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Marketing and  
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AIM  
Management  
Series

# **Federal and Federal- State Shipping Point and Cooperative Market Supervisors' Manual**

August 2016

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“SCI moving forward in the 21<sup>st</sup> Century using technology, innovation, and old fashioned hard work”

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## INTRODUCTION

This manual is to be used as a guide for Federal and Federal-State managers and/or supervisors who have been assigned to direct shipping point and terminal (receiving) market grading and inspection activities of fresh fruits, vegetables, nuts, and other products under cooperative agreements. Without quality supervisory personnel by both Federal and Federal-State supervisors, the Specialty Crops Inspection Division (SCI Division), would not be able to fulfill its mission in providing the industry with the best possible grading service. To the maximum extent possible, this manual is meant to assist supervisors in carrying out the mission of SCI Division.

Detailed inspection instructions are available to inspectors in the General Shipping Point and General Market Inspection Instructions and individual commodity inspection instructions. Managers and supervisors should periodically review these instructions as well as those contained in this manual. In addition, policy developments and updated inspection instructions will be issued from the Division Headquarters office in Washington, D.C. (HQ). Managers and supervisors should be thoroughly familiar with the [Code of Federal Regulations, Title 7, Part 51 – Fresh Fruits, Vegetables and Other Products](#). Managers and supervisors should also be familiar with their respective Federal-State cooperative agreements. If problems arise which are not covered by existing instructions, the Federal Program Manager/Federal Supervisor (FPM) or, in their absence, a designated Federal-State supervisor must contact Federal-State Inspection Management Branch (FSIM) or HQ in Washington, D.C., for guidance.

## GUIDE FOR ELECTRONIC USAGE

The AIM system of instructional manuals is available electronically on USDA computers in Adobe Acrobat Portable Document Format (PDF) at the following intranet address: <http://agnis/sites/FV/PPB/AIM/default.aspx>. This manual and other documents needed by Federal-State supervisors are available on the internet on the Fresh Fruit and Vegetable Instructional Resources page: <https://www.ams.usda.gov/services/sci/fresh-products>.

When accessed electronically, AIM materials have hyperlinks and hypertext (visible as underlined [blue text](#)) available to the PDF user. Clicking on a hyperlink takes the reader to a web site with information relating to the subject. Hypertext links the reader to a different page within the current manual, or a different manual, with information relating to the subject. For example, the hypertext in the Table of Contents allows a reader to go directly to the section of interest in the manual by clicking on the section title.

PDF offers a variety of tools depending on the Adobe version the reader has. The newer the version, the more tools available. PDF documents are easily searchable for content within a document or within multiple documents. To learn about the variety of PDF search options:

- Click on the “Help” tab on the top of any page in Adobe Acrobat,
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- Type the word “Search” in the “Search” box, and click on the “Search” button,

- Click on the “Access Search Features” link and follow the instructions for the type of search you are interested in.

## **DELEGATION OF ADMINISTRATIVE AUTHORITY**

The “Agricultural Marketing Act of 1946” (the Act) authorizes the Secretary of Agriculture to inspect, certify, and identify the class, quality, quantity and condition of agricultural products shipped or received in interstate commerce. The Act also authorizes the Secretary to enter into cooperative agreements with State agencies or other groups to perform this work.

The Secretary of Agriculture delegates administrative authority under the Act to the Administrator, Agricultural Marketing Service, who in turn passes it on to the Deputy Administrator, Specialty Crops Program. The Deputy Administrator delegates authority for overall program direction to the Director, SCI Division.

The Chief of the FSIM Branch is under the direct supervision of the Division Director and Associate Director, and is responsible for ensuring that Division instructions are properly carried out by a FPM. In most States, Federal Program Managers manage State shipping point operations through a Branch Internal Quality Management System (BIQMS) that is based on the SCI Division Quality System Service Standards (QSSS). In a few States, FPMs act with direct supervisory authority. They also have authority to directly supervise terminal market inspectors and personnel who are licensed to perform AMS approved audits. There are usually two FPMs responsible for activities in a territory and it is often necessary to designate one or more Federal-State licensees to act on their behalf. This delegation of authority will be noted by an endorsement on the inspector’s Federal license. Decisions to delegate supervisory authority will be based on the needs of the program in that State and the FPM’s assessment of the ability of the individual licensee to perform the necessary technical oversight.

## **REGULATIONS**

The general direction for our mission is contained in the [Code of Federal Regulations, Title 7, Part 51 – Fresh Fruits, Vegetables and Other Products](#). In addition to these regulations, the service is governed by various administrative instructions issued from the HQ in Washington, D.C., through SCI Division policy manuals and inspection instructions.

## **FEDERAL-STATE COMMUNICATION, PROCEDURES FOR POLICY DEVELOPMENT AND DECISIONS**

From time to time policies and procedures that affect Federal-State inspection activities are developed or changed. Suggestions for a new or changed policy or procedure may be initiated by AMS SCI Division or a Federal-State inspection agency. The process for notification and development or change of policies and/or procedures will be as follows.

**Development of Policy or Procedure**

When an idea for a new or changed policy or procedure is initiated by SCI Division, it will be approved in draft form and by the Director, Associate Director, or FSIM Branch Chief. When initiated by a Federal-State inspection agency it should be approved in draft form by an upper management Director or Administrator of the State agency and submitted to the FSIM Branch Chief through the Federal Program Manager (FPM).

The FSIM Branch Chief will discuss the merits, advantages, and disadvantages of the proposal with the author(s) and develop the proposal.

**Distribution for Comment**

A “State Cooperators’ Communication/Feedback” form [FV-399](#) will be used to notify SCI Division and State agencies of plans or ideas that will result in new or changed policy or procedure. This form along with supporting documentation will be distributed via email to all Federal-State managers, directors, and administrators. Recipients of the request may respond with their comments to the FSIM Branch Chief and any other designated official. The respondents should indicate if they desire to serve on a committee to further develop the suggestion. The responses will be kept as part of the record for policy development and decision.

**Notification of Actions**

The communication form may also be used to notify State agencies and SCI Division offices of actions intended to be taken when those actions affect Federal-State Inspection service offices.

**Committee**

When further discussion is required for policy or procedure development, SCI Division will name a committee and meet within one month of the latest response date. The committee will consider all aspects of the proposal and make a final recommendation to the Director of SCI Division.

**Decision**

The Director will change, approve, or disapprove the decision as appropriate. If the decision requires a revision of existing documents, the FSIM Branch Chief or other personnel will ensure that documents are revised.

**RELATIONSHIP WITH THE WASHINGTON, D.C. OFFICE**

The Washington, D.C. office is responsible for determining Federal policies and issuing general instructions for their administration. The FSIM Branch is responsible for ensuring that such instructions are properly carried out by the FPM. FPMs are accountable to the FSIM Branch Chief for the conduct of their work and will deal directly with FSIM or HQ Inspection



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Operations staff on such matters as the proper application of instructions in unusual situations, supplies and personnel matters. The Standardization Branch will be consulted on grade interpretations when abnormal conditions are found or if an interpretation for any other reason is needed. The FPM may designate one or more Federal-State licensees to act on his/her behalf in the technical supervision of the program. Any Federal-State licensee who has been delegated such supervisory authority is responsible to the FPM and must, whenever possible, deal directly with their office on all technical matters.

The Standardization Branch or FSIM may request samples of fruits and vegetables from a supervisor or request an opinion regarding the practical application of certain grade specifications. They may also ask the supervisor for an opinion regarding the progress of the work under the cooperative agreement or other matters related to the service. Managers and supervisors should reply to these communications as soon as possible.

When requests for special services are received from other Government Agencies, both State managers/supervisors and SCI Division should keep HQ or the appropriate State offices informed through the FPMs. Services should be undertaken only with the approval of the HQ office. State managers/supervisors must also advise HQ of the formation of new cooperative marketing associations or other agencies that may have a bearing on the progress of the shipping point programs.

State Program Managers must keep the FPM updated on unusual conditions at shipping points affecting any commodity such as extreme weather events, economic, labor, or transportation problems. FPMs will inform HQ so they will be able to keep market inspectors properly informed on matters of vital importance to the success of the service. This information should be included in a monthly activity report addressed to the FSIM Chief.

## **RELATIONSHIP WITH THE STATE AGENCY**

Federal and State managers must have copies of the cooperative agreements and carefully study them in order to be well informed of the duties and responsibilities of each party. Both Federal and State agencies must respect and understand the responsibilities of the other. The FPM has the primary responsibility for technical oversight of the program. FPMs will forward any information on suspected or alleged wrongdoing by licensees under the cooperative agreement to Headquarters.

The State Program Manager/Director or designee has the primary responsibility for administrative matters such as:

- establishing and collecting shipping point inspection fees;
- paying employee salaries and program expenses; and
- after informing the FPM investigate all suspected or alleged wrongdoing by licensees that does not affect the technical integrity of the program.

These duties, as well as other duties such as the selection and licensing of employees, will call for close cooperation between the FPM and the State Program Manager/Director and/or Federal-State supervisor.

Certificates issued by licensed inspectors are received in all Federal courts as prima facie evidence, such evidence will be sufficient for proof of the facts certified unless contradicted and overcome by superior evidence. For this reason, the FPM must be notified by the State when issues such as falsification of vouchers or timesheets or accepting favors such as meals are discovered.

FPMs must avoid participating in State politics or indicating that they favor any particular group or individual. They should refuse to assist in drafting up any State legislative measures potentially affecting the service without first obtaining the approval of HQ. Requests for new types of service may be received by the State or Federal Agency. This type of work should be undertaken only when mutual agreement exists between the Federal and State agencies. They should be discussed with the State agency before determining if the type of work requested can be performed and what the financial responsibilities are. This also applies to inspections requested under Federal or State Marketing Orders/Agreements and government purchase programs.

## **RELATIONSHIP WITH TERMINAL MARKET INSPECTION OFFICES**

The words Terminal, Receiving, and Destination are used interchangeably. Those market offices often may contact the FPM or Federal-State Supervisor regarding appeal inspections. If Officers-In-Charge of terminal market offices do not have information as to the grade of a lot at shipping point, they are authorized to call the Shipping Point Supervisor. Calls should receive prompt attention; they generally mean that an inspection is being held up pending information as to the lot's shipping point certification.

Managers or supervisors should not argue with or question terminal market inspectors (Federal inspectors or FV-201 market licensees). Inquiries concerning terminal market inspectors may be directed to HQ in order to obtain detailed information as to the reasons for the reversals. This is usually necessary to properly correct the shipping point or market inspector whose certification has been reversed or questioned. Managers or supervisors may request that representative samples of specimens that cause the reversal be sent to them. If this is desired, the manager or supervisor must make the request to the Officer-In-Charge of the terminal market office after receiving approval from HQ.

If there is any controversy about the reversal, the Federal-State Supervisor or FPM will discuss the matter with HQ. Supervisors should neither question minor differences that can be easily justified, nor condone shipping point inspectors' criticisms of terminal market reports to the trade. Likewise, terminal market inspectors are cautioned against criticizing the work performed by shipping point inspectors. Shipping Point Supervisors frequently desire special information from market inspectors regarding products from a given State. This information may be requested directly from HQ.

The FPM or Federal-State supervisors must not contact market offices requesting inspections on the behalf of shippers. Shippers should be provided with the market office telephone and fax numbers and advised to forward their requests for inspections directly to the market office. Program Regulations allow a person who has a financial interest in the product to request an inspection and be responsible for paying for the inspection and related costs, therefore eliminating the need for interceding on their behalf.

## **RELATIONSHIP WITH OTHER FEDERAL AGENCIES**

The Federal-State Inspection Service (FSIS) is frequently asked to provide official evidence of compliance with program requirements by various Federal Agencies. Every effort should be made to assist such programs under the authority of the service. However, since the FSIS is provided via a Federal-State partnership, the FPMs must advise the State Program Manager/Director of any request for service from other Federal Agencies.

The FPM is responsible for the inspection work and will take instructions from HQ. HQ must be consulted if a proposed program involves any procedures not covered by established regulations, policies, or instructions.

