 15 seconds or by any other combination of temperature and time treatment giving equivalent results. Cream and cheese dressing shall be cooled promptly to 40 °F. or lower after pasteurization to aid in further cooling of cottage cheese curd for improved keeping quality.

(c) Reconstituted nonfat dry milk for cottage cheese manufacture need not be re-pasteurized provided it is reconstituted within two hours prior to the time of setting using water which is free from viable pathogenic or otherwise harmful microorganisms as well as microorganisms which may cause spoilage of cottage cheese. Skim milk separated from pasteurized whole milk need not be re-pasteurized provided it is separated in equipment from which all traces of raw milk from previous operations have been removed by proper cleaning and sanitizing.

### § 58.522 Reconstituting nonfat dry milk.

Nonfat dry milk shall be reconstituted in a sanitary manner.

### § 58.523 Laboratory and quality control tests.

(a) Quality control tests shall be made on samples as often as necessary to determine the shelf-life and stability of the finished product. Routine analyses shall be made on raw materials and finished product to assure satisfactory composition, shelf-life and stability.

(b) *Frequency of sampling*—(1) *Microbiological*. Samples of raw milk for testing shall be taken as prescribed in § 58.135. Representative samples shall be taken of finished cottage cheese and from each lot or batch of product used as an ingredient. For keeping quality tests representative samples shall be taken of finished cottage cheese;

(2) *Chemical*—(i) *Milkfat and Moisture*. Representative samples shall be taken of cottage cheese; dry cottage cheese shall be tested for moisture only.

(ii) *pH*. Representative samples shall be taken of finished cottage cheese.

(c) *Test methods*—(1) *Microbiological*. Microbiological determinations shall be made for coliform, psychrotrophic and yeasts and molds. These tests shall be made in accordance with the methods described in the latest edition of Standard Methods for the Examination of Dairy Products, published by the American Public Health Association.

(2) *Chemical*. Chemical analysis shall be made in accordance with the methods described in the latest edition of Official Methods of Analysis of the Association of Official Analytical Chemists, published by the Association of Official Analytical Chemists, the latest edition of Standard Methods for the Examination of Dairy Products, or by other methods giving equivalent results.

### § 58.524 Packaging and general identification.

(a) *Containers*. Containers used for packaging cottage cheese shall be any commercially acceptable multiple use or single service container or packaging material which will satisfactorily protect the contents through the regular channels of trade without significant impairment of quality with respect to flavor, or contamination under normal conditions of handling. Caps or covers which extend over the lip of the container shall be used on all cups or tubs containing two pounds or less, to protect the product from contamination during subsequent handling.

(b) *Packaging*. The cheese shall be packaged in a sanitary manner and automatic filling and capping equipment shall be used on all small sizes. The containers shall be checked weighed during the filling operation to assure they are filled uniformly to not less than the stated net weight on the container. Also care shall be taken that the cottage cheese be of uniform consistency at the time of packaging to assure legal composition in all packages.

(c) *General identification*. Bulk packages containing cottage cheese shall be adequately and legibly marked with the name of the product, net weight, name and address of the manufacturer, lot number, code or date of packaging and any other identification as may be

required. Consumer size packaged products shall meet the applicable regulations of the Food and Drug Administration.

#### § 58.525 Storage of finished product.

Cottage cheese after packaging shall be promptly stored at a temperature of 45 °F. or lower to maintain quality and condition until loaded for distribution. During distribution and storage prior to sale the product should be maintained at a temperature of 45 °F. or lower. The product shall not be exposed to foreign odors or conditions such as drippage or condensation that might cause package or product damage. Packaged cottage cheese shall not be placed directly on floors.

#### REQUIREMENTS FOR COTTAGE CHEESE BEARING USDA OFFICIAL IDENTIFICATION

#### § 58.526 Official identification.

(a) Only cottage cheese manufactured and packaged in accordance with the requirements of this part and with the applicable requirements in subpart A of this part which has been officially inspected in process and found to be in compliance with these requirements may be identified with the official USDA Quality Approved Inspection Shield.

(b) *Nonfat dry milk.* Nonfat dry milk, when used in cottage cheese bearing official identification, shall meet the requirements for U.S. Extra Grade (Spray Process), at time of use, and should be of U.S. Low Heat Classification (not less than 6.0 mg. undenatured whey protein nitrogen per gram of nonfat dry milk). In addition, the nonfat dry milk shall have a direct microscopic count not exceeding 75 million per gram. The age of the nonfat dry milk shall be covered by a USDA grading certificate, evidencing compliance with quality requirements, dated not more than 6 months prior to use of the dry milk. In the interim between manufacture and use, the nonfat dry milk shall be stored in a clean, dry, vermin-free space. In any case, if the nonfat dry milk is more than 120 days old, at time of use, it shall be examined for flavor to make certain that it meets the requirements for U.S. Extra Grade.

#### § 58.527 Physical requirements.

(a) *Flavor.* The cottage cheese shall possess a mild pleasing flavor, similar to fresh whole milk or light cream and may possess the delicate flavor and aroma of a good lactic starter. The product may possess to a slight degree a feed, acid, or salty flavor but shall be free from chalky, bitter, utensil, fruity, yeasty, or other objectionable flavors.

(b) *Body and texture.* The curd particles shall have a meaty texture, but sufficiently tender to permit proper absorption of cream or cheese dressing. The texture shall be smooth and velvety and shall not be mealy, crumbly, pasty, sticky, mushy, watery, rubbery or slimy or possess any other objectionable characteristics of body and texture. Small curd style (cut with ¼ inch knives) should have curd particles approximately ¼ inch or less in size. Large curd style (cut with knives over ¼ inch) should have curd particles approximately ¾ inch or more in size.

(c) *Color and appearance.* The finished cottage cheese, creamed or plain curd, shall have an attractive natural color and appearance with curd particles of reasonably uniform size. The creamed cottage cheese shall be uniformly mixed with the cream or dressing properly absorbed or adhering to the curd so as to prevent excessive drainage.

#### § 58.528 Microbiological requirements.

Compliance shall be based on 3 out of 5 consecutive samples taken at the time of packaging.

(a) *Coliform.* Not more than 10 per gram.

(b) *Psychrotrophic.* No more than 100 per gram.

(c) *Yeasts and molds.* Not more than 10 per gram.

#### § 58.529 Chemical requirements.

(a) *Moisture.* See § 58.505(b).

(b) *Milkfat.* See § 58.505(b).

(c) *pH.* Not higher than 5.2.

(d) *Phosphatase.* Not more than 4 micrograms of phenol equivalent per gram of cheese.

#### § 58.530 Keeping quality requirements.

Keeping quality samples taken from the packaging line shall be held at 45 °F. for 10 days. At the end of the 10 day

## § 58.605

period the samples shall possess a satisfactory flavor and appearance, and shall be free from bitter, sour, fruity, or other objectionable tastes and odors. The surface shall not be discolored, translucent, slimy or show any other objectionable condition.

### SUPPLEMENTAL SPECIFICATIONS FOR PLANTS MANUFACTURING, PROCESSING AND PACKAGING FROZEN DESSERTS

#### DEFINITIONS

#### § 58.605 Meaning of words.

For the purpose of the regulations in this subpart, words in the singular form shall be deemed to impart the plural and vice versa, as the case may demand. Unless the context otherwise requires, the following terms shall have the following meaning as applied to frozen desserts meeting FDA requirements and briefly defined as follows:

(a) *Ice cream*. The product conforming to the requirements of the Food and Drug Administration for ice cream (21 CFR 135.110).

(b) *Frozen custard*. The product conforming to the requirements of the Food and Drug Administration for frozen custard (21 CFR 135.110).

(c) *Reduced Fat, Light, or Fat free Ice Cream*. The products conforming to all applicable Federal Regulations including "Ice cream and frozen custard," Food and Drug Administration (21 CFR 135.110), "Nutrient content claims for fat, fatty acid, and cholesterol content of foods," Food and Drug Administration (21 CFR 101.62), and "Requirements for foods named by use of a nutrient content claim and a standardized term," Food and Drug Administration (21 CFR 130.10).

(d) *Sherbet*. The product conforming to the requirements of the Food and Drug Administration for sherbet (21 CFR 135.140).

(e) *Mellorine*. The product conforming to the requirements of the Food and Drug Administration for mellorine (21 CFR 135.130).

(f) *Overrun*. The trade expression used to reference the increase in volume of the frozen product over the volume of the mix. This increase in volume is due to air being whipped into the product during the freezing process. It is ex-

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

pressed as percent of the volume of the mix.

(g) *Mix*. The trade name for the combined and processed ingredients which after freezing become a frozen dessert.

[40 FR 47911, Oct. 10, 1975. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 67 FR 48976, July 29, 2002]

#### ROOMS AND COMPARTMENTS

#### § 58.619 Mix processing room.

The rooms used for combining mix ingredients and processing the mix shall meet the applicable requirements for rooms specified in § 58.126. The room shall be ventilated to remove moisture and prevent condensation from forming on walls and ceiling. The room shall be well lighted.

#### § 58.620 Freezing and packaging rooms.

The rooms used for freezing and packaging frozen desserts shall be adequate in size to permit satisfactory air circulation and maintained in a clean and sanitary condition. The rooms shall be constructed in the same manner as prescribed above for mix rooms.

#### § 58.621 Freezing tunnels.

Freezing tunnels for quick freezing at extremely low temperatures shall be designed and constructed as to insure ease in cleaning and satisfactory conditions of operation.

#### § 58.622 Hardening and storage rooms.

Hardening and storage rooms for frozen desserts shall be constructed of satisfactory material for this purpose. The rooms shall be maintained in a clean and orderly manner. Adequate shelves, bins, or pallets shall be provided to keep the packages of finished products off the floor and to prevent damage to the containers. Sufficient refrigeration should be provided to insure adequate storage temperature ( $-10^{\circ}$  or lower). Air shall be circulated to maintain uniform temperature throughout the rooms. A vestibule or double entry way should be provided to minimize heat shock of the frozen products.

## Agricultural Marketing Service, USDA

§ 58.635

### EQUIPMENT AND UTENSILS

#### § 58.623 Homogenizer.

Homogenizer shall comply with 3-A Sanitary Standards.

#### § 58.624 Freezers.

Product contact surfaces of freezers used to lower the temperature of the liquid mix to a semi-frozen mass by a stirring action shall be constructed of a stainless steel or equally corrosion resistant metal and all parts easily accessible for cleaning and sanitizing. Batch and continuous freezers should comply with the applicable 3-A Standards.

#### § 58.625 Fruit or syrup feeders.

Fruit or syrup feeders inject flavoring material into the semi-frozen product. Product contact surfaces shall be constructed of stainless steel or equally corrosion resistant metal and all pumps shall be in accordance to 3-A Sanitary Standards for dairy equipment. The feeder shall be constructed to enable complete disassembly for cleaning and sanitizing.

#### § 58.626 Packaging equipment.

Packaging equipment designed to mechanically fill and close single service containers with frozen desserts shall be constructed so that all product contact surfaces shall be of stainless steel or equally corrosion-resistant metal. All product contact surfaces shall be easily accessible for cleaning. The design and operation of the machine shall in no way contaminate the container of the finished product placed therein. New or replacement equipment shall comply with the 3A Sanitary Standards for Equipment for Packaging Frozen Desserts and Cottage Cheese.

### QUALITY SPECIFICATIONS FOR RAW MATERIAL

#### § 58.627 Milk and dairy products.

To produce ice cream and related products the raw milk and cream shall meet the quality requirements as prescribed in §§58.132 through 58.138, except that only commingled milk and cream meeting the bacteriological requirements of No. 1 shall be used.

#### § 58.628 Sweetening agents.

Sweetening agents shall be clean and wholesome and consist of one or more of the approved sweeteners listed in § 58.605.

#### § 58.629 Flavoring agents.

Flavoring agents either natural or artificial shall be wholesome and free from undesirable flavors. They must impart the desired characteristic to the finished product. Flavoring agents shall be one or more of those approved in § 58.605.

#### § 58.630 Stabilizers.

Stabilizers shall be clean and wholesome and consist of one or more of those approved in § 58.605.

#### § 58.631 Emulsifiers.

Emulsifiers shall be clean and wholesome and consist of one or more of those approved in § 58.605.

#### § 58.632 Acid.

Acids used in sherbet shall be wholesome and of food grade quality and consist of one or more of those approved in § 58.605.

#### § 58.633 Color.

Coloring used for ice cream and related products shall be those certified by the U.S. Food and Drug Administration as safe for human consumption.

### OPERATIONS AND OPERATING PROCEDURES

#### § 58.634 Assembling and combining mix ingredients.

The assembling and combining of mix ingredients for processing shall be in accordance with clean and sanitary methods and shall be consistent with good commercial practices. All raw materials shall be subjected to inspection for quality and condition prior to being combined and processed into the finished mix. All necessary precautions shall be taken to prevent the contamination of any raw material or the finished mix with any foreign substance.

#### § 58.635 Pasteurization of the mix.

Every particle of the mix, except added flavoring ingredients, shall be

#### **§ 58.636**

pasteurized at not less than 155 °F. and held at that temperature for 30 minutes or for 175 °F. for 25 seconds; or it may be pasteurized by any other equivalent temperature and holding time which will assure adequate pasteurization.

#### **§ 58.636 Homogenization.**

Homogenization of the pasteurized mix shall be accomplished to effectively reduce the size of the milkfat globules and evenly disperse them throughout the mix.

#### **§ 58.637 Cooling the mix.**

The mix shall be immediately cooled to a temperature of 45 °F. or lower, and stored at this temperature until further processing begins.

#### **§ 58.638 Freezing the mix.**

After the mix enters the freezer, it shall be frozen as rapidly as possible to assure the formation of minute crystals. Proper adjustment of rate of flow, refrigerant and air pressure controls shall be achieved to assure correct overrun and consistency of the product for packaging and further freezing.

#### **§ 58.639 Addition of flavor.**

The addition of flavoring ingredients to semi-frozen mix just prior to packaging shall be performed in a clean and sanitary manner. Care shall be taken to insure the flavor injection equipment has been properly cleaned and sanitized prior to use and that the flavor ingredients are of good quality and wholesome.

#### **§ 58.640 Packaging.**

The packaging of the semifrozen product shall be done by means which will in no way contaminate the container or the product. When single service containers and lids are used, they shall be of good construction and protect the finished product. Containers used for frozen products shall be stored and handled in a sanitary manner so as to protect them from dust and bacterial contamination.

#### **§ 58.641 Hardening and storage.**

Immediately after the semifrozen product is placed in its intended container it shall be placed in a hardening

#### **7 CFR Ch. I (1–19 Edition)**

tunnel or hardening room to continue the freezing process. Rapid freezing to 0° to –15 °F is desirable to produce a good textured product.

#### **§ 58.642 Quality control tests.**

All mix ingredients shall be subject to inspection for quality and condition throughout each processing operation. Quality control tests shall be made on flow line samples as often as necessary to check the effectiveness of processing and sanitation and as an aid in correcting deficiencies. Routine analysis shall be made on raw materials and finished products to assure adequate composition, weight or volume control.

#### **§ 58.643 Frequency of sampling.**

(a) *Microbiological.* Representative samples shall be taken from each type of mix, and for the finished frozen product one sample from each flavor made.

(b) *Composition.* Representative samples shall be tested for fat and solids-not-fat on each type of mix manufactured. Spot checks shall be made on the finished products as often as is necessary to assure compliance with composition standards.

(c) *Weight or volume control.* Representative samples of the packaged products shall be checked during the packaging operation to assure compliance with the stated volume on the container as well as weight and overrun requirements.

#### **§ 58.644 Test methods.**

(a) *Microbiological.* Microbiological determinations shall be made in accordance with the methods described in the latest edition of Standard Methods for the Examination of Dairy Products.

(b) *Chemical.* Chemical analysis shall be made in accordance with the methods described in the latest edition of Official Methods of Analysis of the Association of Official Analytical Chemists, the latest edition of Standard Methods, or by other methods giving equivalent results.

#### **§ 58.645 General identification.**

The various types of frozen desserts shall be packaged and labeled in accordance with the applicable regulations of the Food and Drug Administration.



## Agricultural Marketing Service, USDA

## § 58.705

### REQUIREMENTS FOR FINISHED PRODUCTS BEARING USDA OFFICIAL IDENTIFICATION

#### § 58.646 Official identification.

(a) Only ice cream and related products manufactured and packaged in accordance with the requirements of this part and with the applicable requirements in subpart A of this part which have been officially inspected in process and found to be in compliance with these requirements may be identified with the official USDA Quality Approved Inspection Shield.

(b) Dairy products used in the manufacture of frozen desserts for which there are U.S. grades established (non-fat dry milk, whole milk, buttermilk and whey) shall be U.S. Extra Grade or better, and in the case of unsalted butter, shall be no lower than U.S. Grade A. Dairy products for which there are not USDA grade shall meet the applicable requirements of this part which permit such product to bear the USDA Quality Approved Inspection Shield.

#### § 58.647 Composition requirements for ice cream.

See § 58.605(a).

#### § 58.648 Microbiological requirements for ice cream.

The finished product shall contain not more than 50,000 bacteria per gram as determined by the standard plate count, and shall contain not more than 10 coliform organisms per gram for plain and not more than 20 coliform per gram in chocolate, fruit, nut or other flavors in three out of five samples.

#### § 58.649 Physical requirements for ice cream.

(a) *Flavor.* The flavor of the finished ice cream shall be pleasing and desirable, and characteristic of the fresh milk and cream and the particular flavoring used.

(b) *Body and texture.* The body shall be firm, have substance and readily melt to a creamy consistency when exposed to room temperatures; the texture shall be fine, smooth, and have the appearance of creaminess throughout.

(c) *Color.* The color shall be attractive, pleasing, uniform and characteristic of the flavor represented.

#### § 58.650 Requirements for frozen custard.

The same requirements apply as for ice cream except plain frozen custard shall have a minimum egg yolk solids content of 1.4 percent, and 1.12 percent when fruits, nuts and other such ingredients are used for flavoring.

#### § 58.651 [Reserved]

#### § 58.652 Composition requirements for sherbet.

See § 58.605(d).

#### § 58.653 Microbiological requirements for sherbet.

The finished product shall contain not more than 50,000 bacteria per gram as determined by the standard plate count and shall contain not more than 10 coliform organisms per gram in three out of five samples.

#### § 58.654 Physical requirements for sherbet.

(a) *Flavor.* The flavor of the finished sherbet shall be pleasing and desirable and characteristic of the particular flavoring used and shall impart a sweet yet tart sensation.

(b) *Body and texture.* The body shall be firm, compact, somewhat chewy and readily melt to an even syrupy consistency at room temperatures; the texture shall be smooth but not as fine as in ice cream and shall be even throughout.

(c) *Color.* The color shall be attractive, pleasing, uniform and characteristic of the flavor represented.

### SUPPLEMENTAL SPECIFICATIONS FOR PLANTS MANUFACTURING, PROCESSING AND PACKAGING PASTEURIZED PROCESS CHEESE AND RELATED PRODUCTS

#### DEFINITIONS

#### § 58.705 Meaning of words.

(a) *Pasteurized process cheese and related products.* Pasteurized process cheese and related products are the foods which conform to the applicable requirements of the Food and Drug Administration for cheeses and related cheese products (21 CFR part 133).

(b) *Blend set up.* The trade term for a particular group of vat lots of cheese

## § 58.706

## 7 CFR Ch. I (1–19 Edition)

selected to form a blend based upon their combined ability to impart the desired characteristics to a pasteurized process cheese product.

(c) *Cooker batch.* The amount of cheese and added optional ingredients placed into a cooker at one time, heated to pasteurization temperature, and held for the required length of time.

[40 FR 47911, Oct. 10, 1975. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 67 FR 48976, July 29, 2002]

### EQUIPMENT AND UTENSILS

#### § 58.706 General construction, repair and installation.

The equipment and utensils used for the handling and processing of cheese products shall be as specified in § 58.128 of this subpart. In addition, for certain other equipment the following requirements shall be met.

#### § 58.707 Conveyors.

Conveyors shall be constructed of material which can be properly cleaned, will not rust, or otherwise contaminate the cheese, and shall be maintained in good repair.

#### § 58.708 Grinders or shredders.

The grinders or shredders used in the preparation of the trimmed and cleaned cheese shall be of corrosion-resistant material, and of such construction as to prevent contamination of the cheese and to allow thorough cleaning of all parts and product contact surfaces.

#### § 58.709 Cookers.

The cookers shall be the steam jacketed or direct steam type. They shall be constructed of stainless steel or other equally corrosion-resistant material. All product contact surfaces shall be readily accessible for cleaning. Each cooker shall be equipped with an indicating thermometer, and shall be equipped with a temperature recording device. The recording thermometer stem may be placed in the cooker if satisfactory time charts are obtained, if not, the stem shall be placed in the hotwell or filler hopper. Steam check valves on direct steam type cookers shall be mounted flush with cooker

wall, be constructed of stainless steel and designed to prevent the backup of product into the steam line, or the steam line shall be constructed of stainless steel pipes and fittings which can be readily cleaned. If direct steam is applied to the product only culinary steam shall be used (see § 58.127(d)).

#### § 58.710 Fillers.

A strainer should be installed between the cooker and the filler. The hoppers of all filters shall be covered but the cover may have sight ports. If necessary, the hopper may have an agitator to prevent buildup on side wall. The filler valves and head shall be kept in good repair and capable of accurate measurements. Product contact surfaces shall be of stainless steel or other corrosion resistant material.

### QUALITY SPECIFICATIONS FOR RAW MATERIAL

#### § 58.711 Cheddar, colby, washed or soaked curd, granular or stirred curd cheese.

Cheese, used in the manufacture of pasteurized process cheese products should possess a pleasing and desirable taste and odor consistent with the age of the cheese; should have body and texture characteristics which will impart the desired body and texture characteristics in the finished product; and should possess finish and appearance characteristics which will permit removal of all packaging material and surface defects. The cheese should at least meet the requirements equivalent to U.S. Standard Grade for Bulk American Cheese for Manufacturing provided the quantity of the cheese with any one defect as listed for U.S. Standard Grade is limited to assure a satisfactory finished product.

#### § 58.712 Swiss.

Swiss cheese used in the manufacture of pasteurized process cheese and related products should be equivalent to U.S. Grade B or better, except that the cheese may be blind or possess finish characteristics which do not impair the interior quality.

## **Agricultural Marketing Service, USDA**

## **§ 58.724**

### **§ 58.713 Gruyere.**

Gruyere cheese used in the manufacture of process cheese and related products should be of good wholesome quality and except for smaller eyes and sharper flavor shall meet the same requirements as for Swiss cheese.

### **§ 58.714 Cream cheese, Neufchatel cheese.**

These cheeses when mixed with other foods, or used for spreads and dips should possess a fresh, pleasing and desirable flavor.

### **§ 58.715 Cream, plastic cream and anhydrous milkfat.**

These food products shall be pasteurized, sweet, have a pleasing and desirable flavor and be free from objectionable flavors, and shall be obtained from milk which complies with the quality requirements as specified in §§ 58.132 through 58.138 of this subpart.

### **§ 58.716 Nonfat dry milk.**

Nonfat dry milk used in cheese products should meet the requirements equivalent to U.S. Extra Grade except that the moisture content may be in excess of that specified for the particular grade.

### **§ 58.717 Whey.**

Whey used in cheese products should meet the requirements equivalent to USDA Extra Grade except that the moisture requirement for dry whey may be waived.

### **§ 58.718 Flavor ingredients.**

Flavor ingredients used in process cheese and related products shall be those permitted by the Food and Drug Standards of Identity, and in no way deleterious to the quality or flavor of the finished product. In the case of bulky flavoring ingredients such as pimento, the particles should be, to at least a reasonable degree, uniform in size, shape and consistency. The individual types of flavoring materials should be uniform in color and should impart the characteristic flavor desired in the finished product.

### **§ 58.719 Coloring.**

Coloring shall be Annatto or any other cheese or butter color which is approved by the Food and Drug Administration.

### **§ 58.720 Acidifying agents.**

Acidifying agents if used shall be those permitted by the Food and Drug Administration for the specific pasteurized process cheese product.

### **§ 58.721 Salt.**

Salt shall be free flowing, white refined sodium chloride and shall meet the requirements of The Food Chemical Codex.

### **§ 58.722 Emulsifying agents.**

Emulsifying agents shall be those permitted by the Food and Drug Administration for the specific pasteurized process cheese product, and shall be free from extraneous material.

## **OPERATIONS AND OPERATING PROCEDURES**

### **§ 58.723 Basis for selecting cheese for processing.**

A representative sample shall have been examined to determine fat and moisture content. One sample unit from each vat of cheese shall have been examined to determine the suitability of the vat for use in process cheese products in accordance with the flavor, body and texture characteristics permitted in §§ 58.711 through 58.714 as applicable, and to determine the characteristics it will contribute to the finished product when blended with other cheese. The cheese included in each blend shall be selected on the basis of the desirable qualities which will result in the desired finished product. Recook from equivalent blends may be used in an amount that will not adversely affect the finished product. Hot cheese from the filler may be added to the cooker in amounts which will not adversely affect the finished product.

### **§ 58.724 Blending.**

To as great an extent as is practical, each vat of cheese should be divided and distributed throughout numerous

## **§ 58.725**

cooker batches. The purpose being to minimize the preponderance and consequent influence of any one vat on the characteristics of the finished product, and to promote as much uniformity as is practical. In blending also consider the final composition requirements for fat and moisture. Quantities of salt, color, emulsifier and other allowable ingredients to be added shall be calculated and predetermined for each cooker batch.

### **§ 58.725 Trimming and cleaning.**

The natural cheese shall be cleaned free of all non-edible portions. Paraffin and bandages as well as rind surface, mold or unclean areas or any other part which is unwholesome or unappetizing shall be removed.

### **§ 58.726 Cutting and grinding.**

The trimmed and cleaned cheese should be cut into sections of convenient size to be handled by the grinder or shredder. The grinding and mixing of the blended lots of cheese should be done in such a manner as to insure a homogeneous mixture throughout the batch.

### **§ 58.727 Adding optional ingredients.**

As each batch is added to the cooker, the predetermined amounts of salt, emulsifiers, color, or other allowable optional ingredients shall be added. However, a special blending vat may be used to mix the ground cheese and other ingredients before they enter the cooker to provide composition control.

### **§ 58.728 Cooking the batch.**

Each batch of cheese within the cooker, including the optional ingredients, shall be thoroughly commingled and the contents pasteurized at a temperature of at least 158 °F. and held at that temperature for not less than 30 seconds or any other equally effective combination of time and temperature approved by the Administrator. Care shall be taken to prevent the entrance of cheese particles or ingredients after the cooker batch of cheese has reached the final heating temperature. After holding for the required period of time, the hot cheese shall be emptied from the cooker as quickly as possible.

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

### **§ 58.729 Forming containers.**

Containers either lined or unlined shall be assembled and stored in a sanitary manner to prevent contamination. The handling of containers by filler crews should be done with extreme care and observance of personal cleanliness. Preforming and assembling of pouch liners and containers shall be kept to a minimum and the supply rotated to limit the length of time exposed to possible contamination prior to filling.

### **§ 58.730 Filling containers.**

Hot fluid cheese from the cookers may be held in hotwells or hoppers to assure a constant and even supply of processed cheese to the filler or slice former. Filler valves shall effectively measure the desired amount of product into the pouch or container in a sanitary manner and shall cut off sharply without drip or drag of cheese across the opening. An effective system shall be used to maintain accurate and precise weight control. Damaged or unsatisfactory packages shall be removed from production, and the cheese may be salvaged into sanitary containers, and added back to cookers.

### **§ 58.731 Closing and sealing containers.**

Pouches, liners, or containers having product contact surfaces, after filling shall be folded or closed and sealed in a sanitary manner, preferably by mechanical means, so as to assure against contamination. Each container in addition to other required labeling shall be coded in such a manner as to be easily identified as to date of manufacture by lot or subplot number.

### **§ 58.732 Cooling the packaged cheese.**

After the containers are filled they shall be stacked, or cased and stacked in such a manner as to prevent breaking of seals due to excessive bulging and to allow immediate progressive cooling of the individual containers of cheese. As a minimum the cheese should be cooled to a temperature of 100 °F. or lower within 24 hours after filling. The temperature of the cheese should be reduced further, before being shipped or if storage is intended.

## Agricultural Marketing Service, USDA

## § 58.735

### § 58.733 Quality control tests.

(a) *Chemical analyses.* The following chemical analyses shall be performed in accordance with the appropriate edition of the Official Methods of Analysis of the AOAC as specified in the appropriate Standards of Identity or in accordance with methods that give equivalent results.

(1) *Cheese.* A representative sample of cheese used in the manufacture of pasteurized process cheese products shall have been tested prior to usage to determine its moisture and fat content.

(2) *Pasteurized process cheese products.* As many samples shall be taken of the finished product direct from the cooker, hopper, filler, or other location as is necessary to assure compliance with composition requirements. Spot checks should be made on samples from the cooker as frequently as is necessary to indicate pasteurization by means of the phosphatase test, as well as any other tests necessary to assure good quality control.

(b) *Examination of physical characteristics.* As many samples shall be taken as is necessary to assure meeting the required physical characteristics of the products. Representative samples shall be taken from production for examination of physical characteristics. The samples shall be examined at approximately 70 °F. the first day of operation after the date of processing for the following characteristics: (1) Finish and appearance, (2) flavor, (3) color, (4) body and texture, and (5) slicing or spreading properties.

(c) *Keeping quality.* During processing or preferably from the cooled stock select sufficient samples at random from the production run. The samples should be stored at approximately 50 °F. for 3 months for evaluation of physical characteristics as in paragraph (b) of this section. Additional samples may be selected and held at different temperatures or time.

(d) *Weight control.* During the filling operation as many samples shall be randomly selected and weighed from each production run as is necessary to assure accuracy of the net weight established for the finished products.

### REQUIREMENTS FOR PROCESSED CHEESE PRODUCTS BEARING USDA OFFICIAL IDENTIFICATION

### § 58.734 Official identification.

Only process cheese products manufactured and packaged in accordance with the requirements of this part and with the applicable requirements in subpart A of this part which have been officially inspected in process and found to be in compliance with these requirements may be identified with official USDA Quality Approved Inspection Shield.

### § 58.735 Quality specifications for raw materials.

(a) *Cheddar colby, washed or soaked curd, granular or stirred curd cheese.* Cheese, used in the manufacture of pasteurized process cheese products which are identified with the USDA official identification shall possess a pleasing and desirable taste and odor consistent with the age of the cheese; shall have body and texture characteristics which will impart the desired body and texture characteristics in the finished product; and shall possess finish and appearance characteristics which will permit removal of all packaging material and surface defects. The cheese shall at least meet the requirements of U.S. Standard Grade for Bulk American Cheese for Manufacturing provided the quantity of the cheese with any one defect as listed for U.S. Standard Grade is limited, to assure compliance with the specifications of the finished product.

(b) *Swiss.* Swiss cheese used in the manufacture of pasteurized process cheese and related products bearing official identification shall be U.S. Grade B or better, except that the cheese may be blind or possess finish characteristics which do not impair the interior quality.

(c) *Gruyere.* Gruyere cheese used in the manufacture of process cheese and related products shall be of good wholesome quality and except for smaller eyes and sharper flavor shall meet the same requirements as for Swiss cheese.

(d) *Cream cheese, Neufchatel cheese.* Mixed with other foods, or used for spreads and dips shall possess a fresh, pleasing and desirable flavor.

(e) *Cream, plastic cream and anhydrous milkfat.* These food products shall be pasteurized, sweet, have a pleasing and desirable flavor and be free from objectionable flavors, and shall be obtained from milk which complies with the quality requirements as specified in § 58.132 of this subpart.

(f) *Nonfat dry milk.* Nonfat dry milk used in officially identified cheese products shall meet the requirements of U.S. Extra Grade except that the moisture content may be in excess of that specified for the particular grade.

(g) *Whey.* Condensed or dry whey used in officially identified cheese products shall meet the requirements for USDA Extra Grade except that the moisture requirement for dry whey may be waived.

(h) *Flavor ingredients.* Flavor ingredients used in process cheese and related products shall be those permitted by the Food and Drug Standards of Identity, and in no way deleterious to the quality or flavor of the finished product. In the case of bulky flavoring ingredients such as pimento, the particles shall be, to at least a reasonable degree, uniform in size, shape and consistency. The individual types of flavoring materials shall be uniform in color and shall impart the characteristic flavor desired in the finished product.

(i) *Other ingredients.* For coloring, acidifying agents, salt, and emulsifying agents see §§ 58.719, 58.720, 58.721 and 58.722.

QUALITY SPECIFICATIONS FOR FINISHED PRODUCTS

§ 58.736 **Pasteurized process cheese.**

Shall conform to the provisions of the Definitions and Standards of Identity for Pasteurized Process Cheese and Related Products, Food and Drug Administration. The average age of the cheese in the blend shall be such that the desired flavor, body and texture will be achieved in the finished product. The quality of pasteurized process cheese shall be determined on the basis of flavor, body and texture, color, and finish and appearance.

(a) *Flavor.* Has a pleasing and desirable mild cheese taste and odor characteristic of the variety or varieties of

cheese ingredients used. If additional optional ingredients are used they shall be incorporated in accordance with good commercial practices and the flavor imparted shall be pleasing and desirable. May have a slight cooked or very slight acid or emulsifier flavor; is free from any undesirable tastes and odors.

(b) *Body and texture.* Shall have a medium-firm, smooth and velvety body free from uncooked cheese particles. Is resilient and not tough, brittle, short, weak, or sticky. It shall be free from pin holes or openings except those caused by trapped steam. The cheese shall slice freely, and shall not stick to the knife or break when cut into approximately ¼ inch slices. If in sliced form, the slices shall separate readily.

(c) *Color.* May be colored or uncolored but shall be uniform throughout. If colored it shall be bright and not be dull or faded. To promote uniformity and a common reference to describe color use the color designations as depicted by the National Cheese Institute standard color guide for cheese.

