

Directive

9180.78

9/30/13

PROCEDURES FOR BULK GRAIN EXPORTED IN CONTAINERS

1. PURPOSE

This directive is issued by the Federal Grain Inspection Service (FGIS) to provide procedures for the sampling, inspection, weighing, and certification of bulk grain exported in containers.

2. REPLACEMENT HIGHLIGHTS

This directive is revised to establish the maximum number of containers that may be combined or averaged to form a single lot, define inspection options, restrict the inspection and weighing of lots to the official service provider's area of responsibility, specify the 60-day retention period for file samples, and clarify certification procedures for container lots.

This directive supersedes FGIS Directive 9180.78, "Procedures for Bulk Grain Exported in Containers", dated 12-06-04.

3. BACKGROUND

The U.S. grain industry has experienced a significant increase in the demand for grain exported in containers. Increased exports of containerized grain have, in turn, increased the demand for USDA grain inspection services provided by FGIS and its official grain export service providers.

Typically, the industry uses large reusable containers that may be 20 feet or 40 feet in length, 8'0" or 8'6" in width, and 8'6" or 9'6" in height to transport bulk or sacked grain. Large reusable containers are usually a metal truck/trailer body that can be detached from the chassis for loading into a vessel, a railcar, or stacked in a container depot. Sales contracts usually cover multiple container parcels known as "bookings" (i.e., grain in multiple large reusable containers that may be from different sources but are sold under a single sales contract and a single certificate) that are shipped to multiple end users, but collectively are considered a single lot. Unless exempted from official inspection and weighing requirements under the United States Grain Standards Act (USGSA), a sales contract must stipulate that the overall quality in a booking meets an official USDA grade standard. Accordingly, export grain sellers often request that GIPSA combine inspection results from the individual containers and issue one official inspection certificate for the booking.

FGIS has developed the following policies and procedures to facilitate the marketing of bulk U.S. grain exported by containers from the United States.

4. POLICY

Bulk grain lots exported by containers are sampled, inspected, and certified as individual lots except when the contract contains specifications for certification based on multiple composite or average grade/average composite samples (see Section 5(2) and 5(3)). In those instances, official personnel will sample and inspect containers as a combined-lot based on the contract inspection requirements.

This directive applies to bulk grain exported by container to all destinations except Mexico and Canada. Refer to FGIS Directive 9180.59, Composite Sample Analysis for Combined Land Carrier Inspections (<http://www.gipsa.usda.gov/Lawsandregs/directives/9180-59.pdf>), which was developed to comply with the United States - Mexico grain sampling protocol (NOM-028-FITO-1995).

Sacked grain procedures are contained in FGIS Directive 9180.41, Sacked Grain, (<http://www.gipsa.usda.gov/Lawsandregs/directives/9180-41.pdf>).

5. INSPECTION AND WEIGHING PROCEDURES

Unless otherwise specified in the load order document, official inspection personnel will grade and certify containers as individual lots. Applicants may request composite sample analysis or average grade/average composite analysis of export containers provided that the load order represents these provisions included in the export sales contract. Composite samples will be limited to a maximum of 20 containers. Inspection/Weighing of containers included in a composite must also be loaded in a reasonably continuous operation, with breaks in loading not to exceed 88 hours. Samples may only be composited with samples loaded within an official service provider's area of responsibility. If multiple locations are used to form a composite, the break in loading should not exceed 88 hours among all locations.

- a. Sampling. Containers are sampled either directly from the container after it is loaded using a grain probe, as the grain is loaded into the container using an online sampling device (Ellis cup, pelican sampler, or diverter sampler), or prior to loading the container by sampling the grain while it is in another storage container (bin, railcar, or truck). If the sample is obtained prior to loading the container, the inspection certificate will contain a statement to indicate this.

Note: Probe samples must hit the bottom. 'Bottom not sampled' is not acceptable for export shipments.