## **DELEGATION OF INSPECTION AUTHORITY**

Under the authority of the Agricultural Marketing Act of 1946, SCI Division has delegated authority to inspect as described below:

- Terminal (receiving) market Inspectors, (Federal inspectors or FV-201 licensees) may perform inspections on fresh products regardless of the State or country of origin.
- Federal-State inspectors without interstate authority, (FV-200 licensees, shipping point inspectors) are authorized to inspect only products that are produced within the State by which they are employed and that are listed on their license card by the Federal-State supervisor, with the concurrence of the FPM and with the exceptions noted in the following paragraphs.

Process auditing work is an authorized type of inspection. State employees who will be conducting audits for Good Agricultural Practices (GAP) and Good Agricultural Handling Practices (GHP) or other SCI Division audit based programs must be licensed for this type of work after successful completion of all of the necessary training and the approval of FPM. Inspectors who have successfully completed auditor training will have the phrase "Process Auditor" listed on one of the above noted license cards.

## **Intrastate Shipments**

Intrastate shipments of produce may be inspected by any Federal inspector, FV-201 market licensee, or a Federal-State inspector (FV-200 licensee) that has that product listed on their license card. EXCEPTION: Products returned from a terminal market may not be inspected by

a Federal-State licensee or market licensee (FV-201) without first consulting with HQ through the FPM.

### **Imported and Interstate Shipments**

Fees for inspection of imported products will be based on the Federal Schedule of Fees and Charges at Destination Markets. Inspection of imported section 8e products should be reported on the appropriate lines of form FV-345 regardless of the type of certificate used.

Imported or interstate shipments of produce may be inspected only by a terminal market inspector with the following exceptions:

- Bulk loads, bulk bins or any packed containers which are not marked as to point of origin may be inspected by a Federal-State licensee. A shipping point certificate may be issued when a thorough check has determined that the product was not previously inspected.
- Products subject to section 8e inspection being imported at designated border inspection points in Arizona, California, Florida, and Texas where special arrangements have been made for Federal-State licensees to inspect and issue shipping point certificates. (Washington Oregon, North Carolina and Virginia have been approved to inspect hazelnuts.) However, these licensees must be under the oversight of a FPM and direct supervision of a terminal market licensee with supervisory authority. Additional exceptions of this type must be approved by FSIM Branch Chief.
- Inspections may be performed by Federal-State licensees on any product listed on their card that has been repacked in the State in which they are employed.
- Inspections may be performed by a Federal-State licensee in an adjacent State if a Memorandum of Understanding (MOU) exists between the two States allowing for such inspection.

Note: In determining the point of origin of a product, statements on containers such as: "Packed by," "Distributed by," "Main Office," etc., with a name and address are not definite indicators as to the product's point of origin.

### **Appeal Inspections on Intrastate Shipments**

Appeal inspections on intrastate (within a State boundary) shipments may be performed by any fully trained terminal market inspector or Federal-State licensee approved for supervision and who has the product listed on their card. Whenever possible a second inspector must assist in the performance of the appeal. Shipping point on shipping point appeals may be reported on certificates or serially numbered notesheets approved for shipping point work. EXCEPTION: Appeal inspections may not be performed by a terminal market licensee or Federal-State licensee with supervisory authority on loads which have been RETURNED to shipping point from a Federal or Federal-State terminal market without first consulting with Headquarters through the FPM.

**Appeal Inspections on Imported or Interstate Shipments**

Appeal inspections on imported or interstate (between or crossing State boundaries) shipments may be performed only by a terminal market inspector.

- Federal inspectors - An appeal inspection may only be performed by an inspector of a grade equal to or higher than that of the inspector who performed the original inspection.
- Market licensee - A market licensee may perform an appeal on an inspection made by another market licensee(s) but may not perform an appeal on a supervisor or Federal inspector.

Exceptions to the above may be made but must be approved by HQ.

**DELEGATION OF INSPECTION AUTHORITY**

Under the terms of a cooperative agreement, the Federal and State agencies are responsible for carrying out a number of activities. The following paragraphs and the chart at the end of this section identify individual agency responsibilities.

The FPM, acting on behalf of the Federal agency, is responsible for ensuring that all Federal obligations in the cooperative agreement are carried out in the State(s) in which they are assigned. Federal-State employees licensed for supervisory work are responsible for assisting the FPM in carrying out their responsibilities as well as State-related functions that may be required by the State program manager or State agency. State supervisors, program managers, directors, etc., acting on behalf of the State agency, are responsible for ensuring that all State obligations in the cooperative agreement are promptly carried out in their State.

**Grading and Certification**

The FPM must ensure through oversight reviews or on-site assessments that licensed inspectors perform their inspection related activities in accordance with established policy and procedures.

State officials are responsible for the interpretation of State standards; however, the FPM is responsible for ensuring through reviews or on-site assessments that the State standards are uniformly applied when they are certified on Federal documents. The FPM is also responsible for ensuring that the State agency purchases and uses only grading equipment that meets Federal specifications; however, the State agency is responsible for the accuracy of the grading equipment.

**Administration/Finances**

The State Agency is responsible for employee salary and benefits and for establishing, billing and collecting shipping point fees. The fees set must be reasonable and adequate to cover the cost of the service performed unless subsidized by State appropriations. The FPM must be informed of any change in fees prior to the effective date. State Agencies generally are

responsible for the billing and collecting of fees for work done at State operated terminal markets.

The State agency must reimburse the Federal agency for the cost of printing and distributing inspection instructions, inspector notesheets, certificate forms, and inspection equipment furnished by the Federal agency. In lieu of reimbursing the Federal agency, the State agency may use computer generated certificates or print and distribute the standard Federal certificate forms or serially numbered notesheets, provided that the forms and the accountability procedures for them are approved by the Federal agency. Forms that are printed for an individual company's use must be paid for by that company unless the State agency agrees to pay the cost for such forms; however, these forms must be approved by FSIM before they are printed. The form will be considered approved when the submitted request has been signed and dated by the FSIM Branch Chief. The State agency must also maintain the accountability for forms printed for private companies.

The Federal agency is responsible for defining requirements for accountability of Federal and Federal-State certificates. The State agency is responsible for maintaining accountability and safeguard controls of these certificates, which ensures them to be physically secured at all times.

The State agency is responsible for completing the monthly financial and statistical reports and ensuring that the FPM receives a copy of the reports. The FPMs will review the monthly reports and forward them the SCI Inspection Services Branch. See the section on [Monthly Reports](#).

Under the terms of the cooperative agreement, the State agency is responsible for conducting financial audits in accordance with the Uniform Federal Assistance Regulations in 7 CFR 3015. The State agency must also provide the Federal agency with an "Annual Cooperator Report" FV-[396](#) at the end of their fiscal year detailing the fees collected and the cost of the work conducted, whether paid from fees or from appropriations.

## **Personnel**

All areas relating to the licensing of State employees, such as issuance, suspension, revocation, disciplinary action, etc., are responsibilities of the Federal agency. Hiring, firing, instructions in State employment policy, disciplinary action not related to licensing, etc., are responsibilities of the State agency. However, since many of these areas are so closely related, they will require the cooperation of representatives from both agencies in order to achieve a smooth functioning program.

For Example: The Federal agency will license State employees to inspect a commodity only after they have been properly trained and have demonstrated their ability to interpret and apply the standards for that commodity and to follow inspection instructions. The State agency will hire or assign to perform work under the cooperative agreement only personnel that will meet these qualifications. In other words, while it is the Federal agency's responsibility to define and determine the general criteria for licensing, the process can only work smoothly if both parties work together in determining each individual's qualifications.

The Federal agency is responsible for ensuring, through BIQMS oversight reviews, that all licensees are properly trained in grading procedures and the Federal “Code of Conduct.” The State agency must document and maintain records of all training covering the commodities, test results and numbers of hour’s licensees are trained. Under the BIQMS, Federal-State supervisors complete an annual performance evaluation of each licensee. It may be necessary for the FPM to assist Federal-State supervisors in conducting performance ratings and in investigating and documenting misconduct by inspector(s) affecting the technical integrity of work performed under the cooperative agreement.

The distinct role of each agency concerning disciplinary action is often very difficult to separate. This will require both agencies working closely together in order to accomplish the desired results. The only means of disciplinary action available to the Federal agency is a letter of reprimand or the suspension or revocation of an inspector’s license. The State agency has the option of either suspending from employment or firing an inspector regardless of any action taken by the Federal agency. The suspension or revocation of an inspector’s license requires clear documentation of the facts and a thorough review of the licensee’s actions.

### **Training**

In general, initial and refresher training of shipping point inspectors is the responsibility of the State agency. The FPMs will provide training when there are no qualified persons within the State. Training materials for Federal-State shipping point inspectors may be developed by the State or Federal agency. Material and agendas prepared by the State agency should be reviewed for adequacy by the FPM under the BIQMS program.

Training of terminal market inspectors is a shared responsibility. Initial and on-the-job training usually takes place in the home office of the inspector. Attendance at a Market Inspector Training (MIT) class is required of unrestricted market inspectors. Both MIT and market refresher classes are provided by the Federal agency.

New auditor training and auditor refresher classes are also required to be presented by the Federal agency.

Requests for special training classes should be directed to the FPMs. The FPM will forward the request to the Training Branch. The training Branch will formalize an agreement for training.

### **Summary of Program Responsibilities**

As previously mentioned, input from both parties is generally needed in handling these areas. An “X” in the chart below indicates primary responsibility for a specific program function by either the Federal or State agency.

Responsible Agency	Federal	State agency
<b>Grading and Certification</b>		
Interpretation of U.S. Grade Standards	X	
Interpretation of State Standards		X
Application of all Standards Certified on Federal Documents	X	
Methods of Performing Inspection	X	
Define Methods and Procedures for Sampling	X	
Instruction for Preparation of Federal Certificates/Notesheets	X	
Equipment Specifications	X	
<b>Administration/Finances</b>		
Equipment and Property Inventory		X
Purchase of Equipment		X
Define Requirements for Accountability of Federal Certificates	X	
Purchase of Federal/Fed-State Certificates and Notesheets		X
Maintains Accountability of Federal/Federal-State Certificates		X
Review of FV-218 and Other Federal Reports	X	
Establish Shipping Point Inspection Fees		X
Billing/Collection		X
Salary/Benefits of State Agency Personnel and Licensees		X
Financial Audits Required by the Cooperative Agreement		X
Annual State Agency Reports		X
Federal Financial Audits	X	
<b>Personnel</b>		
Hiring/Firing of State Agency Personnel		X
Defining Qualification Procedures for Licensing	X	
Aptitude/Color Test		X
Instruction in Federal Rules of Conduct	X	X
Instruction in State Rules of Conduct and Employment Policy		X
Issuance of Shipping Point Licenses (FV-200)	X	
Ensure Adequacy of Training in Inspection Procedures	X	X
Preparation of Training Materials	X	X
Review of Training Curriculum	X	
Inspector Performance Rating, FV-293 or Equivalent Form		X
Technical Supervision of Terminal Markets and Auditing	X	X
Suspension/Revocation of License/Federal Letter of Reprimand	X	
All Other Disciplinary Action		X
Licensing for Supervisory Work	X	
Issue Interstate/Intrastate License (FV-201)	X	



**DUTIES OF THE FEDERAL PROGRAM MANAGER/FEDERAL SUPERVISOR AND  
FEDERAL-STATE SUPERVISORS**

The FPMs, Inspection Operations staff, and Audit Programs Branch directly supervise the technical work of terminal market inspectors and process auditors. Supervisory authority may be delegated to Federal-State licensees. Documentation of training and licensing authority for performing inspection or auditing must be maintained. This documentation, which may include electronic files, must be accessible to the Federal Program Manager, if requested.

**Selection of Licensees**

As mentioned previously, under most cooperative agreements, it is the duty of the State agency to employ the inspectors. The FPM is responsible for ensuring proper issuance of licenses and the training and supervising of inspectors in the interpretation and application of grades, methods of performing inspections and certificate writing. Success under such an agreement requires close cooperation between the two agencies.

The issuance of licenses is limited to persons who are expected to devote full time to inspection or auditing, at least seasonally, and to whose direction the supervisor can give adequate attention either personally or through key personnel approved for supervisory work. A license card must never be issued for any reason other than when required for the purpose of conducting inspection or auditing work. State agency officials whose responsibilities under a cooperative agreement do not include making inspections or actual supervision of the inspection work will not be licensed.