(d) *Finish and appearance.* The wrapper may be slightly wrinkled but shall envelop the cheese, adhere closely to the surface, and be completely sealed and not broken or soiled.

§ 58.737 **Pasteurized process cheese food.**

Shall conform to the provisions of the Definitions and Standards of Identity for Pasteurized Process Cheese Food and Related Products, Food and Drug Administration. The average age of the cheese in the blend shall be such that the desired flavor, body and texture will be achieved in the finished product. The quality of pasteurized process cheese food shall be determined on the basis of flavor, body and texture, color, and finish and appearance.

(a) *Flavor.* Has a pleasing and desirable mild cheese taste and odor characteristic of the variety or varieties of cheese ingredients used. If additional optional ingredients are used they shall be incorporated in accordance with good commercial practices and the flavor imparted shall be pleasing and desirable. May have a slight cooked or very slight acid or emulsifier

flavors; is free from any undesirable tastes and odors.

(b) *Body and texture.* Shall have a reasonably medium-firm smooth and velvety body and free from uncooked cheese particles. Is resilient and not tough, brittle, short or sticky. It shall be free from pin holes or openings except those caused by trapped steam. The product shall slice freely with only a slight amount of sticking and shall not break when cut into approximately 1/8 inch slices. If in sliced form, the slices shall separate readily.

(c) *Color.* May be colored or uncolored but shall be uniform throughout. If colored it shall be bright and not be dull or faded. To promote uniformity and a common reference to describe color use the color designations as depicted by the National Cheese Institute standard color guide for cheese.

(d) *Finish and appearance.* The wrapper may be slightly wrinkled but shall envelop the cheese, adhere closely to the surface, and be completely sealed and not broken or soiled.

**§ 58.738 Pasteurized process cheese spread and related products.**

Shall conform to the applicable provisions of the Definitions and Standards of Identity for Pasteurized Process Cheese Spreads, Food and Drug Administration. The pH of pasteurized process cheese spreads shall not be below 4.0.

The quality of pasteurized process cheese spreads shall be determined on the basis of flavor, body and texture, color, and finish and appearance.

(a) *Flavor.* Has a pleasing and desirable cheese taste and odor characteristic of the variety or varieties of cheese ingredients used. If additional optional ingredients are used they shall be incorporated in accordance with good commercial practices and the flavor imparted shall be pleasing and desirable. May have a slight cooked, acid, or emulsifier flavor; is free from any undesirable tastes and odors.

(b) *Body and texture.* Shall have a smooth body free from uncooked cheese particles and when packaged shall form into a homogeneous plastic mass, and be free from pin holes or openings except those caused by

trapped steam. Product made for slicing shall slice freely when cut into approximately 1/8 inch slices with only a slight amount of sticking. Product made for spreading shall be spreadable at approximately 70 °F.

(c) *Color.* May be colored or uncolored but shall be uniform throughout. If colored it shall be bright and not be dull or faded. To promote uniformity and a common reference to describe color the color designations as depicted by the National Cheese Institute standard color guide for cheese may be used.

(d) *Finish and appearance.* Wrappers, if used, may be slightly wrinkled but shall envelop the cheese, adhere closely to the surface, and be completely sealed and not broken or soiled. Other containers made of suitable materials shall be completely filled, sealed and not broken or soiled.

**SUPPLEMENTAL SPECIFICATIONS FOR PLANTS MANUFACTURING, PROCESSING, AND PACKAGING WHEY, WHEY PRODUCTS AND LACTOSE**

**DEFINITIONS**

**§ 58.805 Meaning of words.**

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

(a) *Whey.* “Whey” is the fluid obtained by separating the coagulum from milk, cream, and/or skim milk in cheesemaking. The acidity of the whey may be adjusted by the addition of safe and suitable pH adjusting ingredients. Moisture removed from cheese curd as a result of salting may be collected for further processing as whey if the collection of the moisture and the removal of the salt from the moisture are conducted in accordance with procedures approved by the Administrator.

(b) *Dry Whey.* “Dry Whey” is the product resulting from drying fresh whey which has been pasteurized and to which nothing has been added as a preservative. It contains all constituents, except moisture, in the same relative proportions as in the whey.

## § 58.806

(c) *Dry Sweet Whey*. Dry whey not over 0.16 percent titratable acidity on a reconstituted basis.

(d) *Dry Whey—% Titratable Acidity*. Dry whey over 0.16 percent, but below 0.35 percent titratable acidity on a reconstituted basis. The blank being filled with the actual acidity.

(e) *Dry Acid Whey*. Dry whey with 0.35 percent or higher titratable acidity on a reconstituted basis.

(f) *Modified Whey Products*:

(1) Partially demineralized whey,

(2) Partially delactosed whey,

(3) Demineralized whey, and

(4) Whey protein concentrate-products defined by regulations of the Food and Drug Administration.

(g) *Lactose (milk sugar)*. That food product defined by regulations of the Food and Drug Administration.

[40 FR 47911, Oct. 10, 1975. Redesignated at 42 FR 32514, June 27, 1977, as amended at 46 FR 1257, Jan. 6, 1981. Redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 55 FR 39912, Oct. 1, 1990]

### ROOMS AND COMPARTMENTS

#### § 58.806 General.

Dry storage of product, packaging room for bulk product, and hopper or dump room shall meet the requirements of §§ 58.210 through 58.212 as applicable.

### EQUIPMENT AND UTENSILS

#### § 58.807 General construction, repair and installation.

All equipment and utensils necessary for the manufacture of whey, whey products and lactose shall meet the same general requirements for materials and construction as outlined in §§ 58.128 and 58.215 through 58.230 as applicable, except for the following:

(a) *Modified Whey Products*. Equipment for whey fractionation, such as ultrafiltration, reverse osmosis, gel filtration, and electrodialysis shall be constructed in accordance with 3-A sanitary design principles, except where engineering requirements preclude strict adherence to such standards. Materials used for product contact surfaces shall meet applicable 3-A Sanitary Standards or Food and Drug Administration requirements. All

## 7 CFR Ch. I (1–19 Edition)

equipment shall be of sanitary construction and readily cleanable.

(b) *Lactose*. Equipment used in the further processing of lactose following its separation from whey shall have smooth surfaces, be cleanable, free from cracks or crevices, readily accessible for inspection and shall be constructed of non-toxic material meeting applicable Food and Drug Administration requirements and under conditions of use shall be resistant to corrosion, pitting or flaking. [The use of stainless steel is optional.]

### QUALITY SPECIFICATIONS FOR RAW MATERIALS

#### § 58.808 Whey.

Whey for processing shall be fresh and originate from the processing of products made from milk meeting the requirements as outlined in §§ 58.132 through 58.138. Only those ingredients approved by the Food and Drug Administration may be added to the whey for processing, except when restricted by this subpart. Whey products to which approved ingredients have been added or constituents removed to alter original characteristics for processing or usage shall be labeled to meet the applicable requirements.

### OPERATIONS AND OPERATING PROCEDURES

#### § 58.809 Pasteurization.

(a) All fluid whey used in the manufacture of dry whey, dry whey products, modified whey products, and lactose shall be pasteurized prior to condensing. When the condensing and drying operations for dry whey take place at the same plant, the pasteurization may be located at a different point in the operation provided it will protect the quality of the finished product and not adversely affect the processing procedure.

(b) Pasteurized products transported to another plant for final processing shall be repasteurized, except that condensed whey containing 40 percent or more solids may be transported to another plant for further processing into dry whey, dry whey products or lactose without repasteurization.



## Agricultural Marketing Service, USDA

## § 58.905

(c) If whey is transferred to another plant for further processing, or if during the processing procedure unpasteurized ingredients are added (except those necessary for lactose crystallization), or processing procedures permit contamination or bacterial growth, the whey shall be repasteurized as close to the final drying operations as possible.

### § 58.810 Temperature requirements.

(a) Unless processed within 2 hours, all whey or condensed whey, except acid type whey with a titratable acidity of 0.40 percent or above, or a pH of 4.6 or below, shall be cooled to 45 °F or less, or heated to 145 °F or higher. Other temperatures may be used when essential for the technology of the process, such as lactose crystallization and membrane whey separation processes, when the quality and wholesomeness of the product is not impaired.

(b) Recording thermometers shall be required and so located to assure that the cooling or heating requirements in paragraph (a) of this section are met.

### § 58.811 General.

The operating procedures as contained in §§ 58.237 through 58.244, 58.246, 58.247, and 58.443 (a) and (b) shall be followed as applicable.

### § 58.812 Methods of sample analysis.

Samples shall be tested according to the applicable methods of laboratory analysis contained in either DA Instruction 918-RL, as issued by the USDA, Agricultural Marketing Service, Dairy Programs, or the Official Methods of Analysis of the Association of Official Analytical Chemists, or Standard Methods for the Examination of Dairy Products.

[67 FR 48976, July 29, 2002]

## REQUIREMENTS FOR FINISHED PRODUCTS BEARING USDA OFFICIAL IDENTIFICATION

### § 58.813 Dry whey.

The quality requirements for dry whey shall be in accordance with the U.S. Standards for Dry Whey.

## SUPPLEMENTAL SPECIFICATIONS FOR PLANTS MANUFACTURING, PROCESSING, AND PACKAGING EVAPORATED AND CONDENSED MILK OR ULTRA-PASTEUR- IZED PRODUCTS

### DEFINITIONS

### § 58.905 Meaning of words.

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

(a) *Evaporated milk*. The liquid food made by evaporating sweet milk to such point that it contains not less than 6.5 percent of milkfat and not less than 16.5 percent of the total milk solids. The finished product shall conform to the requirements of the Food and Drug Administration for evaporated milk (21 CFR 131.130).

(b) *Concentrated milk, plain condensed milk*. The product which conforms to the standard of identity for evaporated milk except that it is not processed by heat to prevent spoilage. The container may be unsealed, and stabilizing ingredients are not used. The finished product shall conform to the requirements of the Food and Drug Administration for concentrated milk (21 CFR 131.115).

(c) *Sweetened condensed milk*. The liquid or semi-liquid food made by evaporating a mixture of sweet milk and refined sugar (sucrose) or any combination of refined sugar (sucrose) and refined corn sugar (dextrose) to such point that the finished sweetened condensed milk contains not less than 28.0 percent of total milk solids and not less than 8.0 percent of milkfat. The quantity of sugar used is sufficient to prevent spoilage. The finished product shall conform to the requirements of the Food and Drug Administration for sweetened condensed milk (21 CFR 131.120).

(d) *Ultra-pasteurized*. The product shall have been thermally processed at or above 280 °F for at least 2 seconds, either before or after packaging, so as

## **§ 58.912**

to produce a product which has an extended shelf life under refrigerated conditions.

[40 FR 47911, Oct. 10, 1975. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 67 FR 48976, July 29, 2002]

### **EQUIPMENT AND UTENSILS**

#### **§ 58.912 General construction, repair and installation.**

The equipment and utensils used for processing and packaging evaporated, condensed or ultra pasteurized dairy products shall be as specified in § 58.128. In addition for certain other equipment, the following requirements shall be met.

#### **§ 58.913 Evaporators and vacuum pans.**

All equipment used in the removal of moisture from milk or milk products for the purpose of concentrating the solids should comply with the requirements of the 3-A Sanitary Standards for Milk and Milk Products Evaporators and Vacuum Pans.

#### **§ 58.914 Fillers.**

Both gravity and vacuum type fillers shall be of sanitary design and all product contact surfaces, if metal, shall be made of stainless steel or equally corrosion-resistant material; except that, certain evaporated milk fillers having brass parts may be approved if free from corroded surfaces and kept in good repair. Nonmetallic product contact surfaces shall comply with the requirements for 3-A Sanitary Standards for Plastic, and Rubber and Rubber-Like Materials. Fillers shall be designed so that they in no way will contaminate or detract from the quality of the product being packaged.

#### **§ 58.915 Batch or continuous in-container thermal processing equipment.**

Batch or continuous in-container thermal processing equipment shall meet the requirements of the Food and Drug Administration for thermally processed low-acid foods packaged in hermetically sealed containers (21 CFR part 113). The equipment shall be maintained in such a manner as to assure

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

control of the length of processing and to minimize the number of damaged containers.

[67 FR 48977, July 29, 2002]

#### **§ 58.916 Homogenizer.**

Homogenizers where applicable shall be used to reduce the size of the fat particles and to evenly disperse them in the product. Homogenizers shall comply with the applicable 3-A Sanitary Standards.

### **OPERATIONS AND OPERATING PROCEDURES**

#### **§ 58.917 General.**

There are many operations and procedures used in the preparation of evaporated, condensed and ultra pasteurized dairy products that are similar, therefore, the following general requirements will apply when such operations or procedures are used.

#### **§ 58.918 Standardization.**

The standardization of the product to obtain a finished product of a given composition shall be accomplished by the addition or removal of milkfat, milk solids-not-fat and/or water. The ingredients added to accomplish the desired composition shall be of the same hygienic quality as the product being standardized.

#### **§ 58.919 Pre-heat, pasteurization.**

When pasteurization is intended or required by either the vat method, HTST method, or by the HHST method it shall be accomplished by systems and equipment meeting the requirements outlined in § 58.128. Pre-heat temperatures prior to ultra pasteurization will be those that have the most favorable effect on the finished product.

#### **§ 58.920 Homogenization.**

Where applicable concentrated products shall be homogenized for the purpose of dispersing the fat throughout the product. The temperature of the product at time of homogenization and the pressure at which homogenization is accomplished will be that which accomplishes the most desired results in the finished products.

## Agricultural Marketing Service, USDA

## § 58.929

### § 58.921 Concentration.

Concentrating by evaporation shall be accomplished with a minimum of chemical change in the product. The equipment and systems used shall in no way contaminate or adversely affect the desirability of the finished product.

### § 58.922 Thermal processing.

The destruction of living organisms shall be performed in one of the following methods:

(a) The complete in-container method, by heating the container and contents to a range of 212 °F to 280 °F for a sufficient time;

(b) By a continuous flow process at or above 280 °F for at least 2 seconds, then packaged aseptically;

(c) The product is first processed according to methods as in paragraph (b) of this section, then packaged and given further heat treatment to complete the process.

### § 58.923 Filling containers.

(a) The filling of small containers with product shall be done in a sanitary manner. The containers shall not contaminate or detract from the quality of the product in any way. After filling, the container shall be hermetically sealed.

(b) Bulk containers for the product shall be suitable and adequate to protect the product in storage or transit. The bulk container (including bulk tankers) shall be cleaned and sanitized before filling, and filled and closed in a sanitary manner.

### § 58.924 Aseptic filling.

A previously ultra pasteurized product shall be filled under conditions which prevent contamination of the product by living organisms or spores. The containers prior to being filled shall be sterilized and maintained, in a sterile condition. The containers shall be sealed in a manner that prevents contamination of the product.

### § 58.925 Sweetened condensed.

After condensing, the sweetened condensed product should be cooled rapidly to about 85 °F to induce crystallization of the oversaturated lactose. When the desired crystallization

is reached further cooling is resumed to 68°–70 °F.

### § 58.926 Heat stability.

Prior to thermal processing of concentrated products and where stabilizers are allowed, tests should be made on the heat stability of the product to determine necessity for, and the amount of stabilizer needed. Based on the stability tests, safe and suitable stabilizers and emulsifiers may be added.

### § 58.927 Storage.

Finished products which are to be held more than 30 days should be stored at temperatures below 72 °F. Precautions shall be taken to prevent freezing of the product.

### § 58.928 Quality control tests.

All dairy products and other ingredients shall be subject to inspection for quality and condition throughout each processing operation. Quality control tests shall be made on flow samples as often as is necessary to check the effectiveness of processing and manufacturing and as an aid in correcting deficiencies. Routine analyses shall be made on raw materials and finished products to assure adequate composition control. For each batch or production run a keeping quality test shall be made to determine product stability.

### § 58.929 Frequency of sampling for quality control.

(a) *Composition.* Sampling and testing for composition shall be made on batches of product as often as is necessary to control composition. On continuous production runs, enough samples shall be taken throughout the run to adequately assure composition requirements.

(b) *Other chemical analysis or physical analysis.* Such tests shall be performed as often as is necessary to assure compliance with standards, specifications or contract requirements.

(c) *Weight or volume control.* Representative samples of the packaged products shall be checked during the filling operation to assure compliance with the stated net weight or volume on the container.

## § 58.930

(d) *Keeping quality and stability.* A minimum of one sample from each batch of product or one representative sample per hour from a continuous production run shall be taken. For continuous runs, samples shall be taken at the start, each hour, and at the end of the run. Samples should also be taken after resumption of processing following an interruption in continuous operation. Each sample shall be incubated at 90 °F to 100 °F for seven days.

## § 58.930 Official test methods.

(a) *Chemical.* Chemical analysis, except where otherwise prescribed herein, shall be made in accordance with the methods described in the latest edition of Official Methods of Analysis of the AOAC or by the latest edition of Standard Methods for the Examination of Dairy Products.

(b) *Microbiological.* Microbiological determinations shall be made in accordance with the methods described in the latest edition of Standard Methods for the Examination of Dairy Products.

## § 58.931 General identification.

Bulk shipping containers shall be legibly marked with the name of the product, net weight, name and address of manufacturer, processor or distributor, a lot number and coded date of manufacture. Consumer sized containers shall meet the applicable regulations of the Food and Drug Administration.

### QUALITY SPECIFICATIONS FOR RAW MATERIALS

## § 58.932 Milk.

The raw milk shall meet the requirements as outlined in §§ 58.132 through 58.138. Unless processed within two hours after being received, it shall be cooled to, and held at a temperature of 45 °F or lower until processed.

## § 58.933 Stabilizers.

Shall be those permitted by the Food and Drug Administration's "Standards of Identity" as optional ingredients for specific products. Stabilizers shall be free from extraneous material, be of food grade quality and not be in violation of the Federal Food, Drug and Cosmetic Act.

## 7 CFR Ch. I (1–1–19 Edition)

## § 58.934 Sugars.

Any sugar used in the manufacture of sweetened condensed or sterilized milk products shall be refined, and of food grade quality.

## § 58.935 Chocolate and cocoa.

Such products used as flavor ingredients shall meet the requirements of the Food and Drug Administration, "Definitions and Standards of Identity for Cocoa Products."

### REQUIREMENTS FOR FINISHED PRODUCTS BEARING USDA OFFICIAL IDENTIFICATION

## § 58.936 Milk.

To process and package evaporated and condensed milk of ultra-pasteurized dairy products eligible for official identification with the USDA Quality Approved Inspection Shield the raw incoming milk shall meet the requirements as outlined in §§ 58.132 through 58.136. Unless processed within two hours after being received, it shall be cooled to, and held at a temperature of 45 °F or lower until processed.

## § 58.937 Physical requirements for evaporated milk.

(a) *Flavor.* The product shall possess a sweet, pleasing and desirable flavor with not more than a definite cooked flavor. It shall be free from scorched, oxidized or other objectionable tastes and odors.

(b) *Body and texture.* The product shall be of uniform consistency and appearance. It shall be smooth and free from fat separation, lumps, clots, gel formation, coarse milk solids precipitate or sedimentation and extraneous material.

(c) *Color.* The color shall be of a natural white or light cream.

(d) *Degree of burn-on.* The interior walls of the container shall not show excessive burn-on of product (product fused to more than 75 percent of the inner surface of the can).

(e) *Keeping quality.* Samples incubated at 90–100 °F shall show no sensory, chemical or microbiological deterioration after seven days.

**§ 58.938 Physical requirements and microbiological limits for sweetened condensed milk.**

(a) *Flavor*. Shall be sweet, clean, and free from rancid, oxidized, scorched, fermented, stale or other objectionable tastes and odors.

(b) *Color*. Shall be white to light cream.

(c) *Texture*. Shall be smooth and uniform, free from lumps or coarse graininess. There shall not be sufficient settling of the lactose to cause a deposit on the bottom of the container.

(d) *Body*. Shall be sufficiently viscous so that the product upon being poured at room temperature piles up above the surface of that previously poured, but does not retain a definite form.

(e) *Microbiological limits*. (1) Coliforms, less than 10 per gram; (2) yeasts, less than 5 per gram; (3) molds, less than 5 per gram; (4) total plate count, less than 1,000 per gram.

(f) *Keeping quality*. Samples incubated at 90–100 °F shall show no physical evidence of deterioration after seven days.

(g) *Composition*. Shall meet the minimum requirements of the Food and Drug Administration for sweetened condensed milk (21 CFR 131.120). In addition, the quantity of refined sugar used shall be sufficient to give a sugar-in-water ratio of not less than 61.5 percent.

(h) *Sediment*. The amount of sediment retained on a lintine disc after a sample composed of 225 grams of product dissolved in 500 ml. of 140 °F water has passed through it, shall not exceed 0.10 mg. as indicated by the USDA Sediment Standard for Milk and Milk Products (7 CFR 58.2726).

[40 FR 47911, Oct. 10, 1975. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 67 FR 48977, July 29, 2002]

**Subparts C–V [Reserved]**

**Subpart W—United States Department of Agriculture Standard for Ice Cream**

SOURCE: 42 FR 56717, Oct. 28, 1977, unless otherwise noted. Redesignated at 46 FR 63203, Dec. 31, 1981.

**§ 58.2825 United States Standard for ice cream.**

(a) Ice cream shall contain at least 1.6 pounds of total solids to the gallon, weigh not less than 4.5 pounds to the gallon, and contain not less than 20 percent total milk solids, constituted of not less than 10 percent milkfat. In no case shall the content of milk solids not fat be less than 6 percent. Whey shall not, by weight, be more than 25 percent of the milk solids not fat.

(b) When one or more of the bulky optional ingredients, as approved by the Food and Drug Administration, are used, the weights of milk fat and total milk solids (exclusive of such fat and solids in any malted milk used) are not less than 10 percent and 20 percent, respectively, of the remainder obtained by subtracting the weight of such optional ingredients, from the weight of the finished ice cream; but in no case is the weight of milk fat or total milk solids less than 8 percent and 16 percent, respectively, of the weight of the finished ice cream. In calculating the reduction of milk fat and total milk solids from the use of bulky optional ingredients, chocolate and cocoa solids used shall be considered the bulky ingredients. In order to make allowance for additional sweetening ingredients needed when bulky ingredients are used, the weight of chocolate or cocoa solids may be multiplied by 2.5; the weight of fruit or nuts used may be multiplied by 1.4; and the weight of partially or wholly dried fruits or fruit juices may be multiplied by appropriate factors to obtain the original weights before drying and this weight multiplied by 1.4. The finished ice cream contains not less than 1.6 pounds to the gallon; except that when the optional ingredient microcrystalline cellulose is used, the finished ice cream contains not less than 1.6 pounds of total solids to the gallon and weighs not less than 4.5 pounds to the gallon exclusive, in both cases, of the weight of the microcrystalline cellulose.

(c) Optional characterizing ingredients, optional sweetening ingredients, stabilizers, and emulsifiers as approved by the Food and Drug Administration may be used.

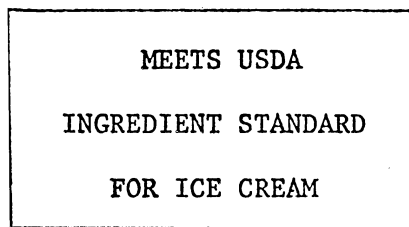
## § 58.2826

### § 58.2826 General identification.

Consumer packaged product shall comply with the applicable labeling regulations of the Food and Drug Administration.

### § 58.2827 Official identification.

(a) The official symbol to be used to identify product meeting the USDA standard for ice cream shall be as follows:



(b) Ice cream manufacturing plants using this symbol shall be USDA approved as set forth in subpart B of this regulation, and the ice cream bearing the symbol shall be manufactured under continuous resident or continuous nonresident USDA inspection service in accordance with subpart A of this regulation. The dairy ingredients used in such ice cream shall come from USDA approved plants.

## PART 59—LIVESTOCK MANDATORY REPORTING

### Subpart A—General Provisions

Sec.

- 59.10 General administrative provisions.
- 59.20 Recordkeeping.
- 59.30 Definitions.

### Subpart B—Cattle Reporting

- 59.100 Definitions.
- 59.101 Mandatory daily reporting for steers and heifers.
- 59.102 Mandatory daily reporting for cows and bulls.
- 59.103 Mandatory weekly reporting for steers and heifers.
- 59.104 Mandatory reporting of boxed beef sales.

### Subpart C—Swine Reporting

- 59.200 Definitions.
- 59.201 General reporting provisions.

## 7 CFR Ch. I (1–19 Edition)

- 59.202 Mandatory daily reporting for barrows and gilts.
- 59.203 Mandatory daily reporting for sows and boars.
- 59.204 Mandatory weekly reporting for swine.
- 59.205 Mandatory reporting of wholesale pork sales.

### Subpart D—Lamb Reporting

- 59.300 Definitions.
- 59.301 Mandatory daily reporting for lambs.
- 59.302 Mandatory weekly reporting for lambs.
- 59.303 Mandatory reporting of lamb carcasses and boxed lamb.

### Subpart E—OMB Control Number

- 59.400 OMB control number assigned pursuant to the Paperwork Reduction Act.

AUTHORITY: 7 U.S.C. 1635–1636i.

SOURCE: 73 FR 28633, May 16, 2008, unless otherwise noted.

## Subpart A—General Provisions

### § 59.10 General administrative provisions.

(a) *Reporting by packers and importers.* A packer or importer shall report all information required under this part on an individual lot basis.

(b) *Reporting schedule.* Whenever a packer or importer is required to report information on transactions of livestock and livestock products under this part by a set time, all covered transactions up to within one half hour of the reporting deadline shall be reported. Transactions completed during the one half hour prior to the previous reporting time, but not reported in the previous report, shall be reported at the next scheduled reporting time.

(c) *Regional reporting and aggregation.* The Secretary shall make information obtained under this part available to the public only in a manner that:

(1) Ensures that the information is published on a national and a regional or statewide basis as the Secretary determines to be appropriate;

(2) Ensures that the identity of a reporting person or the entity which they represent is not disclosed; and

(3) Market information reported to the Secretary by packers and importers shall be aggregated in such a manner that the market reports issued will

not disclose the identity of persons, packers and importers, including parties to a contract and packer's and importer's proprietary information.

(d) *Adjustments.* Prior to the publication of any information required under this part, the Secretary may make reasonable adjustments in information reported by packers and importers to reflect price aberrations or other unusual or unique occurrences that the Secretary determines would distort the published information to the detriment of producers, packers, or other market participants.

(e) *Reporting of activities on weekends and holidays.* Livestock and livestock products committed to a packer, or importer, or purchased, sold, or slaughtered by a packer or importer on a weekend day or holiday shall be reported to the Secretary in accordance with the provisions of this Part and reported by the Secretary on the immediately following reporting day. A packer shall not be required to report such actions more than once on the immediately following reporting day.

(f) *Reporting methods.* Whenever information is required to be reported under this part, it shall be reported by electronic means and shall adhere to a standardized format established by the Secretary to achieve the objectives of this part, except in emergencies or in cases when an alternative method is agreeable to the entity required to report and AMS.

**§ 59.20 Recordkeeping.**

(a) *In general.* Each packer or importer required to report information to the Secretary under the Act and this Part shall maintain for 2 years and make available to the Secretary the following information on request:

(1) The original contracts, agreements, receipts, and other records associated with any transaction relating to the purchase, sale, pricing, transportation, delivery, weighing, slaughter, or carcass characteristics of all livestock or livestock products; and

(2) Such records or other information as is necessary or appropriate to verify the accuracy of the information required to be reported under the Act and this Part.

(b) *Purchases of cattle and swine and sales of boxed beef cuts.* A record of a purchase of a lot of cattle or swine, or a sale of a unit of boxed beef cuts, by a packer shall evidence whether the purchase or sale occurred:

- (1) Before 10 a.m. central time;
- (2) Between 10 a.m. and 2 p.m. central time; or
- (3) After 2 p.m. central time.

(c) *Purchases of lambs.* A record of a purchase of a lot of lambs by a packer shall evidence whether the purchase occurred:

- (1) Before 2 p.m. central time; or
- (2) After 2 p.m. central time.

(d) *Sales of lamb carcasses and sales of boxed lamb cuts.* A record of a sale by a packer of lamb carcasses and cuts, shall evidence time and date the sale occurred:

- (1) Before 2 p.m. central time; or
- (2) After 2 p.m. central time.

A record of sale by an importer of lamb cuts shall evidence the date the sale occurred.

(e) *Reporting sales of boxed beef cuts and sales of boxed lamb cuts.* (1) Beef packers must report all sales of boxed beef items by the applicable Institutional Meat Purchase Specifications (IMPS) item number or the boxed beef items' cutting and trimming specifications.

(2) Lamb packers and importers must report all sales of boxed lamb items by the applicable Institutional Meat Purchase Specifications (IMPS) item number or the boxed lamb items' cutting and trimming specifications.

(f) *Reporting sales of wholesale pork.* A record of a sale of wholesale pork by a packer shall evidence whether the sale occurred:

- (1) Before 10:00 a.m. central time;
- (2) Between 10:00 a.m. and 2:00 p.m. central time; or
- (3) After 2:00 p.m. central time.

[73 FR 28633, May 16, 2008, as amended at 77 FR 50573, Aug. 22, 2012]

**§ 59.30 Definitions.**

The following definitions apply to this part.

*Act.* The term "Act" means Subtitle B of the Agricultural Marketing Act of 1946, as amended; 7 U.S.C. 1635–1636h.

*Base price.* The term “base price” means the price paid for livestock, delivered at the packing plant, before application of any premiums or discounts, expressed in dollars per hundred pounds of hot carcass weight.

*Basis level.* The term “basis level” means the agreed on adjustment to a future price to establish the final price paid for livestock.

*Current slaughter week.* The term “current slaughter week” means the period beginning Monday, and ending Sunday, of the week in which a reporting day occurs.

*Discount.* The term “discount” means the adjustment, expressed in dollars per one hundred pounds, subtracted from the base price due to weight, quality characteristics, yield characteristics, livestock class, dark cutting, breed, dressing percentage, or other characteristic.

*Exported.* The term “exported” means livestock or livestock products that are physically shipped to locations outside of the 50 States.

*F.O.B.* The term “F.O.B.” means free on board, regardless of the mode of transportation, at the point of direct shipment by the seller to the buyer (e.g., F.O.B. Plant, F.O.B. Feedlot) or from a common basis point to the buyer (e.g., F.O.B. Omaha).

*Imported.* The term “imported” means livestock that are raised to slaughter weight outside of the 50 States or livestock products produced outside of the 50 States.

*Institutional Meat Purchase Specifications.* Specifications describing various meat cuts, meat products, and meat food products derived from all livestock species, commonly abbreviated “IMPS”, and intended for use by any meat procuring activity. Copies of the IMPS may be obtained from the U.S. Department of Agriculture, Agricultural Marketing Service, Livestock and Seed Program located at Room 2603 South Building, 1400 Independence Ave., SW., Washington, DC 20250. Phone (202) 260-8295 or Fax (202) 720-1112. Copies may also be obtained over the Internet at <http://www.ams.usda.gov/AMSv1.0/LivestockStandardizationIMPS>.

*Livestock.* The term “livestock” means cattle, swine, and lambs.

*Lot.* (1) When used in reference to livestock, the term “lot” means a group of one or more livestock that is identified for the purpose of a single transaction between a buyer and a seller;

(2) When used in reference to lamb carcasses, the term “lot” means a group of one or more lamb carcasses sharing a similar weight range category and comprising a single transaction between a buyer and seller; or

(3) When used in reference to boxed beef, wholesale pork, and lamb, the term “lot” means a group of one or more boxes of beef, wholesale pork, or lamb items sharing cutting and trimming specifications and comprising a single transaction between a buyer and seller.

*Marketing.* The term “marketing” means the sale or other disposition of livestock, livestock products, or meat or meat food products in commerce.

*Negotiated purchase.* The term “negotiated purchase” means a cash or spot market purchase by a packer of livestock from a producer under which the base price for the livestock is determined by seller-buyer interaction and agreement on a delivery day. The livestock are scheduled for delivery to the packer not more than 14 days after the date on which the livestock are committed to the packer.

*Negotiated grid purchase.* The term “negotiated grid purchase” in reference to cattle means the negotiation of a base price, from which premiums are added and discounts are subtracted, determined by seller-buyer interaction and agreement on a delivery day. The livestock are scheduled for delivery to the packer not more than 14 days after the date on which the livestock are committed to the packer.

*Negotiated sale.* The term “negotiated sale” means a cash or spot market sale by a producer of livestock to a packer under which the base price for the livestock is determined by seller-buyer interaction and agreement on a delivery day. The livestock are scheduled for delivery to the packer not later than 14 days after the date on which the livestock are committed to the packer. When used in reference to sales of boxed beef or lamb cuts or lamb carcasses the term “negotiated sale”



## Agricultural Marketing Service, USDA

## § 59.100

means a sale by a packer selling boxed beef or lamb cuts or lamb carcasses to a buyer of boxed beef or lamb cuts or lamb carcasses under which the price for the boxed beef or lamb cuts or lamb carcasses is determined by seller-buyer interaction and agreement on a day.

*Origin.* The term “origin” means the State where the livestock were fed to slaughter weight.

*Percent lean.* The term “percent lean” means the value equal to the average percentage of the carcass weight comprised of lean meat.

*Person.* The term “person” means any individual, group of individuals, partnership, corporation, association, or other entity.

*Premium.* The term “premium” means the adjustment, expressed in dollars per one hundred pounds, added to the base price due to weight, quality characteristics, yield characteristics, livestock class, and breed.

*Priced.* The term “priced” means the time when the final price is determined either through buyer-seller interaction and agreement or as a result of some other price determining method.

*Prior slaughter week.* The term prior “slaughter week” means the Monday through Sunday prior to a reporting day.

*Producer.* The term “producer” means any person engaged in the business of selling livestock to a packer for slaughter (including the sale of livestock from a packer to another packer).