No licensee may sign any certificate or audit report without receiving adequate, approved training and authority by the Federal-State Program Manager or by a licensee with "supervisory authority" in cooperation with the FPM.

Inspectors/auditors are not permitted to sign certificates unless they hold a valid license card dated on or before the date on the inspection certificate/audit report. Personnel in training may assist licensed inspectors/auditors, but they cannot sign certificates/reports until their license has been issued. License cards must not be backdated to cover certificates already issued. Retroactive appointments are not made. If either of these actions occurs, the FPM must be notified immediately.

License cards may be issued for periods up to three years. They expire December 31 each year and may be automatically renewed during the licensing period for inspectors who receive satisfactory performance evaluations. License cards must be reissued after the expiration date on the card and before any inspection work is done. Supervisors must make every effort to have new cards issued by the first day of the calendar year following the expiration of a previously issued card. The supervisor (Federal or Federal-State) to whom a licensee has reported from a previous assignment must initial and date the last commodity listed on the license card.

### **Delegating Supervisory Authority**

Supervisors must be selected on the basis of their ability, qualifications, experience, and need. They should have the ability to work with and direct the work of others. Supervisory inspectors should have a thorough knowledge of inspection procedures for the commodities they are responsible to supervise and they should have ability to gain the confidence and respect of their subordinates and of the trade.

New issues of license cards with “For Supervisory Work” require prior approval from Washington, D.C. (FV-201) and/or the FPM (FV-200). They must be prepared early enough in order to have them ready for issuance by the time that the current authorization card expires. Newly authorized supervisors will be subject to a one year probationary period as supervisors.

FPMs must concur for the need and that the person is capable of handling this delegated authority. The request for supervisory authority for a terminal market inspector, shipping point inspector, or process auditor is made by the State agency supervisor or manager who will submit a written recommendation along with the FV-201 or FV-200 license card to the FPM for approval. State personnel that are in “acting” supervisory roles must also be licensed “For Supervisory Work.”. A list of inspection personnel who carry an FV-200 or FV-201 license and have been delegated supervisory authority must be provided to the FPM. This list will include any restrictions noted on the license.

The State agency under which the licensee works must maintain accountability of the FV-200 license cards. Expired or collected FV 200 cards must be maintained by the State agency for a minimum of three years. Expired or collected FV-201 cards will be kept by the FPM office. Supervisors will require licensees to surrender license cards upon leaving their jurisdiction, unless it is known that they will continue to inspect under another supervisor before the license expires.

When issuing an FV-201 license card for a person who has supervisory duties at both the terminal markets and shipping point, it is only necessary to issue one card that will be authorized by the FSIM Branch Chief. If a person is licensed for terminal market work and also supervises shipping point inspection/process audit work, but does not supervise terminal market work, then it will be necessary to issue the FV-201 with the words “For SPI only” or “For Auditing only” printed or typed on the card in the “approved for supervisory” block. With this statement there will be no need to issue an FV-200 license. FV-201 license cards needing approval for supervisory work must be submitted through the FPM with a recommendation to the FSIM Branch Chief for final approval before it is issued to the inspector.

### **Criteria for Licensing Inspectors**

All training classes must cover the “Principles of Inspection” and “Rules of Conduct,” and all trainees must sign an “[Employee Misconduct-Bribery Procedures](#).” The Employee Misconduct-Bribery Procedures ([found on the AMS web site, fresh fruit and vegetable resources page](#)) must be signed by any Federal-State employee who has an FV-200, FV-201 or is listed on Form FV-248. Annual refresher training on bribery and ethics is required and must be documented.

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All trainees must pass a basic standard commodity and/or audit examination. Because of the varied requirements, this examination should cover the minimum requirements and other aspects of the work to be done. Two or more versions of the examination should be used in alternate years and actual wording of the examinations should be changed frequently by the State agency to avoid answers being passed on to future trainees.

To be licensed by the Federal agency the prospective inspector licensee must have demonstrated basic knowledge of the following:

- Employee conduct/misconduct/bribery procedures;
- Importance of honesty and impartiality;
- Federal/State/industry relations;
- Responsibility/authority as a licensee;
- Proper use of inspection equipment;
- Representative sampling procedures;
- Grading of product for size, quality and condition defects, etc.;
- Application of tolerances in the applicable standard;
- Notesheet and certificate preparation; and,
- Certificate accountability and distribution.

The individual must demonstrate tactfulness, a good cooperative attitude, ability to make sound judgments based on pertinent facts, and have other basic knowledge of the product being inspected such as harvesting, packing and/or processing methods.

The individual must also demonstrate the ability to interpret, understand, and conform to written and oral instructions. They must know who to contact for assistance and guidance in resolving unfamiliar problems and understand the importance of seeking guidance as needed. The previously mentioned criteria may be acquired by on-the-job-training while working with an experienced inspector or formal classroom training.

The SCI Division Audit services Branch will provide additional training requirements for prospective process auditors.

A Federal-State supervisor must use documented training records to determine prospective licensee's qualifications. Final determinations can be made only after working with and observing prospective licensees inspecting the product.

After individuals are licensed, follow-up documented reviews of the licensee's work are necessary to ensure continued adherence to instructions. The Federal-State licensee's training and inspection procedures will be verified through a Branch BIQMS review or Federal Supervisory reviews performed by the FPM.

### **Exchanging Inspectors with Other States**

There are advantages of using experienced personnel. From a national standpoint, it is very important to the success of the service that State agencies use as many experienced inspectors as possible. The FPM should urge the State agency to use experienced personnel who have shown a desire to stay with the service. Although it is no longer a common practice for inspectors to transfer from State to State, every effort should be made by individual States to provide employment for those inspectors that are willing to travel from State to State and they should be encouraged to use these licensed inspectors. Using already trained and licensed inspectors has proven to be beneficial to the inspection service as a whole.

FPMs or designated Federal-State Supervisors may contact other FPMs or State Program Managers to handle the exchange of personnel. There have been instances of inspectors accepting assignments and then failing to report to work for such assignments. Supervisors should make a special effort to inform both new and experienced personnel of their obligation to complete an out-of-state assignment once they agree to accept a transfer and that their failure to report or to complete the assignment could affect future recommendations for employment.

The efficiency of the service as a whole is dependent upon the daily supervisory work of key lead inspectors. These personnel allow the supervisor more time to handle the many details incident to the direction of the program. When the supervisor of one State requests key personnel from another State, every effort should be made to release them on the date needed even though it may be necessary to assign others to finish up their work.

There have been instances where supervisors have communicated directly with licensees in another State in reference to transfers from one shipping area to another. This procedure has caused confusion, misunderstanding and criticism. All inquiries concerning availability of personnel must be directed to the FPM or the appropriate Federal-State person responsible for the assignment of personnel.

### **LICENSING POLICY FOR TERMINAL MARKET INSPECTORS**

A terminal market license (FV-201) is an authorization by the Secretary of Agriculture to inspect and certify the commodities indicated on the card. The license is an Interstate/intrastate license that provides authority to inspect product that has been shipped from one State to another or which has been imported, regardless of origin (see page 7 section pertaining to "[Appeal Inspections](#)"). The FV-201 is signed by the FSIM Branch Chief. The FPM will sign to authorize supervisory work.

## **Supervision of Terminal Market Licensees**

Market licensees are under the direct technical supervision of a FPM and their inspection procedures and development as an inspector of fruits, vegetables, nuts or other products must be reviewed according to SCI Division policies for [Field Office Review](#) and [Supervisory Reviews of Agricultural Commodity Graders](#) or an alternative review procedure approved by the FSIM Branch

### **Unrestricted Licensees**

Interstate/intrastate licensees that are unrestricted will have “Fruits and Vegetables” listed on the license card (FV-201) and are authorized to inspect all commodities. These inspectors must have documentation on file showing ability and knowledge to inspect and certify products from the major commodity groups, such as: citrus, stone fruit, leafy green and lettuce, root crops, tree fruit-apples, and berries successfully and must complete the Market Inspector Training (MIT Class) within two years of being unrestricted. Inspections for the military and similar types of institution inspections that include multiple commodities require an unrestricted market license. The license can be unrestricted with the final approval of the Federal Program Manager/Federal Supervisor. Federal-State employees holding an unrestricted market license for produce must perform a minimum of five (5) destination inspections per year, of which may be supervisory or non-supervisory type.

### **Restricted Licensees**

There may be a need for Interstate/intrastate authorization to inspect only certain commodities or perform certain types of inspections on those commodities. In such cases, an FV-201 may be issued by the FPM and restricted to such commodities. This would authorize inspection of only the commodities listed and not all commodities, even though the inspector’s FV-200 may authorize for “Fruits & Vegetables.”

MIT training is not required for market licensees who are restricted to inspect a limited number of commodities, and certain types of inspections (size, weight, count, freezing, temperatures). Restricted inspectors are expected to attend formal refresher training classes or other refresher training approved as appropriate to their inspection authority (inspection or auditing services).

### **Qualifications Required of Applicants for a Terminal Market License**

The requirements for a terminal market license may be met by one of the following methods:

- Thirty-six (36) months of experience as a USDA licensee grading fresh fruits and vegetables: Applicants for an interstate/intrastate license (FV-201) must have as a prerequisite 36 months of fresh fruit and vegetable grading experience as a USDA licensee and be recommended for appointment by FPM of the State/territory in which they work.

- A combination of education and experience according to the above policy: As an alternative to the minimum number of months (36), applicants must be considered as meeting 12 months of this total when they have an Associate's degree or 2 years towards a Bachelor's degree from an accredited college or university with a major course of study in Agriculture; and as meeting 24 months of this total when they have a Bachelor's degree or higher from an accredited college or university with a major course of study in Agriculture. The remaining months towards the 36 months must be as active on-the-job training or inspection work under USDA supervision. However, in either case, inspectors must receive proper training and oversight until it is shown that the inspector can independently conduct proper inspection procedures for the commodities authorized. Market licensees that possess the educational degrees but lack the 12 month on-the-job training would be allowed to sign certificates after 6 months of on-the-job training on a very limited number (5) of commodities and certain types (count, weight, size, temperatures and freezing) of inspections. This would only be permissible after they have been thoroughly trained and received a passing score of 75% or more on a written closed book test on the types of inspections and commodities that they would be certifying.
- A recommendation for such authority by the FPM of the Federal-State program in which they work.

### **Applicant's Responsibilities**

The Applicant for a Terminal Market license (FV-201) will:

- File Form [FV-202](#) (intranet link) with SCI Division through the FPM.
- The applicant and appropriate State agency official(s) will agree that, upon receiving a Market License (FV-201) the applicant will attend the SCI Division MIT class within two years of the appointment; restricted licensee's attendance at MIT class will be evaluated on a case-by-basis.
- The applicant for an unrestricted license and the appropriate State agency official will agree that the applicant will attend any regularly scheduled SCI Division formal refresher classes or other Division approved market licensee training in lieu of the regularly scheduled training.

### **Federal Program Manager Responsibilities**

The Federal Program Manager will:

- Recommend to the FSIM Branch Chief only those candidates qualified for a market license, once the need has been determined;

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- Ensure that those recommended have received initial training in market inspection procedures;
- Periodically review the market licensee's work or have such reviews documented by a Supervisory market licensee having technical supervisory responsibility, according to SCI Division policies or an alternative review procedure approved by the Division; and,
- Keep the Chief of FSIM informed of the market licensee's progress.

### **Federal-State Inspection Management Branch Responsibilities**

The FSIM Branch Chief will:

- Thoroughly review all applications and recommendations,
- Approve or reject applications for market licensee authority,
- Ensure that FPMs and Supervisory market licensees conduct periodic produce inspection reviews according to SCI Division policies or an alternative review procedure approved by the Division; and,

Note: The process of licensing qualified applicants may be expedited when there is an emergency need for market licensee services. Such requests must be made by the FPM to the FSIM Branch Chief.

### **Market Inspector Training (MIT) and Refresher Training**

All licensees who apply for an unrestricted Market License must attend SCI Division Market Inspector Training (MIT) Class within two years after having received their unrestricted license. Additionally, all market licensees must attend SCI Division market refresher training when offered, or an approved alternative.