*Purchased.* The term “purchased” means the agreement on a price, or the method for calculating a price, determined through buyer-seller interaction and agreement.

*Reporting day.* The term “reporting day” means a day on which a packer conducts business regarding livestock committed to the packer, or livestock purchased, sold, or slaughtered by the packer; the Secretary is required to make such information available to the public; and the Department of Agriculture is open to conduct business.

*Secretary.* The term “Secretary” means the Secretary of Agriculture of the United States or any other officer or employee of the Department of Agriculture to whom authority has been

delegated or may hereafter be delegated to act in the Secretary’s stead.

*State.* The term “State” means each of the 50 States.

[73 FR 28633, May 16, 2008, as amended at 77 FR 50573, Aug. 22, 2012]

### Subpart B—Cattle Reporting

#### § 59.100 Definitions.

The following definitions apply to this subpart.

*Boxed beef.* The term “boxed beef” means those carlot-based portions of a beef carcass including fresh and frozen primals, subprimals, cuts fabricated from subprimals (excluding portion-control cuts such as chops and steaks similar to those portion cut items described in the Institutional Meat Purchase Specifications (IMPS) for Fresh Beef Products Series 100), thin meats (e.g. inside and outside skirts, pectoral meat, cap and wedge meat, and blade meat), and fresh and frozen ground beef, beef trimmings, and boneless processing beef.

*Branded.* The term “branded” means boxed beef cuts produced and marketed under a corporate trademark (for example, products that are marketed on their quality, yield, or breed characteristics), or boxed beef cuts produced and marketed under one of USDA’s Meat Grading and Certification Branch, Certified Beef programs.

*Carcass characteristics.* The term “carcass characteristics” means the range and average carcass weight in pounds, the quality grade and yield grade (if applicable), and the average cattle dressing percentage.

*Carlot-based.* The term “carlot-based” means any transaction between a buyer and a seller destined for two or less delivery stops consisting of one or more individual boxed beef items. When used in reference to cow and bull boxed beef items, the term “carlot-based” means any transaction between a buyer and seller consisting of 2,000 pounds or more of one or more individual items.

*Cattle committed.* The term “cattle committed” means cattle that are scheduled to be delivered to a packer within the 7-day period beginning on the date of an agreement to sell the cattle.

*Cattle type.* The term “cattle type” means the following types of cattle purchased for slaughter:

- (1) Fed steers;
- (2) Fed heifers;
- (3) Fed Holsteins and other fed dairy steers and heifers;
- (4) Cows; and
- (5) Bulls.

*Established.* The term “established”, when used in connection with prices, means that point in time when the buyer and seller agree upon a net price.

*Formula marketing arrangement.*

(1) When used in reference to live cattle, the term “formula marketing arrangement” means the advance commitment of cattle for slaughter by any means other than through a negotiated purchase or a forward contract, using a method for calculating price in which the price is determined at a future date.

(2) When used in reference to boxed beef, the term “formula marketing arrangement” means the advance commitment of boxed beef by any means other than through a negotiated purchase or a forward contract, using a method for calculating price in which the price is determined at a future date.

*Forward contract.* (1) When used in reference to live cattle, the term “forward contract” means an agreement for the purchase of cattle, executed in advance of slaughter, under which the base price is established by reference to prices quoted on the Chicago Mercantile Exchange, or other comparable publicly available prices.

(2) When used in reference to boxed beef, the term “forward contract” means an agreement for the sale of boxed beef, executed in advance of manufacture, under which the base price is established by reference to publicly available quoted prices.

*Packer.* The term “packer” means any person engaged in the business of buying cattle in commerce for purposes of slaughter, of manufacturing or preparing meats or meat food products from cattle for sale or shipment in commerce, or of marketing meats or meat food products from cattle in an unmanufactured form acting as a wholesale broker, dealer, or distributor in commerce. For any calendar year,

the term “packer” includes only a federally inspected cattle processing plant that slaughtered an average of 125,000 head of cattle per year during the immediately preceding 5 calendar years. Additionally, in the case of a cattle processing plant that did not slaughter cattle during the immediately preceding 5 calendar years, it shall be considered a packer if the Secretary determines the processing plant should be considered a packer under this subpart after considering its capacity.

*Packer-owned cattle.* The term “packer-owned cattle” means cattle that a packer owns for at least 14 days immediately before slaughter.

*Prices for cattle.* The term “prices for cattle” includes the price per hundred-weight; the purchase type; the quantity on a live and a dressed weight basis; the estimated live weight range; the average live weight; the estimated percentage of cattle of a USDA quality grade Choice or better; beef carcass classification; any premiums or discounts associated with weight, quality grade, yield grade, or type of purchase; cattle State of origin; estimated cattle dressing percentage; and price basis as F.O.B. feedlot or delivered at the plant.

*Terms of trade.* The term “terms of trade” means, with respect to the purchase of steers and heifers for slaughter:

(1) Whether a packer provided any financing agreement or arrangement with regard to the steers and heifers;

(2) Whether the delivery terms specified the location of the producer or the location of the packer’s plant;

(3) Whether the producer is able to unilaterally specify the date and time during the business day of the packer that the cattle are to be delivered for slaughter; and

(4) The percentage of steers and heifers purchased by a packer as a negotiated purchase that are scheduled to be delivered to the plant for slaughter not later than 14 days and the percentage of slaughter steers and heifers purchased by a packer as a negotiated purchase that are scheduled to be delivered to the plant for slaughter more than 14 days, but fewer than 30 days.

*Type of purchase.* The term “type of purchase” with respect to cattle,

means a negotiated purchase, negotiated grid purchase, a formula market arrangement, and a forward contract.

*Type of sale.* The term “type of sale” with respect to boxed beef, means a negotiated sale, a formula market arrangement, and a forward contract.

*White cow.* Cow on a ration that tends to produce white fat.

**§ 59.101 Mandatory daily reporting for steers and heifers.**

(a) *In general.* The corporate officers or officially designated representatives of each steer and heifer packer processing plant shall report to the Secretary at least two times each reporting day not later than 10 a.m. central time and not later than 2 p.m. central time the following information, inclusive since the last reporting, categorized to clearly delineate domestic from imported market purchases as described in § 59.10(b).

(1) The prices for cattle (per hundredweight) established on that day, categorized by:

- (i) The type of purchase;
- (ii) The quantity of cattle purchased on a live weight basis;
- (iii) The quantity of cattle purchased on a dressed weight basis;
- (iv) The estimated weights of cattle purchased;
- (v) An estimate of the percentage of the cattle purchased that were of a quality grade of Choice or better; and
- (vi) Any premiums or discounts associated with weight, quality grade, yield grade, or other characteristic expressed in dollars per hundredweight on a dressed basis.

(2) The quantity of cattle delivered to the packer (quoted in numbers of head) on that day, categorized by:

- (i) The type of purchase;
- (ii) The quantity of cattle delivered on a live weight basis; and
- (iii) The quantity of cattle delivered on a dressed weight basis.

(3) The quantity of cattle committed to the packer (quoted in numbers of head) as of that day, categorized by:

- (i) The type of purchase;
- (ii) The quantity of cattle committed on a live weight basis; and
- (iii) The quantity of cattle committed on a dressed weight basis.

(4) The terms of trade regarding the cattle, as applicable.

(b) *Publication.* The Secretary shall make the information available to the public not less frequently than three times each reporting day.

**§ 59.102 Mandatory daily reporting for cows and bulls.**

(a) *In General.* The corporate officers or officially designated representatives of each cow and bull packer processing plant shall report to the Secretary each reporting day the following information for each cattle type, inclusive since the last reporting, categorized to clearly delineate domestic from imported market purchases as described in § 59.10(b).

(1) The base bid price (per hundredweight) intended to be paid for slaughter cow and bull carcasses on that day not later than 10 a.m. central time categorized by:

- (i) Weight; and
- (ii) For slaughter cows, percent lean (e.g., breaker, boner, cutter (lean)).

(2) The prices for cattle (per hundredweight) purchased during the previous day not later than 2 p.m. central time categorized by:

- (i) The type of purchase;
- (ii) The quantity of cattle purchased on a live weight basis;
- (iii) The quantity of cattle purchased on a dressed weight basis;
- (iv) The estimated weight of the cattle purchased;
- (v) The quality classification; and
- (vi) Any premiums or discounts associated with weight or quality expressed in dollars per hundredweight on a dressed basis.

(3) The volume of cows and bulls slaughtered the previous day.

(b) *Publication.* The Secretary shall make the information available to the public within one hour of the required reporting time on the reporting day on which the information is received from the packer.

**§ 59.103 Mandatory weekly reporting for steers and heifers.**

(a) *In general.* The corporate officers or officially designated representatives of each steer and heifer packer processing plant shall report to the Secretary on the first reporting day of

each week, not later than 9 a.m. central time, the following information applicable to the prior slaughter week, categorized to clearly delineate domestic from imported market purchases:

(1) The quantity of cattle purchased through a negotiated basis that were slaughtered;

(2) The quantity of cattle purchased through a negotiated grid basis that were slaughtered;

(3) The quantity of cattle purchased through forward contracts that were slaughtered;

(4) The quantity of cattle delivered under a formula marketing arrangement that were slaughtered;

(5) The quantity and carcass characteristics of packer-owned cattle that were slaughtered;

(6) The quantity, basis level, basis level month, and delivery month and year for all cattle purchased through forward contracts;

(7) The range and average of intended premiums and discounts (including those associated with weight, quality grade, yield grade, or type of cattle) that are expected to be in effect for the current slaughter week.

(b) *Publication.* The Secretary shall make available to the public the information obtained under paragraph (a) of this section on the first reporting day of the current slaughter week by 10 a.m. central time.

**§ 59.104 Mandatory reporting of boxed beef sales.**

(a) *Daily reporting.* The corporate officers or officially designated representatives of each packer processing plant shall report to the Secretary at least twice each reporting day (once by 10 a.m. central time, and once by 2 p.m. central time) the following information on total boxed beef domestic and export sales established on that day inclusive since the last reporting as described in § 59.10(b):

(1) The price for each lot of each boxed beef sale, quoted in dollars per hundredweight on a F.O.B. plant basis;

(2) The quantity for each lot of each sale, quoted by number of pounds sold; and

(3) The information regarding the characteristics of each sale is as follows:

(i) The type of sale;

(ii) The branded product characteristics, if applicable;

(iii) The grade for steer and heifer beef (e.g., USDA Prime, USDA Choice or better, USDA Choice, USDA Select, ungraded no-roll product);

(iv) The grade for cow beef or packer yield and/or quality sort for cow beef (e.g., Breakers, Boners, White Cow, Cutters (lean));

(v) The cut of beef, referencing the most recent version of the Institutional Meat Purchase Specifications (IMPS), when applicable;

(vi) The trim specification;

(vii) The weight range of the cut;

(viii) The product delivery period; and

(ix) The beef type (steer/heifer, dairy steer/heifer, or cow).

(b) *Publication.* The Secretary shall make available to the public the information obtained under paragraph (a) of this section not less frequently than twice each reporting day.

**Subpart C—Swine Reporting**

**§ 59.200 Definitions.**

The following definitions apply to this subpart.

*Affiliate.* The term “affiliate”, with respect to a packer, means:

(1) A person that directly or indirectly owns, controls, or holds with power to vote, 5 percent or more of the outstanding voting securities of the packer;

(2) A person 5 percent or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by the packer; and

(3) A person that directly or indirectly controls, or is controlled by or under common control with, the packer.

*Applicable reporting period.* The term “applicable reporting period” means the period of time prescribed by the prior day report, the morning report, and the afternoon report, as provided in § 59.202.

*Average carcass weight.* The term “average carcass weight” means the weight obtained by dividing the total carcass weight of the swine slaughtered

at the packing plant during the applicable reporting period by the number of these same swine.

*Average lean percentage.* The term “average lean percentage” means the value equal to the average percentage of the carcass weight comprised of lean meat for the swine slaughtered during the applicable reporting period. Whenever the packer changes the manner in which the average lean percentage is calculated, the packer shall make available to the Secretary the underlying data, applicable methodology and formulae, and supporting materials used to determine the average lean percentage, which the Secretary may convert either to the carcass measurements or lean percentage of the swine of the individual packer to correlate to a common percent lean measurement.

*Average net price.* The term “average net price” means the quotient (stated per hundred pounds of carcass weight of swine) obtained by dividing the total amount paid for the swine slaughtered at a packing plant during the applicable reporting period (including all premiums and less all discounts) by the total carcass weight of the swine (in hundred pound increments).

*Average sort loss.* The term “average sort loss” means the average discount (in dollars per hundred pounds carcass weight) for swine slaughtered during the applicable reporting period, resulting from the fact that the swine did not fall within the individual packer’s established carcass weight range or lot variation range.

*Backfat.* The term “backfat” means the fat thickness (in inches) measured between the third and fourth rib from the last rib, 7 centimeters from the carcass split (or adjusted from the individual packer’s measurement to that reference point using an adjustment made by the Secretary) of the swine slaughtered during the applicable reporting period.

*Barrow.* The term “barrow” means a neutered male swine, with the neutering performed before the swine reached sexual maturity.

*Base market hog.* The term “base market hog” means a barrow or gilt for which no discounts are subtracted from and no premiums are added to the base price.

*Base price.* The term “base price” means the price from which no discounts are subtracted and no premiums are added.

*Boars.* The term “boar” means a sexually-intact male swine.

*Bred female swine.* The term “bred female swine” means any female swine, whether a sow or gilt, that has been mated or inseminated, or has been confirmed, to be pregnant.

*Formula marketing arrangement.* When used in reference to wholesale pork, the term ‘formula marketing arrangement’ means an agreement for the sale of pork under which the price is established in reference to publicly-available quoted prices.

*Formula price.* The term “formula price” means a price determined by a mathematical formula under which the price established for a specified market serves as the basis for the formula.

*Forward sale.* When used in reference to wholesale pork, the term ‘forward sale’ means an agreement for the sale of pork where the delivery is beyond the timeframe of a “negotiated sale” and means a sale by a packer selling wholesale pork to a buyer of wholesale pork under which the price is determined by seller-buyer interaction and agreement.

*Gilt.* The term “gilt” means a young female swine that has not produced a litter.

*Hog Class.* The term “hog class” means, as applicable, barrows or gilts; sows; or boars or stags.

*Inferior swine.* The term “inferior swine” means swine that are discounted in the market place due to light-weight, health, or physical conditions that affects their value.

*Loin depth.* The term “loin depth” means the muscle depth (in inches) measured between the third and fourth ribs from the last rib, 7 centimeters from the carcass split (or adjusted from the individual packer’s measurement to that reference point using an adjustment made by the Secretary) of the swine slaughtered during the applicable reporting period.

*Negotiated formula purchase.* The term “negotiated formula purchase” means a swine or pork market formula purchase under which:

(1) The formula is determined by negotiation on a lot-by-lot basis; and

(2) The swine are scheduled for delivery to the packer not later than 14 days after the date on which the formula is negotiated and swine are committed to the packer.

*Negotiated sale.* The term ‘negotiated sale’ means a sale by a packer selling wholesale pork to a buyer of wholesale pork under which the price is determined by seller-buyer interaction and agreement, and scheduled for delivery not later than 14 days for boxed product and 10 days for combo product after the date of agreement. The day after the seller-buyer agreement shall be considered day one for reporting delivery periods.

*Net price.* The term “net price” means the total amount paid by a packer to a producer (including all premiums, less all discounts) per hundred pounds of carcass weight of swine delivered at the plant. The total amount paid shall include any sum deducted from the price (per hundredweight) paid to a producer that reflects the repayment of a balance owed by the producer to the packer or the accumulation of a balance to later be repaid by the packer to the producer. The total amount paid shall exclude any sum earlier paid to a producer that must be repaid to the packer.

*Noncarcass merit premium.* The term “noncarcass merit premium” means an increase in the base price of the swine offered by an individual packer or packing plant, based on any factor other than the characteristics of the carcass, if the actual amount of the premium is known before the sale and delivery of the swine.

*Other market formula purchase.* The term “other market formula purchase” means a purchase of swine by a packer in which the pricing mechanism is a formula price based on any market other than the market for swine, pork, or a pork product. The term “other market formula purchase” includes a formula purchase in a case which the price formula is based on 1 or more futures or options contracts.

*Other purchase arrangement.* The term “other purchase arrangement” means a purchase of swine by a packer that is not a negotiated purchase, swine or

pork market formula purchase, negotiated formula purchase, or other market formula purchase; and does not involve packer-owned swine.

*Packer.* The term “packer” means any person engaged in the business of buying swine in commerce for purposes of slaughter, of manufacturing or preparing meats or meat food products from swine for sale or shipment in commerce, or of marketing meats or meat food products from swine in an unmanufactured form acting as a wholesale broker, dealer, or distributor in commerce. For any calendar year, the term “packer” includes only a federally inspected swine processing plant that slaughtered an average of 100,000 head of swine per year during the immediately preceding 5 calendar years and a person that slaughtered an average of 200,000 head of sows, boars, or combination thereof per year during the immediately preceding 5 calendar years. Additionally, in the case of a swine processing plant or person that did not slaughter swine during the immediately preceding 5 calendar years, it shall be considered a packer if the Secretary determines the processing plant or person should be considered a packer under this subpart after considering its capacity.

*Packer-owned swine.* The term “packer-owned swine” means swine that a packer (including a subsidiary or affiliate of the packer) owns for at least 14 days immediately before slaughter.

*Packer-sold swine.* The term “packer-sold swine” means the swine that are owned by a packer (including a subsidiary or affiliate of the packer) for more than 14 days immediately before sale for slaughter; and sold for slaughter to another packer.

*Pork.* The term “pork” means the meat of a porcine animal.

*Pork class.* The term “pork class” means the following types of swine purchased for slaughter:

- (1) Barrow/gilt;
- (2) Sow;
- (3) Boar.

*Pork product.* The term “pork product” means a product or byproduct produced or processed in whole or in part from pork.

*Purchase data.* The term “purchase data” means all of the applicable data,

including base price and weight (if purchased live), for all swine purchased during the applicable reporting period, regardless of the expected delivery date of the swine, reported by:

- (1) Hog class;
- (2) Type of purchase; and
- (3) Packer-owned swine.

*Slaughter data.* The term “slaughter data” means all of the applicable data for all swine slaughtered by a packer during the applicable reporting period, regardless of whether the price of the swine was negotiated or otherwise determined, reported by:

- (1) Hog class;
- (2) Type of purchase; and
- (3) Packer-owned swine.

*Sow.* The term “sow” means an adult female swine that has produced 1 or more litters.

*Specialty pork product.* The term ‘specialty pork product’ means wholesale pork produced and marketed under any specialty program such as, but not limited to, genetically-selected pork, certified programs, or specialty selection programs for quality or breed characteristics.

*Stag.* The term “stag” means a male swine that was neutered after reaching sexual maturity.

*Swine.* The term “swine” means a porcine animal raised to be a feeder pig, raised for seedstock, or raised for slaughter.

*Swine committed.* The term “swine committed” means swine scheduled and delivered to a packer within the 14-day period beginning on the date of an agreement to sell the swine.

*Swine or pork market formula purchase.* The term “swine or pork market formula purchase” means a purchase of swine by a packer in which the pricing mechanism is a formula price based on a market for swine, pork, or a pork product, other than a future or option for swine, pork, or a pork product.

*Type of purchase.* The term “type of purchase”, with respect to swine, means:

- (1) A negotiated purchase;
- (2) Other market formula purchase;
- (3) A swine or pork market formula purchase;
- (4) Other purchase arrangement; and
- (5) A negotiated formula purchase.

*Type of sale.* The term “type of sale” with respect to wholesale pork means a negotiated sale, forward sale, or formula marketing arrangement.

*Variety meats.* The term ‘variety meats’ with respect to wholesale pork means cut/processing floor items, such as neck bones, tails, skins, feet, hocks, jowls, and backfat.

*Wholesale pork.* The term ‘wholesale pork’ means fresh and frozen primals, sub-primals, cuts fabricated from sub-primals, pork trimmings, pork for processing, and variety meats (excluding portion-control cuts, cuts flavored above and beyond normal added ingredients that are used to enhance products, cured, smoked, cooked, and tray packed products). When referring to wholesale pork, added ingredients are used to enhance the product’s performance (e.g. tenderness, juiciness) through adding a solution or emulsion via an injection or immersion process. The ingredients shall be limited to water, salt, sodium phosphate, antimicrobials, or any other similar combination of foresaid or similar ingredients and in accordance with established USDA regulations.

[73 FR 28633, May 16, 2008, as amended at 77 FR 50573, Aug. 22, 2012; 81 FR 52973, Aug. 11, 2016]

#### § 59.201 General reporting provisions.

(a) *Packer-owned swine.* Information required under this section for packer-owned swine shall include quantity and carcass characteristics, but not price.

(b) *Type of purchase.* If information regarding the type of purchase is required under this section, the information shall be reported according to the numbers and percentages of each type of purchase comprising:

- (1) Packer-sold swine; and
- (2) All other swine.

#### § 59.202 Mandatory daily reporting for barrows and gilts.

(a) *Prior day report.* The corporate officers or officially designated representatives of each packer that processes barrows and gilts shall report to the Secretary for each business day of the packer not later than 7 a.m. central time on each reporting day information regarding all barrows and gilts purchased or priced, during the prior

business day of the packer, and not later than 9 a.m. central time on each reporting day information regarding all barrows and gilts slaughtered, excluding inferior swine, as specified in § 59.10(b):

(1) All purchase data, reported by lot, including:

- (i) The total number of barrows and gilts purchased;
- (ii) The total number of barrows and gilts scheduled for delivery to a packer for slaughter;
- (iii) The base price and weight for all barrows and gilts purchased on a live weight basis; and
- (iv) The base price and premiums and discounts paid for carcass characteristics for all barrows and gilts purchased on a carcass basis for which a price has been established. For barrows and gilts that were not priced, this information shall be reported on the next prior day report after the price is established.

(2) The following slaughter data for the total number of barrows and gilts slaughtered:

- (i) The average net price;
- (ii) The average carcass weight;
- (iii) The average sort loss;
- (iv) The average backfat;
- (v) The average loin depth;
- (vi) The average lean percentage; and
- (vii) Total quantity slaughtered.

(3) Packer purchase commitments, which shall be equal to the number of barrows and gilts scheduled for delivery to a packer for slaughter for each of the next 14 calendar days.

(4) The Secretary shall publish the information obtained in paragraph (a) of this section in a prior day report not later than 8 a.m. central time for all barrows and gilts purchased and 10 a.m. central time for all barrows and gilts slaughtered on the reporting day on which the information is received from the packer. In addition, the Secretary shall publish a net price distribution for all barrows and gilts slaughtered on the previous day not later than 3 p.m. central time.

(b) *Morning report.* The corporate officers or officially designated representatives of each packer processing plant that processes barrows and gilts shall report to the Secretary not later than 10 a.m. central time each reporting day as described in § 59.10(b):

(1) The packer's best estimate of the total number of barrows and gilts, and barrows and gilts that qualify as packer-owned swine, expected to be purchased throughout the reporting day through each type of purchase;

(2) The total number of barrows and gilts, and barrows and gilts that qualify as packer-owned swine, purchased since 1:30 p.m. central time of the previous reporting day and up to that time of the reporting day through each type of purchase;

(3) All purchase data for base market hogs purchased since 1:30 p.m. central time of the previous reporting day and up to that time of the reporting day through negotiated purchases;

(4) All purchase data for base market hogs purchased through each type of purchase other than negotiated purchase since 1:30 p.m. central time of the previous reporting day and up to that time of the reporting day, unless such information is unavailable due to pricing that is determined on a delayed basis. The packer shall report information on such purchases on the first reporting day or scheduled reporting time on a reporting day after the price has been determined.

(5) The Secretary shall publish the information obtained in paragraph (b) of this section in the morning report as soon as practicable, but not later than 11 a.m. central time, on each reporting day.

(c) *Afternoon report.* The corporate officers or officially designated representatives of each packer processing plant that processes barrows and gilts shall report to the Secretary not later than 2 p.m. central time each reporting day as described in § 59.10(b):

(1) The packer's best estimate of the total number of barrows and gilts, and barrows and gilts that qualify as packer-owned swine expected to be purchased throughout the reporting day through each type of purchase;

(2) The total number of barrows and gilts, and barrows and gilts that qualify as packer-owned swine, purchased up to that time of the reporting day through each type of purchase;

(3) The base price paid for all base market hogs purchased up to that time of the reporting day through negotiated purchases; and



(4) The base price paid for all base market hogs purchased through each type of purchase other than negotiated purchase up to that time of the reporting day, unless such information is unavailable due to pricing that is determined on a delayed basis. The packer shall report information on such purchases on the first reporting day or scheduled reporting time on a reporting day after the price has been determined.

(5) The Secretary shall publish the information obtained in paragraph (c) of this section in the afternoon report as soon as practicable, but not later than 3 p.m. central time, on each reporting day.

[73 FR 28633, May 16, 2008, as amended at 81 FR 52974, Aug. 11, 2016]

**§ 59.203 Mandatory daily reporting for sows and boars.**

(a) *Prior day report.* The corporate officers or officially designated representatives of each packer of sows and boars shall report to the Secretary for each business day of the packer not later than 7 a.m. central time on each reporting day information regarding all sows and boars purchased or priced, excluding inferior swine, during the prior business day of the packer all purchase data, reported by lot, including:

(1) The total number of sows and boars purchased divided into at least three weight groups as specified by the Secretary;

(2) The average price paid by each purchase type for all sows in each weight class specified by the Secretary; and

(3) The average price paid by each purchase type for all boars in each weight class specified by the Secretary.

(4) The packer is required to report only the volume of sows and boars that qualify as packer owned swine and shall omit packer owned sows and boars from all average price calculations.

(b) *Publication.* The Secretary shall publish the information obtained in paragraph (a) of this section as soon as practicable, but not later than 8 a.m. central time, on the reporting day on which the information is received from the packer.

**§ 59.204 Mandatory weekly reporting for swine.**

(a) *Weekly noncarcass merit premium report.* Not later than 4 p.m. central time in accordance with § 59.10(b) on the first reporting day of each week, the corporate officers or officially designated representatives of each packer processing plant shall report to the Secretary a noncarcass merit premium report that lists:

(1) Each category of standard noncarcass merit premiums used by the packer in the prior slaughter week; and

(2) The dollar value (in dollars per hundred pounds of carcass weight) paid to producers by the packer, by category.

(b) *Premium list.* A packer shall maintain and make available to a producer, on request, a current listing of the dollar values (per hundred pounds of carcass weight) of each noncarcass merit premium used by the packer during the current or the prior slaughter week.

(c) *Publication.* The Secretary shall publish the information obtained under this subsection as soon as practicable, but not later than 5 p.m. central time, on the first reporting day of each week.

**§ 59.205 Mandatory reporting of wholesale pork sales.**

(a) *Daily reporting.* The corporate officers or officially designated representatives of each packer processing plant shall report to the Secretary at least twice each reporting day for barrows and gilts (once by 10 a.m. central time, and once by 2 p.m. central time) and once each reporting day for sows and boars (by 2 p.m. central time) the following information on total pork sales established on that day inclusive since the last reporting as described in § 59.10(b):

(1) The price for each wholesale pork sale, as defined herein, quoted in dollars per hundredweight on an F.O.B. Plant and an F.O.B. Omaha basis as outlined in § 59.205(d). The price shall include brokerage fees, if applicable. All direct, specific, and identifiable marketing costs (such as point of purchase material, marketing funds, accruals, rebates, and export costs) shall be deducted from the net price if applicable and known at the time of sale;

(2) The quantity for each pork sale, quoted by number of pounds sold; and

(3) The information regarding the characteristics of each sale is as follows:

- (i) The type of sale;
- (ii) Pork item description;
- (iii) Pork item product code;
- (iv) The product delivery period, in calendar days;
- (v) The pork class (barrow/gilt, sow, boar);
- (vi) Destination (Domestic, Export/Overseas, NAFTA);
- (vii) Type of Refrigeration (Fresh, Frozen, age range of fresh product); and
- (viii) Specialty pork product, if applicable

(b) *Publication.* The Secretary shall make available to the public the information obtained under paragraph (a) of this section not less frequently than twice each reporting day for gilt and barrow product and once each reporting day for sow and boar product.

(c) The Secretary shall obtain product specifications upon request.

(d) The Secretary shall provide freight information for the purpose of calculating prices on an F.O.B. Omaha basis. The Secretary shall provide this information periodically, but not less than quarterly.

[77 FR 50574, Aug. 22, 2012]

## Subpart D—Lamb Reporting

### § 59.300 Definitions.

The following definitions apply to this subpart.

*Boxed lamb.* The term “boxed lamb” means those carlot-based portions of a lamb carcass including fresh primals, subprimals, cuts fabricated from subprimals excluding portion-control cuts such as chops and steaks similar to those portion cut items described in the Institutional Meat Purchase Specifications (IMPS) for Fresh Lamb and Mutton Series 200, and thin meats (e.g., inside and outside skirts, pectoral meat, cap and wedge meat, and blade meat) not older than 14 days from date of manufacture; fresh ground lamb, lamb trimmings, and boneless processing lamb not older than 7 days from date of manufacture; frozen primals, subprimals, cuts fabricated from

subprimals, and thin meats not older than 180 days from date of manufacture; and frozen ground lamb, lamb trimmings, and boneless processing lamb not older than 90 days from date of manufacture.

*Branded.* The term “branded” means boxed lamb cuts produced and marketed under a corporate trademark (for example, products that are marketed on their quality, yield, or breed characteristics), or boxed lamb cuts produced and marketed under one of USDA’s Meat Grading and Certification Branch, Certified programs.

*Carcass characteristics.* The term “carcass characteristics” means the range and average carcass weight in pounds, the quality grade and yield grade (if applicable), and the lamb average dressing percentage.

*Carlot-based.* The term “carlot-based” means any transaction between a buyer and a seller destined for three or less delivery stops consisting of any combination of carcass weights. When used in reference to boxed lamb cuts the term “carlot-based” means any transaction between a buyer and seller consisting of 1,000 pounds or more of one or more individual boxed lamb items.

*Established.* The term “established”, when used in connection with prices, means that point in time when the buyer and seller agree upon a net price.

*Formula marketing arrangement.*

(1) When used in reference to live lambs, the term “formula marketing arrangement” means the advance commitment of lambs for slaughter by any means other than through a negotiated purchase or a forward contract, using a method for calculating price in which the price is determined at a future date.

(2) When used in reference to boxed lamb, the term “formula marketing arrangement” means the advance commitment of boxed lamb by any means other than through a negotiated purchase or a forward contract, using a method for calculating price in which the price is determined at a future date.

*Forward contract.*

(1) When used in reference to live lambs, the term “forward contract” means an agreement for the purchase

of lambs, executed in advance of slaughter, under which the base price is established by reference to publicly available prices.

(2) When used in reference to boxed lamb, the term “forward contract” means an agreement for the sale of boxed lamb, executed in advance of manufacture, under which the base price is established by reference to publicly available quoted prices.

*Importer.* The term “importer” means any person engaged in the business of importing lamb meat products with the intent to sell or ship in U.S. commerce. For any calendar year, the term includes only those that imported an average of 1,000 metric tons of lamb meat products per year during the immediately preceding 4 calendar years. Additionally, the term includes those that did not import an average 1,000 metric tons of lamb meat products during the immediately preceding 4 calendar years, if the Secretary determines that the person should be considered an importer based on their volume of lamb imports.

*Packer.* The term “packer” means any person with 50 percent or more ownership in a facility engaged in the business of buying lambs in commerce for purposes of slaughter, of manufacturing or preparing meat products from lambs for sale or shipment in commerce, or of marketing meats or meat products from lambs in an unmanufactured form acting as a wholesale broker, dealer, or distributor in commerce. For any calendar year, the term includes only a federally inspected lamb processing plant which slaughtered or processed the equivalent of an average of 35,000 head of lambs per year during the immediately preceding 5 calendar years. Additionally, the term includes a lamb processing plant that did not slaughter or process an average of 35,000 lambs during the immediately preceding 5 calendar years if the Secretary determines that the processing plant should be considered a packer after considering its capacity.

*Packer-owned lambs.* The term “packer-owned lambs” means lambs that a packer owns for at least 28 days immediately before slaughter.

*Type of purchase.* The term “type of purchase” means a negotiated purchase,

a formula market arrangement, and a forward contract.

*Type of sale.* The term “type of sale” with respect to boxed lamb, means a negotiated sale, a formula market arrangement, and a forward contract.

*Yield grade lamb carcass reporting.* The term “yield grade lamb carcass reporting” means if the lot includes 80 percent or more of one yield grade, the lot will be considered a single yield grade lot. If the lot contains less than 80 percent of one yield grade, the lot will be considered a mixed grade lot and all yield grades comprising 10 percent or more will be used to describe the lot.

[73 FR 28633, May 16, 2008, as amended at 81 FR 10062, Feb. 29, 2016; 81 FR 52974, Aug. 11, 2016]

#### **§ 59.301 Mandatory Daily Reporting for Lambs.**

(a) *In general.* The corporate officers or officially designated representatives of each packer processing plant shall report to the Secretary at least once each reporting day not later than 2 p.m. central time the prices for lambs (per hundredweight) established on that day as F.O.B. feedlot or delivered at the plant, categorized to clearly delineate domestic from imported market purchases as described in § 59.10(b) and categorized by:

- (1) The type of purchase;
- (2) The class of lamb;
- (3) The quantity of lambs purchased on a live weight basis;
- (4) The quantity of lambs purchased on a dressed weight basis;
- (5) A range and average of estimated live weights of lambs purchased;
- (6) An estimate of the percentage of the lambs purchased that were of a quality grade of Choice or better;
- (7) Any premiums or discounts associated with weight, quality grade, yield grade, or any type of purchase;
- (8) Lamb state of origin;
- (9) The pelt type; and
- (10) The estimated lamb dressing percentage.

(b) *Publication.* The Secretary shall make the information available to the public not less than once each reporting day.