Federal-State inspectors who are candidates for MIT Class and do not hold an unrestricted license must submit an [FV-5 Request for Enrollment in Market Inspector Training \(found on the AMS web site, fresh fruit and vegetable resources page\)](#). This form contains the minimum criteria a candidate must meet before being accepted and the signature of the local supervisor and FPM/Federal supervisor who attest the candidate has met the criteria. However, the mere fact that the restricted licensee has successfully completed MIT does not automatically bestow an unrestricted market license on that individual. The licensee must demonstrate their competency in inspecting and certifying those commodities or types of inspections that they lacked before attending MIT.

Any Federal-State employee who has direct technical supervision over an unrestricted market licensee must have previously attended the MIT Class or must attend the class within one year of their appointment to direct technical supervisory authority for commodity inspection purposes.

All market licensees must attend SCI Division sponsored refresher classes.

### **Use of Interstate/Intrastate Licensees in Federal Markets**

Interstate/intrastate licensees will only be utilized for relief assignments in Federal markets when Inspection Operations and Headquarters staff determines that Federal inspectors are unable to keep up with workload demands for an extended period of time.

- A. The period of any one relief assignment may not exceed four weeks in duration without the approval of SCI Division Director;
- B. The salary and reimbursement for travel and subsistence expenses paid to the licensee are at the rate allowed under the regulations of the employing State agency; up to but not exceeding Federal reimbursement rate and,
- C. Interstate/intrastate licensees assigned to Federal markets for training or refresher duty are not subject to the above restrictions. For all such assignments, the licensee's salary, travel and per diem expenses are not reimbursable to the State agency(s).

The FPM, through Inspection Operations, should coordinate these arrangements with the Federal terminal market Officer-in-Charge. This process is highly recommended and it has been proven over the years that a licensee's exposure at a Federal terminal market office staffed with a training officer has provided effective training.

### **LICENSING POLICY FOR SHIPPING POINT INSPECTORS**

A Federal shipping point license card (FV-200) is an authorization by the Secretary of Agriculture to inspect and certify the commodities indicated on the card when they have been produced in the State where the inspector is working. (See exceptions under "[Imported and Interstate Shipments](#)" heading). The license card will list only the commodities for which the inspector has been trained and authorized to inspect. The FV-200 is countersigned by the FPM, but may also be signed by the FSIM Branch Chief.

Federal-State Supervisors will transfer the commodities appearing on the expired card (FV-200) to the new card. When new commodities are added to the card during the licensing period, the supervisor will place their initials and the month and year after each addition of a new commodity. This will show what commodities are added during the licensing period. Of course any additional commodities must be verified through documentation of training and concurred by the FPM during BIQMS reviews or Federal Supervisory reviews.



If the expired FV-200 license card lists more than fifteen commodities and they include the most major commodities, such as tomatoes, potatoes, apples, peaches (stone fruit), citrus, grapes, head lettuce, melons, onions, etc., it will be acceptable to show the words “Fruits and Vegetables” or “Fruits and Vegetables for Processing,” whichever is applicable, on the new card in place of listing the individual commodities.

When a shipping point inspector is qualified to certify a commodity in one State, the same authority is valid in all States in which the inspector may be working. This is “intrastate” authority. However there is no authority to conduct inspections on product that has been shipped from one State to another (Interstate Commerce). This also applies to imported products, except where special arrangements have been made at border crossings in Arizona, California, Florida and Texas. Imported hazelnuts may be inspected at Federal-State offices in North Carolina, Oregon, Virginia and Washington.

Whenever an inspector is to be used in a supervisory capacity, the words “For Supervisory Work” will be printed or typed on the face of the card just above the supervisor’s signature and to the right of the words “to applicable law.”

Inspectors may have authority to inspect multiple commodities, but may be required to conduct “Supervisory Work” on only certain commodities. When this is the case, the regular “For Supervisory Work” statement should be preceded with an asterisk (\*) and a corresponding asterisk placed adjacent the specific commodity(ies) they are authorized to supervise. Example: “\*For Supervisory Work.” The omission of the asterisk indicates that the inspector is authorized for supervisory work on all commodities listed.

### **Licensee’s Application Card**

A Licensees Application Card, [SC-468](#) or a similar application form provided by the State agency for each licensee must be made out in duplicate and signed by the applicant before a license card can be issued. The information appearing on the licensees application form must be accurate and the signature used on the back of this card must be the same as that which is used in signing certificates, notesheets or audit documents. One card or application will be retained as a personnel record by the employing State and one will be retained by the applicant for future reference. All supervisors should try to prevent issuance of duplicate application forms. These applications forms should be thoroughly checked by the Federal-State Supervisor and FPM for completeness, accuracy, signature, date, etc., before filing. Under the heading “Training and Type of Experience,” there always must be an entry even if it is unemployed or attending school, etc.

The Regulations, [7 CFR 51.33](#), describe the application. Statutory authority to collect personal information is contained in the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627). Submission is voluntary and there is no penalty for failure to provide requested information.

When a licensee has completed the application form, a [color identification test](#) must be administered. If failed, the licensee may be considered as passing only if they obtain

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documentation from their doctor certifying that they are able to distinguish the difference between colors.

The licensee's application should contain the following statement:

*As a licensee of the United States Department of Agriculture, **I agree** to the following:*

*To abide by all Federal instructions governing the inspection of fruits and vegetables, whether given to me in the form of inspection instruction manuals, memorandums, written instructions, or personally by the Federal Supervising Inspector to whom I am responsible.*

*In making inspections based on Federal grades, to accept the interpretation of such grades given to me by the Federal Supervising Inspector or other authorized representatives of the Agricultural Marketing Service.*

*To make clear and accurate inspection notes, including scoring of grade, defects and other memorandums, of each inspection made by me as shall be directed by the Federal Supervising Inspector.*

*To prepare my certificates from such notes strictly in accord with Federal instructions.*

*To surrender my license card when so requested by the Federal Supervising Inspector or upon expiration (December 31 next following date of issue), either to him/her or by mail to the Specialty Crops Inspection Division, Agricultural Marketing Service, Room 1536, 1400 Independence Ave. U.S. Department of Agriculture, Washington, DC 20250-0240.*

### **Inspector Training**

Usually, available inspectors for any large shipping point program will fall into one of the following three categories:

- A. Beginners with limited knowledge of the product and no experience in inspection work;
- B. Inspectors with some experience in official inspection work, but little or no experience with the product in question; or;
- C. Trained inspectors with satisfactory recent experience that can be put to work with little or no additional training.

If the training class is large, it is best to separate the group according to the level of knowledge and experience, as noted above, and give each group the particular training needed. The extent and nature of the training program undertaken at any time will depend on the following:

- A. The number of products to be covered, and;

B. The type of certification (fresh products or raw products for processing).

Ideal training will consist of a combination of on-the-job and formal classroom training covering the General Shipping Point Manual, commodity inspection instructions, grade standards, or contract specifications, grading exercises, note keeping, certificate writing, ethics and conduct and a written examination covering the above subjects.

It is essential that inspectors be carefully trained in note keeping and certificate writing. It is also important that before starting an inspection, the inspector determine who in the packinghouse is to be contacted if the product does not meet the specifications or if other information is needed.

Remember, the applicant is always entitled to know the grade of the portion of the lot that has been examined. Further, the applicant may, at any time, be shown the sample results or request that they are provided to a specific person other than the designated staff, with the understanding that they represent the lot at that time and do not guarantee the final grade. If such information is provided, the inspector should document on the notesheet who was notified, on whose authority, the time of day, etc. Supervisors and key people should carefully check to see that notes are properly kept and that certificates are correctly written (i.e., all information entered on the certificate is supported by information on the notesheet).

Training for the inspection of raw products for processing is the same as for fresh products. Classroom training should cover the General Inspection Instructions for Raw Products for Processing as well as the commodity inspection instructions and/or contract specifications. Also, it may require additional on-the-job-training so the inspector can acquire the speed necessary to avoid delaying the unloading of trucks or the processing line.

Every training course must end with a written examination covering the subject matter, which has been presented and a demonstration by the prospective licensees of their ability to properly score specimens, prepare notesheets, and write certificates or reports. A set of the questions used in the examination as well as a list of the trainees and their grades should be kept on file in the State agency's office.

A weak trainee generally makes a weak inspector. When the results of a training class indicate that a trainee is poorly qualified, it is generally better not to license that person than to use that person on a trial basis. A probationary on-the-job training period may be offered by the State agency, depending on State hiring policies. Refresher training will be given seasonally or prior to inspecting a commodity. Refresher classes may be held more often as deemed necessary due to inspector reviews/evaluations.

### **Inspector's Aid**

An "Inspector's Assistant Authorization Record" ([FV-248](#)) (intranet link) is for the purpose of indicating that the personnel listed are authorized to assist a licensed inspector in the performance of their inspection duties. A person licensed for supervisory responsibilities will certify that the personnel listed on the FV-248 have received the necessary training and that they have read and signed all the required forms necessary to meet the requirements for the position.

An FV-200 license card will not be issued because the personnel listed will not perform any final certification.

### **Delegation of Supervisory Authority at Shipping Point**

It is impossible for a FPM to provide oversight or participate in all training sessions or give immediate oversight reviews to the work of each licensee. Therefore, it is necessary to designate some of the more experienced licensees to have immediate direction of the work of inspectors who are working in a certain area(s). Such designations are generally referred to as Federal-State Supervisors, Key Inspectors, District or Area Supervisors, etc.

Federal and State managers should discuss the need for “supervisory” positions. When it is determined that a person is needed for technical supervision, the State management will send a request including the person’s name and qualifications to the FPM. The FPM will assess the person’s technical ability, their knowledge of this manual and the inspection system and their communication skills. In particular: does the person have the personal attributes needed to be a supervisor.

The FPM must approve the FV-200 license card of inspectors who have immediate technical supervision over inspectors or auditors. This includes persons who have been delegated the authority to evaluate auditors. This approval is accomplished by the FPM writing “For Supervisory Work” in the center portion of the FV-200 license card along with their initial or signature. The delegation of supervisory work may be restricted to certain aspects of the licensee’s authority to inspect or audit. For example: “For Supervisory Work, Processed potatoes only” or “For Supervisory Work, Auditing only”

FPMs and State Program Managers should carefully instruct these supervisors as to their duties and what is expected of them. Persons with “Supervisory” authority should be familiar with this manual as well as the policies and procedures affecting the work they are supervising. Federal-State Supervisors must keep in mind, when performing this technical supervisory functions relating to areas of Federal responsibilities in the Cooperative Agreement, that they are operating under Federal authority delegated to them by the FPM and not under authority granted by the State agency. If a Federal-State Supervisor becomes unable to carry out these functions or shows a disregard for carrying out instructions, their supervisory authority will be revoked.

### **Supervision of Shipping Point Licensees**

A designated Federal-State Supervisor will perform supervisory reviews of all FV-200 licensees. The FPM will also perform a performance review when performing oversight reviews of the cooperative program. Reviews by the Federal-State supervisor must be performed, at a minimum, in accordance with their BIQMS quality manual. Supervisors will perform reviews on licensees on the following criteria:

- A. Representative sampling;
- B. Adequacy of samples (sampling rate/ratio);

- C. Proper identification and scoring of defects;
- D. Proper sizing or weighing procedures;
- E. Proper interpretation and application of standard or contract specifications;
- F. Accurate determination of percentages;
- G. Legibility and accuracy of notesheets and certificates;
- H. Inspection Instructions, Guidance manuals and other instructions are up to date;
- I. Adequacy and accuracy of equipment;
- J. Proper application of any other inspection procedures that may be applicable such as Positive Lot Identification, soluble solid determination, compliance with Marketing Orders, etc.;
- K. Applicant comments;
- L. Need for rotation of inspection personnel;
- M. Possible need for additional training of new inspectors or refresher training for experienced inspectors; and,
- N. Customer Service.

Supervisors must issue a report/checklist approved by the State under their BIQMS to document inspector performance for use in future ratings or for cases of misconduct. The report/checklist must have a verification of product examination and/or the number of a certificate or numbered notesheet in which the verification was performed in conjunction with the licensee.

### **Sampling**

One of the most important activities a supervisor should observe during a supervisory review is the inspector's selection of adequate and representative samples from the lot(s) being inspected. This is vital to an accurate certification. The supervisor should also make sure that either an inspector or inspector's assistant (aide) under their supervision draws all samples. In cases where inspectors oversee the sampling of packaged products, the inspector must always select the sample.

Supervised sampling is often allowed in the inspection of bulk products. Persons performing the sampling may be authorized samplers or aides employed by the inspection service. In special circumstances they may be company personnel. In all cases, samplers will have proper documented training and regular supervision to ensure samples are correctly obtained.

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Refer to the [General Market Inspection Manual](#) and [General Shipping Point Inspection Manual](#) for more information on sampling and sampling rates.

### **Inspection and Certification**

The supervisor must check to see if inspectors are: (1) correctly identifying and scoring defects; and (2) following proper sizing and weighing procedures. Since the scoring of some defects that are scored on an appearance basis is subjective, both new and experienced inspectors should be checked often to ensure uniformity in the scoring of these defects. New inspectors must be reviewed frequently to ensure that they are familiar with allowable tolerances in connection with the applicable grade(s) or contract specifications being applied. Also, inspectors' notesheets and certificates must be reviewed for accuracy, completeness and legibility.

### **Applicant Comments**

During a supervisory check, the supervisor should always take time to visit with the applicant or applicant's agent to determine satisfaction or dissatisfaction with the service being provided. However, the removal or transfer of an inspector(s) because of an applicant's complaint should never be done without a thorough investigation of the facts and only when it is deemed to be in the best interest of the service. The State agency may best handle such action jointly with the FPM if it appears that there may be potential repercussions.

### **Positive Lot Identification (PLI)**

If shippers are using PLI, inspectors must be reviewed to determine whether proper procedures are being followed and accountability and security of stamping devices is being maintained. For further instructions on PLI, refer to the [Positive Lot Identification Manual](#).

### **Assignment and Rotation of Inspection Personnel**

Under the terms of most cooperative agreements, the selection, assignment or seasonal release of inspection personnel is the responsibility of the State agency and is subject to the concurrence of the FPM. In order to avoid the appearance of any inspector becoming personally involved with users of the service, SCI Division policy for rotation of inspection personnel for all commodities is as follows:

- A. Lead inspectors: Rotated at least annually;
- B. Inspectors: Rotated annually, whenever practical.

However, if not considered practical to rotate inspectors annually, no inspector must continually remain at any inspection point for more than three consecutive years. Requests for exceptions to the above policy must be made in writing through the FPM with approval granted by HQ.

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**Assignment Restrictions**

Branch policy regarding restrictions to the assignment of licensees who were previously employed by the industry provides for the following prohibitions:

- A. Assigning licensees to perform inspections, sampling or other official duties at establishments in which they have been employed during the preceding 3 years;
- B. Assigning licensees to perform official inspections or other duties at a firm, establishment, corporation, or any tenant or subsidiary thereof from which they are receiving any annuity or pension; and,
- C. Assigning licensees to perform official duties in an establishment where a close relative is employed. (Note: No exceptions will be made for licensees who have a close relative working at such an establishment. A close relative is considered to be a spouse, child, parent, brother or sister of the employee regardless of the place of residence or any relative (by blood or marriage) who resides in the same household as the employee.)

**Requesting an Exception to Assignment Restrictions**

Exceptions will be granted only when it can be shown that assignment of a particular individual is in the best interest of the inspection service. Requests for exceptions must be sent in writing through the FPMs and with their recommendation to HQ for approval. Requests must include the following information:

- A. Name and location of licensee;
- B. Position;
- C. Name and address of establishment requiring inspection;
- D. Dates of employment at the establishment;
- E. Position held at the establishment;
- F. Reason for leaving the establishment; and
- G. Reason for exception.

Include a summary of efforts made to fill the position with a person who had not previously worked at the establishment.

**Incorrect Certification of a Lot**

While checking the work of inspectors and the supervisor finds that the inspector(s) are incorrectly certifying the lot, the supervisor must immediately re-inspect the lot with the inspector(s) and inform the applicant of the correct findings.

If the inspector(s) has already completed the inspection and no official report has been issued, the supervisor must re-inspect the lot and issue a certificate with the correct results. The supervisor will indicate on the original notes that they have been superseded by their findings and be attached to the official file for this inspection. Such cases should be treated as a new inspection and not as an appeal. In cases where an official report has been issued then the re-inspection must be handled as an appeal inspection.

Headquarters must be contacted first for permission to either reverse or sustain the previous certificate. The findings must be final and an appeal certificate issued handling the case like any other appeal inspection.

Anytime a supervisor takes action to properly certify a lot that had been incorrectly certified, the original inspector should be included and/or notified of this action so it may be used as a training/learning experience.

**MEETINGS AND CONFERENCES**

The FPM should hold frequent meetings and/or conferences with Federal-State Supervisors in order to be sure they are uniform in their grade interpretation, instructions on certificate writing, and inspection procedures in general. Meetings and conferences for all inspection personnel are very helpful in promoting uniformity and should be held as often as possible. In addition, every effort should be made to encourage participation in OIC and FPM Conferences.

**SHIPPING POINT INSPECTION OFFICES**

FPMs should regularly inform FSIM of the opening and closing of temporary or permanent offices or changes in supervisory and management personnel. When doing so, provide the name, telephone number, and address of the persons to contact for shipping point reports. This information will be added to the SCI Division Directory.

Although some inspection offices and staff are remotely located, they also should be adequately supported and supervised.

**INSPECTION NOTESHEETS AND CERTIFICATES**

Federal-State supervisors are responsible for ensuring that each inspector is furnished with an adequate supply of notesheets and certificates. Supervisors must perform reviews of both certificates and notesheets during site visits. They should also be carefully reviewed and initialed before filing. Any errors must be called to the inspector's attention. If the errors are serious, a superseding certificate must be issued.



It is very important that all facts to be included on the certificate are included on the notesheets. If certificates are typed or computer generated, the final copies must be checked against the draft of notesheets for errors or omissions. Special attention should be given to legibility of copies.

Computer generated certification programs should be reviewed annually for reliability. Supervisors should review the accuracy and timeliness of computer generated certificates and notesheets. Refer to the SCI policy for computer generated certificates for more information

### **Signing inspection certificates**

In most instances, inspectors will fill out and sign certificates based on the information recorded on the notesheet. However, occasionally, it is not practical for the inspector to be present to sign the certificate, and this will require a signature by a supervising inspector. Only licensees having "For Supervisory Work" endorsed on their card may sign as a supervising inspector. In such cases, the supervisor's signed name, along with the notation "Supervising Inspector" must be adjacent to or directly under the printed inspector's name. Before signing, supervisors must review the certificate carefully against the inspector's notes for accuracy.

The term "Supervising Inspector" is not an official title but is a designation of duties. Such terms as "Inspector-In-Charge" must not to be used when signing certificates in this instance.

### **Power of attorney**

One employee may sign the name of another under authority of a "power of attorney" of a prescribed form and under specified limitations. This plan has no advantage over signature by the supervising inspector, except under very unusual conditions, and generally should not be used. When it is considered necessary, the essential forms for authority for power of attorney should be secured from HQ. It is illegal to sign the name of another person on a government document without power of attorney. It is also illegal to sign blank certification documents (before they are typed, computer generated or handwritten). This includes Federal-State certificates.

### **Care of certificate forms**

Certificate forms used by shipping point offices are serially numbered and accountable documents. Certificate accounting and control records must include all serially numbered typed and handwritten certificates, memorandums of inspection, and numbered notesheets. These records must show the numbers received from the Branch's Equipment and Forms (Supply) Depot or any other office, and the date assigned to area supervisors or to sub-offices. The supervisor should maintain a record and send a copy to the main office showing the number of certificates received and used.

A well-documented set of records showing certificate numbers that have been used generally eliminates the possibility of not being able to account for certificates. All shipments of certificates should be checked when they are received for correct serial numbers, missing certificates, quality or for any other discrepancies. Report any problems to FPM.

Electronic (computer) generated certificates that have serial numbers imprinted by the computer at the time of issue will establish an accountability record for all certificates issued by the day. Computer generated certificates may have serial numbers assigned to them by the inspection office. The office must maintain a record of these numbers that would include to whom they were assigned.

Certificates must not be left where those who are not entitled to the information on them may have access to them. Only at the specific request of the applicant must the inspector make information available to anyone other than the applicant's designated staff. Prospective buyers are not entitled to the information until they have purchased the lot in question. Both the request and any information reported must be documented on the notesheet.

The inspector must anticipate the certificate needs for the day and carry only a sufficient number for the day's work with them in the inspection area. Certificates and notesheets must be in the control of the inspector at all times. It is understood that it is impractical for these items to be physically secured at all times; however, reasonable safeguarding procedures should be implemented to reduce the risk or loss or misuse of the notesheet and certificate and the information contained therein. All certificates should be issued in numerical order.

When the inspector is "on the premises," it is generally accepted that the inspector is in control of the notesheets and certificates. However, if the inspector is away from the inspection area (in a different part of the packinghouse), then the documents must be placed out of sight by placing in a drawer or under other inspection equipment, etc. If the inspector leaves the premises for lunch or to another inspection assignment, then the documents must be secured in a locked cabinet or office or taken with the inspector.

### **Ordering forms, certificates and notesheets**

Lists of forms with their number can be obtained from the SCI Division Equipment and Supply Depot.

It is very important that the State agency anticipates its need for forms and place print orders at least six months in advance. Delays in order processing and printing are common and are usually out of the control of HQ and the State agency. Orders should be based on expected needs for eighteen months. Orders for Federal or Federal-State certificate forms should be directed to the [SCI Division Equipment and Forms Depot](#) or HQ. The completed order will be shipped directly to the responsible FSIS official. Payment for forms, certificates and notesheets may be sent to the service, or the cost may be offset on the FV-218, Monthly Financial Report. FSIS is responsible for confirming receipt of the order with the Equipment and Supply Depot. A copy of the packing slip and accountability numbers should scanned or faxed to the San Francisco office, 650-552-9147.

FV-200 and FV-201 license cards should be ordered through the FPM who will place a consolidated order to HQ.

A. FV-201 Ordering and Accountability

1. FPMs must forward a written request for license cards to HQ. The request should more than cover the projected number of licensees for the year within the respective areas of providing oversight on technical issues.
2. Headquarters will send the quantity of license cards requested along with a receipt for them to the requesting FPM office.
3. FPMs must log the card numbers into an accountability ledger and return the signed receipt to HQ.
4. Cooperative programs must submit a written request for license cards listing specific licensees' restrictions to the FPMs.
5. FPMs must fill out the license cards and send them to HQ for approval with a recommendation. Licenses sent to HQ must have a letter indicating where licenses must be sent to upon approval.
6. The FSIM Branch Chief will review documentation and either approve/disapprove licenses. The Branch will maintain an accurate accounting of approval in an accountability ledger or computer file prior to returning licenses.
7. FPMs must maintain an accountability of licenses received (blank/issued/returned/voided) along with the receipted and signed memorandum with their accountability file.
8. The FPM must document all voided FV-201 license cards. Voided cards, once logged, must be destroyed.
9. The State agency must require licensees to surrender license cards upon leaving their jurisdiction or employment unless it is known that the licensee will continue to inspect under Federal-State supervision in another State.
10. The State agency will notify the FPM of returned, expired or surrendered licenses and retain the licenses for three years, or longer in accordance with State retention rules.

B. FV-200 Ordering and Accountability

1. FPMs must forward a written request for license cards to HQ. The request should more than cover the projected number of licensees for the year within the respective areas of providing oversight on technical issues.

2. HQ will send the quantity of license cards requested along with a receipt for them to the requesting FPM office.
3. FPMs must log the card numbers into an accountability ledger and return the signed receipt to HQ.
4. Cooperative programs must submit a written request for license cards to the FPMs. The requested number should adequately cover the personnel that may be licensed.
5. FPMs must pre-sign the appropriate number of license cards and send them to the requesting State, along with a receipt memorandum to be signed and returned by the State. An entry must be made in the accountability ledger next to the number(s) as to the State program and the date sent.
6. The State agency must maintain an accurate accounting of the assigned cards in an accountability ledger or computer file.
7. FPMs must maintain the receipted and signed memorandum with their accountability file.
8. The State agency must document all voided FV-200 license cards. Voided cards, once logged, must be destroyed.
9. The State agency will require licensees to surrender license cards upon leaving their jurisdiction or employment unless it is known that the licensee will continue to inspect under Federal-State supervision in another State. The State agency will notify the FPM of returned, expired or surrendered licenses and retain the licenses for three years, or longer in accordance with State retention rules.
10. FPMs must verify the licensing procedure and accountability of the FV-200 license cards during their cooperative program reviews.