**§ 59.302 Mandatory weekly reporting for lambs.**

(a) *In general.* The corporate officers or officially designated representatives of each packer processing plant shall report to the Secretary the following information applicable to the prior slaughter week contained in paragraphs (a)(1) through (a)(5) and (a)(7) of this section not later than 9 a.m. central time on the second reporting day of the current slaughter week, and the following information applicable to the prior slaughter week contained in paragraph (a)(6) of this section not later than 9 a.m. central time on the first reporting day of the current slaughter week categorized to clearly delineate domestic from imported market purchases:

- (1) The quantity of lambs purchased through a negotiated purchase that were slaughtered;
- (2) The quantity of lambs purchased through forward contracts that were slaughtered;
- (3) The quantity of lambs delivered under a formula marketing arrangement that were slaughtered;
- (4) The quantity and carcass characteristics of packer-owned lambs that were slaughtered;
- (5) The quantity, basis level, and delivery month for all lambs purchased through forward contracts;
- (6) The following information applicable to the current slaughter week. The range and average of intended premiums and discounts (including those associated with weight, quality grade, yield grade, or type of lamb) that are expected to be in effect for the current slaughter week; and
- (7) The following information for lambs purchased through a formula marketing arrangement and slaughtered during the prior slaughter week, categorized to clearly delineate domestic from imported market purchases:
  - (i) The quantity (quoted in both numbers of head and pounds) of lambs;
  - (ii) The weighted average price paid for a carcass, including applicable premiums and discounts;
  - (iii) The range of premiums and discounts paid;
  - (iv) The weighted average of premiums and discounts paid; and
  - (v) The range of prices paid.

(b) *Publication.* The Secretary shall make available to the public the information obtained in paragraphs (a)(1) through (a)(5) and (a)(7) of this section on the second reporting day of the current slaughter week and information obtained in paragraph (a)(6) of this section on the first reporting day of the current slaughter week.

**§ 59.303 Mandatory reporting of lamb carcasses and boxed lamb.**

(a) *Daily reporting of lamb carcass transactions.* The corporate officers or officially designated representatives of each packer shall report to the Secretary each reporting day the following information on total carlot-based lamb carcass transactions not later than 3 p.m. central time in accordance with § 59.10(b):

- (1) The price for each lot of each lamb carcass transaction, quoted in dollars per hundredweight on an F.O.B. plant basis;
- (2) The quantity for each lot of each transaction, quoted by number of carcasses sold and purchased; and
- (3) The following information regarding the characteristics of each transaction:
  - (i) The type of transaction;
  - (ii) The USDA quality grade of lamb;
  - (iii) The USDA yield grade;
  - (iv) The estimated weight range of the carcasses; and
  - (v) The product delivery period.

(b) *Daily reporting of domestic boxed lamb sales.* The corporate officers or officially designated representatives of each packer shall report to the Secretary each reporting day the following information on total domestic boxed lamb cut sales not later than 2:30 p.m. central time as described in § 59.10(b):

- (1) The price for each lot of each boxed lamb cut sale, quoted in dollars per hundredweight on a F.O.B. plant basis;
- (2) The quantity for each lot of each sale, quoted by product weight sold; and
- (3) The following information regarding the characteristics of each transaction:
  - (i) The type of sale;
  - (ii) The branded product characteristics, if applicable;
  - (iii) The USDA quality grade of lamb;

## Agricultural Marketing Service, USDA

§ 60.101

(iv) The cut of lamb, referencing the most recent version of the Institutional Meat Purchase Specifications (IMPS), when applicable;

(v) USDA yield grade, if applicable;

(vi) The product state of refrigeration;

(vii) The weight range of the cut; and

(viii) The product delivery period.

(c) *Weekly Reporting of Imported Boxed Lamb Sales.* The corporate officers or officially designated representatives of each lamb importer shall report to the Secretary on the first reporting day of each week the following information applicable to the prior week for imported boxed lamb cut sales not later than 10 a.m. central time:

(1) The price for each lot of a boxed lamb cut sale, quoted in dollars per hundredweight on a F.O.B. plant basis;

(2) The quantity for each lot of a transaction, quoted by product weight sold; and

(3) The following information regarding the characteristics of each transaction:

(i) The type of sale;

(ii) The branded product characteristics, if applicable;

(iii) The cut of lamb, referencing the most recent version of the Institutional Meat Purchase Specifications (IMPS), when applicable;

(iv) The product state of refrigeration;

(v) The weight range of the cut; and

(vi) The product delivery period.

(d) *Publication.* The Secretary shall make available to the public the information required to be reported in paragraphs (a) and (b) of this section not less frequently than once each reporting day and the information required to be reported in paragraph (c) of this section on the first reporting day of the current slaughter week.

### Subpart E—OMB Control Number

#### § 59.400 OMB control number assigned pursuant to the Paperwork Reduction Act.

The information collection and recordkeeping requirements of this part have been approved by the Office of Management and Budget (OMB) under the provisions of 44 U.S.C. Chapter 35

and have been assigned OMB Control Number 0581-0186.

## PART 60—COUNTRY OF ORIGIN LABELING FOR FISH AND SHELLFISH

### Subpart A—General Provisions

#### DEFINITIONS

Sec.	
60.101	Act.
60.102	AMS.
60.103	Commingled covered commodities.
60.104	Consumer package.
60.105	Covered commodity.
60.106	Farm-raised fish.
60.107	Food service establishment.
60.108–60.110	[Reserved]
60.111	Hatched.
60.112	Ingredient.
60.113	[Reserved]
60.114	Legible.
60.115	[Reserved]
60.116	Person.
60.117	[Reserved]
60.118	Pre-labeled.
60.119	Processed food item.
60.120–60.121	[Reserved]
60.122	Production step.
60.123	Raised.
60.124	Retailer.
60.125	Secretary.
60.126	[Reserved]
60.127	United States.
60.128	United States country of origin.
60.129	USDA.
60.130	U.S. flagged vessel.
60.131	Vessel flag.
60.132	Waters of the United States.
60.133	Wild fish and shellfish.

#### COUNTRY OF ORIGIN NOTIFICATION

60.200	Country of origin notification.
60.300	Labeling.

#### RECORDKEEPING

60.400	Recordkeeping requirements.
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### Subpart B [Reserved]

AUTHORITY: 7 U.S.C. 1621 *et seq.*

SOURCE: 74 FR 2701, Jan. 15, 2009, unless otherwise noted.

### Subpart A—General Provisions

#### DEFINITIONS

#### § 60.101 Act.

*Act* means the Agricultural Marketing Act of 1946 (7 U.S.C. 1621 *et seq.*).

## § 60.102

### § 60.102 AMS.

*AMS* means the Agricultural Marketing Service, United States Department of Agriculture.

### § 60.103 Commingled covered commodities.

*Commingled covered commodities* means covered commodities (of the same type) presented for retail sale in a consumer package that have been prepared from raw material sources having different origins.

### § 60.104 Consumer package.

*Consumer package* means any container or wrapping in which a covered commodity is enclosed for the delivery and/or display of such commodity to retail purchasers.

### § 60.105 Covered commodity.

(a) *Covered commodity* means:

(1)–(2) [Reserved]

(3) Farm-raised fish and shellfish (including fillets, steaks, nuggets, and any other flesh);

(4) Wild fish and shellfish (including fillets, steaks, nuggets, and any other flesh);

(5)–(6) [Reserved]

(b) Covered commodities are excluded from this part if the commodity is an ingredient in a processed food item as defined in § 60.119.

### § 60.106 Farm-raised fish.

*Farm-raised fish* means fish or shellfish that have been harvested in controlled environments, including ocean-ranching (e.g., penned) fish and including shellfish harvested from leased beds that have been subjected to production enhancements such as providing protection from predators, the addition of artificial structures, or providing nutrients; and fillets, steaks, nuggets, and any other flesh from a farm-raised fish or shellfish.

### § 60.107 Food service establishment.

*Food service establishment* means a restaurant, cafeteria, lunch room, food stand, saloon, tavern, bar, lounge, or other similar facility operated as an enterprise engaged in the business of selling food to the public. Similar food service facilities include salad bars,

## 7 CFR Ch. I (1–19 Edition)

delicatessens, and other food enterprises located within retail establishments that provide ready-to-eat foods that are consumed either on or outside of the retailer's premises.

### §§ 60.108–60.110 [Reserved]

### § 60.111 Hatched.

*Hatched* means emerged from the egg.

### § 60.112 Ingredient.

*Ingredient* means a component either in part or in full, of a finished retail food product.

### § 60.113 [Reserved]

### § 60.114 Legible.

*Legible* means text that can be easily read.

### § 60.115 [Reserved]

### § 60.116 Person.

*Person* means any individual, partnership, corporation, association, or other legal entity.

### § 60.117 [Reserved]

### § 60.118 Pre-labeled.

*Pre-labeled* means a covered commodity that has the commodity's country of origin and method of production and the name and place of business of the manufacturer, packer, or distributor on the covered commodity itself, on the package in which it is sold to the consumer, or on the master shipping container. The place of business information must include at a minimum the city and state or other acceptable locale designation.

### § 60.119 Processed food item.

*Processed food item* means a retail item derived from fish or shellfish that has undergone specific processing resulting in a change in the character of the covered commodity, or that has been combined with at least one other covered commodity or other substantive food component (e.g., breading, tomato sauce), except that the addition of a component (such as water, salt, or sugar) that enhances or represents a further step in the preparation of the product for consumption,

## Agricultural Marketing Service, USDA

## § 60.132

would not in itself result in a processed food item. Specific processing that results in a change in the character of the covered commodity includes cooking (e.g., frying, broiling, grilling, boiling, steaming, baking, roasting), curing (e.g., salt curing, sugar curing, drying), smoking (hot or cold), and restructuring (e.g., emulsifying and extruding, compressing into blocks and cutting into portions). Examples of items excluded include fish sticks, surimi, mussels in tomato sauce, seafood medley, coconut shrimp, soups, stews, and chowders, sauces, pates, smoked salmon, marinated fish fillets, canned tuna, canned sardines, canned salmon, crab salad, shrimp cocktail, gefilte fish, sushi, and breaded shrimp.

### §§ 60.120–60.121 [Reserved]

#### § 60.122 Production step.

*Production step* means in the case of:

- (a) [Reserved]
- (b) Farm-raised Fish and Shellfish: Hatched, raised, harvested, and processed.
- (c) Wild Fish and Shellfish: Harvested and processed.

#### § 60.123 Raised.

*Raised* means in the case of:

- (a) [Reserved]
- (b) Farm-raised fish and shellfish as it relates to the production steps defined in § 60.122: The period of time from hatched to harvested.

#### § 60.124 Retailer.

*Retailer* means any person subject to be licensed as a retailer under the Perishable Agricultural Commodities Act of 1930 (7 U.S.C. 499a(b)).

[78 FR 31385, May 24, 2013]

#### § 60.125 Secretary.

*Secretary* means the Secretary of Agriculture of the United States or any person to whom the Secretary's authority has been delegated.

### § 60.126 [Reserved]

#### § 60.127 United States.

*United States* means the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, American Samoa, Guam, the

Northern Mariana Islands, and any other Commonwealth, territory, or possession of the United States, and the waters of the United States as defined in § 60.132.

#### § 60.128 United States country of origin.

*United States country of origin* means in the case of:

- (a)–(b) [Reserved]
- (c) Farm-raised Fish and Shellfish: From fish or shellfish hatched, raised, harvested, and processed in the United States, and that has not undergone a substantial transformation (as established by U.S. Customs and Border Protection) outside of the United States.
- (d) Wild-fish and Shellfish: From fish or shellfish harvested in the waters of the United States or by a U.S. flagged vessel and processed in the United States or aboard a U.S. flagged vessel, and that has not undergone a substantial transformation (as established by U.S. Customs and Border Protection) outside of the United States.
- (e)–(f) [Reserved]

#### § 60.129 USDA.

*USDA* means the United States Department of Agriculture.

#### § 60.130 U.S. flagged vessel.

*U.S. flagged vessel* means:

- (a) Any vessel documented under chapter 121 of title 46, United States Code; or
- (b) Any vessel numbered in accordance with chapter 123 of title 46, United States Code.

#### § 60.131 Vessel flag.

*Vessel flag* means the country of registry for a vessel, ship, or boat.

#### § 60.132 Waters of the United States.

*Waters of the United States* means those fresh and ocean waters contained within the outer limit of the Exclusive Economic Zone (EEZ) of the United States as described by the Department of State Public Notice 2237 published in the FEDERAL REGISTER volume 60, No. 163, August 23, 1995, pages 43825–43829. The Department of State notice is republished in appendix A to this subpart.

**§ 60.133 Wild fish and shellfish.**

*Wild fish and shellfish* means naturally-born or hatchery-originated fish or shellfish released in the wild, and caught, taken, or harvested from non-controlled waters or beds; and fillets, steaks, nuggets, and any other flesh from a wild fish or shellfish.

COUNTRY OF ORIGIN NOTIFICATION

**§ 60.200 Country of origin notification.**

In providing notice of the country of origin as required by the Act, the following requirements shall be followed by retailers:

(a) *General.* Labeling of covered commodities offered for sale whether individually, in a bulk bin, display case, carton, crate, barrel, cluster, or consumer package must contain country of origin and method of production information (wild and/or farm-raised) as set forth in this regulation.

(b) *Exemptions.* Food service establishments as defined in § 60.107 are exempt from labeling under this subpart.

(c) *Exclusions.* A covered commodity is excluded from this subpart if it is an ingredient in a processed food item as defined in § 60.119.

(d) *Designation of Method of Production (Wild and/or Farm-Raised).* Fish and shellfish covered commodities shall also be labeled to indicate whether they are wild and/or farm-raised as those terms are defined in this regulation.

(e) *Labeling Covered Commodities of United States Origin.* A covered commodity may only bear the declaration of “Product of the U.S.” at retail if it meets the definition of United States Country of Origin as defined in § 60.128.

(f) *Labeling Imported Products That Have Not Undergone Substantial Transformation in the United States.* An imported covered commodity shall retain its origin as declared to U.S. Customs and Border Protection at the time the product entered the United States, through retail sale, provided that it has not undergone a substantial transformation (as established by U.S. Customs and Border Protection) in the United States.

(g) *Labeling Imported Products That Have Subsequently Been Substantially*

*Transformed in the United States.* (1) [Reserved]

(2) *Wild and Farm-Raised Fish and Shellfish:* If a covered commodity was imported from country X and subsequently substantially transformed (as established by U.S. Customs and Border Protection) in the United States or aboard a U.S. flagged vessel, such product shall be labeled at retail as “From country X, processed in the United States.” Alternatively, the product may be labeled as “Product of country X and the United States”.

(h) *Labeling Commingled Covered Commodities.* (1) For imported covered commodities that have not subsequently been substantially transformed in the United States that are commingled with other imported covered commodities that have not been substantially transformed in the United States, and/or covered commodities of U.S. origin and/or covered commodities as described in § 60.200(g), the declaration shall indicate the countries of origin for covered commodities in accordance with existing Federal legal requirements.

(2) For imported covered commodities that have subsequently undergone substantial transformation in the United States that are commingled with other imported covered commodities that have subsequently undergone substantial transformation in the United States (either prior to or following substantial transformation in the United States) and/or U.S. origin covered commodities, the declaration shall indicate the countries of origin contained therein or that may be contained therein.

(i) *Remotely Purchased Products.* For sales of a covered commodity in which the customer purchases a covered commodity prior to having an opportunity to observe the final package (e.g., Internet sales, home delivery sales, etc.), the retailer may provide the country of origin notification and method of production (wild and/or farm-raised) designation either on the sales vehicle or at the time the product is delivered to the consumer.

**§ 60.300 Labeling.**

(a) Country of origin declarations and method of production (wild and/or



## Agricultural Marketing Service, USDA

## § 60.400

farm-raised) designations can either be in the form of a placard, sign, label, sticker, band, twist tie, pin tag, or other format that provides country of origin and method of production information. The country of origin declaration and method of production (wild and/or farm-raised) designation may be combined or made separately. Except as provided in § 60.200(g) and 60.200(h) of this regulation, the declaration of the country(ies) of origin of a product shall be listed according to applicable Federal legal requirements. Country of origin declarations may be in the form of a check box provided it is in conformance with other Federal legal requirements. Various forms of the production designation are acceptable, including “wild caught”, “wild”, “farm-raised”, “farmed”, or a combination of these terms for blended products that contain both wild and farm-raised fish or shellfish, provided it can be readily understood by the consumer and is in conformance with other Federal labeling laws. Designations such as “ocean caught”, “caught at sea”, “line caught”, “cultivated”, or “cultured” are not acceptable substitutes. Alternatively, method of production (wild and/or farm-raised) designations may be in the form of a check box.

(b) The declaration of the country(ies) of origin and method(s) of production (wild and/or farm-raised) (e.g., placard, sign, label, sticker, band, twist tie, pin tag, or other display) must be placed in a conspicuous location, so as to render it likely to be read and understood by a customer under normal conditions of purchase.

(c) The declaration of the country(ies) of origin and the method(s) of production (wild and/or farm-raised) may be typed, printed, or handwritten provided it is in conformance with other Federal labeling laws and does not obscure other labeling information required by other Federal regulations.

(d) A bulk container (e.g., display case, shipper, bin, carton, and barrel), used at the retail level to present product to consumers, may contain a covered commodity from more than one country of origin and/or more than one method of production (wild and farm-raised) provided all possible origins

and/or methods of production are listed.

(e) In general, country abbreviations are not acceptable. Only those abbreviations approved for use under CBP rules, regulations, and policies, such as “U.K.” for “The United Kingdom of Great Britain and Northern Ireland”, “Luxemb” for Luxembourg, and “U.S. or USA” for the “United States” are acceptable. The adjectival form of the name of a country may be used as proper notification of the country(ies) of origin of imported commodities provided the adjectival form of the name does not appear with other words so as to refer to a kind or species of product. Symbols or flags alone may not be used to denote country of origin.

(f) State or regional label designations are not acceptable in lieu of country of origin labeling.

### RECORDKEEPING

#### § 60.400 Recordkeeping requirements.

(a) *General.* (1) All records must be legible and may be maintained in either electronic or hard copy formats. Due to the variation in inventory and accounting documentary systems, various forms of documentation and records will be acceptable.

(2) Upon request by USDA representatives, suppliers and retailers subject to this subpart shall make available to USDA representatives, records maintained in the normal course of business that verify an origin claim and method of production (wild and/or farm-raised). Such records shall be provided within 5 business days of the request and may be maintained in any location.

(b) *Responsibilities of suppliers.* (1) Any person engaged in the business of supplying a covered commodity to a retailer, whether directly or indirectly, must make available information to the buyer about the country(ies) of origin and method(s) of production (wild and/or farm-raised), of the covered commodity. This information may be provided either on the product itself, on the master shipping container, or in a document that accompanies the product through retail sale provided that it identifies the product and its country(ies) of origin and method(s) of production. In addition, the supplier of a

covered commodity that is responsible for initiating a country(ies) of origin and method(s) of production (wild and/or farm-raised) claim must possess records that are necessary to substantiate that claim for a period of 1 year from the date of the transaction. Producer affidavits shall also be considered acceptable records that suppliers may utilize to initiate origin claims, provided it is made by someone having first-hand knowledge of the origin of the covered commodity and identifies the covered commodity unique to the transaction.

(2) Any intermediary supplier handling a covered commodity that is found to be designated incorrectly as to the country of origin and/or method of production (wild and/or farm-raised) shall not be held liable for a violation of the Act by reason of the conduct of another if the intermediary supplier relied on the designation provided by the initiating supplier or other intermediary supplier, unless the intermediary supplier willfully disregarded information establishing that the country of origin and/or method of production (wild and/or farm-raised) declaration was false.

(3) Any person engaged in the business of supplying a covered commodity to a retailer, whether directly or indirectly (i.e., including but not limited to harvesters, producers, distributors, handlers, and processors), must maintain records to establish and identify the immediate previous source (if applicable) and immediate subsequent recipient of a covered commodity for a period of 1 year from the date of the transaction.

(4) For an imported covered commodity (as defined in §60.200(f)), the importer of record as determined by U.S. Customs and Border Protection, must ensure that records: provide clear product tracking from the port of entry into the United States to the immediate subsequent recipient and accurately reflect the country of origin and method of production (wild and/or farm-raised) of the item as identified in relevant CBP entry documents and information systems; and must maintain such records for a period of 1 year from the date of the transaction.

(c) *Responsibilities of retailers.* (1) In providing the country of origin and method of production (wild and/or farm-raised) notification for a covered commodity, in general, retailers are to convey the origin and method of production information provided to them by their suppliers. Only if the retailer physically commingles a covered commodity of different origins and/or methods of production in preparation for retail sale, whether in a consumer-ready package or in a bulk display (and not discretely packaged) (i.e., full service fish case), can the retailer initiate a multiple country of origin and/or method of production designation that reflects the actual countries of origin and method of production for the resulting covered commodity.

(2) Records and other documentary evidence relied upon at the point of sale to establish a covered commodity's country(ies) of origin and designation of wild and/or farm-raised must either be maintained at the retail facility or at another location for as long as the product is on hand and provided to any duly authorized representative of USDA in accordance with §60.400(a)(2). For pre-labeled products, the label itself is sufficient information on which the retailer may rely to establish the product's origin and method(s) of production (wild and/or farm-raised) and no additional records documenting origin and method of production information are necessary.

(3) Records that identify the covered commodity, the retail supplier, and for products that are not pre-labeled, the country of origin information and the method(s) of production (wild and/or farm-raised) must be maintained for a period of 1 year from the date the declaration is made at retail.

(4) Any retailer handling a covered commodity that is found to be designated incorrectly as to the country of origin and/or the method of production (wild and/or farm-raised) shall not be held liable for a violation of the Act by reason of the conduct of another if the retailer relied on the designation provided by the supplier, unless the retailer willfully disregarded information establishing that the country of origin and/or method of production declaration was false.

Agricultural Marketing Service, USDA

§ 61.2

Subpart B [Reserved]

Subpart A—Regulations

**PART 61—COTTONSEED SOLD OR OFFERED FOR SALE FOR CRUSHING PURPOSES (INSPECTION, SAMPLING AND CERTIFICATION)**

AUTHORITY: Sec. 205, 60 Stat. 1090, as amended, (7 U.S.C. 1624).

DEFINITIONS

Subpart A—Regulations

DEFINITIONS

Sec.

61.1 Words in singular form.

61.2 Terms defined.

61.2a Designation of official certificates, memoranda, marks, other identifications, and devices for purpose of the Agricultural Marketing Act.

ADMINISTRATIVE AND GENERAL

61.3 Director.

61.4 Supervisor of cottonseed inspection.

61.5 Regulations to govern.

61.6 Denial of further services.

61.7 Misrepresentation.

61.8 Application for review.

61.9 Cost of review.

LICENSED COTTONSEED SAMPLERS

61.25 Application for license as sampler; form.

61.27 Period of license; renewals.

61.30 Examination of sampler.

61.31 License must be posted.

61.32 No discrimination in sampling.

61.33 Equipment of sampler; contents of certificate.

61.34 Drawing and preparation of sample.

61.36 Cause for suspension or revocation.

61.37 License may be suspended.

61.38 Suspended license to be returned to Division.

61.39 Duplicate license.

61.40 Reports of licensed samplers.

61.41 Unlicensed persons must not represent themselves as licensed samplers.

61.42 Information on sampling to be kept confidential.

**Subpart B—Standards for Grades of Cottonseed Sold or Offered for Sale for Crushing Purposes Within the United States**

61.101 Determination of grade.

61.102 Determination of quantity index.

61.103 Determination of quality index.

61.104 Sampling and certification of samples and grades.

SOURCE: 22 FR 10948, Dec. 28, 1957, unless otherwise noted.

**§ 61.1 Words in singular form.**

Words used in the regulations in this subpart in the singular form shall be deemed to import the plural, and vice-versa, as the case may demand.

**§ 61.2 Terms defined.**

As used throughout the regulations in this part, unless the context otherwise requires, the following terms shall be construed, respectively to mean:

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

(b) *Regulations*. Regulations mean the provisions in this subpart.

(c) *Department*. The United States Department of Agriculture.

(d) *Secretary*. The Secretary of Agriculture of the United States, or any officer or employee of the Department to whom authority has heretofore been delegated, or to whom authority may hereafter be delegated, to act in his stead.

(e) *Service*. The Agricultural Marketing Service of the United States Department of Agriculture.

(f) *Administrator*. The Administrator of the Agricultural Marketing Service, or any officer or employee of the Service, to whom authority has heretofore been delegated, or to whom authority may hereafter be delegated, to act in his stead.

(g) *Division*. The Cotton Division of the Agricultural Marketing Service.

(h) *Director*. The Director of the Cotton Division, or any officer or employee of the Division to whom authority has heretofore been delegated, or to whom authority may hereafter be delegated, to act in his stead.

(i) *Custodian*. Person who has possession or control of cottonseed or of samples of cottonseed as agent, controller, broker, or factor, as the case may be.

(j) *Owner*. Person who through financial interest owns or controls, or has

## §61.2a

## 7 CFR Ch. I (1–19 Edition)

the disposition of either cottonseed or of samples of cottonseed.

(k) *Official cottonseed standards.* The official standards of the United States for the grading, sampling, and analyzing of cottonseed sold or offered for sale for crushing purposes.

(l) *Supervisor of cottonseed inspection.* An officer of the Division designated as such by the Director.

(m) *License.* A license issued under the act by the Secretary.

(n) *Licensed cottonseed chemist.* A person licensed under the act by the Secretary to make quantitative and qualitative chemical analyses of samples of cottonseed according to the methods prescribed by the Science Division Director of the Agricultural Marketing Service and to certificate the grade according to the official cottonseed standards of the United States.

(o) *Licensed cottonseed sampler.* A person licensed by the Secretary to draw and to certificate the authenticity of samples of cottonseed in accordance with the regulations in this subpart.

(p) *Dispute.* A disagreement as to the true grade of a sample of cottonseed analyzed and graded by a licensed chemist.

(q) *Party.* A party to a dispute.

(r) *Commercial laboratory.* A chemical laboratory operated by an individual, firm, or corporation in which one or more persons are engaged in the chemical analysis of materials for the public.

(s) *Cottonseed.* The word “cottonseed” as used in this part means the seed, after having been put through the usual and customary process known as cotton ginning, of any cotton produced within the continental United States.

(t) *Lot.* That parcel or quantity of cottonseed offered for sale or tendered for delivery or delivered on a sale or contract of sale, in freight cars, trucks, wagons, or otherwise in the quantities and within the time limits prescribed from time to time by the Director for the drawing and preparation of official samples by licensed cottonseed samplers.

(u) *Official sample.* A specimen of cottonseed drawn and prepared by a licensed cottonseed sampler and certified by him as representative of a cer-

tain identified lot, in accordance with the regulations in this subpart.

[22 FR 10948, Dec. 28, 1957, as amended at 58 FR 42413, Aug. 9, 1993]

### **§61.2a Designation of official certificates, memoranda, marks, other identifications, and devices for purpose 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 inspection or grading of agricultural products under said section. For the purposes of said subsection and the provisions in this part, the terms listed below 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 inspection, sampling, class, grade, quality, 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, inspecting, or sampling, pursuant to this part, any processing or plant-operation report made by an authorized person in connection with grading, inspecting, 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 grade mark, inspection mark, and any other mark, 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 inspected or both, or indicating the appropriate U.S. grade or condition of the product, or for the purpose or maintaining the identity of products graded or inspected or both under this part.

## Agricultural Marketing Service, USDA

## § 61.8

(d) *Official identification* means any United States (U.S.) standard designation of class, grade, quality, quantity, or condition specified in this part, or any symbol, stamp, label, or seal indicating that the product has been officially graded or inspected and/or indicating the class, grade, quality, 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.

### ADMINISTRATIVE AND GENERAL

#### § 61.3 Director.

The Director shall perform for and under the supervision of the Secretary and the Administrator, such duties as the Secretary or the Administrator may require in enforcing the provisions of the act and the regulations.

#### § 61.4 Supervisor of cottonseed inspection.

The Director, whenever he deems necessary, may designate an officer of the Division as supervisor of cottonseed inspection who shall supervise the inspection and sampling of cottonseed and perform such other duties as may be required of him in administering the act and the regulations.

#### § 61.5 Regulations to govern.

The inspection, sampling, analyzing, and grading of cottonseed in the United States pursuant to the act shall be performed as prescribed in methods approved from time to time by the Director.

#### § 61.6 Denial of further services.

Any person, partnership, or corporation that shall have undertaken to utilize the services of licensed cottonseed samplers under these regulations who shall not make available for official sampling and analysis each lot of cottonseed purchased or sold on grade and

received by such person or partnership or corporation, may be denied further services under the act and these regulations: *Provided*, That in cases of persons, partnerships, or corporations operating two or more cottonseed crushing units under separate local managements, such penalty shall apply only to the offending unit, unless it shall be shown that the actions of such unit were at the direction or with the knowledge, approval, or acquiescence of the general management.

[22 FR 10948, Dec. 28, 1957, as amended at 58 FR 42413, Aug. 9, 1993]

#### § 61.7 Misrepresentation.

Any willful misrepresentation or any deceptive or fraudulent practice made or committed by an applicant for a cottonseed sampler's certificate or for a cottonseed chemist's certificate or for an appeal grade certificate in connection with the sampling or grading of cottonseed by persons licensed under the act and the regulations or the issuance or use of a certificate not issued by a person licensed under the regulations in imitation of or that might mislead anyone to believe that such certificate was in fact issued by a person licensed under the act, or that might be otherwise false, misleading, or deceptive, may be deemed sufficient cause for debarring such applicant from any further benefits of the act.

#### § 61.8 Application for review.

In case of dispute in which a review is desired of the grading of any official sample of cottonseed covered by a valid certificate issued by a licensed cottonseed chemist, application therefor shall be filed with or mailed to a supervisor of cottonseed inspection within ten days after the date of the original certificate, whereupon the licensed chemist issuing the certificate shall immediately surrender to such supervisor the retained portion of the original sample, together with such records as may be required, for the determination of the true grade. The supervisor shall assign to such retained portion an identification number, shall divide such retained portion into two parts

## §61.9

and submit the parts to two other licensed cottonseed chemists for reanalysis. Should the supervisor determine that such reanalyses indicate a grade differing from the original by not more than plus or minus one full grade, the original grade shall be considered the true grade. Should he find that such reanalyses indicate a grade differing more than plus or minus one full grade from the original, he shall determine the true grade. In any case, the supervisor shall issue over his name an appeal cottonseed grade certificate showing the true grade as determined in accordance with this section, which shall supersede the licensed chemists' certificates relating to the grade of such seed. Where due solely to errors in calculation or clerical error a grade certificated by a licensed cottonseed chemist is not the true grade, the supervisor shall direct the licensee to cancel the original and to issue a correct certificate. Should such error be found after an application for review has been filed, the supervisor shall nevertheless issue an appeal cottonseed grade certificate showing the true grade of the cottonseed involved.

[22 FR 10948, Dec. 28, 1957, Dec. 28, 1957, as amended at 58 FR 42413, Aug. 9, 1993]

### §61.9 Cost of review.

In cases of review of the grade of any official sample of cottonseed, payment covering the costs of re-analysis shall accompany the application.

#### LICENSED COTTONSEED SAMPLERS

### §61.25 Application for license as sampler; form.

(a) Applications for licenses to sample cottonseed shall be made to the Director on forms furnished for the purpose by him.

(b) Each such application shall be in English, shall be signed by the applicant, and shall contain or be accompanied by (1) satisfactory evidence that he is an actual resident of the United States, (2) satisfactory evidence of his experience in the handling and sampling of cottonseed, (3) a statement by the applicant that he agrees to comply with and abide by the terms of the act and these regulations so far as they relate to him, and with instructions

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

issued from time to time governing the sampling of cottonseed, and (4) such other information as may be required.

### §61.27 Period of license; renewals.

The period for which a license may be issued under the regulations in §§61.25 through 61.42 shall be from the first day of August following receipt of the application, and shall continue for 5 years, ending on the 31st of July in the fifth year. Renewals shall be for 5 years also, beginning with the first day of August and ending on the 31st day of July in the fifth year: Provided, That licenses or renewals issued on and after June 1 of any year shall be for the period ending July 31 of the fifth year following.

[59 FR 26411, May 20, 1994]

### §61.30 Examination of sampler.

Each applicant for a license as a sampler and each licensed sampler whenever requested by an authorized representative of the Director, shall submit to an examination or test to show his ability properly to perform the duties for which he is applying for a license or for which he has been licensed, and each such applicant or licensee shall furnish the Division any information requested at any time in regard to his sampling of cottonseed.

### §61.31 License must be posted.

Each licensed sampler shall keep his license conspicuously posted at the place where he functions as a sampler or in such other place as may be approved by the Director.

### §61.32 No discrimination in sampling.

Each licensed sampler, when requested, shall without discrimination, as soon as practicable and upon reasonable terms, sample any cottonseed if the same be made available to him at his place of business, under conditions that will permit proper sampling. Each such licensee shall give preference to those who request his services as such over persons who request his services in any other capacity.

## **Agricultural Marketing Service, USDA**

## **§ 61.37**

### **§ 61.33 Equipment of sampler; contents of certificate.**

Each licensed sampler shall have available suitable triers or sampling tools, sample containers, scales, seed cleaners, seed mixers, and air-tight containers for enclosing and forwarding the official samples to licensed chemist, and with tags and samplers' certificates approved or furnished by the Director or his representative for identifying the samples of cottonseed and for certificating the condition of the cottonseed represented by such samples. There shall be clearly written or printed on the face of such certificate—

- (a) A suitable caption;
- (b) The location of the cottonseed involved and its point of origin;
- (c) The identification of the lot from which the sample was drawn;
- (d) The date on which the sample was drawn;
- (e) The gross weight of the original sample, and the net weight of the cleaned sample;
- (f) A statement indicating that the sample was drawn in accordance with sampling methods prescribed by the Director of the Cotton Division; and
- (g) The signature of the licensed sampler as such. The use of such tags and certificates shall be in conformity with instructions issued from time to time by the Division.