## **CARE AND CUSTODY OF OFFICIAL MARKING AND STAMPING DEVICES**

Each inspection office must maintain an accurate record of all stamps and marking devices and official USDA seals ordered or issued to it. Such devices must be distributed only to authorized personnel, who will keep the devices in their official possession or control at all times. Official imprinting devices are accountable equipment and, once purchased, must be controlled by FSIS and USDA. [Positive Lot Identification Instructions](#) document the procedures for ordering, purchasing, documenting movement, use, control and security of official USDA stamping devices.

## **FEES FOR SHIPPING POINT INSPECTION**

Under all cooperative agreements (except those between the Federal department and corporations or private firms), establishment and collection of shipping point fees are responsibilities of the State agency. The only requirements are that fees must be reasonable and adequate to cover the cost of the services performed unless subsidized by State appropriations. The FPM should however, impress upon the State agency the advantages of keeping fees uniform with neighboring States. The FPM must keep HQ advised of any contemplated changes in fees. In addition, FPMs must either provide or have the State agency provide an up-to-date fee schedule to HQ.

## **INSPECTION EQUIPMENT**

It is the State agency's responsibility to maintain an inventory of all grading equipment, supplies and other property purchased for the purpose of providing inspection services. However, it may be necessary for both the Federal and State representatives to work together when purchasing or ordering supplies such as certificates, notesheets, Positive Lot Identification devices and equipment (buckets, scales, and sizers, etc.), since these are often ordered through the Division's Equipment Supply Depot.

It is the responsibility of the State agency to furnish the necessary inspection equipment to licensees, but the FPM must ensure that all grading equipment is federally approved during office reviews. All equipment in use must be serviceable which means it is not bent, broken corroded, etc. The equipment should be relatively clean and if there are movable parts the movement smooth and easy, not loose or sloppy. Accuracy and suitability of new purchases should be verified before use. Scales get out of adjustment easily and should be checked and calibrated frequently for accuracy. Metal or plastic sizers must be used, not fiberboard. Thermometers, hydrometers, refractometers, pressure testers and other inspection equipment must be kept clean and checked regularly for accuracy. At a minimum, equipment should be calibrated prior to each season, if it is seldom used, it should be calibrated prior to each use. Refer to general or specific commodity inspection instructions for calibration of specialized inspection equipment.

## **LICENSEE'S PERFORMANCE RATING**

Each FPM must complete or cause to be completed a "Licensee's Performance Rating ([FV-293](#))" (intranet link) or a performance appraisal/evaluation form used by the State agency. Every licensee (except inspector's assistants) must be rated on their performance each calendar year. If a licensee has worked in two or more States under the same supervisor, only one rating card is required (usually the home State). In the event the FPM wishes to change the rating during the year, two or more cards may be issued for the same licensee; however, it is the most recent rating that must be acted upon. FV-293 form or equivalent State rating forms must be issued at least annually for all licensees, regardless of their assignments.

It is extremely important that supervisors accurately report the facts in the spaces provided on the [FV-293](#) (intranet link). Particular attention should be given to the following:

- A. The inspector's name to be entered on the FV-293 should be the same name used in signing their name (last name first, first name, and middle initial) as indicated on their application form;
- B. The period employed should be shown as the exact dates and not seasonal or temporary. This is very important, as it is necessary to provide information as accurately as possible for those requesting employment information and accurately determining creditable time for interstate/intrastate licenses or Federal appointments;
- C. List only commodities inspected during the period employed and the rating period, not necessarily all commodities the individual is licensed to inspect;
- D. Favorable or unfavorable information on a licensee's performance should be shown under the "Remarks" section. If additional space is needed a memorandum should be attached to the form;
- E. When an inspector is given a "Grade 5" rating (or an equivalent rating on a State form), the FPM must promptly submit such information to HQ (as noted below); and
- F. The supervisor's signature or name must appear on all copies.

### **Factors for Which the Licensee will be Rated**

The factors to be rated on the FV-293 should be reported in the following manner:

- A. In the block titled "Personality," a descriptive word or phrase such as "friendly," "agreeable," "quiet," "abrupt," "disagreeable," "happy," "pleasing," "arrogant," "talkative," "crabby," "argumentative," etc., should be used.
- B. In the block to the left of the headings "Knowledge of Product," "Cooperation," "Attitude," "Judgment," and "Tact," the inspector's rating must be shown by using the numbers 1 through 5 as applicable, (1 being considered better than 5).

### **Definition of Factors Used on Rating Card**

Supervisors should study the following definitions carefully so that they can accurately rate an inspector on these factors:

- A. Tact

The ability of inspectors to deal with difficult people or with difficult situations in a manner that will avoid embarrassment to them and to the service and in a manner that will avoid giving offense. Tact includes the ability to do or say the right thing at the right time in any situation.

B. Attitude

One's general outlook towards their work. A proper attitude is one in which the inspector is cooperative, loyal, and concerned with the best interest of their job and fellow employees. Inspectors with a good attitude are interested in their work and do it without complaining or being overly critical. An improper attitude would be one of selfishness, laziness, indifference, complaining, criticizing, failing to follow instructions and placing the interest of one's self above the best interest of the service.

C. Judgment

The ability to consider all pertinent facts and information and to reach a logical conclusion or decision. This may be associated with grading produce, dealing with personalities or entering into general conversations.

D. Cooperation

A willingness to accept and follow instructions and to work with others to accomplish a job or carry out the mission of the program.

E. Knowledge of Product

The degree to which an inspector is familiar with requirements of the grade standards, inspection instructions and other official instructions related to product(s) they are authorized to certify and how familiar the inspector is with general inspection service policies and procedures. It also takes into consideration the licensee's general knowledge of the growing, handling and marketing practices pertaining to the commodities they inspect.

### **Grade Rating for Licensed Inspectors**

Supervisors must be guided by the following:

A. Grade 1

Inspectors who have been exceptional; displaying not only the ability, but also a natural inclination to handle with great proficiency any inspection assignment. In addition, these people are tactful with those with whom they must have dealings, at the same time giving promise of sufficient leadership ability to indicate that they are capable of developing as supervisory inspectors.

B. Grade 2

Inspectors whose work has been entirely satisfactory and are capable of supervising a few people or a small grading station, but who do not necessarily

have either manifested or developed managerial skills to handle a large inspection operation involving multiple inspection stations or several inspectors.

C. Grade 3

Inspectors whose work, attitude, and interest have been satisfactory and who can be recommended to work independently if needed.

D. Grade 4

Inspectors who are regarded as fairly satisfactory under immediate supervision and who can be used for temporary employment when needed or when no more desirable candidate is available. A “Grade 4” inspector is not recommended for re-licensing when more desirable candidates for licensing are available.

E. Grade 5

Persons who are unsatisfactory either on the grounds of ability, attitude, judgment, conduct or other causes and who are not regarded as satisfactory for re-employment (specifically re-licensing).

### **Grade 5 or Equivalent Rating**

It is very important that the FPM and HQ receive all pertinent information documenting reasons for rating the licensee as a Grade 5. This documentation should reach HQ within five days after a Grade 5 is issued in the event it is deemed necessary to take action against the inspector’s license and/or employment information is requested by another State. Supervisors must never wait until the end of the calendar year to submit such information.

Licensees who are rated Grade 5 on any factor must be placed in Grade 5 regardless of their total score. The supervisor must provide written documentation for such a rating to the FPM and HQ with a recommendation for disciplinary action when related to their technical ability or to the appropriate State agency official when related to the State agency’s area of responsibility.

In cases where the supervisor is not sure whether a Grade 5 rating is warranted, all facts should be submitted to the FPM and HQ for a decision.

### **Final Grade**

The “Grade” block on the FV-293 is used to determine the inspector’s final grade rating. The final grade is based on total points. The following is the point range allowed for each grade level:

- A. Grade 1 - up to 6 points;
- B. Grade 2 - 7 to 11, inclusive;



- C. Grade 3 - 12 to 16, inclusive;
- D. Grade 4 - 17 to 20, inclusive; and
- E. Grade 5 - 21 and over (or any factor rated 5).

The following examples will illustrate how the evaluation works:

Inspector	Knowledge of Product	Tact	Attitude	Judgment	Cooperation	Total	Grade
A	2	1	1	2	2	8	2
B	1	4	4	4	1	14	3
C	1	1	1	1	2	6	1
D	2	3	1	3	3	12	3
E	2	2	1	2	1	8	2
F	1	4	1	4	3	13	3
G	3	2	1	2	1	9	2
H	4	2	2	5	3	16	5
I	4	3	3	4	3	17	4

Note: The above formula is a valuable guide to assist the supervisor in evaluating the licensee. However, in unusual cases, supervisors must base the final judgment upon their personal knowledge of the inspector. Unusual situations should be discussed under the remarks heading of the FV-293.

**Federal-State Inspector Workplace Attire Policy**

All Federal-State licensees must project a professional image while representing their State Department of Agriculture and the U.S. Department of Agriculture (USDA). They should adhere to their employer’s guidelines for workplace attire. In addition, to prevent the appearance of conflict of interest, Federal-State licenses will not wear any attire with logos or names of companies that pack, ship, receive, handle or promote fruit, vegetable or nut commodities.

How a licensee adheres to the workplace attire policy is a factor in the person’s evaluation and can be included under Attitude, Judgement and or Cooperation.

- Clothing should be clean, neat, modest, and professional;
- Clothing may display USDA or Federal-State identification (not mandatory on the part of AMS.);
- Footwear will have both closed toes and heels; and

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- Clothing and shoes will meet the safety requirements of the employee's work environment.

In-plant inspectors at facilities operating under current good manufacturing practices (cGMP) also must:

- Wear white from the waist up, or a white lab coat or smock;
- Not wear T-shirts unless required by the specific work environment (e.g., incoming peanut inspections) or mandatory plant-specific policies (e.g., no clothing with buttons allowed in the plant). Under these circumstances, t-shirts may not display writing or graphics, except for an official USDA or inspection service logo; and
- Wear a smock or lab coat in facilities with no-button policies.

Lot or in-plant inspectors must adhere to:

- Food and Drug Administration cGMP guidelines and wear bump hats or hard hats; and
- Company's policy about proper hair restraint.

Employees working at an applicant's plant or warehouse must:

- Follow any plant or warehouse specific policies regarding clothing and supplemental wear; and
- Not wear any company apparel with a company's emblem or logo on it to ensure a clear separation between industry and USDA/Federal-State Licensees employees.

### **Supervisory Potential**

This is not a factor in grading licensees. The term should be used only to indicate that inspectors have developed to the extent that they are ready to perform supervisory work or that they have demonstrated the potential to do so in the near future. Supervisors should make no comment on this factor when rating a licensee with very little experience or licensees with many years of experience that have never shown any ability or desire to become supervisors.

### **SUSPENSION OR REVOCATION OF A LICENSE**

A license, once issued, can be suspended or revoked by the Director when deemed necessary for the good of the service as provided by [7 CFR Part 51.34](#). However, within ten days after receipt of written notification that their license will be suspended or revoked, the licensee may file an appeal in writing with the Deputy Administrator, Specialty Crops Program, supported by a statement of the reasons why the license should not be suspended or revoked, whichever is applicable, or request an informal hearing. If the licensee does not respond within 10 days, the

license will be automatically suspended or revoked. A response implying that the decision is appealed without specific detail to refute the facts as known is considered as “no response.” When the FPM recommends the suspension or revocation of a license, all pertinent facts should be documented in writing and submitted to the Director through the branch.

Supervisors should remember that the Federal agency has the primary responsibility for investigating suspected or alleged wrongdoing by State agency employees affecting the technical integrity of work performed under the agreement. The investigation of all other suspected or alleged wrongdoing is the responsibility of the State agency. However, each party should promptly notify the other of any allegations or the results of any investigations involving licensees when the other party has primary responsibility.

A FPM cannot suspend or collect a license without permission from the Director, Washington, D.C. However, in instances of misconduct, such as drunkenness and substance abuse on the job, criminal arrests, sexual harassment, etc., State agency officials may wish to promptly suspend or terminate a licensee’s employment. If the FPM agrees that this action is appropriate the State Program Manager must write a detailed report for the Director, with a copy sent to the FPM. If the State agency terminates a licensee’s employment for any reason, the license card should immediately be collected and maintained on file at the State agency for the retention period of not less than 5 years but not more than 7 years after the case is closed. A license is invalid whenever the State agency no longer employs the individual.

### **Recommended Disciplinary Penalties**

The purpose of the following table is to assist those responsible for disciplining employees in selecting appropriate penalties. While the table does not cover every possible offense, it does present the generally accepted relationships between the more common types of offenses and the penalties that are typically assessed.

The table is merely a guide, as each case must be evaluated on its own merits. However, the table does provide a framework to assure consistent application of disciplinary penalties throughout the Division. Before imposing a particular penalty, the Director will consider all of the pertinent factors including:

- A. The existence of mitigating circumstances;
- B. The length of service and previous record of the employee;
- C. The presence or absence of any previous disciplinary action;
- D. The nature and seriousness of the offense;
- E. The type(s) of offense(s) involved; and
- F. The level of responsibility at which the employee is serving.

**Table of Disciplinary Penalties**

<b>TYPE OF MISCONDUCT</b>	<b>PENALTY FOR FIRST OFFENSE</b>	<b>PENALTY FOR SUBSEQUENT OFFENSE</b>
Falsification of Federal certificates or notesheets	Two week suspension to revocation of license	Revocation of license
Falsification of licensee’s application form (FV-468) which would have adversely affected selection	Revocation of license	N/a
Falsification of licensee’s application form (FV-468) which would not have adversely affected selection	Reprimand to one week suspension of license	N/a
Soliciting/accepting gifts (including produce) or favors or discounts of a monetary value	One week suspension to revocation of license	Revocation of license
Soliciting/accepting a bribe	Revocation of license	N/a
Unauthorized removal of government property (stealing)	One week suspension to revocation of license	Revocation of License
Failure to follow written or oral instructions	Reprimand to one week suspension of license	One week suspension to revocation of license
Refusal to follow oral or written instructions	One week suspension to revocation of license	Revocation of license
Conviction for a felony	Revocation of license	N/a
Negligence in performing official duties	Reprimand to one week suspension of license	One week suspension to revocation of license
Negligence on the part of a Federal-State supervisor in performing supervisory duties	Reprimand to removal of supervisory authority	Removal of supervisory authority to revocation of license
Participating in prohibited political activities	Letter of reprimand to revocation of license	One week suspension to revocation of license
Appearance of conflict of interest	Reprimand to one week suspension of license	One week suspension to revocation of license
Conflict of interest	One week suspension to revocation of license	Revocation of license
Making false statements to government officials	Reprimand to revocation of license	One week suspension to revocation of license

This list is not meant to be inclusive and other incidents of misconduct will be decided on a case-by-case basis. There are also many types of misconduct that may require action on the part of the State agency such as: falsification of State payroll or travel documents; tardiness or failure to show up for work; alcohol or substance abuse; etc. No attempt will be made in this manual to

suggest recommendations for the type of disciplinary action to be taken by the State agency since this can only be determined by the State agency. However, regardless of the type of misconduct, each party should assist the other, when requested, in documenting and conducting an investigation of alleged misconduct by a licensee.

### **Conflict or Appearance of Conflict of Interest**

FPMs are responsible for ensuring that all employees are familiar with ethics and conduct regulations, including regulations concerning conflict or appearance of conflict of interest and for reporting any violations by licensees.

#### **A. Policy**

In order to maintain the confidence of the public in AMS programs, AMS employees and licensees are required to adhere to high standards of ethics and conduct. Employees and licensees are responsible to avoid conflicts of interest, to avoid situations that might create the appearance of a conflict of interest and to report potential conflicts of interest. See [Title 5, Standards of Ethical Conduct for Employees of the Executive Branch](#).

#### **B. Appearance of Conflict of Interest**

A situation in which it reasonably could be inferred that an employee's private interest is in conflict with their Government duties and responsibilities, even though there may not actually be such a conflict.

#### **C. Conflict of Interest**

A situation in which an employee's interest in the proper performance of official duties conflicts with the employee's interest in their own or a close relative's private economic affairs, or with other interests or relationships with individuals or organizations outside the Government.

#### **D. Prohibitions**

Employees are prohibited from performing grading, inspection, regulatory, supervisory, or other official duties at an establishment where, a close relative is employed; the employee's or a close relative's agricultural commodity is graded, inspected, stored, etc.; the employee or a close relative has a financial interest (this does not include holdings in a widely held mutual fund or regulated investment company that does not specialize in a particular industry or commodity, and has no managerial control or directorship that is exercised by the employee); or the employee's interests or relationships with individuals or organizations might appear to be in conflict with the employee's duties.

### **Reporting Alleged or Suspected Bribery**

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Supervisors are responsible for assuring that all licensees are familiar with procedures for reporting alleged or suspected bribery. All AMS employees and licensees are required by USDA to report alleged or suspected bribery and bribery attempts to the Office of Inspector General (OIG).

Any USDA employee or person licensed to perform USDA functions who is offered a bribe or who believes that a bribe was offered to, solicited by, or accepted by another employee, must: immediately call the OIG Bribery Hotline to report the incident (see below); and follow OIG instructions to avoid jeopardizing any subsequent investigation. This includes situations where a forthright offer was not made, but in which or where the employee or licensee suspects they are being “felt out” or that an offer of a bribe could reasonably be inferred. In no case must an employee or licensee notify their supervisor unless instructed to do so by OIG.

Each employee or licensee must have a Bribery Card (AMS-900) with instructions to call the following:

USDA, Office of Inspector General, Washington, D.C., Bribery/Assault, Fraud, Waste and Misconduct Hotline at:

202-720-7257 - Bribery/Assault  
800-424-9121 - Fraud, Waste and Misconduct  
or  
TDD: 202 690 - 1202  
[www.usda.gov/oig/hotline.htm](http://www.usda.gov/oig/hotline.htm)

All new licensees must read, have explained to them, and sign the “[Employee Misconduct - Bribery Procedures](#).” This should be done at the same time they are completing the inspector’s application form). The FV-639 card can be initialed annually to provide evidence of required annual bribery and ethics training. The inspector’s application will be kept on file by the State of original employment. Do not send copies of this card to HQ in Washington D.C.

## **UNACCEPTABLE CONDUCT BY USERS OF THE INSPECTION SERVICE**

Specialty Crop Inspection Division’s position regarding discrimination, unsafe working conditions, intimidation, or manipulation by applicants during inspection procedures is set forth in the following paragraphs and in [Unacceptable Conduct by Users of the Inspection Service](#).

Keeping in mind that not all “colorful” language is abusive; actions or language on the part of an applicant’s agent that is intended to intimidate, threaten, interfere with or harass a licensee or otherwise alter the course of an inspection will not be tolerated. However, because of their subjective nature, all situations must be considered on a case-by-case basis to determine whether an action or statement is unacceptable and if there is justifiable cause to deny inspection service. The supervisor will base their decision on which inspector to assign solely on the inspectors’ qualifications and experience on the commodity or type of inspection to be performed. The decision will never be based on an applicant’s desire (stated or implied) to have or not to have certain inspectors on their premises for reasons other than qualifications.

**Authority**

[§51.46](#) of the Regulations states in part: “Any or all benefits of the act may be denied any person for any of the following reasons:

(c) Any interference with or obstruction of any inspector or official sampler in the performance of his duties, by intimidation, threat, assault or any other improper means...”

See <http://www.ams.usda.gov/publications/content/unacceptable-conduct-users-inspection-service>

**REPORTING MISBRANDING**

The Federal or Federal-State Inspection Service has no authority to regulate the marking of containers. However, in the case of certification under the Export Apple Act, the Canadian Import Requirements and Federal Purchases where grade markings are required, the inspector must refuse certification if the containers are not marked as required (no regulatory action can be taken).

If the applicant is notified that their product is misbranded, no action is necessary if the applicant agrees to correct it. However, all misbranded loads/lots that are known to have been shipped in interstate commerce must be reported to the following:

USDA, AMS, FVP PACA Branch  
1400 Independence Avenue, SW  
Stop 0242, Room 1510-S,  
Washington, D.C. 20250-0242  
Phone: (202) 720-5073; Fax: (315) 594-8309

The PACA Branch will make the decision as to what, if any, regulatory action is to be taken.

**ANNUAL COOPERATOR REPORTS**

AMS and the State agencies (cooperators) cooperate in order to provide for the Federal-State Inspection of fresh fruits, vegetables and other products. The cooperative agreements require cooperators to submit an [FV-396](#) Annual Cooperator Report to the AMS, Fruit and Vegetable Programs, SCID each year. This report addresses the activities under the agreement, including a report of the fees collected and the costs of the work conducted, whether paid from fees or from appropriations. These reports are due no later than 90 days following the end of the State’s fiscal year. This report needs to be forwarded to the FPMs who in turn will supply a copy to the Branch Chief’s office. The Branch Chief will forward the report to the SCI Division financial team. The FPMs can provide a blank Annual Cooperator Report to use in order to submit completed reports as required each year.

## MONTHLY REPORTS

### Monthly Activity Reports

The State Program Manager will issue a monthly activity report covering the area supervised or where oversight is provided. These reports will be addressed to the FPM. They should cover pertinent current information regarding inspection work being done, crop prospects, personnel, the number of unannounced follow-up inspections and the supervisory reviews performed on each market licensees and be submitted at the beginning of the month (first 5 days). The FPM will consolidate the reports received and forward them to the FSIM Branch Chief

### Monthly Financial Report of Federal-State Inspection, FV-218

Form FV-218 is used to determine financial responsibility under the terms of the cooperative agreement with each State agency. These forms are to be prepared by the State agency. It is the FPM's responsibility to keep informed as to the conditions of the agreement, to advise others who may prepare the FV-218, to review it for completeness and accuracy, and to obtain the signature of the State agency representative. It is the responsibility of the FPM to assure that the Management Support Branch receives this information no later than the 30<sup>th</sup> day of the succeeding month. It is required so that the individual States accounts may be properly credited.

The FV-218 is available in the form of an "Excel" workbook. Blank workbooks can be obtained from the FPM. Each October, the State agency must begin using a new workbook. The sections for each month should be completed and the entire workbook be sent no later than the 30th day of the succeeding month (quarterly in a few States) to the FPM. In addition, a printed page of the current month, with the signature of the approving official, must be sent via either scanned e-mail or regular mail to the FPM.

The information required on the FV-218 is generally self-explanatory. However, if assistance is needed in completing the form, contact the FPM.

Follow the procedures below when submitting the FV-218 excel workbook.

#### A. State Personnel

1. The States will prepare the excel workbook monthly. Start the excel workbook in October of each year. Make sure you are using an excel workbook that has no previous entries. (Check the summary pages). Place the proper assessment percentages in the upper portion of the workbook
2. The excel file should be named with the State name. Example: "OH 2014 FV-218". Do not change the file name during the fiscal year. Each month, re-save the file over the existing file so that all the previous data is in the workbook. The workbook should not be locked after each month's preparation, but left open so the next month's information can be added.



3. The States can prepare a PDF File of the current month. Some States require that the FV-218 be signed and the PDF file is needed for signatures.
4. Each State will e-mail both the excel workbook and the signed PDF copy of the current month to both of their Federal Program Managers.
5. The Federal-State supervisor must prepare necessary billings ([FV-213](#) and [FV-214](#)) (intranet links) based on monthly FV-218s. Where it is believed that conditions are such that billings should be initiated by another office, the State agency must request an exception to the procedure in writing to the Chief of FSIM Branch, and fully explain the circumstances.
6. For the FV-213 and FV-214 show the following computations:
  - a. Regular salary; number of working days at the amount of the Federal salary regularly earned by the inspector each day equals the total regular salary for the period.
  - b. Overtime; number of hours of overtime at the inspector's overtime hourly rate equals the total overtime pay earned by the inspector during the period.
  - c. Holiday; number of hours worked on a holiday at the inspectors holiday hourly rate equals the total holiday pay earned by the inspector during the period
  - d. Total salary; add the total to determine the amount of salary earned by the federal inspector during the period work was performed at the cooperative market.
  - e. Benefits; The daily cost of Health Insurance, Life insurance, and Federal retirement contributions by should be totaled and multiplied by the number of days in the period.
  - f. Total Cost of Federal Inspectors Salaries and Benefits: enter the amount from the FV-213 or FV 214 on the line of the FV-218.