### **§ 61.34 Drawing and preparation of sample.**

Each licensed cottonseed sampler shall draw, prepare, and identify one official sample of cottonseed and a duplicate thereof from each lot made available to him in such manner as may be required by the Director, and shall promptly prepare it for forwarding to a licensed cottonseed chemist for analysis and grading. The duplicate shall be sealed and retained by the sampler until the original official sample shall have been analyzed by a licensed chemist. If the original official sample shall become lost or destroyed before having been analyzed the duplicate shall become the official sample; otherwise the licensed sampler shall immediately remove the identification marks from the duplicate and discard it. In no case shall the duplicate be offered for analysis unless the original shall have been lost or destroyed before analysis.

### **§ 61.36 Cause for suspension or revocation.**

The failure or refusal of any cottonseed sampled, duly licensed as such under the regulations in this subpart, to draw, prepare, identify, and to forward an official sample of every lot of cottonseed made available to him for the purpose, in accordance with these regulations, shall be cause for the suspension or revocation of his license. A sampler's license may also be suspended when the sampler (a) has ceased to perform services as a licensed cottonseed sampler, (b) has knowingly or carelessly sampled cottonseed improperly, (c) has violated or evaded any provision of the Act, these regulations, or the sampling methods prescribed by the Director, (d) has used his license or allowed it to be used for any fraudulent or improper purposes, or (e) has in any manner become incompetent or incapacitated to perform the duties of a licensed sampler.

### **§ 61.37 License may be suspended.**

The Director may, without a hearing, suspend or revoke the license issued to a licensed sampler upon written request and a satisfactory statement of reasons therefor submitted by such licensed sampler. Pending final action by the Secretary, the Director may, whenever he deems such action necessary, suspend the license of any licensed sampler by giving notice of such suspension to the licensee, accompanied by a statement of the reasons therefor. Within 10 days after the receipt of the aforesaid notice and statement of reasons by such licensee, he may file an appeal, in writing, with the Secretary, supported by any argument or evidence that he may wish to offer as to why his license should not be suspended or revoked. After the expiration of the aforesaid 10-day period and consideration of such argument and evidence, the Secretary will take such action as he deems appropriate with respect to such suspension or revocation. When no appeal is filed within the prescribed 10 days, the license shall be automatically revoked.

## § 61.38

### § 61.38 Suspended license to be returned to Division.

In case a license issued to a sampler is suspended or revoked such license shall be returned to the Division. At the expiration of any period of suspension of such license, unless in the meantime it be revoked, the dates of beginning and termination of such suspension shall be endorsed thereon, it shall be returned to the person to whom it was originally issued, and its shall be posted as prescribed in § 61.31.

### § 61.39 Duplicate license.

Upon satisfactory proof of the loss or destruction of a license issued to a sampler hereunder, a new license may be issued under the same or a new number.

### § 61.40 Reports of licensed samplers.

Each licensed sampler, when requested, shall make reports on forms furnished for the purpose by the Division bearing upon his activity as such licensee.

### § 61.41 Unlicensed persons must not represent themselves as licensed samplers.

No person shall in any way represent himself to be a sampler licensed under the act unless he holds an unsuspended and unrevoked license issued thereunder.

### § 61.42 Information on sampling to be kept confidential.

Every person licensed under the act as a sampler of cottonseed shall keep confidential all information secured by him relative to shipments of cottonseed sampled by him. He shall not disclose such information to any person except an authorized representative of the Department.

## Subpart B—Standards for Grades of Cottonseed Sold or Offered for Sale for Crushing Purposes Within the United States

AUTHORITY: Secs. 203, 205, 60 Stat. 1087, 1090, as amended; 7 U.S.C. 1622, 1624.

## 7 CFR Ch. I (1–19 Edition)

### § 61.101 Determination of grade.

The grade of cottonseed shall be determined from the analysis of samples by licensed chemists, and it shall be the result, stated in the nearest whole or half numbers, obtained by multiplying a quantity index by a quality index and dividing the result by 100. The quantity index and the quality index shall be determined as hereinafter provided.

(a) The basis grade of cottonseed shall be grade 100.

(b) High grades of cottonseed shall be those grades above 100.

(c) Low grades of cottonseed shall be those grades below 100.

(d) Grades for American Pima cottonseed shall be suffixed by the designation “American Pima” or by the symbol “AP.”

[22 FR 10948, Dec. 28, 1957, as amended at 37 FR 20157, Sept. 27, 1972; 58 FR 42413, Aug. 9, 1993]

### § 61.102 Determination of quantity index.

The quantity index of cottonseed shall be determined as follows:

(a) For upland cottonseed the quantity index shall equal four times percentage of oil plus six times percentage of ammonia, plus 5.

(b) For American Pima cottonseed the quantity index shall equal four times percentage of oil, plus six times percentage of ammonia, minus 10.

[37 FR 20157, Sept. 27, 1972]

### § 61.103 Determination of quality index.

The quality index of cottonseed shall be an index of purity and soundness, and shall be determined as follows:

(a) *Prime quality cottonseed.* Cottonseed that by analysis contains not more than 1.0 percent of foreign matter, not more than 12.0 percent of moisture, and not more than 1.8 percent of free fatty acids in the oil in the seed, shall be known as prime quality cottonseed and shall have a quality index of 100.

(b) *Below prime quality cottonseed.* The quality index of cottonseed that, by analysis, contain foreign matter, moisture, or free fatty acids in the oil in the seed, in excess of the percentages



## Agricultural Marketing Service, USDA

§ 62.000

prescribed in paragraph (a) of this section shall be found by reducing the quality index of prime quality cottonseed as follows:

(1) Four-tenths of a unit for each 0.1 percent of free fatty acids in the oil in the seed in excess of 1.8 percent.

(2) One-tenth of a unit for each 0.1 percent of foreign matter in excess of 1.0 percent.

(3) One-tenth of a unit for each 0.1 percent of moisture in excess of 12.0 percent.

(c) *Off quality cottonseed.* Cottonseed that has been treated by either mechanical or chemical process other than the usual cleaning, drying, and ginning (except sterilization required by the United States Department of Agriculture for quarantine purposes) or that are fermented or hot, or that upon analysis are found to contain 12.5 percent or more of free fatty acids in the oil in the seed, or more than 10.0 percent of foreign matter, or more than 20.0 percent of moisture, or more than 25.0 percent of moisture and foreign matter combined, shall be designated as "off quality cottonseed."

(d) *Below grade cottonseed.* Cottonseed the grade of which when calculated according to §61.101 is below grade 40.0 shall be designated as "below grade cottonseed," and a numerical grade shall not be indicated.

### § 61.104 Sampling and certification of samples and grades.

The drawing, preparation, and certification of samples of cottonseed, and certification of grades of cottonseed shall be performed in accordance with methods approved from time to time for the purposes by the Director, or his representatives.

[22 FR 10948, Dec. 28, 1957, as amended at 58 FR 42413, Aug. 9, 1993]

## PART 62—LIVESTOCK, MEAT, AND OTHER AGRICULTURAL COMMODITIES (QUALITY SYSTEMS VERIFICATION PROGRAMS)

### Subpart A—Quality Systems Verification Programs Definitions

Sec.  
62.000 Meaning of terms.

#### ADMINISTRATION

62.100 Administrator.

#### SERVICE

62.200 Services.  
62.201 Availability of service.  
62.202 How to apply for service.  
62.203 How to withdraw service.  
62.204 Authority to request service.  
62.205 Conflict of interest.  
62.206 Access to program documents and activities.  
62.207 Official assessment.  
62.208 Publication of QSVP assessment status.  
62.209 Reassessment.  
62.210 Denial, suspension, or cancellation of service.  
62.211 Appeals.  
62.212 Official assessment reports.  
62.213 Official identification.

#### CHARGES FOR SERVICE

62.300 Fees and other costs for service.  
62.301 Payment of fees and other charges.

#### MISCELLANEOUS

#### OMB CONTROL NUMBER

62.400 OMB control number assigned pursuant to the Paperwork Reduction Act.

AUTHORITY: 7 U.S.C. 1621–1627.

SOURCE: 70 FR 58791, Oct. 11, 2005, unless otherwise noted.

### Subpart A—Quality Systems Verification Programs Definitions

#### § 62.000 Meaning of terms.

Words used in this subpart in the singular form shall be deemed to impart the plural, and vice versa, as the case may demand. For the purposes of such regulations, unless the context otherwise requires, the following terms shall be construed, respectively, to mean:

*Administrator.* The Administrator of the Agricultural Marketing Service (AMS), or any officer or employee of AMS to whom authority has heretofore been delegated or to whom authority may hereafter be delegated, to act in the Administrator's stead.

*Agricultural Marketing Service.* The Agricultural Marketing Service of the U.S. Department of Agriculture.

*Applicant.* Any individual or business with financial interest in QSVP services who has applied for service under this part.

*Assessment.* A systematic review of the adequacy of program or system documentation, or the review of the completeness of implementation of a documented program or system.

*Auditor.* Person authorized by the Livestock and Seed Program to conduct official assessments.

*Branch.* The Audit, Review, and Compliance Branch of the Livestock and Seed Program.

*Chief.* The Chief of the ARC Branch, or any officer or employee of the Branch to whom authority has heretofore been delegated, or to whom authority may hereafter be delegated, to act in the Chief's stead.

*Conformance.* A user's quality manual and supporting documentation.

*Deputy Administrator.* The Deputy Administrator of the Livestock and Seed Program, or any officer or employee of the Livestock and Seed Program to whom authority has heretofore been delegated, or to whom authority may hereafter be delegated, to act in the Deputy Administrator's stead.

*Financially interested person.* Any individual, partnership, corporation, other legal entity, or Government agency having a financial interest in the involved product or service.

*Livestock.* Bovine, ovine, porcine, caprine, bison or class of Osteichthyes.

*Official mark.* Official mark or other official identification means any form of mark or other identification, used under the regulations to show the conformance of products with applicable program requirements, or to maintain the identity of products for which service is provided under the regulations.

*Official memoranda or assessment reports.* Official memorandum means any assessment report of initial or final record of findings made by an authorized person of services performed pursuant to the regulations.

*Products.* Includes all agricultural commodities and services within the scope of the Livestock and Seed Program. This includes livestock, meat, meat products, seed, feedstuffs, as well as processes involving the production of these products, agricultural product data storage, product traceability and identification.

*QSVP Procedures.* Audit rules and guidelines set forth by the Agricultural

Marketing Service regarding the development, documentation, and implementation of QSVP.

*Quality Manual.* A collection of documents that describe the applicant's quality management system, as it applies to the requested service.

*Quality Systems Verification Programs (QSVP).* A collection of voluntary, audit-based, user-fee programs that allow applicants to have program documentation and program processes assessed by AMS auditor(s) and other USDA officials under this part.

*Regulations.* The regulations in this part.

*USDA.* The U.S. Department of Agriculture.

#### ADMINISTRATION

##### § 62.100 Administrator.

The LS Program Deputy Administrator is charged with the administration of official assessments conducted according to the regulations in this part and approved LS Program QSVP procedures.

#### SERVICE

##### § 62.200 Services.

QSVP, under this regulation, provide applicants, the ability to have USDA assess documented processes or systems.

(a) Assessment services provided under the regulations shall consist of:

(1) A review of the adequacy of an applicant's quality manual against LS Program QSVP procedures, internationally recognized guidelines, or other requirements as approved by the LS Program;

(2) An onsite assessment of the applicant's program to ensure implementation of provisions within the quality manual and the applicant's conformance with applicable program requirements and LS Program QSVP procedures; and

(3) A reassessment of the applicant's program to ensure continued implementation of provisions within the quality manual and the applicant's conformance with program requirements and applicable LS Program QSVP procedures;

(b) Developmental assistance in the form of training to explain LS Program

## Agricultural Marketing Service, USDA

## § 62.208

QSVP procedures is available upon request.

### § 62.201 Availability of service.

QSVP services under these regulations are available to international and domestic government agencies, private agricultural businesses and any financially interested person.

### § 62.202 How to apply for service.

Applicants may apply for QSVP services by submitting the following information to the ARC Branch headquarters office at USDA, AMS, LSP, ARC Branch, 1400 Independence Avenue, SW., STOP 0294, Room 2627-S, Washington, DC 20250-0294; by fax to: (202) 690-1038, or e-mail to: [ARCBranch@usda.gov](mailto:ARCBranch@usda.gov).

(a) The original completed form LS-313, Application for Service;

(b) A letter requesting QSVP services; and

(c) A complete copy of the applicant's program documentation, as described in the LS Program QSVP procedures.

### § 62.203 How to withdraw service.

Service may be withdrawn by the applicant at any time; provided that, the applicant notifies the ARC Branch in writing of his/her desire to withdraw the application for service and pays any expenses the Department has incurred in connection with such application.

### § 62.204 Authority to request service.

Any person requesting service may be required to prove his/her financial interest in the product or service at the discretion of the Deputy Administrator.

### § 62.205 Conflict of interest.

No USDA official shall review any program documentation or determine conformance of any documented process or system in which the USDA official has financial holdings.

### § 62.206 Access to program documents and activities.

(a) The applicant shall make its products and program documentation available and easily accessible for assessment, with respect to the requested

service. Auditors and other USDA officials responsible for maintaining uniformity and accuracy of service under the regulations shall have access to all parts of facilities covered by approved applications for service under the regulations, during normal business hours or during periods of production, for the purpose of evaluating products or processes. This includes products in facilities which have been or are to be examined for program conformance or which bear any official marks of conformance. This further includes any facilities or operation that is part of an approved program.

(b) Documentation and records relating to an applicant's program must be retained for at least one calendar year following the calendar year during which the record was created.

### § 62.207 Official assessment.

Official assessment of an applicant's program shall include:

(a) *Documentation assessment.* Auditors and other USDA officials shall review the applicant's program documentation and issue finding of the review to the applicant.

(b) *Program assessment.* Auditors and USDA officials shall conduct an onsite assessment of the applicant's program to ensure provisions of the applicant's program documentation have been implemented and conform to LS Program QSVP procedures.

(c) *Program Determination.* Applicant's determined to meet or not meet LS Program QSVP procedures or the applicant's program requirements shall be notified of their program's approval or disapproval.

(d) *Corrective and/or preventative actions.* Applicants may be required to implement corrective and/or preventative actions upon completion of assessment. After implementation of corrective and/or preventative actions, the applicant may request another assessment.

### § 62.208 Publication of QSVP assessment status.

Approved programs shall be posted for public reference on the ARC Branch Web site: <http://www.ams.usda.gov/lsg/arc/audit.htm>. Such postings shall include:

## § 62.209

## 7 CFR Ch. I (1–1–19 Edition)

- (a) Program name and contact information,
- (b) Products or services covered under the scope of approval,
- (c) Effective dates of approval, and
- (d) Control numbers of official assessments, as appropriate, and
- (e) Any other information deemed necessary by the Branch Chief.

### § 62.209 Reassessment.

Approved programs are subject to periodic reassessments to ensure ongoing conformance with the LS Program QSVF procedures covered under the scope of approval. The frequency of reassessments shall be based on the LS Program QSVF procedures, or as determined by the Deputy Administrator.

### § 62.210 Denial, suspension, or cancellation of service.

(a) QSVF services may be denied if an applicant fails to meet its program requirements, or conform to LS Program QSVF procedures, such as:

(1) Adequately address any program requirement resulting in a major non-conformance or an accumulation of minor non-conformances that result in the assignment of a major non-conformance for the program.

(2) Demonstrate capability to meet any program requirement resulting in a major non-conformance.

(3) Present truthful and accurate information to any auditor or other USDA official; or

(4) Allow access to facilities and records within the scope of the program.

(b) QSVF services may be suspended if the applicant fails to meet its program requirements, or conform to LS Program QSVF procedures; such as failure to:

(1) Adequately address any program requirement resulting in a major non-conformance;

(2) Demonstrate capability to meet any program requirement resulting in a major non-conformance;

(3) Follow and maintain its approved program or QSVF procedures;

(4) Provide corrective actions and correction as applicable in the time-frame specified;

(5) Submit significant changes to and seek approval from the Chief prior to

implementation of significant changes to an approved program;

(6) Allow access to facilities and records within the scope of the approved program;

(7) Accurately represent the eligibility of agricultural products or services distributed under an approved program;

(8) Remit payment for QSVF services;

(9) Abstain from any fraudulent or deceptive practice in connection with any application or request for service under the rule; or

(10) Allow any auditor or other USDA official to perform their duties under the regulations of this part.

(c) QSVF services may be cancelled, an application may be rejected, or program assessment may be terminated if the Deputy Administrator or his designee determines that a non-conformance has remained uncorrected beyond a reasonable amount of time.

### § 62.211 Appeals.

Appeals of adverse decisions under this part, may be made in writing to the Livestock and Seed Program Deputy Administrator at STOP 0249, Room 2092-South, 1400 Independence Avenue, SW., Washington, DC 20250-0249. Appeals must be made within 30 days of receipt of adverse decision.

(a) *Procedure for Appeals.* Actions under this subparagraph concerning decision of appeals of the Deputy Administrator shall be conducted in accordance with the Rule of Practice Governing Formal Adjudicatory Proceedings Instituted by the Secretary Under Various Statutes set forth at 7 CFR §1.130 through §1.151 and the Supplemental Rules of Practice in 7 CFR part 50.

(b) [Reserved]

### § 62.212 Official assessment reports.

Official QSVF assessment reports shall be generated by the auditor at the conclusion of each assessment and a copy shall be provided to the applicant.

### § 62.213 Official identification.

The following, as shown in figure 1, constitutes official identification to show product or services produced

## Agricultural Marketing Service, USDA

§ 62.300

under an approved USDA, Process Verified Program (PVP):

Figure 1.



(a) Products or services produced under an approved USDA, PVP may use the "USDA Process Verified" statement and the "USDA Process Verified" shield, so long as, both the statement and shield are used in direct association with a clear description of the process verified points that have been approved by the Branch.

(b) Use of the "USDA Process Verified" statement and the "USDA Process Verified" shield shall be approved in writing by Chief prior to use by an applicant.

### CHARGES FOR SERVICE

#### § 62.300 Fees and other costs of service.

(a) For each calendar year, AMS will calculate the rate for quality systems verification services, per hour per program employee using the following formulas:

(1) *Regular rate.* The total AMS quality systems verification program (QSVP) 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 QSVP 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 QSVP 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 QSVP 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 QSVP 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 QSVP 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) *Transportation costs.* Applicants are responsible for paying actual travel costs incurred to provide QSVP services including but not limited to: Mileage charges for use of privately owned vehicles, rental vehicles and gas, parking, tolls, and public transportation costs such as airfare, train, and taxi service.

(d) *Per diem costs.* The applicant is responsible for paying per diem costs incurred to provide QSVP services away from the auditor's or USDA officials' official duty station(s). Per diem costs shall be calculated in accordance with existing travel regulations (41 CFR, subtitle F—Federal Travel Regulation System, chapter 301).

## § 62.301

(e) *Other costs.* When costs, other than those costs specified in paragraphs (a) through (c) of this section, are involved in providing the QSVP services, the applicant shall be responsible for these costs. The amount of these costs shall be determined administratively by the Chief. However, the applicant will be notified of these costs before the service is rendered.

[79 FR 67323, Nov. 13, 2014]

### § 62.301 Payment of fees and other charges.

Fees and other charges for QSVP services shall be paid in accordance with the following provisions. Upon receipt of billing for fees and other charges, the applicant shall remit payment within 10 business days by check, electronic funds transfer, draft, or money order made payable to USDA, AMS, in accordance with directions on the billing. Fees and charges shall be paid in advance if required by the auditor or other authorized USDA official.

#### MISCELLANEOUS

#### OMB CONTROL NUMBER

### § 62.400 OMB control number assigned pursuant to the Paperwork Reduction Act.

The information collection and recordkeeping requirements of this part have been approved by OMB under 44 U.S.C. Chapter 35 and have been assigned OMB Control Number 0581-0124.

## PART 63—NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER

### Subpart A—General Provisions

#### DEFINITIONS

Sec.

- 63.1 Act.
- 63.2 Board.
- 63.3 Department or USDA.
- 63.4 Eligible entity.
- 63.5 Eligible organization.
- 63.6 Fiscal year.
- 63.7 Fund.
- 63.8 NSIIC.
- 63.9 Part.
- 63.10 Secretary.
- 63.11 Under Secretary for Rural Development.
- 63.12 Under Secretary for Research, Education, and Economics.

## 7 CFR Ch. I (1–19 Edition)

63.13 United States.

#### BOARD OF DIRECTORS

- 63.100 Establishment and membership.
- 63.101 Nominations.
- 63.102 Nominee's agreement to serve.
- 63.103 Appointment.
- 63.104 Vacancies.
- 63.105 Nominating organizations.
- 63.106 Term of office.
- 63.107 Compensation.
- 63.108 Removal.
- 63.109 Procedure.
- 63.110 Powers and duties of the Board.
- 63.111 Prohibited activities.
- 63.112 Conflict of interest.

#### NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER

63.200 NSIIC establishment and purpose.

#### REVOLVING FUND

- 63.300 Establishment.
- 63.301 Use of fund.

#### REPORTS, BOOKS, AND RECORDS

- 63.400 Books and records.
- 63.401 Use of information.
- 63.402 Confidentiality.

#### MISCELLANEOUS

- 63.500 Compliance.
- 63.501 Patents, copyrights, inventions, trademarks, information, publications, and product formulations.
- 63.502 Personal liability.
- 63.503 Separability.
- 63.504 Amendments.
- 63.505 OMB control number.

### Subpart B [Reserved]

AUTHORITY: 7 U.S.C. 1621–1627.

SOURCE: 75 FR 43034, July 23, 2010, unless otherwise noted.

### Subpart A—General Provisions

#### DEFINITIONS

#### § 63.1 Act.

*Act* means the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627).

[79 FR 31845, June 3, 2014]

#### § 63.2 Board.

*Board* means National Sheep Industry Improvement Center Board of Directors established under § 63.100.

## Agricultural Marketing Service, USDA

## § 63.100

### § 63.3 Department or USDA.

*Department* or *USDA* means the United States Department of Agriculture.

### § 63.4 Eligible entity.

*Eligible entity* means an entity that promotes the betterment of the United States sheep or goat industries and that is a public, private, or cooperative organization; an association, including a corporation not operated for profit; a federally recognized Indian Tribe; or a public or quasi-public agency.

### § 63.5 Eligible organization.

*Eligible organization* means any national organization that meets the criteria provided for in § 63.105 as being eligible to submit nominations for membership on the Board.

### § 63.6 Fiscal year.

*Fiscal year* means a calendar year or any other 12 month period as determined by the Board.

### § 63.7 Fund.

*Fund* means the NSIIC Revolving Fund established in the United States Department of the Treasury that is available to the NSIIC without fiscal year limitation, to carry out the programs and activities authorized under the Act.

### § 63.8 NSIIC.

*NSIIC* or *Center* means the National Sheep Industry Improvement Center established under § 63.200.

### § 63.9 Part.

*Part* means the rules and regulations issued pursuant to the Act that appear in part 63 of title 7 of the Code of Federal Regulations.

### § 63.10 Secretary.

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

### § 63.11 Under Secretary for Rural Development.

*Under Secretary for Rural Development* means the Under Secretary for Rural Development of the U.S. Department of Agriculture, or any other officer or employee of the Department designated by the Under Secretary to act in the Under Secretary's stead.

### § 63.12 Under Secretary for Research, Education, and Economics.

*Under Secretary for Research, Education, and Economics* means the Under Secretary for Research, Education, and Economics of the U.S. Department of Agriculture, or any other officer or employee of the Department designated by the Under Secretary to act in the Under Secretary's stead.

### § 63.13 United States.

*United States* means collectively the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

#### BOARD OF DIRECTORS

### § 63.100 Establishment and membership.

There is hereby established a National Sheep Industry Improvement Center Board. The Board is composed of seven voting members and two non-voting members. Voting members of the Board shall be appointed by the Secretary from nominations submitted in accordance with this part. The Board shall consist of the following:

(a) *Voting members.* (1) Four members shall be active producers of sheep or goats in the United States;

(2) Two members shall have expertise in finance and management; and

(3) One member shall have expertise in lamb, wool, goat, or goat product marketing.

(b) *Non-voting members.* (1) One member shall be the Under Secretary of Agriculture for Rural Development, USDA; and

(2) One member shall be the Under Secretary for Research, Education, and Economics, USDA.

## **§ 63.101**

## **7 CFR Ch. I (1–1–19 Edition)**

### **§ 63.101 Nominations.**

All nominations authorized under this section shall be made in the following manner:

(a) Nominations shall be obtained by the Secretary from national organizations eligible under § 63.105. An eligible organization shall submit to the Secretary for consideration at least two nominations for one or more voting member seats on the Board. If two nominations for each voting member seat are not submitted by such organization(s), then the Secretary may solicit nominations from other sources.

(b) After the establishment of the initial Board, USDA shall announce when a vacancy does or will exist. Nomination for subsequent Board members shall be submitted to the Secretary not less than sixty (60) days prior to the expiration of the terms of the members whose terms are expiring, in the manner as described in this section. In the case of vacancies due to reasons other than the expiration of a term of office, successor Board members shall be appointed pursuant to § 63.104.

(c) If more than one eligible organization exists, they may caucus and jointly nominate at least two qualified persons for each position. If joint agreement is not reached with respect to any such nominations, or if no caucus is held, each eligible organization may submit to the Secretary at least two nominees for each appointment to be made.

### **§ 63.102 Nominee's agreement to serve.**

Any person nominated to serve on the Board shall file with the Secretary at the time of the nomination a written agreement to:

- (a) Serve on the Board if appointed;
- (b) Disclose any relationship that may create a conflict of interest under § 63.112; and
- (c) Withdraw from participation in deliberations, decision-making, or voting on matters which concern any relationship disclosed under paragraph (b) of this section.

### **§ 63.103 Appointment.**

From the nominations made pursuant to § 63.101, the Secretary shall appoint the members of the Board.

### **§ 63.104 Vacancies.**

To fill any vacancy occasioned by the death, removal, resignation, or disqualification of any member of the Board, the Secretary shall appoint a successor from the most recent list of nominations for the position or the Secretary shall request nominations for a successor pursuant to § 63.101 and such successor shall be appointed pursuant to § 63.103.

### **§ 63.105 Nominating organizations.**

(a) *In general.* Nominations for voting members of the Board may be submitted by any national organization that the Secretary determines meets the eligibility criteria established under paragraph (b) of this section.

(b) *Basis for eligibility.* A national organization is eligible to submit nominations for voting members on the Board if:

(1) The membership of the organization consists primarily of active sheep or goat producers in the United States; and

(2) The primary interest of the organization is the production of sheep or goats in the United States.

### **§ 63.106 Term of office.**

(a) The voting members of the Board shall serve for a term of three years; except that persons (other than the chairperson) appointed to the initial Board shall serve staggered terms of one, two, and three years, as determined by the Secretary.

(b) No member may serve more than two consecutive full terms.

### **§ 63.107 Compensation.**

Board members shall serve without compensation, but shall be reimbursed for their reasonable travel, subsistence, and other necessary expenses incurred in performing their duties as members of the Board.

### **§ 63.108 Removal.**

If the Secretary determines that any person appointed under this part fails or refuses to perform his or her duties properly or engages in acts of dishonesty or willful misconduct, the Secretary shall remove the person from office. A person appointed under this



## Agricultural Marketing Service, USDA

## § 63.111

part or any employee of the Board may be removed by the Secretary if the Secretary determines that the person's continued service would be detrimental to the purposes of the Act.

### § 63.109 Procedure.

(a) At a Board meeting, it will be considered a quorum when a simple majority of the voting representatives are present.

(b) A decision of the Board shall be made by a majority of the voting members of the board.

(c) The Board shall meet not less than once each fiscal year at the call of the chairperson or at the request of the executive director.

(d) The location of the meeting shall be established by the Board.

(e) A chairperson shall be selected from among the voting members of the Board and all serve a term of office of two years.

(f) All Board members and the Secretary will be notified at least 30 days in advance of all Board meetings, unless an emergency meeting is declared.

(g) In lieu of voting at a properly convened meeting and, when in the opinion of the chairperson of the Board such action is necessary, the Board may take action if supported by a simple majority of the Board representatives by mail, telephone, electronic mail, facsimile, or any other means of communication. In that event, all representatives must be notified and provided the opportunity to vote. Any action so taken shall have the same force and effect as though such action had been taken at a properly convened meeting of the Board. All telephone votes shall be confirmed promptly in writing. All votes shall be recorded in Board minutes.

(h) There shall be no voting by proxy.

(i) The organization of the Board and the procedures for conducting meetings of the Board shall be in accordance with its bylaws, which shall be established by the Board and approved by the Secretary.

### § 63.110 Powers and duties of the Board.

The management of the NSIIC shall be vested in the Board of Directors.

The Board shall have the following powers and duties:

(a) Be responsible for the general supervision of the NSIIC;

(b) Review any grant or contract agreement to be made or entered into by the NSIIC and any financial assistance provided to the NSIIC;

(c) Make the final decision, by majority vote, on whether or not to provide grants to an eligible entity in accordance with the strategic plan;

(d) Develop and establish a budget plan and long-term operating plan to carry out the goals of the NSIIC;

(e) Adopt, and amend as appropriate, bylaws as necessary for the proper management and functioning of the NSIIC;

(f) Provide a system of organization to fix responsibility and promote efficiency in carrying out the functions of the NSIIC;

(g) Appoint and establish compensation for an executive director, who will serve at the pleasure of the Board, to be the chief executive officer of the NSIIC;

(h) Appoint other officers, attorneys, employees, and agents as necessary and set forth their respective duties and powers;

(i) Delegate, by resolution, to the chairperson, the executive director, or any other officer or employee any function, power, or duty of the Board—other than voting on a grant, contract, agreement, budget, or annual strategic plan; and

(j) Consult with the following entities to carry out this part:

(1) State departments of agriculture;

(2) Federal departments and agencies;

(3) Nonprofit development corporations;

(4) Colleges and universities;

(5) Banking and other credit-related agencies;

(6) Agriculture and agribusiness organizations, and

(7) Regional planning and development organizations.

### § 63.111 Prohibited activities.

The Board may not engage in, and shall prohibit the employees and agents of the Board from engaging in:

(a) Any action that is a conflict of interest under § 63.112;

## § 63.112

(b) Using funds to undertake any action for the purpose of influencing legislation or governmental action or policy, by local, State, national, and foreign governments, other than recommending to the Secretary amendments to the Order; and

(c) Any activity that is false, misleading, or disparaging to another agricultural commodity.

### § 63.112 Conflict of interest.

(a) *In general.* Members of the Board shall not vote on any particular matter pending before the Board in which, to the knowledge of the member, an interest is held by the member, any spouse of the member, any child of the member, any partner of the member, any organization in which the member is serving as an officer, director, trustee, partner, or employee; or any person with whom the member is negotiating or has any arrangement concerning prospective employment or with whom the member has a financial interest, except as provided in paragraph (c) of this section.

(b) *Validity of action.* An action by a member of the Board that violates § 63.112 (a) shall not impair or otherwise affect the validity of any otherwise lawful action by the Board.

(c) *Disclosure.* If a member of the Board makes full disclosure of an interest and, prior to any participation by the member, the Board determines, by majority vote, that the interest is too remote or too inconsequential to affect the integrity of any participation by the member, the member may participate in the matter relating to the interest, except as provided in paragraph (d) of this section. A member that discloses an interest under section § 63.112(a) shall not vote on a determination of whether the member may participate in the matter relating to the interest.

(d) *Remands.* The Secretary may vacate and remand to the Board for reconsideration any decision made if the Secretary determines that there has been a violation of this section or any conflict of interest provision of the by-laws of the Board with respect to the decision.

(1) In the case of any violation and remand of a funding decision to the

## 7 CFR Ch. I (1–19 Edition)

Board, the Secretary shall inform the Board of the reasons for the remand.

(2) If a decision with respect to the matter is remanded to the Board by reason of a conflict of interest faced by a Board member, the member may not participate in any subsequent decision with respect to the matter.

### NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER

### § 63.200 NSIIC establishment and purpose.

(a) There is hereby established a National Sheep Industry Improvement Center. The purpose of the Center shall be to:

(1) Promote strategic development activities and collaborative efforts by private and State entities to maximize the impact of Federal assistance to strengthen and enhance production and marketing of sheep or goat products in the United States;

(2) Optimize the use of available human capital and resources within the sheep or goat industries;

(3) Provide assistance to meet the needs of the sheep or goat industry for infrastructure development, business development, production, resource development, and market and environmental research;

(4) Advance activities that empower and build the capacity of the U.S. sheep or goat industry to design unique responses to the special needs of the sheep or goat industries on both a regional and national basis; and

(5) Adopt flexible and innovative approaches to solving the long-term needs of the United States sheep and goat industry.

(b) The NSIIC shall submit to the Secretary an annual strategic plan for the delivery of financial assistance provided by the NSIIC. A strategic plan shall identify:

(1) Goals, methods, and a benchmark for measuring the success of carrying out the plan and how the plan relates to the national and regional goals of the NSIIC;

(2) The amount and sources of Federal and non-Federal funds that are available for carrying out the plan;

(3) Funding priorities;

(4) Selection criteria for funding; and

(5) A method of distributing funding.

## Agricultural Marketing Service, USDA

## § 63.402

### REVOLVING FUND

#### § 63.300 Establishment.

The NSIIC Revolving Fund established in the Treasury shall be available to the NSIIC, without fiscal year limitation, to carry out the authorized programs and activities of the NSIIC under this part. There shall be deposited in the Fund:

(a) Such amounts as may be appropriated, transferred, or otherwise made available to support programs and activities of the NSIIC;

(b) Payments received from any source for products, services, or property furnished in connection with the activities of the NSIIC;

(c) Fees and royalties collected by the NSIIC from licensing or other arrangements relating to commercialization of products developed through projects funded, in whole or part, by grants or contracts executed by the NSIIC;

(d) Donations or contributions accepted by the NSIIC to support authorized programs and activities. Such contributions shall be free from any encumbrance by the donor and the NSIIC shall retain complete control of their use; and

(e) Any other funds acquired by the NSIIC.