B. Federal Program Managers

1. FPMs will review the report, sign the PDF file and return the signed file to the State if the State requires it.
2. FPMs will e-mail the excel format only of monthly reports, with supporting documentation, to [FPBStatePartners@ams.usda.gov](mailto:FPBStatePartners@ams.usda.gov). Send the entire FV-218 excel workbook with the current and prior months entries.

Do not modify or delete any sheet/tab within the workbook. Supporting documentation may be in word or PDF format.

3. FPMs will save a copy of the PDF signed workbook and a copy of the excel workbook in the appropriate folder on the SCI server. The folder, is named "Monthly Reports" and is found in the FPMS folder.

### **Step by Step Instructions must be used in the Preparation of the FV-218**

The FV-218 will calculate the amount due to each agency base on the entries that are made. Inspection service fees and Audit service fees will be entered independently.

A. Header section

The State Name will be listed as the "cooperator". Enter the month and year of the period being reported. Enter the Cooperative Agreement number for the State.

B. CREDIT DUE USDA/AMS - Assessment on State agency Inspection Fees

Within the "Credit Due USDA/AMS" section, there are line-items with columns that generally correspond to:

1. Types of Services provided;
2. Fees Collected: Enter the total fees collected by State agency for that service during the month. In computing total fees include only the base portion of all premium fees (for overtime or holiday work) collected from the vendors;
3. Rate: Enter the percent rate applied; the rate at which the fees are to be assessed must be those that are listed within the Cooperative Agreement;
4. Assessment: The excel workbook will calculate this by multiplying the fees by the rate;
5. P-I-Q Inspection will be the number of packages @ the \$/package rate
6. Inspector-Weeks for Processing will be the dollar rate @ the whole number of weeks; and
7. Minimum Annual Participation Fee will be the dollar amount noted in the Cooperative agreement @ 1.

C. Assessments on Audit Fees

1. Audit fees will be calculated by entering the fees collected @ the percent rate;

2. Audit administration or certification fee will be the dollar amount @ the number of audits; and
3. For “Training Registration Fee” enter the number of students in the first column and the daily training fee in the second column. The spreadsheet will calculate the assessment due to the USDA/AMS.

D. Other Credits Owed by Cooperator

This section is used to record payment advanced by AMS SCI for work, supplies or services provided by SCI to the State agency. The State agency makes a financial reimbursement for the advance. Attached FV-213 and/or invoices detailing the amounts must be submitted with the FV-218. Enter the numbers based on the attachments. The Peanut software license assessment is an additional percent assessment in found in the cooperative agreement.

E. Credits Due To Cooperator by USDA

This section provides credit to the cooperator for fees collected by USDA and reimbursed to the cooperator and for work performed by the cooperator for the USDA or other government agencies

1. Cooperative Market Fees Collected by USDA AMS provides for reimbursement when based on the cooperative agreement. Form SF-270 must be completed; and
2. Inspection Fees Charged Other FVP Divisions. Report fees collected by USDA AMS for inspection and audit work performed the cooperator for processed products, PACA, MOAD, or any other Fruit and Vegetable Program of AMS. Enter the total from Form FV-213 and or FV-214, Services Rendered to Other FV Programs and attach them to the FV-218;
  - a. Supplies: Enter the invoice number and the amount from the SCI Division Equipment and Forms Depot invoice and attach the invoice. Equipment and Forms Depot invoices may be paid directly in lieu of including them on the monthly financial report; and
  - b. Other reimbursable; this may include training invoices or other services obtained by the State from SCI Division. Enter a description, the invoice number and the amount.

F. Credits Due State agency

This section is used to claim credits for fees collected by AMS or for work performed for FV Programs or inspection work performed by Federal-State

licensees at Federal terminal markets. Enter the appropriate figures from invoices or the attached FV-213 and/or FV-214 worksheets.

G. Balance Due

In this section the State agency will enter Payable to “USDA AMS” or to “the State Agency (name)”. The form should be signed and the entire workbook transmitted electronically to the FPM.

### **Payments**

The State agency will remit a check made payable to USDA AMS SCI DIVISION - Federal-State Accounts when the balance of the State agency debits and credits is due USDA AMS. The State agency may remit payments on a monthly or quarterly basis. Electronic Fund Transfers (EFT) are encouraged in lieu of paper checks. Credit card payments are also accepted. Please contact HQ for information on electronic fund transfers or credit card payments.

Payments should be sent to:  
USDA, AMS, SCI Division, Service Center  
Federal-State Accounts  
100 Riverside Parkway, Suite 101  
Fredericksburg, VA 22406

If the State agency has a credit due, AMS SCI Division will remit the amount due on a quarterly basis in a check payable to the State agency.

### **Corrections to the FV-218 Form or Payments**

If a mistake is made in the reporting or calculation of inspection fees or costs, it is necessary to submit a corrected copy which will supersede the incorrect copy. Make the correction using the same Excel workbook, and the same monthly page where error was made. Be sure the word “CORRECTED” is typed in the “STATE AGENCY” block at the top left of the page along with the two letter postal code for the State. Enter the appropriate numbers and sign and date. When errors are made on attachments, type “CORRECTED” at the top of the appropriate pages and make the corrections.

If the State agency issues a check or EFT for the incorrect amount or in duplicate of another payment it is necessary that a memo be issued from the State Agency describing the error and the month(s) of the FV-218(s) affected. An indication of how the error will be adjusted should be included in the memo e.g. “A credit (or debit) will be taken on the FV-218). Memos should be directed through the FPM.

### **Refund of State agency Assessments**

Assessments are refundable if the assessment amount was incorrectly computed and the correct amount, determined in accordance with the terms of the Cooperative Agreement, is less than that remitted. Corrected Monthly Financial Reports (FV-218) must be submitted to document

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overpayment. If the overpayment is discovered before the close of a fiscal year, a refund will be issued by credit on a future FV-218. If the overpayment is discovered after the close of a fiscal year, a check will be issued to the State agency within 30 days of receipt of the corrected FV-218.

Refunds for other purposes, such as State agency rebates of surplus reserve, are not authorized or intended by the cooperative agreement.

### **Monthly Summary of Terminal Market Inspections FV-345**

The [FV-345](#) (intranet link) reports are available in the form of an “Excel” workbook. Blank workbooks can be obtained from the FPM/S. Each October, the State agency must begin using a new workbook. The sections for each month should be completed and the entire workbook be sent no later than the 30th day of the succeeding month (quarterly in a few States) to the FPM.

States that do not perform terminal market inspections and States using the SCI Fresh Electronic Inspection and Reporting System (FEIRS) are not required to complete the FV-345.

Each Federal-State Inspection Service will prepare an FV-345 for work performed during each calendar month. The report will be a compilation of all offices within the State. Enter the name (city and State) of the issuing office, the month and year of the activity being reported and the accounting period in the appropriate blocks on the top right section of the form. Each calendar month is sequentially numbered with October as the first accounting period.

All inspections reported on FV-300 certificates will be reported in the FV-300 section by commodity. This includes inspections for quality, quality and condition, freezing only, weight only, temperature only etc. and all FV-300 certificates issued to applicants under contract and billed on a contract basis. There are three columns for reporting classifications: “Domestic”, “Non 8(e) Imports”, and “8(e) Imports”. Each classification has an entry for the total number of lots (this is not the number of certificates issued, each individual lot on the certificates is counted as a separate lot) and CWT (hundredweight) for the total weight. The number of lots and CWT must be determined for each commodity that was inspected during the reporting period for each classification. Each column will be totaled and the totals entered in the Grand Total blocks.

Only the initial inspection of an imported product at the port of entry is to be one of the “Import” classifications. Inspections at the port of entry include those performed at ship/dockside, or at a facility or storage normally used for products that have been conditionally released by Customs. Any subsequent inspections not at the port of entry are considered to be domestic. If the “Import” inspection is for the purpose of determining compliance with Section 8(e) import requirements, it will be entered in the column for “8(e) Imports”. If the inspection is not for the purpose of determining compliance with 8(e) then it will be entered in the column for “Non-8(e) Imports”.

Use only the commodity names that are preprinted on the form. Do not add or change commodity names. Commodities that are not listed will be entered under an applicable related commodity (see list below) or under one of the “Other” listings (Other Fruits, Other Melons, Other Nuts, Other Ornamentals, or Other Vegetables). Multiple commodities reported on the

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same certificate should be reported separately when inspected as separate lots. Commodities reported as one lot such as freezing only, condition of load or containers, etc. should be reported under the Mixed Lots category.

Beans	Include all types of beans.
Cabbage	Include domestic, Danish, Savoy, and all Chines types EXCEPT nappa.
Cucumbers	Include fresh, pickling and greenhouse.
End/Esc/Chic	Include all similar non-head type lettuce EXCEPT romaine and leaf lettuce.
Greens	Include rabe, rapini, kale, Swiss chard, mustard, collard, beet, dandelion, turnip, and broccoli greens.
Leaf Lettuce	Include green, red and radicchio.
Oranges	Include clementines and mandarins.
Peas	Include all types of peas including snow.
Peppers	Include sweet bell type, hot, cubanelles, jalapeno, and all other types.
Squash	Include all types of summer and winter squash EXCEPT pumpkins.
Tangelos	Include orlando and minneolas.
Tomatoes	Include fresh, plum, cherry, roma, and all other types of tomatoes.
Turnips	Include rutabagas and waxed turnips and rutabagas.

When multiple lots are reported on FV-301 for contract work, institutional or military purchases, enter the hundredweight in the applicable columns for “CWT Passed,” CWT Failed & Rejected,” CWT Failed & Accepted.” For each line the columns the columns must be added and a total entered in the “Total CWT” column. Report only the total CWT inspected for Contract based inspections.

For miscellaneous inspection (MSC) enter only the total CWT.

For inspections for export to Canada or other countries (FV-204, FV-205, FV-207) enter only the CWT in the applicable column.

For Notice of Sampling (FV-187) enter only the total number of FV-187’s issued.

### **Monthly Summary of Federal-State Shipping Point Inspections FV-346**

The [FV-346 reports](#) (intranet link) are available in the form of an “Excel’ workbook. Blank workbooks can be obtained from the FPM/S. Each October, the State agency must begin using a new workbook. The sections for each month should be completed and the entire workbook be sent no later than the 30th day of the succeeding month (quarterly in a few States) to the FPM. The form should be completed even if no shipping point inspections are performed during a month. The form should be emailed to the FPM.

Enter the month and year being reported as well as the State’s name in the appropriate blocks in the upper right of the form. Do NOT enter pounds. Enter the hundredweight (CWT) for each commodity type listed. Do NOT change any listed entries. If a product is not listed use the “Other” or “Mixed” lines. Additional commodities may be added for Non 8e Imports and for Processing Inspections.

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Estimate the weight of ornaments based on 400 CWT per full trailer. Estimate the weight of Christmas trees based on 400 CWT per 500 trees.

The form will automatically total all weights and a Summary will be completed.

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**REFERENCE LINKS**

**Version Date  
(Printed for distribution)**

- Employee Misconduct – Bribery Procedures:** \_\_\_\_\_  
[https://www.ams.usda.gov/sites/default/files/media/Employee\\_Misconduct-Bribery\\_Procedures.pdf](https://www.ams.usda.gov/sites/default/files/media/Employee_Misconduct-Bribery_Procedures.pdf)
- Positive Lot Identification Manual:** \_\_\_\_\_  
<http://www.ams.usda.gov/publications/content/positive-lot-identification-pli-manual-worksheets>
- Pseudo Isochromatic Plate (PIP) Color Vision Test 24 Plate Edition** \_\_\_\_\_  
<http://colorvisiontesting.com/ishihara.htm>
- Unacceptable Conduct by Users of the Inspection Service:** \_\_\_\_\_  
<http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=stelprdc5105735>
- Electronic Code of Federal Regulations:** \_\_\_\_\_  
<http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&SID=22d833fa61101037abb2f530ad2bfa16&ty=HTML&h=L&mc=true&r=PART&n=pt7.2.51>

**Checked Materials have been printed from the links in this manual and included for reference.**