#### § 63.301 Use of fund.

The NSIIC shall use the Fund to:

(a) Make grants to eligible entities in accordance with a strategic plan submitted under § 63.310 of this part. Specifically, amounts in the Fund may be used to:

(1) Participate with Federal and State agencies in financing activities that are in accordance with the strategic plan, including participation with several States in a regional effort;

(2) Participate with other public and private funding sources in financing activities that are in accordance with the strategic plan, including participation in a regional effort;

(3) Accrue interest;

(4) Serve broad geographic areas and regions of diverse production, to the maximum extent practicable;

(5) Only to supplement and not supplant Federal, State, and private funds expended for rural development;

(6) For administration purposes, with a maximum 10 percent of the NSIIC Fund balance at the beginning of each fiscal year for the administration of the NSIIC;

(b) Provide funds to eligible entities contingent upon that entity agreeing to account for the amounts using generally accepted accounting principles and to provide access to the Secretary for inspection and audit of such records.

[75 FR 43034, July 23, 2010, as amended at 79 FR 31845, June 3, 2014]

### REPORTS, BOOKS, AND RECORDS

#### § 63.400 Books and records.

The Board and NSIIC shall:

(a) Maintain such books and records, which shall be made available to the Secretary for inspection and audit as is appropriate for the administration or enforcement of the Act or rules and regulations issued thereunder;

(b) Prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe; and

(c) Account for the receipt and disbursement of all funds entrusted to it. The NSIIC shall cause its books and records to be audited by an independent auditor at the end of each fiscal year, and a report of such audit to be submitted to the Secretary.

#### § 63.401 Use of information.

Information from records or reports required pursuant to this part shall be made available to the Secretary as is appropriate for the administration or enforcement of the Act or rules and regulation issued thereunder.

#### § 63.402 Confidentiality.

All information obtained from books, records, reports, or any other material obtained under the Act and this part, shall be kept confidential by all persons, including employees and former employees of the NSIIC. Nothing in this section shall be deemed to prohibit the issuance of general statements based upon the reports or the statistical data, which statements do not identify the information furnished by any entity.

MISCELLANEOUS

**§ 63.500 Compliance.**

The Secretary shall review and monitor compliance by the Board and the NSIIC with the Act and this part.

**§ 63.501 Patents, copyrights, inventions, trademarks, information, publications, and product formulations.**

Any patents, copyrights, inventions, trademarks, information, publications, or product formulations developed through the use of funds collected by the Board under the provisions of this subpart shall be the property of the U.S. Government, as represented by the Board, and shall, along with any rents, royalties, residual payments, or other income from the rental, sales, leasing, franchising, or other uses of such patents, copyrights, inventions, trademarks, information, publications, or product formulations, inure to the benefit of the Board; shall be considered income subject to the same fiscal, budget, and audit controls as other funds of the Board; and may be licensed subject to approval by the Secretary. Should patents, copyrights, inventions, trademarks, information, publications, or product formulations be developed through the use of funds collected by the Board under this part and funds contributed by another organization or person, ownership and related rights to such patents, copyrights, inventions, trademarks, information, publications, or product formulations shall be determined by agreement between the Board and the party contributing funds towards the development of such patents, copyrights, inventions, trademarks, information, publications, or product formulations in a manner consistent with this paragraph.

**§ 63.502 Personal liability.**

No member or employee of the Board shall be held personally responsible, either individually or jointly, in any way whatsoever to any person for errors in judgment, mistakes, or other acts, either of commission or omission, as such member or employee, except for acts of dishonesty or willful misconduct.

**§ 63.503 Separability.**

If any provision of the part is declared invalid or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of this subpart, or the applicability thereof to other persons or circumstances shall not be affected thereby.

**§ 63.504 Amendments.**

Amendments to this part may be proposed, from time to time, by the Board or by any interested persons affected by the provisions of the Act, including the Secretary.

**§ 63.505 OMB control number.**

The control number assigned to the information collection requirements of this part by the Office of Management and Budget pursuant to the Paperwork Reduction Act of 1995, 44 U.S.C. Chapter 35, is OMB control number 0505–new.

**Subpart B [Reserved]**

**PART 65—COUNTRY OF ORIGIN LABELING OF LAMB, CHICKEN, AND GOAT MEAT, PERISHABLE AGRICULTURAL COMMODITIES, MACADAMIA NUTS, PECANS, PEANUTS, AND GINSENG**

**Subpart A—General Provisions**

DEFINITIONS

Sec.	
65.100	Act.
65.105	AMS.
65.115	Born.
65.120	Chicken.
65.125	Commingle covered commodities.
65.130	Consumer package.
65.135	Covered commodity.
65.140	Food service establishment.
65.145	Ginseng.
65.150	Goat.
65.160	Ground chicken.
65.165	Ground goat.
65.170	Ground lamb.
65.180	Imported for immediate slaughter.
65.185	Ingredient.
65.190	Lamb.
65.195	Legible.
65.205	Perishable agricultural commodity.
65.210	Person.
65.218	Pre-labeled.
65.220	Processed food item.

## Agricultural Marketing Service, USDA

§ 65.170

65.225 Produced.  
65.230 Production step.  
65.235 Raised.  
65.240 Retailer.  
65.245 Secretary.  
65.250 Slaughter.  
65.255 United States.  
65.260 United States country of origin.  
65.265 USDA.

### COUNTRY OF ORIGIN NOTIFICATION

65.300 Country of origin notification.  
65.400 Labeling.

### RECORDKEEPING

65.500 Recordkeeping requirements.

### Subpart B [Reserved]

AUTHORITY: 7 U.S.C. 1621 *et seq.*

SOURCE: 74 FR 2704, Jan. 15, 2009, unless otherwise noted.

## Subpart A—General Provisions

### DEFINITIONS

#### § 65.100 Act.

*Act* means the Agricultural Marketing Act of 1946, (7 U.S.C. 1621 *et seq.*).

#### § 65.105 AMS.

*AMS* means the Agricultural Marketing Service, United States Department of Agriculture.

#### § 65.115 Born.

*Born* in the case of chicken means hatched from the egg.

#### § 65.120 Chicken.

*Chicken* has the meaning given the term in 9 CFR 381.170(a)(1).

#### § 65.125 Commingled covered commodities.

*Commingled covered commodities* means covered commodities (of the same type) presented for retail sale in a consumer package that have been prepared from raw material sources having different origins.

#### § 65.130 Consumer package.

*Consumer package* means any container or wrapping in which a covered commodity is enclosed for the delivery and/or display of such commodity to retail purchasers.

#### § 65.135 Covered commodity.

(a) *Covered commodity* means:

- (1) Muscle cuts of lamb, chicken, and goat;
- (2) Ground lamb, ground chicken, and ground goat;
- (3) Perishable agricultural commodities;
- (4) Peanuts;
- (5) Macadamia nuts;
- (6) Pecans; and
- (7) Ginseng.

(b) Covered commodities are excluded from this part if the commodity is an ingredient in a processed food item as defined in § 65.220.

[74 FR 2704, Jan. 15, 2009, as amended at 81 FR 10761, Mar. 2, 2016]

#### § 65.140 Food service establishment.

*Food service establishment* means a restaurant, cafeteria, lunch room, food stand, saloon, tavern, bar, lounge, or other similar facility operated as an enterprise engaged in the business of selling food to the public. Similar food service facilities include salad bars, delicatessens, and other food enterprises located within retail establishments that provide ready-to-eat foods that are consumed either on or outside of the retailer's premises.

#### § 65.145 Ginseng.

*Ginseng* means ginseng root of the genus *Panax*.

#### § 65.150 Goat.

*Goat* means meat produced from goats.

#### § 65.160 Ground chicken.

*Ground chicken* means comminuted chicken of skeletal origin that is produced in conformance with all applicable Food Safety and Inspection Service labeling guidelines.

#### § 65.165 Ground goat.

*Ground goat* means comminuted goat of skeletal origin that is produced in conformance with all applicable Food Safety and Inspection Service labeling guidelines.

#### § 65.170 Ground lamb.

*Ground lamb* means comminuted lamb of skeletal origin that is produced in

## § 65.180

conformance with all applicable Food Safety and Inspection Service labeling guidelines.

### § 65.180 Imported for immediate slaughter.

*Imported for immediate slaughter* means imported into the United States for “immediate slaughter” as that term is defined in 9 CFR 93.400, i.e., consignment directly from the port of entry to a recognized slaughtering establishment and slaughtered within 2 weeks from the date of entry.

### § 65.185 Ingredient.

*Ingredient* means a component either in part or in full, of a finished retail food product.

### § 65.190 Lamb.

*Lamb* means meat produced from sheep.

### § 65.195 Legible.

*Legible* means text that can be easily read.

### § 65.205 Perishable agricultural commodity.

*Perishable agricultural commodity* means fresh and frozen fruits and vegetables of every kind and character that have not been manufactured into articles of a different kind or character and includes cherries in brine as defined by the Secretary in accordance with trade usages.

### § 65.210 Person.

*Person* means any individual, partnership, corporation, association, or other legal entity.

### § 65.218 Pre-labeled.

*Pre-labeled* means a covered commodity that has the commodity’s country of origin and the name and place of business of the manufacturer, packer, or distributor on the covered commodity itself, on the package in which it is sold to the consumer, or on the master shipping container. The place of business information must include at a minimum the city and state or other acceptable locale designation.

## 7 CFR Ch. I (1–1–19 Edition)

### § 65.220 Processed food item.

*Processed food item* means a retail item derived from a covered commodity that has undergone specific processing resulting in a change in the character of the covered commodity, or that has been combined with at least one other covered commodity or other substantive food component (e.g., chocolate, breading, tomato sauce), except that the addition of a component (such as water, salt, or sugar) that enhances or represents a further step in the preparation of the product for consumption, would not in itself result in a processed food item. Specific processing that results in a change in the character of the covered commodity includes cooking (e.g., frying, broiling, grilling, boiling, steaming, baking, roasting), curing (e.g., salt curing, sugar curing, drying), smoking (hot or cold), and restructuring (e.g., emulsifying and extruding). Examples of items excluded include roasted peanuts, breaded chicken tenders, and fruit medley.

[81 FR 10761, Mar. 2, 2016]

### § 65.225 Produced.

*Produced* in the case of a perishable agricultural commodity, peanuts, ginseng, pecans, and macadamia nuts means harvested.

### § 65.230 Production step.

*Production step* means, in the case of beef, pork, goat, chicken, and lamb, born, raised, or slaughtered.

### § 65.235 Raised.

*Raised* means, in the case of beef, pork, chicken, goat, and lamb, the period of time from birth until slaughter or in the case of animals imported for immediate slaughter as defined in § 65.180, the period of time from birth until date of entry into the United States.

### § 65.240 Retailer.

*Retailer* means any person subject to be licensed as a retailer under the Perishable Agricultural Commodities Act of 1930 (7 U.S.C. 499a(b)).

[78 FR 31385, May 24, 2013]

## Agricultural Marketing Service, USDA

## § 65.300

### § 65.245 Secretary.

*Secretary* means the Secretary of Agriculture of the United States or any person to whom the Secretary's authority has been delegated.

### § 65.250 Slaughter.

*Slaughter* means the point in which a livestock animal (including chicken) is prepared into meat products (covered commodities) for human consumption. For purposes of labeling under this part, the word harvested may be used in lieu of slaughtered.

### § 65.255 United States.

*United States* means the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, American Samoa, Guam, the Northern Mariana Islands, and any other Commonwealth, territory, or possession of the United States.

### § 65.260 United States country of origin.

*United States country of origin* means in the case of:

(a) Beef, pork, lamb, chicken, and goat:

(1) From animals exclusively born, raised, and slaughtered in the United States;

(2) From animals born and raised in Alaska or Hawaii and transported for a period of not more than 60 days through Canada to the United States and slaughtered in the United States; or

(3) From animals present in the United States on or before July 15, 2008, and once present in the United States, remained continuously in the United States.

(b) Perishable agricultural commodities, peanuts, ginseng, pecans, and macadamia nuts: from products produced in the United States.

### § 65.265 USDA.

*USDA* means the United States Department of Agriculture.

#### COUNTRY OF ORIGIN NOTIFICATION

### § 65.300 Country of origin notification.

In providing notice of the country of origin as required by the Act, the fol-

lowing requirements shall be followed by retailers:

(a) *General*. Labeling of covered commodities offered for sale whether individually, in a bulk bin, carton, crate, barrel, cluster, or consumer package must contain country of origin as set forth in this regulation.

(b) *Exemptions*. Food service establishments as defined in § 65.135 are exempt from labeling under this subpart.

(c) *Exclusions*. A covered commodity is excluded from this subpart if it is an ingredient in a processed food item as defined in § 65.220.

(d) *Labeling Covered Commodities of United States Origin*. A covered commodity may bear a declaration that identifies the United States as the sole country of origin at retail only if it meets the definition of United States country of origin as defined in § 65.260. The United States country of origin designation for muscle cut covered commodities shall include all of the production steps (i.e., "Born, Raised, and Slaughtered in the United States").

(e) *Labeling Muscle Cut Covered Commodities of Multiple Countries of Origin from Animals Slaughtered in the United States*. If an animal was born and/or raised in Country X and/or (as applicable) Country Y, and slaughtered in the United States, the resulting muscle cut covered commodities shall be labeled to specifically identify the production steps occurring in each country (e.g., "Born and Raised in Country X, Slaughtered in the United States"). If an animal is raised in the United States as well as another country (or multiple countries), the raising occurring in the other country (or countries) may be omitted from the origin designation except if the animal was imported for immediate slaughter as defined in § 65.180 or where by doing so the muscle cut covered commodity would be designated as having a United States country of origin (e.g., "Born in Country X, Raised and Slaughtered in the United States" in lieu of "Born and Raised in Country X, Raised in Country Y, Raised and Slaughtered in the United States").

(f) *Labeling Imported Covered Commodities*. (1) Perishable agricultural commodities, peanuts, pecans, ginseng,

macadamia nuts and ground meat covered commodities that have been produced in another country shall retain their origin, as declared to U.S. Customs and Border Protection at the time the product entered the United States, through retail sale.

(2) Muscle cut covered commodities derived from an animal that was slaughtered in another country shall retain their origin, as declared to U.S. Customs and Border Protection at the time the product entered the United States, through retail sale (e.g., “Product of Country X”), including muscle cut covered commodities derived from an animal that was born and/or raised in the United States and slaughtered in another country. In addition, the origin declaration may include more specific location information related to production steps (i.e., born, raised, and slaughtered) provided records to substantiate the claims are maintained and the claim is consistent with other applicable Federal legal requirements.

(g) *Labeling Commingled Covered Commodities.* In the case of perishable agricultural commodities; peanuts; pecans; ginseng; and macadamia nuts: For imported covered commodities that have not subsequently been substantially transformed in the United States that are commingled with covered commodities sourced from a different origin that have not been substantially transformed (as established by CBP) in the United States, and/or covered commodities of United States origin, the declaration shall indicate the countries of origin in accordance with existing Federal legal requirements.

(h) *Labeling ground lamb, ground goat, and ground chicken.* The declaration for ground lamb, ground goat, and ground chicken covered commodities shall list all countries of origin contained therein or that may be reasonably contained therein. In determining what is considered reasonable, when a raw material from a specific origin is not in a processor’s inventory for more than 60 days, that country shall no longer be included as a possible country of origin.

(i) *Remotely Purchased Products.* For sales of a covered commodity in which the customer purchases a covered com-

modity prior to having an opportunity to observe the final package (e.g., Internet sales, home delivery sales, etc.), the retailer may provide the country of origin notification either on the sales vehicle or at the time the product is delivered to the consumer.

[74 FR 2704, Jan. 15, 2009, as amended at 78 FR 31385, May 24, 2013; 81 FR 10761, Mar. 2, 2016]

**§ 65.400 Labeling.**

(a) Country of origin declarations can either be in the form of a placard, sign, label, sticker, band, twist tie, pin tag, or other format that allows consumers to identify the country of origin. The declaration of the country of origin of a product may be in the form of a statement such as “Product of USA,” “Produce of the USA,” or “Grown in Mexico,” may only contain the name of the country such as “USA” or “Mexico,” or may be in the form of a check box provided it is in conformance with other Federal labeling laws.

(b) The declaration of the country of origin (e.g., placard, sign, label, sticker, band, twist tie, pin tag, or other display) must be legible and placed in a conspicuous location, so as to render it likely to be read and understood by a customer under normal conditions of purchase.

(c) The declaration of country of origin may be typed, printed, or handwritten provided it is in conformance with other Federal labeling laws and does not obscure other labeling information required by other Federal regulations.

(d) A bulk container (e.g., display case, shipper, bin, carton, and barrel) used at the retail level to present product to consumers, may contain a covered commodity from more than one country of origin provided all possible origins are listed.

(e) In general, country abbreviations are not acceptable. Only those abbreviations approved for use under Customs and Border Protection rules, regulations, and policies, such as “U.K.” for “The United Kingdom of Great Britain and Northern Ireland”, “Luxemb” for Luxembourg, and “U.S. or USA” for the “United States of America” are acceptable. The adjectival form of the name of a country



## Agricultural Marketing Service, USDA

§ 65.500

may be used as proper notification of the country of origin of imported commodities provided the adjectival form of the name does not appear with other words so as to refer to a kind or species of product. Symbols or flags alone may not be used to denote country of origin.

(f) Domestic and imported perishable agricultural commodities, peanuts, pecans, macadamia nuts, and ginseng may use State, regional, or locality label designations in lieu of country of origin labeling. Abbreviations may be used for state, regional, or locality label designations for these commodities whether domestically harvested or imported using official United States Postal Service abbreviations or other abbreviations approved by CBP.

### RECORDKEEPING

#### § 65.500 Recordkeeping requirements.

(a) *General.* (1) All records must be legible and may be maintained in either electronic or hard copy formats. Due to the variation in inventory and accounting documentary systems, various forms of documentation and records will be acceptable.

(2) Upon request by USDA representatives, suppliers and retailers subject to this subpart shall make available to USDA representatives, records maintained in the normal course of business that verify an origin claim. Such records shall be provided within 5 business days of the request and may be maintained in any location.

(b) *Responsibilities of suppliers.* (1) Any person engaged in the business of supplying a covered commodity to a retailer, whether directly or indirectly, must make available information to the buyer about the country(ies) of origin of the covered commodity. This information may be provided either on the product itself, on the master shipping container, or in a document that accompanies the product through retail sale. In addition, the supplier of a covered commodity that is responsible for initiating a country(ies) of origin claim, which in the case of lamb, chicken, and goat, is the slaughter facility, must possess records that are necessary to substantiate that claim for a period of 1 year from the date of the transaction. For that purpose,

packers that slaughter animals that are tagged with an 840 Animal Identification Number device without the presence of any additional accompanying marking (*i.e.*, “CAN” or “M”) may use that information as a basis for a U.S. origin claim. Packers that slaughter animals that are part of another country’s recognized official system (*e.g.* Canadian official system, Mexico official system) may also rely on the presence of an official ear tag or other approved device on which to base their origin claims. Producer affidavits shall also be considered acceptable records that suppliers may utilize to initiate origin claims, provided it is made by someone having first-hand knowledge of the origin of the covered commodity and identifies the covered commodity unique to the transaction.

(2) Any intermediary supplier handling a covered commodity that is found to be designated incorrectly as to the country of origin shall not be held liable for a violation of the Act by reason of the conduct of another if the intermediary supplier relied on the designation provided by the initiating supplier or other intermediary supplier, unless the intermediary supplier willfully disregarded information establishing that the country of origin declaration was false.

(3) Any person engaged in the business of supplying a covered commodity to a retailer, whether directly or indirectly (*i.e.*, including but not limited to growers, distributors, handlers, packers, and processors), must maintain records to establish and identify the immediate previous source (if applicable) and immediate subsequent recipient of a covered commodity for a period of 1 year from the date of the transaction.

(4) For an imported covered commodity (as defined in § 65.300(f)), the importer of record as determined by CBP, must ensure that records: provide clear product tracking from the port of entry into the United States to the immediate subsequent recipient and accurately reflect the country of origin of the item as identified in relevant CBP entry documents and information systems; and must maintain such records for a period of 1 year from the date of the transaction.

(c) *Responsibilities of retailers.* (1) In providing the country of origin notification for a covered commodity, in general, retailers are to convey the origin information provided by their suppliers. Only if the retailer physically commingles a covered commodity of different origins in preparation for retail sale, whether in a consumer-ready package or in a bulk display (and not discretely packaged) (i.e., full service meat case), can the retailer initiate a multiple country of origin designation that reflects the actual countries of origin for the resulting covered commodity.

(2) Records and other documentary evidence relied upon at the point of sale to establish a covered commodity's country(ies) of origin must either be maintained at the retail facility or at another location for as long as the product is on hand and provided to any duly authorized representative of USDA in accordance with § 65.500(a)(2). For pre-labeled products, the label itself is sufficient information on which the retailer may rely to establish the product's origin and no additional records documenting origin information are necessary.

(3) Any retailer handling a covered commodity that is found to be designated incorrectly as to the country of origin shall not be held liable for a violation of the Act by reason of the conduct of another if the retailer relied on the designation provided by the supplier, unless the retailer willfully disregarded information establishing that the country of origin declaration was false.

(4) Records that identify the covered commodity, the retail supplier, and for products that are not pre-labeled, the country of origin information must be maintained for a period of 1 year from the date the origin declaration is made at retail.

[74 FR 2704, Jan. 15, 2009, as amended at 81 FR 10761, Mar. 2, 2016]

## Subpart B [Reserved]

# PART 66—NATIONAL BIOENGINEERED FOOD DISCLOSURE STANDARD

## Subpart A—General Provisions

### Sec.

- 66.1 Definitions.
- 66.3 Disclosure requirement and applicability.
- 66.5 Exemptions.
- 66.6 List of Bioengineered Foods.
- 66.7 Updates to the List of Bioengineered Foods.
- 66.9 Detectability.
- 66.11 Severability.
- 66.13 Implementation and compliance.

## Subpart B—Bioengineered Food Disclosure

- 66.100 General.
- 66.102 Text disclosure.
- 66.104 Symbol disclosure.
- 66.106 Electronic or digital link disclosure.
- 66.108 Text message disclosure.
- 66.109 Required disclosure with actual knowledge.
- 66.110 Small food manufacturers.
- 66.112 Small and very small packages.
- 66.114 Food sold in bulk containers.
- 66.116 Voluntary disclosure.
- 66.118 Other claims.

## Subpart C—Other Factors and Conditions for Bioengineered Food

- 66.200 Request or petition for determination.
- 66.202 Standards for consideration.
- 66.204 Submission of request or petition.

## Subpart D—Recordkeeping

- 66.300 Scope.
- 66.302 Recordkeeping requirements.
- 66.304 Access to records.

## Subpart E—Enforcement

- 66.400 Prohibited act.
- 66.402 Audit or examination of records.
- 66.404 Hearing.
- 66.406 Summary of results.

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**Subpart A—General Provisions****§ 66.1 Definitions.**

*Act* means the Agricultural Marketing Act of 1946 (7 U.S.C. 1621 *et seq.*), as amended to include Subtitle E—National Bioengineered Food Disclosure Standard and Subtitle F—Labeling of Certain Food.

*Administrator* means the Administrator of the Agricultural Marketing Service, United States Department of Agriculture, or the representative to whom authority has been delegated to act in the stead of the Administrator.

*AMS* means the Agricultural Marketing Service of the United States Department of Agriculture.

*Bioengineered food* means—

(1) Subject to the factors, conditions, and limitations in paragraph (2) of this definition:

(i) A food that contains genetic material that has been modified through *in vitro* recombinant deoxyribonucleic acid (rDNA) techniques and for which the modification could not otherwise be obtained through conventional breeding or found in nature; *provided that*

(ii) Such a food does not contain modified genetic material if the genetic material is not detectable pursuant to § 66.9.

(2) A food that meets one of the following factors and conditions is not a bioengineered food.

(i) An incidental additive present in food at an insignificant level and that does not have any technical or functional effect in the food, as described in 21 CFR 101.100(a)(3).

(ii) [Reserved]

*Bioengineered substance* means substance that contains genetic material that has been modified through *in vitro* recombinant deoxyribonucleic acid (rDNA) techniques and for which the modification could not otherwise be obtained through conventional breeding or found in nature.

*Compliance date* means—

(1) *Mandatory compliance date*. Entities responsible for bioengineered food disclosure must comply with the requirements of this part by January 1, 2022.

(2) *Updates to the List of Bioengineered Foods*. When AMS updates the List of

Bioengineered Foods pursuant to § 66.7, entities responsible for bioengineered food disclosures must comply with the updates no later than 18 months after the effective date of the update.

*Food* means a food (as defined in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321)) that is intended for human consumption.

*Food manufacturer* means an entity that manufactures, processes, or packs human food and labels the food or food product for U.S. retail sale.

*Importer* means the importer of record, as determined by U.S. Customs and Border Protection (19 U.S.C. 1484(a)(2)(B)), who engages in the importation of food or food products labeled for retail sale into the United States.

*Information panel* means that part of the label of a packaged product that is immediately contiguous to and to the right of the principal display panel as observed by an individual facing the principal display panel, unless another section of the label is designated as the information panel because of package size or other package attributes (*e.g.* irregular shape with one usable surface).

*Label* means a display of written, printed, or graphic matter upon the immediate container or outside wrapper of any retail package or article that is easily legible on or through the outside container or wrapper.

*Labeling* means all labels and other written, printed, or graphic matter:

(1) Upon any article or any of its containers or wrappers; or

(2) Accompanying such article.

*List of Bioengineered Foods* means a list, maintained and updated by AMS and provided in § 66.6, of foods for which bioengineered versions have been developed.

*Marketing and promotional information* means any written, printed, audio-visual, or graphic information, including advertising, pamphlets, flyers, catalogues, posters, and signs that are distributed, broadcast, or made available to assist in the sale or promotion of a product.

*Predominance* means an ingredient's position in the ingredient list on a product's label. Predominant ingredients are those most abundant by

### § 66.3

### 7 CFR Ch. I (1–19 Edition)

weight in the product, as required under 21 CFR 101.4(a)(1).

*Principal display panel* means that part of a label that is most likely to be displayed, presented, shown, or examined under customary conditions of display for retail sale.

*Processed food* means any food other than a raw agricultural commodity, and includes any raw agricultural commodity that has been subject to processing, such as canning, cooking, freezing, dehydration, or milling.

*Raw agricultural commodity* means any agricultural commodity in its raw or natural state, including all fruits that are washed, colored, or otherwise treated in their unpeeled natural form prior to marketing.

*Regulated entity* means the food manufacturer, importer, or retailer that is responsible for making bioengineered food disclosures under § 66.100(a).

*Secretary* means the United States Secretary of Agriculture or a representative to whom authority has been delegated to act in the Secretary's stead.

*Similar retail food establishment* means a cafeteria, lunch room, food stand, food truck, transportation carrier (such as a train or airplane), saloon, tavern, bar, lounge, other similar establishment operated as an enterprise engaged in the business of selling prepared food to the public, or salad bars, delicatessens, and other food enterprises located within retail establishments that provide ready-to-eat foods that are consumed either on or outside of the retailer's premises.

*Small food manufacturer* means any food manufacturer with annual receipts of at least \$2,500,000, but less than \$10,000,000.

*Small package* means food packages that have a total surface area of less than 40 square inches.

*Very small food manufacturer* means any food manufacturer with annual receipts of less than \$2,500,000.

*Very small package* means food packages that have a total surface area of less than 12 square inches.

#### § 66.3 Disclosure requirement and applicability.

(a) *General.* (1) A label for a bioengineered food must bear a disclosure in-

dicating that the food is a bioengineered food or contains a bioengineered food ingredient consistent with this part.

(2) Except as provided in § 66.116 for voluntary disclosure, a label shall not bear a disclosure that a food is a bioengineered food or contains a bioengineered food ingredient if the records maintained in accordance with § 66.302 demonstrate that the food is not a bioengineered food or does not contain a bioengineered food ingredient.

(b) *Application to food.* This part applies only to a food subject to:

(1) The labeling requirements under the Federal Food, Drug, and Cosmetic Act ("FDCA"); or

(2) The labeling requirements under the Federal Meat Inspection Act, the Poultry Products Inspection Act, or the Egg Products Inspection Act only if:

(i) The most predominant ingredient of the food would independently be subject to the labeling requirements under the FDCA; or

(ii) The most predominant ingredient of the food is broth, stock, water, or a similar solution and the second-most predominant ingredient of the food would independently be subject to the labeling requirements under the FDCA.

#### § 66.5 Exemptions.

This part shall not apply to the food and entities described in this section.

(a) Food served in a restaurant or similar retail food establishment.

(b) Very small food manufacturers.

(c) A food in which no ingredient intentionally contains a bioengineered (BE) substance, with an allowance for inadvertent or technically unavoidable BE presence of up to five percent (5%) for each ingredient.

(d) A food derived from an animal shall not be considered a bioengineered food solely because the animal consumed feed produced from, containing, or consisting of a bioengineered substance.

(e) Food certified under the National Organic Program.

#### § 66.6 List of Bioengineered Foods.

The List of Bioengineered Foods consists of the following: Alfalfa, apple

(Arctic™ varieties), canola, corn, cotton, eggplant (BARI Bt Begun varieties), papaya (ringspot virus-resistant varieties), pineapple (pink flesh varieties), potato, salmon (AquAdvantage®), soybean, squash (summer), and sugarbeet.

**§ 66.7 Updates to the List of Bioengineered Foods.**

(a) *Updates to the List.* AMS will review and consider updates to the List on an annual basis and will solicit recommendations regarding updates to the List through notification in the FEDERAL REGISTER and on the AMS website.

(1) Recommendations regarding additions to and subtractions from the List may be submitted to AMS at any time or as part of the annual review process.

(2) Recommendations should be accompanied by data and other information to support the recommended action.

(3) AMS will post public recommendations on its website, along with information about other revisions to the List that the agency may be considering, including input based on consultation with the government agencies responsible for oversight of the products of biotechnology: USDA's Animal and Plant Health Inspection Service (USDA-APHIS), the U.S. Environmental Protection Agency (EPA), and the Department of Health and Human Services' Food and Drug Administration (FDA), and appropriate members of the Coordinated Framework for the Regulation of Biotechnology or a similar successor.

(4) AMS will consider whether foods proposed for inclusion on the List have been authorized for commercial production somewhere in the world, and whether the food is currently in legal commercial production for human food somewhere in the world.

(5) If AMS determines that an update to the List is appropriate following its review of all relevant information provided, AMS will modify the List.

(b) *Compliance period.* Regulated entities will have 18 months following the effective date of the updated List of Bioengineered Foods to revise food labels to reflect changes to the List in

accordance with the disclosure requirements of this part.

**§ 66.9 Detectability.**

(a) *Recordkeeping requirements.* Modified genetic material is not detectable if, pursuant to the recordkeeping requirements of § 66.302, the entity responsible for making a BE food disclosure maintains:

(1) Records to verify that the food is sourced from a non-bioengineered crop or source; *or*

(2) Records to verify that the food has been subjected to a refinement process validated to make the modified genetic material in the food undetectable; *or*

(3) Certificates of analysis or other records of testing appropriate to the specific food that confirm the absence of modified genetic material.

(b) *Validated refining process.* (1) Analytical testing that meets the standards described in paragraph (c) of this section must be used to validate that a refining process renders modified genetic material in a food undetectable.

(2) Once a refining process has been so validated, additional testing is not necessary to confirm the absence of detectable modified genetic material in food subsequently refined through that process, provided that no significant changes are made to the validated process and provided that records are maintained to demonstrate that the refining process has been validated and that the validated refining process is followed.

(c) *Standards of performance for detectability testing.* Analytical testing for purposes of detecting the presence of modified genetic material in refined foods pursuant to paragraph (a) of this section shall meet the following standard:

(1) Laboratory quality assurance must ensure the validity and reliability of test results;

(2) Analytical method selection, validation, and verification must ensure that the testing method used is appropriate (fit for purpose) and that the laboratory can successfully perform the testing;

(3) The demonstration of testing validity must ensure consistent accurate analytical performance; and

## § 66.11

(4) Method performance specifications must ensure analytical tests are sufficiently sensitive for the purposes of the detectability requirements of this part.

### § 66.11 Severability.

If any provision of this part is declared invalid or the applicability thereof to any person or circumstances is held invalid, the validity of the remainder of this part or the applicability thereof to other persons or circumstances shall not be affected thereby.

### § 66.13 Implementation and compliance.

(a) *Implementation.* Except for small food manufacturers, the implementation date for this part is January 1, 2020. For small food manufacturers, the implementation date is January 1, 2021.

(b) *Voluntary compliance.* (1) Regulated entities may voluntarily comply with the requirements in this part until December 31, 2021.

(2) During this period, regulated entities may use labels that meet requirements of preempted State labeling regulations for genetically engineered food. Stickers or ink stamps may be applied to existing labels to provide appropriate bioengineered food disclosures provided that the stickers or ink stamps do not obscure other required label information.

(c) *Mandatory compliance.* All regulated entities must comply with the requirements of this part beginning on January 1, 2022.

## Subpart B—Bioengineered Food Disclosure

### § 66.100 General.

(a) *Responsibility for disclosure.* (1) For a food that is packaged prior to receipt by a retailer, the food manufacturer or importer is responsible for ensuring that the food label bears a bioengineered food disclosure in accordance with this part.

(2) If a retailer packages a food or sells a food in bulk, that retailer is responsible for ensuring that the food bears a bioengineered food disclosure in accordance with this part.

## 7 CFR Ch. I (1–19 Edition)

(b) *Type of disclosure.* If a food must bear a bioengineered food disclosure under this part, the disclosure must be in one of the forms described in this paragraph (b), except as provided in §§ 66.110 and 66.112.

(1) A text disclosure in accordance with § 66.102.

(2) A symbol disclosure in accordance with § 66.104.

(3) An electronic or digital link disclosure in accordance with § 66.106.

(4) A text message disclosure in accordance with § 66.108.

(c) *Appearance of disclosure.* The required disclosure must be of sufficient size and clarity to appear prominently and conspicuously on the label, making it likely to be read and understood by the consumer under ordinary shopping conditions.

(d) *Placement of the disclosure.* Except as provided in § 66.114 for bulk food, the disclosure must be placed on the label in one of the manners described in this paragraph (d).

(1) The disclosure is placed in the information panel directly adjacent to the statement identifying the name and location of the handler, distributor, packer, manufacturer, importer, or any statement disclosing similar information.

(2) The disclosure is placed in the principal display panel.

(3) The disclosure is placed in an alternate panel likely to be seen by a consumer under ordinary shopping conditions if there is insufficient space to place the disclosure on the information panel or the principal display panel.

(e) *Uniform Resource Locator (URL).* Except for disclosures made by small manufacturers and for disclosures on very small packages, a bioengineered food disclosure may not include an internet website URL that is not embedded in an electronic or digital link.

### § 66.102 Text disclosure.

A text disclosure must bear the text as described in this section. A text disclosure may use a plural form if applicable, *e.g.* if a food product includes more than one bioengineered food, then “bioengineered foods” or “bioengineered food ingredients” may be used.

(a) *Bioengineered foods.* If a food (including any ingredient produced from

such food) is on the List of Bioengineered Foods, and records maintained by a regulated entity demonstrate that the food is bioengineered, the text disclosure must be one of the following, as applicable:

(1) “Bioengineered food” for bioengineered food that is a raw agricultural commodity or processed food that contains only bioengineered food ingredients; or

(2) “Contains a bioengineered food ingredient” for multi-ingredient food that is not described in paragraph (a)(1) of this section but contains one or more bioengineered food ingredients.

(b) *Predominant language in U.S.* Food subject to disclosure that is distributed solely in a U.S. territory may be labeled with statements equivalent to those required in this part, using the predominant language used in that territory.

#### § 66.104 Symbol disclosure.

A symbol disclosure must replicate the form and design of Figure 1 to this section.

(a) The symbol is a circle with a green circumference, and a white outer band. The bottom portion of the circle contains an arch, filled in green to the bottom of the circle. The arch contains two light green terrace lines, sloping downward from left to right. On the left side of the arch is a stem arching towards the center of the circle, ending in a four-pointed starburst. The stem contains two leaves originating on the upper side of the stem and pointing towards the top of the circle. In the background of the leaves, at the top of the circle and to the left of center, is approximately one-half of a circle filled in yellow. The remainder of the circle is filled in light blue. The symbol must contain the words “BIOENGINEERED.”

(b) If a food (including any ingredient produced from such food) is on the List of Bioengineered Foods, and records maintained by a regulated entity demonstrate that the food is bioengineered, or do not demonstrate whether the food is bioengineered, the symbol disclosure must be the following:

Figure 1 to § 66.104



(c) The symbol may be printed in black and white.

(d) Nothing can be added to or removed from the bioengineered food symbol design except as allowed in this part.

#### § 66.106 Electronic or digital link disclosure.

If a required bioengineered food disclosure is made through an electronic or digital link printed on the label, the disclosure must comply with the requirements described in this section.

(a) *Accompanying statement.* (1) An electronic or digital disclosure must be accompanied by, and be placed directly

above or below, this statement: “Scan here for more food information” or equivalent language that only reflects technological changes (*e.g.*, “Scan anywhere on package for more food information” or “Scan icon for more food information”).

(2) The electronic or digital disclosure must also be accompanied by a telephone number that will provide the bioengineered food disclosure to the consumer, regardless of the time of day. The telephone number instructions must be in close proximity to the digital link and the accompanying statement described in paragraph (a)(1)

## § 66.108

## 7 CFR Ch. I (1–19 Edition)

of this section, must indicate that calling the telephone number will provide more food information, and must be accompanied by the statement “Call [1-000-000-0000] for more food information.”

(b) *Product information page.* When the electronic or digital link is accessed, the link must go directly to the product information page for display on the electronic or digital device. The product information page must comply with the requirements described in this paragraph (b).

(1) The product information page must be the first screen to appear on an electronic or digital device after the link is accessed as directed.

(2) The product information page must include a bioengineered food disclosure that is consistent with § 66.102 or § 66.104.

(3) The product information page must exclude marketing and promotional information.

(4) The electronic or digital link disclosure may not collect, analyze, or sell any personally identifiable information about consumers or the devices of consumers; however, if this information must be collected to carry out the purposes of this part, the information must be deleted immediately and not used for any other purpose.

### § 66.108 Text message disclosure.

The regulated entity must not charge a person any fee to access the bioengineered food information through text message and must comply with the requirements described in this section.

(a) The label must include this statement “Text [command word] to [number] for bioengineered food information.” The number must be a number, including a short code, that sends an immediate response to the consumer’s mobile device.

(b) The response must be a one-time response and the only information in the response must be the appropriate bioengineered food disclosure described in § 66.102 or § 66.116.

(c) The response must exclude marketing and promotional information.

(d) A regulated entity that selects the text message option must comply with the requirements of this paragraph (d).

(1) The regulated entity must not collect, analyze, or sell any personally identifiable information about consumers or the devices of consumers.

(2) The regulated entity must not use any information related to the text message option for any marketing purposes.

(3) If any information must be collected to carry out the purposes of this part, the information must be deleted as soon as possible and not be used for any other purpose.

### § 66.109 Required disclosure with actual knowledge.

Notwithstanding any provision in this subpart, if a food manufacturer (other than a very small food manufacturer), a retailer, or an importer has actual knowledge that the food is a bioengineered food or contains a bioengineered food ingredient, it must disclose that the food is bioengineered or contains a bioengineered food ingredient, as applicable, using appropriate text, symbol, electronic or digital link disclosure, or text message.

### § 66.110 Small food manufacturers.

A small food manufacturer must make the required bioengineered food disclosure using one of the bioengineered food disclosure options permitted under §§ 66.102, 66.104, 66.106, and 66.108 or as described in this section.

(a) The label bears the statement: “Call for more food information,” which accompanies a telephone number that will provide the bioengineered food disclosure to the consumer, regardless of the time of day. Disclosure via telephone number must include a bioengineered food disclosure that is consistent with § 66.102 in audio form and may be pre-recorded.

(b) The label bears the statement: “Visit [URL of the website] for more food information,” which accompanies a website that meets the requirements of § 66.106(b). Disclosure via website must include a bioengineered food disclosure that is consistent with § 66.102 or § 66.104 in written form.

### § 66.112 Small and very small packages.

In addition to the disclosures described in this subpart, for food in



small and very small packages, the required disclosure may be in the form described in paragraph (a), (b), or (c) of this section.

(a) The label bears the electronic or digital disclosure described in § 66.106, and replaces the statement and phone number required in § 66.106(a) with the statement “Scan for info.”

(b) The label bears a number or short code as described in § 66.108(a), and replaces the statement with “Text for info.”

(c) The label bears a phone number as described in § 66.110(a), and replaces the statement with “Call for info.”

(d) For very small packages only, if the label includes a preexisting Uniform Resource Locator for a website or a telephone number that a consumer can use to obtain food information, that website or telephone number may also be used for the required bioengineered food disclosure, provided that the disclosure is consistent with § 66.102 or § 66.104 in written or audio form, as applicable.

#### § 66.114 Food sold in bulk containers.

(a) Bioengineered food sold in bulk containers (*e.g.*, display case, bin, carton, and barrel), used at the retail level to present product to consumers, including a display at a fresh seafood counter, must use one of the disclosure options described in § 66.102, § 66.104, § 66.106, or § 66.108.

(b) The disclosure must appear on signage or other materials (*e.g.*, placard, sign, label, sticker, band, twist tie, or other similar format) that allows consumers to easily identify and understand the bioengineered status of the food.

#### § 66.116 Voluntary disclosure.

(a) *Disclosure of bioengineered food by exempt entities.* If a food on the List of Bioengineered Foods is subject to disclosure, a very small food manufacturer, restaurant, or similar retail food establishment may voluntarily provide that disclosure. The disclosure must be in one or more of the forms described in this paragraph (a).

(1) A text disclosure, in accordance with § 66.102.

(2) A symbol disclosure, in accordance with § 66.104.

(3) An electronic or digital link disclosure, in accordance with § 66.106.

(4) A text message disclosure, in accordance with § 66.108.

(5) Appropriate small manufacturer and small and very small package disclosure options, in accordance with §§ 66.110 and 66.112.

(b) *Disclosure of foods derived from bioengineering.* For foods or food ingredients that do not meet paragraph (1) of the definition of bioengineered food in § 66.1, that do not qualify as a factor or condition under paragraph (2) of the definition of bioengineered food in § 66.1, that are not exempt from disclosure under § 66.5, and that are derived from a food on the List of Bioengineered Foods, regulated entities may disclose such foods with one of the disclosures described in this paragraph (b).

(1) A text disclosure with the following statement: “derived from bioengineering” or “ingredient(s) derived from a bioengineered source.” The word “ingredient(s)” may be replaced with the name of the specific crop(s) or food ingredient(s).

(2) A symbol disclosure using the following symbol:

Figure 1 to § 66.116



(3) An electronic or digital link disclosure, in accordance with § 66.106, provided that the disclosure is the text described in paragraph (b)(1) of this section or the symbol in Figure 1 to this section.

(4) A text message disclosure, in accordance with § 66.108, provided that the response is the text described in paragraph (b)(1) of this section or the symbol in Figure 1 to this section.

(5) Appropriate small manufacturer and small and very small package disclosure options, in accordance with §§ 66.110 and 66.112, provided that the disclosure is the text described in paragraph (b)(1) of this section or the symbol in Figure 1 to this section.

(c) *Appearance of disclosure.* The disclosure should be of sufficient size and clarity to appear prominently and conspicuously on the label, making it likely to be read and understood by the consumer under ordinary shopping conditions.

(d) *Recordkeeping.* Reasonable and customary records should be maintained to verify disclosures made under this section, in accordance with § 66.302.

**§ 66.118 Other claims.**

Nothing in this subpart will prohibit regulated entities from making other claims regarding bioengineered foods, provided that such claims are consistent with applicable Federal law.

**Subpart C—Other Factors and Conditions for Bioengineered Food**

**§ 66.200 Request or petition for determination.**

(a) Any person may submit a request or petition for a determination by the Administrator regarding other factors and conditions under which a food is considered a bioengineered food. A request or petition must be submitted in accordance with § 66.204.

(b) The request or petition may be supplemented, amended, or withdrawn in writing at any time without prior approval of the Administrator, and without affecting resubmission, except when the Administrator has responded to the request or petition.

(c) If the Administrator determines that the request or petition satisfies

the standards for consideration in § 66.202, AMS will initiate a rulemaking that would amend the definition of “bioengineered food” in § 66.1 to include the requested factor or condition.

(d) The Administrator’s determination that the request or petition does not satisfy the standards for consideration in § 66.202 constitutes final agency action for purposes of judicial review.

**§ 66.202 Standards for consideration.**

In evaluating a request or petition, the Administrator must apply the applicable standards described in this section.

(a) The requested factor or condition is within the scope of the definition of “bioengineering” in 7 U.S.C. 1639(l).

(b) The Administrator must evaluate the difficulty and cost of implementation and compliance related to the requested factor or condition.

(c) The Administrator may consider other relevant information, including whether the requested factor or condition is compatible with the food labeling requirements of other agencies or countries, as part of the evaluation.

**§ 66.204 Submission of request or petition.**

(a) *Submission procedures and format.* A person must submit the request to the Agricultural Marketing Service in the form and manner established by AMS.

(b) *Required information.* The request or petition must include the information described in this paragraph (b).

(1) Description of the requested factor or condition.

(2) Analysis of why the requested factor or condition should be included in considering whether a food is a bioengineered food, including any relevant information, publications, and/or data. The analysis should include how the Administrator should apply the standards for consideration in § 66.202.

(3) If the request or petition contains Confidential Business Information (CBI), the submission must comply with the requirements of this paragraph (b)(3).

(i) The requester or petitioner must submit one copy that is marked as

“CBI Copy” on the first page and on each page containing CBI.

(ii) The requester or petitioner must submit a second copy with the CBI deleted. This copy must be marked as “CBI Redacted” on the first page and on each page where the CBI was deleted.

(iii) The submission must include an explanation as to why the redacted information is CBI.

### Subpart D—Recordkeeping

#### § 66.300 Scope.

This subpart applies to records regarding mandatory and voluntary disclosures under this part for foods offered for retail sale in the United States.

#### § 66.302 Recordkeeping requirements.

(a) *General.* (1) Regulated entities must maintain records that are customary or reasonable to demonstrate compliance with the disclosure requirements of this part.

(2) The records must be in electronic or paper formats and must contain sufficient detail as to be readily understood and audited by AMS.

(3) Records must be maintained for at least two years beyond the date the food or food product is sold or distributed for retail sale.

(4) Examples of customary or reasonable records that could be used to demonstrate compliance with the disclosure requirements of this part include, but are not limited to: Supply chain records, bills of lading, invoices, supplier attestations, labels, contracts, brokers' statements, third party certifications, laboratory testing results, validated process verifications, and other records generated or maintained by the regulated entity in the normal course of business.

(b) *Recordkeeping requirements.* (1) If a food (including an ingredient produced from such food) is on the List of Bioengineered Foods, the regulated entity must maintain records regarding that food or food ingredient.

(2) If a food (including an ingredient produced from such food) bears a bioengineered food disclosure based on actual knowledge and is not on the List of Bioengineered Foods, regulated enti-

ties must maintain records for such food or food ingredient.

#### § 66.304 Access to records.

(a) *Request for records.* When AMS makes a request for records, the entity must provide the records to AMS within five (5) business days, unless AMS extends the deadline.

(b) *On-site access.* If AMS needs to access the records at the entity's place of business, AMS will provide prior notice of at least three (3) business days. AMS will examine the records during normal business hours, and the records will be made available during those times. Access to any necessary facilities for an examination of the records must be extended to AMS.

(c) *Failure to provide access.* If the entity fails to provide access to the records as required under this section, the result of the audit or examination of records will be that the entity did not comply with the requirement to provide access to records and that AMS could not confirm whether the entity is in compliance with the bioengineered food disclosure standard for purposes of § 66.402.

### Subpart E—Enforcement

#### § 66.400 Prohibited act.

It is a violation of 7 U.S.C. 1639b for any person to knowingly fail to make a bioengineered food disclosure in accordance with this part.

#### § 66.402 Audit or examination of records.

(a) Any interested person who has knowledge of or information regarding a possible violation of this part may file a written statement or complaint with the Administrator.

(1) Written statements or complaints filed with the Administrator must include the following:

- (i) Complete identifying information about the product in question;
- (ii) A detailed explanation of the alleged regulatory violation; and
- (iii) Name and contact information of the person filing the statement or complaint.

(2) Written statements or complaints should be addressed to Director, Food Disclosure and Labeling Division, AMS

## § 66.404

Fair Trade Practices Program, 1400 Independence Avenue SW, Washington, DC 20250; or submitted through the NBFDS Compliance Portal on the AMS website at <https://www.ams.usda.gov/be>.

(3) The Administrator will determine whether reasonable grounds exist for an investigation of such complaint.

(b) If the Administrator determines that further investigation of a complaint is warranted, an audit, examination, or similar activity may be conducted with respect to the records of the entity responsible for the disclosures.

(c) Notice regarding records audits or examinations or similar activities will be provided in accordance with § 66.304(a) and (b).

(d) At the conclusion of the audit or examination of records or similar activity, AMS will make the findings available to the entity that was the subject of the investigation.

(e) If the entity that is the subject of the audit or examination of records or similar activity objects to any findings, it may request a hearing in accordance with § 66.404.

## § 66.404 Hearing.

(a) Within 30 days of receiving the results of an audit or examination of records or similar activity to which the entity that was the subject of the investigation objects, the entity may request a hearing by filing a request, along with the entity's response to the findings and any supporting documents, with AMS.

(b) The response to the findings of the audit or examination of records or similar activity must identify any objection to the findings and the basis for the objection.

(c) The AMS Administrator or designee will review the findings of the audit or examination of records or similar activity, the response, and any supporting documents, and may allow the entity that was the subject of the investigation to make an oral presentation.

(d) At the conclusion of the hearing, the AMS Administrator or designee may revise the findings of the audit or examination of records or similar activity.

## 7 CFR Ch. I (1–1–19 Edition)

## § 66.406 Summary of results.

(a) If the entity that was the subject of the audit or examination of records or similar activity does not request a hearing in accordance with § 66.404, or at the conclusion of a hearing, AMS will make public the summary of the final results of the investigation.

(b) AMS's decision to make public the summary of the final results constitutes final agency action for purposes of judicial review.

## PART 70—VOLUNTARY GRADING OF POULTRY PRODUCTS AND RABBIT PRODUCTS

### Subpart A—Grading of Poultry Products and Rabbit Products

#### DEFINITIONS

##### Sec.

70.1 Definitions.

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

#### GENERAL

70.3 Administration.

70.4 Services available.

70.5 Nondiscrimination.

70.6 OMB control number.

70.8 Other applicable regulations.

70.10 Basis of grading service.

70.11 [Reserved]

70.12 Supervision.

70.13 Ready-to-cook poultry and rabbits and specified poultry food products.

70.14 Squabs and domesticated game birds; eligibility.

70.15 Equipment and facilities for graders.

70.16 Prerequisites to grading.

70.17 Accessibility of products.

70.18 Schedule of operation of official plants.

#### LICENSED AND AUTHORIZED GRADERS

70.20 Who may be licensed and authorized.

70.21 Suspension of license; revocation.

70.22 Surrender of license.

70.23 Identification.

70.24 Financial interest of graders.

70.25 Political activity.

70.26 Cancellation of license.

#### APPLICATION FOR GRADING SERVICE

70.30 Who may obtain grading service.

70.31 How application for service may be made; conditions of service.

70.32 Filing of application.

70.33 Authority of applicant.

## Agricultural Marketing Service, USDA

## § 70.1

- 70.34 Application for grading service in official plants; approval.
- 70.35 Rejection of application.
- 70.36 Withdrawal of application.
- 70.37 Order of service.
- 70.38 Suspension or withdrawal of plant approval for correctable cause.
- 70.39 Form of application.

### DENIAL OF SERVICE

- 70.40 Debarment.
- 70.41 Misrepresentation, deceptive, or fraudulent act or practice.
- 70.42 Use of facsimile forms.
- 70.43 Willful violation of the regulations.
- 70.44 Interfering with a grader or employee of Service.
- 70.45 Misleading labeling.
- 70.46 Miscellaneous.

### IDENTIFYING AND MARKING PRODUCTS

- 70.50 Approval of official identification and wording on labels.
- 70.51 Form of grademark and information required.
- 70.52 Prerequisites to packaging ready-to-cook poultry or rabbits identified with consumer grademarks.
- 70.54 Retention authorities.
- 70.55 Check grading officially identified product.
- 70.56 Grading requirements of poultry and rabbits identified with official identification.

### REPORTS

- 70.60 Report of grading work.
- 70.61 Information to be furnished to graders.
- 70.62 Reports of violations.

### FEES AND CHARGES

- 70.70 Payment of fees and charges.
- 70.71 On a fee basis.
- 70.72 Fees for appeal grading or review of a grader's decision.
- 70.75 Travel expenses and other charges.
- 70.76 Charges for continuous poultry grading performed on a nonresident basis.
- 70.77 Charges for continuous poultry or rabbit grading performed on a resident basis.
- 70.78 Fees or charges for grading service performed under cooperative agreement.

### GRADING CERTIFICATES

- 70.90 Forms.
- 70.91 Issuance.
- 70.92 Disposition.
- 70.93 Advance information.

### APPEAL OF A GRADING OR DECISION

- 70.100 Who may request an appeal grading or review of a grader's decision.
- 70.101 Where to file an appeal.

- 70.102 How to file an appeal.
- 70.103 When an application for an appeal grading may be refused.
- 70.104 Who shall perform the appeal.
- 70.105 Procedures for appeal gradings.
- 70.106 Appeal grading certificates.

### SANITARY REQUIREMENTS, FACILITIES, AND OPERATING PROCEDURES

- 70.110 Requirements for sanitation, facilities, and operating procedures in official plants.

### Subparts B–C [Reserved]

AUTHORITY: 7 U.S.C. 1621–1627.

SOURCE: 41 FR 23681, June 11, 1976, unless otherwise noted. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981.

## Subpart A—Grading of Poultry Products and Rabbit Products

### DEFINITIONS

#### § 70.1 Definitions.

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.

*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 poultry and rabbits. Auditing services are performed by graders authorized by the Secretary to

## § 70.1

## 7 CFR Ch. I (1–19 Edition)

perform such audits and the service provided will be in accordance with the provisions of this part for grading services, as appropriate.

*Carcass* means any poultry or rabbit carcass.

*Chief of the Grading Branch* means 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 or species.

*Condition* means any condition, including but not being limited to, the state of preservation, cleanliness, or soundness of any product; or any condition, including but not limited to the processing, handling, or packaging which affects such product.

*Condition and wholesomeness* means the condition of any product and its healthfulness and fitness for human food.

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

*Free from protruding feathers or hairs* means that a poultry carcass, part, or poultry product with the skin on is free from protruding feathers or hairs which are visible to a grader during an examination at normal operating speeds. However, a poultry carcass, part, or poultry product may be considered as being free from protruding feathers or hairs if it has a generally clean appearance and if not more than an occasional protruding feather or hair is evidenced during a more careful examination.

*Giblets* means the following poultry organs when properly trimmed and washed: The liver from which the bile sac has been removed, the heart from which the pericardial sac has been removed, and the gizzard from which the lining and contents have been removed. With respect to rabbits “giblets” means the liver from which the bile sac has been removed and the heart from which the pericardial sac has been removed.

*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: (a) 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 Service; (b) the act whereby the grader identifies, according to the regulations in this part, the graded product; (c) with respect to any official plant, the act whereby a grader determines that the product in such plant was processed, handled, and packaged in accordance with § 70.110, or (d) 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, quality, quantity, or condition of a product.

*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 service.

*Lightly shaded discolorations* on poultry are generally reddish in color and are usually confined to areas of the skin or the surface of the flesh.

*Moderately shaded discolorations* on poultry skin or flesh are areas that are generally dark red or bluish, or are areas of flesh bruising. Moderately shaded discolorations are free from blood clots that are visible to a grader during an examination of the carcass, part, or poultry product at normal grading speeds.

*National supervisor* means the officer in charge of the poultry grading service of the AMS, and other employees of the Department as may be designated by the national supervisor.

## Agricultural Marketing Service, USDA

## § 70.1

*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.

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

*Poultry* means any kind of domesticated bird, including, but not being limited to, chickens, turkeys, ducks, geese, pigeons, and guineas.

*Poultry food product* means any article of human food or any article intended for or capable of being so used, which is prepared or derived in whole or in substantial part, from any edible part or parts of poultry.

*Poultry product* means any ready-to-cook poultry carcass or part therefrom or any specified poultry food product.

*Poultry grading service* means the personnel who are actively engaged in the administration, application, and direction of poultry and rabbit grading programs and services pursuant to the regulations in this part.

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

*Rabbit* means any domesticated rabbit whether live or dead.

*Rabbit product* means any ready-to-cook rabbit carcass or part therefrom.

*Ready-to-cook poultry* means any slaughtered poultry free from protruding feathers, vestigial feathers (hair or down as the case may be) and from which the head, feet, crop, oil gland, trachea, esophagus, entrails, mature reproductive organs, and lungs have been removed, and the kidneys have been removed from certain mature poultry as defined in 9 CFR part 381, and with or without the giblets, and which is suitable for cooking without need of further processing. Ready-to-cook poultry also means any cut-up or disjointed portion of poultry or other parts of poultry as defined in 9 CFR part 381 that are suitable for

cooking without need of further processing.

*Ready-to-cook rabbit* means any rabbit which has been slaughtered for human food, from which the head, blood, skin, feet, and inedible viscera have been removed, that is ready to cook without need of further processing. Ready-to-cook rabbit also means any cut-up or disjointed portion of rabbit or any edible part thereof.

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

*Regulations* means the provisions of this entire part and such United States classes, standards, and grades for products 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.

*Slight discolorations* on poultry skin or flesh are areas of discoloration that are generally pinkish in color and do not detract from the appearance of the carcass, part, or poultry product.

*Soundness* means freedom from external evidence of any disease or condition which may render a carcass or product unfit for food.

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

*United States Classes, Standards, and Grades for Poultry* means the official U.S. Classes, Standards, and Grades for Poultry (AMS 70.200 *et seq.*) that are maintained by and available from Poultry Programs, AMS.

*United States Classes, Standards, and Grades for Rabbits* means the official U.S. Classes, Standards, and Grades for Rabbits (AMS 70.300 *et seq.*) that are

## § 70.2

maintained by and available from Poultry Programs, AMS.

[41 FR 23681, June 11, 1976; 41 FR 24693, June 18, 1976. 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 47 FR 46071, Oct. 15, 1982; 47 FR 54421, Dec. 3, 1982; 51 FR 17280, May 9, 1986; 60 FR 6639, Feb. 2, 1995; 63 FR 40628, July 30, 1998; 71 FR 42011, July 24, 2006; 72 FR 11775, Mar. 14, 2007]

### **§ 70.2 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 identification 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 meaning 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 grade-mark 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

## 7 CFR Ch. I (1–19 Edition)

product, or for maintaining the identity of products graded under this part, including but not limited to, those marks set forth in § 70.51.

(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 0, 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.

[41 FR 23681, June 11, 1976. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 71 FR 42011, July 24, 2006]

### GENERAL

### **§ 70.3 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, grading, 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.

[71 FR 42011, July 24, 2006]

### **§ 70.4 Services available.**

The regulations in this part provide for the following kinds of service; and



## Agricultural Marketing Service, USDA

## § 70.10

any one or more of the different services applicable to official plants may be rendered in an official plant:

(a) Grading of ready-to-cook poultry and rabbits in an official plant or at other locations with adequate facilities.

(b) Grading of specified poultry food products in official plants.

(c) *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 poultry and rabbits. Charges or fees are based on time, travel, and expenses needed to perform the work.

[41 FR 23681, June 11, 1976. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 72 FR 11775, Mar. 14, 2007]

### § 70.5 Nondiscrimination.

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

[71 FR 42012, July 24, 2006]

### § 70.6 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 0581-0127.

(b) *Display.*

#### SECTIONS WHERE INFORMATION COLLECTION REQUIREMENTS ARE IDENTIFIED AND DESCRIBED

70.3	70.36	70.76(b)(3)(ii)
70.4(a)	70.38(c)	70.77(a)(1)
70.5	70.38(d)	70.77(a)(4)
70.18	70.39	70.77(b)(1)
70.20(a)	70.40	70.77(b)(3)(ii)
70.22	70.50	70.91(a)
70.31(a)	70.61	70.91(c)
70.31(b)	70.62	70.92
70.34	70.73	70.101
70.35	70.76(b)(1)	70.102

[71 FR 42012, July 24, 2006]

### § 70.8 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.

[71 FR 42012, July 24, 2006]

### § 70.10 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 determination of quality of products shall be on the basis of United States Classes, Standards, and Grades for Poultry and Rabbits. 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.

(b) Whenever grading service is provided for examination of quality, condition, or for test weighing on a representative sample basis, such sample shall be drawn and consist of not less than the minimum number of containers indicated in the following table. The number of representative samples for large bulk containers (combo bins, tanks, etc.) may be reduced by one-half. For quality or condition, all of the poultry and rabbits in each representative sample shall be examined except for individual ready-to-cook carcasses weighing under 6 pounds in large bulk containers. For individual carcasses weighing under 6 pounds in large bulk containers, 100 carcasses shall be examined for quality or condition. Procedures for test weighing shall be in accordance with those prescribed by the Administrator.

Containers in lot	Containers in sample
1-4 .....	All.
5-50 .....	4.
51-100 .....	5.
101-200 .....	6.
201-400 .....	7.
401-600 .....	8.
For each additional 100 containers, or fraction thereof, in excess of 600 containers.	Include one additional container.

[41 FR 23681, June 11, 1976. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 71 FR 42012, 42014, July 24, 2006]

## **§ 70.11**

## **7 CFR Ch. I (1–19 Edition)**

### **§ 70.11 [Reserved]**

### **§ 70.12 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 containers thereof to be corrected prior to shipment of the product from the place of initial grading.

### **§ 70.13 Ready-to-cook poultry and rabbits and specified poultry food products.**

(a) Ready-to-cook poultry or rabbit carcasses or parts or specified poultry food products may be graded only if they have been inspected and certified by the poultry inspection service of the Department, or inspected and passed by any other inspection system which is acceptable to the Department.

(b) Only when ready-to-cook poultry carcasses, parts, poultry food products, including those used in preparing raw poultry food products, have been graded on an individual basis by a grader or by an authorized person pursuant to § 70.20(c) and thereafter checkgraded by a grader, and when poultry food products have been prepared under the supervision of a grader, when necessary the individual container, carcass, part, or poultry food product be identified with the appropriate official letter grademark. Checkgrading shall be accomplished in accordance with a statistical sampling plan prescribed by the Administrator. Grading with respect to quality factors for freezing defects and appearance of the finished products, when necessary, shall be done on a sample basis in accordance with a plan prescribed by the Administrator.

(c) Only when ready-to-cook rabbit carcasses or parts have been graded on an individual basis by a grader or by an

authorized person pursuant to § 70.20(c) and thereafter checkgraded by a grader, may the container or the individual carcass or part be identified with the appropriate official letter grademark. Checkgrading shall be accomplished in accordance with a statistical sampling plan prescribed by the Administrator. Grading with respect to quality factors for freezing defects and appearance of the finished products may be done on a sample basis in accordance with a plan prescribed by the Administrator.

[71 FR 42012, July 24, 2006]

### **§ 70.14 Squabs and domesticated game birds; eligibility.**

Squabs and domesticated game birds (including, but not being limited to, quail, pheasants, and wild species of ducks and geese raised in captivity) may be graded under the regulations in this part, only if they have been inspected and passed by the poultry inspection service of the Department or have been inspected by any other official inspection system acceptable to the Department.

[41 FR 23681, June 11, 1976. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 71 FR 42012, July 24, 2006]

### **§ 70.15 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) A drill with a steel bit to drill holes in frozen product for inserting the metal thermometer stem to determine temperature.

(3) Scales graduated in tenths of a pound or less for weighing carcasses, parts, or products individually in containers up to 100 pounds, and test weights for such scales.

(4) Scales graduated in one-pound graduation or less for weighing bulk containers of poultry and test weights for such scales.

(b) Furnished office space, a desk, and file or storage cabinets (equipped with a satisfactory locking device) suitable for the security and storage of

## **Agricultural Marketing Service, USDA**

## **§ 70.21**

official supplies, and other facilities and equipment as may otherwise be required. Such space and equipment must meet the approval of the national supervisor.

[71 FR 42012, July 24, 2006]

### **§ 70.16 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.

### **§ 70.17 Accessibility of products.**

Each product for which grading service is requested shall be so placed as to disclose fully its class, quality, quantity, and condition as the circumstances may warrant.

### **§ 70.18 Schedule of operation of official plants.**

Grading operation schedules for services performed pursuant to §§ 70.76 and 70.77 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]

#### **LICENSED AND AUTHORIZED GRADERS**

### **§ 70.20 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 poultry grading service of the AMS or any other designated officer of such Service.

(c) Any person who is employed by any official plant and possesses proper qualifications as determined by the Administrator may be authorized to grade poultry and/or rabbits on the basis of the U.S. classes, standards, and grades under the supervision of a grader. No person to whom such authorization is granted shall have authority to issue any grading certificates, grading memoranda, or other official documents; and all products graded by any such person shall thereafter be check graded by a grader.

[41 FR 23681, June 11, 1976. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 71 FR 42012, July 24, 2006]

### **§ 70.21 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 services are properly performed, suspend any license to perform grading service issued pursuant to this part, by giving notice of such suspension 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 the 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.

[41 FR 23681, June 11, 1976. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 71 FR 42012, July 24, 2006]

## **§ 70.22**

### **§ 70.22 Surrender of license.**

Each license which is suspended or revoked shall immediately be surrendered by the licensee to the office of grading servicing the area in which the license is located.

[71 FR 42012, July 24, 2006]

### **§ 70.23 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 42013, July 24, 2006]

### **§ 70.24 Financial interest of graders.**

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

[71 FR 42013, July 24, 2006]

### **§ 70.25 Political activity.**

Federal graders may participate in certain political activities, including management 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 42013, July 24, 2006]

### **§ 70.26 Cancellation of license.**

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

[71 FR 42013, July 24, 2006]

## **APPLICATION FOR GRADING SERVICE**

### **§ 70.30 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,

## **7 CFR Ch. I (1–19 Edition)**

any State, county, municipality, or common carrier.

[71 FR 42013, July 24, 2006]

### **§ 70.31 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 any electronic means. If the application for grading service is made orally, the office of grading or the grader with whom such application is made or the Administrator may require that the application be confirmed in writing.

(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. 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.

[41 FR 23681, June 11, 1976. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 71 FR 42013, July 24, 2006]

### **§ 70.32 Filing of application.**

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

## Agricultural Marketing Service, USDA

## § 70.37

### § 70.33 Authority of applicant.

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

### § 70.34 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: *Survey*. 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 additional facilities or equipment needed for the service. When the plant survey for poultry or rabbit grading has been completed and approved in accordance with the regulations in this part, service may be installed.

[41 FR 23681, June 11, 1976. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 71 FR 42013, July 24, 2006]

### § 70.35 Rejection of application.

(a) Any 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 service;

(5) Whenever the applicant, after an initial survey has been made in accordance with § 70.34, fails to bring the grading facilities and equipment into compliance with the regulations within a reasonable period of time; or

(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;

(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 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 42013, July 24, 2006]

### § 70.36 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 42013, July 24, 2006]

### § 70.37 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 therefor are made, except that precedence may be given to any application for an appeal grading.

## **§ 70.38**

## **7 CFR Ch. I (1–19 Edition)**

### **§ 70.38 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 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 of time as specified by the Administrator, the Administrator shall initiate withdrawal action pursuant to the Rules of Practice Governing Formal Adjudicatory Proceedings and Grading Service (7 CFR part 1, subpart H), and the operator shall be afforded an opportunity for an oral hearing upon the operator's 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 § 70.38, the person concerned may thereafter apply for grading service as provided in §§ 70.30 through 70.37 of these regulations.

[41 FR 23681, June 11, 1976. Redesignated at 42 FR 32514, June 27, 1977, as amended at 43 FR 60139, Dec. 26, 1978. Redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 71 FR 42013, July 24, 2006]

### **§ 70.39 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.

[71 FR 42013, July 24, 2006]

### **DENIAL OF SERVICE**

### **§ 70.40 Debarment.**

The acts or practices set forth in §§ 70.41 through 70.46, 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 1, subpart H) shall be applicable to such debarment action.

[71 FR 42013, July 24, 2006]

### **§ 70.41 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 any application for any grading service, appeal or regrading service;

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

## Agricultural Marketing Service, USDA

## § 70.51

(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.

[41 FR 23681, June 11, 1976; 41 FR 24693, June 18, 1976. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 71 FR 42014, July 24, 2006]

### § 70.42 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.

### § 70.43 Willful violation of the regulations.

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

### § 70.44 Interfering with a grader or employee of Service.

Any interference with or obstruction or any attempted interference or obstruction of, or assault upon any grader, licensee, or employee of the Service in the performance of such employee's duties. The giving or offering, directly or indirectly, of any money, loan, gift, or anything of value to an employee of the Service, or the making or offering of any contribution to or in any way supplementing the salary, compensation, or expenses of an employee of the Service, or the offering or entering into a private contract or agreement with an employee of the Service for any services to be rendered while employed by the Service.

[41 FR 23681, June 11, 1976; 41 FR 24693, June 18, 1976. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 71 FR 42014, July 24, 2006]

### § 70.45 Misleading labeling.

The use of the terms “Government Graded” and “Federal-State Graded”

or terms of similar import in the labeling or advertising of any product without stating in the labeling or advertisement the U.S. grade of the product as determined by an authorized grader.

### § 70.46 Miscellaneous.

The existence of any of the conditions set forth in § 70.35 constituting a basis for the rejection of an application for grading service.

## IDENTIFYING AND MARKING PRODUCTS

### § 70.50 Approval of official identification and wording on labels.

Any label or packaging material which bears any official grade identification shall be used only in such a manner as the Administrator may prescribe, and such labeling or packaging materials, including the wording used on such materials, shall be approved in accordance with and conform with the provisions of this part 70 and the applicable provisions of §§ 381.115 through 381.141 of 9 CFR part 381. Poultry Products Inspection Regulations. Labeling requirements for ready-to-cook rabbits, except for the product name, shall be the same as for ready-to-cook poultry. For ready-to-cook rabbits the class name shall be shown on the label. The appropriate designation, “young,” “mature,” or “old,” may be used as a prefix to the word “rabbit” in lieu of the class name.

[41 FR 23681, June 11, 1976; 41 FR 24694, June 18, 1976. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981]

### § 70.51 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 poultry or rabbits, shall be deemed prima facie to constitute a representation that the product has been officially graded for the purposes of § 70.2.

(2) Except as otherwise authorized, the grademark permitted to be used to officially identify USDA consumer-graded poultry and rabbit products

## § 70.51

## 7 CFR Ch. I (1–19 Edition)

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 “Prepared From” grademark in Figure 5 of this section may be used to identify specialized poultry products for which there are no official U.S. grade standards, provided that these products are approved by the Agency and are prepared from U.S. Consumer Grade A poultry carcasses, parts, or other products that comply with the requirements of AMS §70.220. All poultry products shall be processed and labeled in accordance with 9 CFR part 381.

(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) 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.

(3) The “Prepared 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.

(c) *Products that may be individually grademarked.* The grademarks set forth in Figures 2 through 4 of this section may be applied individually to ready-to-cook poultry, rabbits, and specified poultry food products for which consumer grades are provided in the U.S. Classes, Standards, and Grades for Poultry and Rabbits, AMS 70.200 and 70.300 *et seq.*, respectively, or to the containers in which such products are enclosed for the purpose of display and sale to household consumers, only when such products qualify for the particular grade indicated in accordance with the consumer grades.





Figure 1

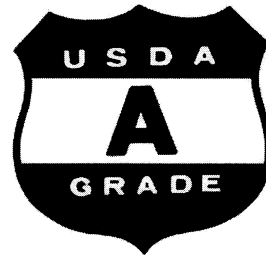


Figure 4



Figure 2

Prepared From



Poultry

Figure 5



Figure 3

## **§ 70.52**

[63 FR 40628, July 30, 1998]

### **§ 70.52 Prerequisites to packaging ready-to-cook poultry or rabbits identified with consumer grademarks.**

The official identification of any graded product as provided in §§70.50 and 70.51 shall be done only under the supervision of a grader. The grader shall have supervision over the use and handling of all material bearing any official identification.

### **§ 70.54 Retention authorities.**

A grader may use retention tags or other devices and methods as approved by the Administrator for the identification and control of poultry or rabbit products which are not in compliance with the regulations or are held for further examination. 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.

### **§ 70.55 Check grading officially identified product.**

Officially identified poultry or rabbit products 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.

### **§ 70.56 Grading requirements of poultry and rabbits identified with official identification.**

(a) Poultry and rabbit products to be identified with the grademarks illustrated in §70.51 must be individually graded by a grader or by authorized personnel pursuant to §70.20 and thereafter checkgraded by a grader.

(b) Poultry and rabbit products 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.

[71 FR 42014, July 24, 2006]

## **7 CFR Ch. I (1–19 Edition)**

### **REPORTS**

### **§ 70.60 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 42014, July 24, 2006]

### **§ 70.61 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.

[47 FR 46071, Oct. 15, 1982; 47 FR 54421, Dec. 3, 1982]

### **§ 70.62 Report of violations.**

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

[71 FR 42014, July 24, 2006]

### **FEES AND CHARGES**

### **§ 70.70 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 service in accordance with the applicable provisions of this section and §§70.71 through 70.78 inclusive. 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 AMS and remitted promptly to the AMS.

(c) Fees and charges for any grading under a cooperative agreement with any State or person shall be paid in accordance with the terms of such cooperative agreement.

[41 FR 23681, June 11, 1976; 41 FR 24693, June 18, 1976. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 71 FR 42014, July 24, 2006]

## Agricultural Marketing Service, USDA

## § 70.75

### § 70.71 On a fee basis.

Unless otherwise provided in this part, the fees to be charged and collected for any grading or audit service performed in accordance with this part, on a fee basis shall be based on the applicable formulas specified in this section.

(a) For each calendar year, AMS will calculate the rate for grading and 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 AMS grading or audit program total 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 67324, Nov. 13, 2014]

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

The costs of an appeal grading, or review of a grader's decision, shall be borne by the appellant on a fee basis at rates determined based on the formulas in § 70.71. 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.

[79 FR 67324, Nov. 13, 2014]

### § 70.75 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

## § 70.76

## 7 CFR Ch. I (1–19 Edition)

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 9, Jan. 2, 1981. Redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 71 FR 42014, July 24, 2006]

### **§ 70.76 Charges for continuous poultry grading performed on a non-resident basis.**

Fees to be charged and collected for grading service on a nonresident grading basis shall be based on the formulas provided in this part. The fees to be charged for any appeal grading shall be as provided in § 70.72.

(a) *Charges.* The charges for the grading of poultry and edible products thereof 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, based on § 70.71, 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. 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.

(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 § 70.71.

(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

## Agricultural Marketing Service, USDA

## § 70.77

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 § 70.38 or § 70.40.

(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 55 or part 56 of this chapter, the charges listed in this section shall not be repeated.

[41 FR 23681, June 11, 1976]

EDITORIAL NOTE: For FEDERAL REGISTER citations affecting § 70.76, see the List of CFR Sections Affected, which appears in the Finding Aids section of the printed volume and at [www.govinfo.gov](http://www.govinfo.gov).

### **§ 70.77 Charges for continuous poultry or rabbit grading performed on a resident basis.**

Fees to be charged and collected for any grading service on a resident grading basis and for an appeal grading shall be determined based on the formulas in § 70.71.

(a) *Charges.* The charges for the grading of poultry and rabbits and edible products thereof 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) When a signed application for service has been received, the State supervisor or the supervisor's assistant shall complete a plant survey pursuant to § 70.34. The costs for completing the plant survey shall be borne by the applicant on a fee basis based on the formulas in § 70.71. 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 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) A charge for the salary and other costs, as specified in this part, 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.

(3) A charge at the hourly rates specified in § 70.71, plus actual travel expenses incurred by AMS for intermediate surveys to firms without grading service in effect.

(4) For poultry grading: An administrative service charge based upon the aggregate weight of the total volume of all live and ready-to-cook poultry handled in the plant per billing period computed in accordance with the following: Total pounds per billing period multiplied by \$0.00045 beginning March 30, 2008, and \$0.00047 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.

(5) For rabbit grading: An administrative service charge equal to 25 percent of the grader's total salary costs.

## § 70.78

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 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 § 70.38 through § 70.40.

(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.

[41 FR 23681, June 11, 1976]

EDITORIAL NOTE: For FEDERAL REGISTER citations affecting § 70.77, see the List of CFR Sections Affected, which appears in the Finding Aids section of the printed volume and at [www.govinfo.gov](http://www.govinfo.gov).

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

Fees or charges to be made to an applicant for any grading service which differ from those listed in §§ 70.70 through 70.77, shall be provided for by a cooperative agreement.

## 7 CFR Ch. I (1–19 Edition)

### GRADING CERTIFICATES

## § 70.90 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 42014, July 24, 2006]

## § 70.91 Issuance.

(a) *Resident grading basis.* Certificates will be issued only upon a request therefor by the applicant or the AMS. When requested, a grader shall issue a certificate covering product graded by such 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 an 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 agents name and the grader's name, *e.g.*, "John Doe by Mary Roe."

[71 FR 42014, July 24, 2006]

## § 70.92 Disposition.

The original and a copy of each grading certificate, issued pursuant to §§ 70.90 through 70.93, 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

## Agricultural Marketing Service, USDA

## § 70.104

in accordance with the disposition schedule for grading program records.

[71 FR 42014, July 24, 2006]

### § 70.93 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 transmitted by any electronic means to the applicant, or to the applicant's designee, at the applicant's expense.

[71 FR 42014, July 24, 2006]

### APPEAL OF A GRADING OR DECISION

### § 70.100 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 on any other matter relating to grading in an official plant.

### § 70.101 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 made by a grader or any other matter relating to grading in such plant, may request an appeal grading or review of the decision 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.

### § 70.102 How to file an appeal.

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

### § 70.103 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 for an appeal grading 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.

### § 70.104 Who shall perform the appeal.

(a) An appeal grading or review of a decision requested under § 70.101(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 § 70.101(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 § 70.101(b) shall

## § 70.105

be made by the regional director or the Chief of the Grading Branch.

[41 FR 23681, June 11, 1976; 41 FR 24693, June 18, 1976. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 71 FR 42014, July 24, 2006]

### § 70.105 Procedures for appeal gradings.

(a) The appeal sample shall consist of product taken from the original sample container plus an equal number of containers 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 § 70.80.

(c) Poultry or rabbits in an unfrozen state must be adequately protected and kept in good condition until the appeal grading is performed.

(d) Overwraps on frozen poultry or rabbits shall be removed from all birds or rabbits in the sample prior to appeal grading for quality or to determine the class.

(e) When the appeal is based on grading or class determination factors, each frozen carcass shall be defrosted prior to conducting the appeal grading. Whether defrosting poultry or rabbit carcasses for other types of appeals will be required by the appeal grader, will depend upon the reason for the appeal.

[41 FR 23681, June 11, 1976; 41 FR 24693, June 18, 1976. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 71 FR 42014, July 24, 2006]

### § 70.106 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

## 7 CFR Ch. I (1–19 Edition)

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.

### SANITARY REQUIREMENTS, FACILITIES, AND OPERATING PROCEDURES

### § 70.110 Requirements for sanitation, facilities, and operating procedures in official plants.

(a) The requirements for sanitation, facilities, and operating procedures in official plants shall be the applicable provisions stated in 9 CFR part 381 for poultry, and for rabbits the requirements shall be the applicable provisions stated in 9 CFR part 354.

(b) With respect to grading services, there shall be a minimum of 100-foot candles of light intensity at grading stations; and acceptable means, when necessary, of maintaining control and identity of products segregated for quality, class, condition, weight, lot, or any other factor which may be used to distinguish one type of product from another.

[41 FR 23681, June 11, 1976. Redesignated at 42 FR 32514, June 27, 1977, and further redesignated at 46 FR 63203, Dec. 31, 1981, as amended at 51 FR 17281, May 9, 1986; 63 FR 40630, July 30, 1998]

## Subparts B–C [Reserved]

## PART 75—REGULATIONS FOR INSPECTION AND CERTIFICATION OF QUALITY OF AGRICULTURAL AND VEGETABLE SEEDS

### DEFINITIONS

#### Sec.

- 75.1 Meaning of words.
- 75.2 Terms defined.

### ADMINISTRATION

- 75.3 Authority.
- 75.4 Federal and State cooperation.
- 75.5 Regulations not applicable for certain purposes.
- 75.6 Nondiscrimination.

### INSPECTION

- 75.7 Inspection in accordance with methods prescribed or approved.
- 75.8 Basis of service.
- 75.9 Who may obtain service.



## Agricultural Marketing Service, USDA

## § 75.2

- 75.10 How to make application.
- 75.11 Content of application.
- 75.12 When application deemed filed.
- 75.13 When application may be rejected.
- 75.14 When application may be withdrawn.
- 75.15 Authority of agent.
- 75.16 Accessibility of seeds.
- 75.17 Testing.
- 75.18 Sampling.
- 75.19 Seed lot inspection.
- 75.20 Submitted sample inspection.
- 75.21 Grain sample inspection.
- 75.22 Form of inspection certificate.
- 75.23 Issuance of inspection certificate.
- 75.24 Disposition of inspection certificate.
- 75.25 Issuance of corrected certificate.

### APPEAL INSPECTION

- 75.26 When appeal inspection may be requested.
- 75.27 How to file an appeal.
- 75.28 When a request for an appeal inspection may be withdrawn.
- 75.29 When an appeal may be refused.
- 75.30 Who shall perform appeal inspection.
- 75.31 Appeal inspection certificate.

### LICENSING OF INSPECTORS

- 75.32 Who may become licensed inspector.
- 75.33 Suspension or revocation of license of inspector.
- 75.34 Surrender of license.

### SAMPLING PROVISIONS AND REQUIREMENTS

- 75.35 Obtaining samples for lot inspections.
- 75.36 Representative sample.
- 75.37 Submitted samples.
- 75.38 Lot inspections.
- 75.39 Use of file samples.
- 75.40 Protecting samples.

### FEES AND CHARGES

- 75.41 General.
- 75.42 Sampling and sealing.
- 75.43 Laboratory testing.
- 75.44 When application rejected or withdrawn.
- 75.45 Charge for appeals.
- 75.46 When appeal refused or withdrawn.
- 75.47 For certificates.

### MISCELLANEOUS

- 75.48 Identification number.
- 75.49 OMB control numbers.

AUTHORITY: 7 U.S.C. 1622 and 1624.

SOURCE: 49 FR 18724, May 2, 1984, unless otherwise noted.

### DEFINITIONS

#### § 75.1 Meaning of words.

Words used in the regulations in this part in the singular form shall be

deemed to import the plural and vice versa, as the case may demand.

#### § 75.2 Terms defined.

For the purpose of these regulations unless the context otherwise requires, the following terms shall be construed, respectively, as follows:

(a) *Act* means the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 *et seq.*).

(b) *Regulations* means the regulations in this part.

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

(d) *Secretary* means the Secretary of the United States Department of Agriculture, or any officer or employee of the Department to whom authority has been delegated to act in the Secretary's stead.

(e) *Administrator* means the Administrator of the Agricultural Marketing Service (AMS) of the Department, or any other officer or employee of AMS to whom authority has been delegated to act in the Administrator's stead.

(f) *Division* means the Warehouse and Seed Division (WSD), AMS.

(g) *Director* means the Director of the Division or any other officer or employee of the Division to whom authority has been delegated to act in the Director's stead.

(h) *Person* means any individual, partnership, association, business trust, corporation, entity, or any other organized group of persons, whether incorporated or not.

(i) *Seed* means any agricultural or vegetable seed.

(j) *Interested Party* means any person financially interested in a transaction involving seed.

(k) *Applicant* means an interested party who requests any inspection service with respect to seed.

(l) *Authorized agent* means an agent to whom authority to represent a person or government agency has been given by that person or government agency through delegation, contract or cooperative agreement, or other means.

(m) *Memorandum of Understanding* means a written plan between AMS and a State for carrying out their separate

### § 75.3

activities in a project of mutual interest to the parties involved.

(n) *Inspector* means a licensed employee of a State authorized pursuant to a Memorandum of Understanding or an employee of the Department authorized by the Director, to draw samples of seeds, seal containers, inspect records, test seeds for quality, issue certificates and reports, and bill for services.

(o) *Inspection* means sampling seeds, sealing containers, testing seeds for quality and reviewing records.

(p) *Appeal inspector* means an inspector or other person designated or authorized by the Division to perform appeal inspections under the Act and regulations in this subpart.

(q) *Certificate* means a certificate issued under the Act and the regulations in this subpart.

#### ADMINISTRATION

### § 75.3 Authority.

The Director is charged with the administration of the provisions of the regulations and the Act insofar as they relate to the subject matter of the regulations, under the supervision of the Secretary and the Administrator.

### § 75.4 Federal and State cooperation.

Pursuant to the Act, the Administrator is authorized to cooperate with the appropriate State agencies in carrying out provisions of the Act and these regulations through Memoranda of Understanding. The Memorandum of Understanding shall specify the duties to be performed by the parties concerned with each party directing its own activities and utilizing its own resources.

### § 75.5 Regulations not applicable for certain purposes.

The regulations do not apply to the inspection of grain in the United States under the U.S. Grain Standards Act, as amended (7 U.S.C. 71 *et seq.*), except to the extent that official grain samples received from the Federal Grain Inspection Service (FGIS) shall be examined for the presence of specified weed and crop seeds upon the request of FGIS.

### 7 CFR Ch. I (1–19 Edition)

### § 75.6 Nondiscrimination.

The conduct of all services under these regulations shall be accomplished without discrimination as to race, color, religion, sex, or national origin.

#### INSPECTION

### § 75.7 Inspection in accordance with methods prescribed or approved.

Inspection of seed shall be rendered pursuant to these regulations and under such conditions and in accordance with the methods of either the Association of Official Seed Analysts (AOSA) or the International Seed Testing Association (ISTA).

### § 75.8 Basis of service.

The regulations provide for inspection services pursuant to the Act. Seeds shall be inspected in accordance with the methods of either the Association of Official Seed Analysts (AOSA) or the International Seed Testing Association (ISTA); provided, that limitations in these rules respecting maximum lot size will not be observed and, provided further, that certification as to origin may be based on examination of records and certification of other seed certifying agencies.

### § 75.9 Who may obtain service.

An application for inspection service may be made by any interested party or his authorized agent.

### § 75.10 How to make application.

An application for service shall be confirmed in writing and addressed to the Federal Seed Laboratory, WSD, AMS, USDA, Beltsville, Maryland 20705.

### § 75.11 Content of application.

An application for service shall include the following information; (a) The date of application; (b) the kind and quantity of seed, and test(s) to be performed; (c) the methods and instructions for the inspection of the seed (either Association of Official Seed Analysts (AOSA) or International Seed Testing Association (ISTA) rules); (d) the name and address of the applicant and, if made by an authorized agent;

## Agricultural Marketing Service, USDA

## § 75.23

and (e) such further information relating to the inspection as may be required.

### § 75.12 When application deemed filed.

An application shall be deemed filed when received by the Division or the Federal Seed Laboratory.

### § 75.13 When application may be rejected.

Any application for service may be rejected by the Director (a) for non-compliance with the Act or the regulations relating to applications for service in this subpart, or (b) when it is not practicable to provide the service. Each such applicant shall be promptly notified in writing.

### § 75.14 When application may be withdrawn.

An application may be withdrawn at any time before the requested service is rendered. The applicant will remain responsible for payment of expenses incurred in connection therewith as provided in § 75.44.

### § 75.15 Authority of agent.

Proof of authority of any person making an application as an agent may be required in the discretion of the official receiving the application.

### § 75.16 Accessibility of seeds.

Each lot of seed for which a lot inspection is requested shall be placed by the applicant so as to permit the entire lot to be sampled and a representative sample to be obtained as required.

### § 75.17 Testing.

Upon request by the applicant, tests may be made for kind, variety, germination, purity, weed seeds, disease pathogens, treatment, moisture, and other special tests, or any combination thereof for which prescribed methods of testing are established. The tests shall be in accordance with the methods of either the Association of Official Seed Analysts (AOSA) or the International Seed Testing Association (ISTA) as requested by the applicant.

### § 75.18 Sampling.

Sampling, when requested by the applicant, shall be in accordance with the

methods of either the Association of Official Seed Analysts (AOSA) or the International Seed Testing Association (ISTA), depending upon the test method requested by the applicant.

### § 75.19 Seed lot inspection.

A lot inspection shall be made by obtaining a representative sample from a specified quantity of seed identified with a distinguishing mark or number to appear on all containers in the lot, and performing such test(s) as may be requested by the applicant. The identification mark or number must be approved by the inspector and will appear on the certificate to be issued.

### § 75.20 Submitted sample inspection.

A sample inspection shall be made by testing a sample of seed submitted by an applicant for inspection.

### § 75.21 Grain sample inspection.

A sample inspection shall be performed by examining official grain samples received from FGIS to identify specified weed and crop seeds upon the request of FGIS.

### § 75.22 Form of inspection certificate.

Inspection certificates shall be approved by the Director as to their form. No correction, erasure, or other change shall be made in the information on a certificate.

### § 75.23 Issuance of inspection certificate.

After an inspection has been completed, an inspection certificate shall be issued showing the results of the inspection in accordance with paragraph (a) or (b) of this section.

(a) *Lot inspection certificate.* A lot inspection certificate shall be issued to include the name of the inspector sampling and sealing the seed lot, the analysis results from testing the sample, the identifying mark or number which has been approved by the inspector to appear on each container in the seed lot, and any other factual information pertinent to the inspection.

(b) *Sample inspection certificate.* A sample inspection certificate shall be issued to show the results of the inspection of a sample of seed or grain submitted by an interested party. Each

## § 75.24

sample inspection certificate shall state the results of the inspection that applies only to the sample described in the certificate.

(c) *General authorization to issue certificates.* Certificates for inspections may be issued by any inspector authorized by the Director to perform the inspection covered by the certificate.

(d) *Name requirements.* The name and signature of the person who issued the inspection certificate shall be shown on the certificate. The original certificate must be signed, and the signature or a stamped facsimile shall be shown on each copy.

## § 75.24 Disposition of inspection certificate.

Upon issuance, the original and one copy of each inspection certificate shall be delivered or mailed to the applicant or otherwise delivered or mailed in accordance with the applicant's instructions. One copy of each inspection certificate shall be filed in the Federal Seed Laboratory. In case of a lost or destroyed certificate, a duplicate thereof labeled as such may be issued under the same number, date, and name.

## § 75.25 Issuance of corrected certificate.

(a) If any error is made in an inspection, a corrected inspection certificate may be issued.

(b) The original and copies of the corrected certificate shall be issued as promptly as possible to the same interested persons who received the incorrect certificate.

(c) The corrected certificate shall supersede the incorrect inspection certificate previously issued. The corrected certificate shall clearly identify, by certificate number and date, the incorrect certificate which it supersedes.

(d) The original and all copies of the superseded incorrect certificate shall be obtained by the Director, if possible. If it is not possible to obtain the original and all copies of the superseded certificate, to the extent possible, all parties involved will be notified to prevent misuse of the superseded certificate and the corrected certificate so marked as to the outstanding certificate.

## 7 CFR Ch. I (1–1–19 Edition)

### APPEAL INSPECTION

## § 75.26 When appeal inspection may be requested.

A request for an appeal inspection may be made by any interested party regarding the results of an inspection as stated on an inspection certificate. Such request shall be made within thirty (30) days following the day on which an inspection certificate was issued.

## § 75.27 How to file an appeal.

Any request for an appeal inspection may be made orally or in writing to the Federal Seed Laboratory. If made orally, written confirmation is required. The applicant shall clearly state the reasons for requesting the appeal service. The original and all available copies of the certificate shall be returned to the appeal inspector assigned to make the appeal inspection.

## § 75.28 When a request for an appeal inspection may be withdrawn.

A request for an appeal inspection may be withdrawn by the applicant at any time before the appeal inspection is performed: *Provided*, that, the appellant shall pay any expenses incurred in connection with the appeal as provided in § 75.46.

## § 75.29 When an appeal may be refused.

A request for an appeal inspection may be refused if:

(a) The reasons for an appeal inspection are frivolous or not substantial;

(b) The quality or condition of the seed has been altered since the inspection covering the seed on which the appeal inspection is requested;

(c) The lot in question in a lot inspection is not or cannot be made accessible for sampling;

(d) The lot relative to which appeal inspection is requested cannot be positively identified by the inspection as the lot from which drawn samples were previously inspected in a lot inspection; or

(e) The application is not in compliance with the regulations; and

(f) Such applicant shall be notified promptly of the reason for such refusal.

## **Agricultural Marketing Service, USDA**

## **§ 75.36**

### **§ 75.30 Who shall perform appeal inspection.**

An appeal inspection shall be performed by an inspector (other than the one from whose inspection the appeal is requested) authorized for this purpose by the Director.

### **§ 75.31 Appeal inspection certificate.**

After an appeal inspection has been completed, an appeal inspection certificate shall be issued showing the results of such appeal inspection; and such certificate shall supersede the inspection certificate previously issued for the seed involved. Each appeal inspection certificate shall clearly identify the number and date of the inspection certificate which it supersedes. The superseded certificate shall become null and void upon the issuance of the appeal inspection certificate and shall no longer represent the quality or condition of the seed described therein. The inspector issuing an appeal inspection certificate shall forward notice of such issuance to such persons as considered necessary to prevent misuse of the superseded certificate if the original and all copies of such superseded certificate have not previously been delivered to the inspector issuing the appeal inspection certificate. The appeal inspection certificate shall be marked as to the existence of the outstanding certificate. The provisions in the regulations concerning forms of certificates and disposition of certificates shall apply to appeal inspection certificates, except that copies of such appeal inspection certificates shall be furnished to all interested parties who received copies of the superseded certificate.

#### **LICENSING OF INSPECTORS**

### **§ 75.32 Who may become licensed inspector.**

Any person nominated by a cooperating State and who is found to have the necessary qualifications may be licensed by the Director as an inspector to perform such duties of inspection as specified by the Memorandum of Understanding. Such a license shall bear the signature of an authorized employee of the Department. A licensed inspector shall perform duties pursuant to the regulations in accordance with

instructions issued or approved by the Director.

### **§ 75.33 Suspension or revocation of license of inspector.**

Pending final action by the Administrator, the Director may suspend, whenever it is deemed that such action is necessary to assure that any service provided is performed properly, the license of any inspector, issued pursuant to the regulations by giving notice of such suspension to the respective licensee, accompanied by a statement of the reasons therefore. Within 7 days after receipt of notice and statement of reasons by a licensee, an appeal may be filed in writing with the Administrator supported by any argument or evidence as to why the license should not be suspended. After expiration of the 7-day period and consideration of such argument and evidence, the Administrator shall take such action as deemed appropriate with respect to a suspension or revocation.

### **§ 75.34 Surrender of license.**

Upon termination of service as an inspector or suspension or revocation of such license, such licensee shall surrender the license immediately to the Federal Seed Laboratory.

#### **SAMPLING PROVISIONS AND REQUIREMENTS**

### **§ 75.35 Obtaining samples for lot inspections.**

Samples of seed for lot inspections may be obtained by licensed inspectors or authorized employees of the Department.

### **§ 75.36 Representative sample.**

No lot inspection sample shall be deemed representative of a lot of seed unless the sample (a) has been obtained by a licensed inspector or an authorized employee of the Department; (b) is of the size prescribed in the instructions; and (c) has been obtained, handled, and submitted in accordance with the Association of Official Seed Analysts (AOSA) or the International Seed Testing Association (ISTA) procedures.

## § 75.37

## 7 CFR Ch. I (1–19 Edition)

### § 75.37 Submitted samples.

Submitted samples may be obtained by or for any interested person. (Instructions for sampling seed may be obtained upon request to the Director or the Federal Seed Laboratory.)

### § 75.38 Lot inspections.

Each lot inspection shall be made on the basis of a representative sample obtained from that lot of seed by a licensed inspector or an authorized employee of the Department. Each lot of seed which is offered for lot inspection shall be sealed at the time of sampling in accordance with methods and procedures of the Association of Official Seed Analysts (AOSA) or the International Seed Testing Association (ISTA).

### § 75.39 Use of file samples.

(a) File samples which are retained by inspection personnel in accordance with the regulations may be deemed representative for appeal inspections: Provided, that (1) the samples have remained in the custody of the inspection personnel who certificated the inspection; and (2) the inspection personnel who performed the inspection and the inspection personnel who are to perform the appeal inspection determine that the sample was representative of the seed at the time of the inspection and that the quality or condition of the seed in the sample and in the lot has not changed since the time of the inspection.

(b) Upon request of the applicant, and if practicable, a new sample may be obtained and examined as a part of an appeal inspection.

### § 75.40 Protecting samples.

Inspection personnel shall protect each sample from manipulation, substitution, and improper or careless handling which would deprive the sample of its representative character from the time of collection until the inspection is completed and the file sample has been discarded.

## FEES AND CHARGES

### § 75.41 General.

Fees and charges for inspection or certification services performed by

Federal employees shall cover the cost of performing the service. Fees shall be for actual time required to render the service.

(a) For each calendar year, AMS will calculate the rate for inspection or certification services, per hour per program employee using the following formulas:

(1) *Regular rate.* The total AMS inspection or certification 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 inspection or certification 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 inspection or certification 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) 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:

(1) *Benefits rate.* The total AMS inspection or certification 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.

## Agricultural Marketing Service, USDA

## § 75.49

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

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

(c) 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.

[79 FR 67325, Nov. 13, 2014]

### § 75.42 Sampling and sealing.

(a) Fees for inspection services provided by licensed inspectors may be charged by States participating in the program at rates established by the individual States.

(b) When onsite inspection services are performed by Federal employees at the request of the applicant, charges will be based on the formulas in § 75.41.

[49 FR 18724, May 2, 1984, as amended at 79 FR 67325, Nov. 13, 2014]

### § 75.43 Laboratory testing.

Fees for testing each sample shall include the time required for actual testing, preparation of test records, issuing the certificate, and filing of samples and documents, with:

(a) Fees assessed based on the formulas in § 75.41.

(b) A minimum fee of 1 hour per sample for testing shall be charged.

(c) The fee for a preliminary report issued prior to completion of testing shall be assessed in accordance with paragraph (a) of this section.

[49 FR 18724, May 2, 1984, as amended at 67 FR 11384, Mar. 14, 2002; 79 FR 67325, Nov. 13, 2014]

### § 75.44 When application rejected or withdrawn.

When an application for inspection is rejected in accordance with § 75.13 or withdrawn in accordance with § 75.14, the applicant will be required to pay applicable fees for the time used by an inspector and other expenses incurred

in connection with such application prior to its rejection or withdrawal.

### § 75.45 Charge for appeals.

A charge of 1 hour shall be made for each appeal filed under § 75.26, and the fee for an appeal inspection shall equal the fee for the original inspection from which the appeal is taken, plus any charges for travel or other expenses incurred in performing the appeal: *Provided*, That when a material error in the certificate or sample from which the appeal is taken is found by the appeal inspector the charge and fee shall be waived.

### § 75.46 When appeal refused or withdrawn.

When an appeal is refused in accordance with § 75.29 or withdrawn in accordance with § 75.28, the applicant will be required to pay for the time used by the appeal inspector and other expenses incurred in connection with such appeal prior to its denial, dismissal, or withdrawal.

### § 75.47 For certificates.

A charge of \$13.00 per certificate will be made for copies of certificates other than those required to be distributed in § 75.23 and for the issuance of a duplicate certificate in accordance with § 75.24 and an appeal certificate in § 75.31.

[49 FR 18724, May 2, 1984, as amended at 56 FR 51320, Oct. 11, 1991; 58 FR 64101, Dec. 6, 1993; 60 FR 21035, May 1, 1995; 65 FR 15832, Mar. 24, 2000; 67 FR 11384, Mar. 14, 2002]

## MISCELLANEOUS

### § 75.48 Identification number.

The Director may require the use of official identification numbers in connection with seed certificated or sampled under the Act. When identification numbers are required, they shall be specified by the Director and shall be attached to, or stamped, printed, or stenciled on the lot of seed certificated or sampled in a manner specified by the Director.

### § 75.49 OMB control numbers.

The control number assigned to the information collection requirements by the Office of Management and Budget

**§ 75.49**

**7 CFR Ch. I (1–1–19 Edition)**

pursuant to the Paperwork Reduction Act of 1980 is as follows: OMB Control No. 0581–0140.

[56 FR 51320, Oct. 11, 1991]