When sampling for a composite sample analysis, check the sample representing each container for condition (odor, heating, sample grade criteria, and insects) then combine the samples which are "OK" for the condition factors. Samples obtained from multiple carriers are combined proportionally to the size of the carrier to form the composite sample. To be combined as one composite sample, the containers must be loaded in a reasonably continuous operation. Any breaks in loading a composite sample that exceed 88 hours are not considered reasonably continuous. If the 88-hour restriction is exceeded, composite all samples up to the point where continuous loading ended. If unusual circumstances necessitate a break of longer than 88 hours, contact the Field Office Manager.

Individual containers that are "infested" but otherwise "OK" for condition may be combined, at the option of the shipper, with other samples to form the composite sample. However, the shipper must fumigate the "infested" containers to remove the infested designation from the inspection certificate.

FGIS fumigation procedures for land carriers are found in Chapter 3 of the Fumigation Handbook

(<http://www.gipsa.usda.gov/Publications/fgis/handbooks/fumigation/Fumigation-ch-3.pdf>). Inspection certificates will indicate when a container is fumigated.

- b. Inspection. The quality of grain loaded in containers is based on samples obtained during the official sampling process. The quality may also be determined based on an earlier official inspection result of the carrier from which the grain is transferred to the container. That is, official personnel may transfer the grade information of a domestic certificate (e.g. truck lot to containers) to an export certificate if the condition has not changed and identity has not been lost since the domestic inspection. Further, the domestic lot must not have a "bottom not sampled" condition in order to use the information for export purposes.

The applicant can choose to have each container graded as an **individual lot**, use **composite** sample analysis, or use **average grade/average composite** analysis. Combined-lot procedures can be used to further combine multiple carriers on a single certificate. If the applicant requests multiple containers on a single certificate, the applicant has several options for certification.

(1) Individual Lot.

When inspecting each container on an individual basis, each container will represent one lot and a certificate will be issued for each container.

(a) Review Inspection.

Applicants may request review inspections (reinspection, appeal inspection, or board appeal inspection) for each lot/container.

(b) Combined-Lot.

When the inspection of all containers has been completed, the applicant has the option of requesting combined-lot procedures for certifying multiple carriers of similar grade on a single certificate (**see Code of Federal Regulations (CFR) 800.85**). For example, if the first, third, and fifth container all grade U.S. No. 2 Yellow Soybeans, these containers can be combined on one certificate.

Note: Two single lots of different grades may be combined if load order indicates the lower of the grades or better. For example if the combined lot load order indicates a grade of ‘U.S. No. 3 or better Yellow Corn’, lots graded as U.S. No. 3 Yellow Corn can be combined with lots graded as U.S. No. 2 Yellow Corn with a final grade of U.S. No. 3 or better Yellow Corn.

(2) Composite.

The applicant can request official personnel to combine or composite samples from a maximum of 20 containers into one sample for analysis for certification called Composite Sample Analysis.

To form a composite sample from multiple containers, official personnel must sample each individual container from locations within the Official Service Provider’s area of responsibility in a reasonably continuous operation and examine the container for odor, insects, and condition. All of the containers that are combined must be uniform with respect to condition (i.e., infestation, odor, sample grade factors, special grades) and must meet class requirements. Containers that contain grain that has an odor or is out of condition may not be joined with samples of good quality to form a composite sample. Samples representing individual carriers that contain insects, but are not “infested” by definition in the U.S. Standards for Grain, may be composited with other samples that are “OK” for odor and condition to form a composite sample of the lot. For individual carriers that meet the definition of “infested”, the shipper has the options listed in **Directive 9180.59 “Composite Analysis for Combined Land Carrier Inspections”**.

Composite analysis is restricted to carriers inspected within the official service provider's area of responsibility. However, under combined-lot procedures, an applicant may combine single lots of the same grade and same quality across different official service providers' areas of responsibility.

Once the composite is formed, the composite group may not be reassembled into different combinations to meet the desired quality.

(a) Review Inspection.

The applicant may request review (reinspection, appeal, board appeal) inspections on the composite sample. The basis of the inspection is the file sample of the composite.

(b) Combined-Lot.

When complete inspection of all composites has been finished, the applicant has the option of requesting combined-lot procedures for certifying multiple composites on a single certificate (**see Code of Federal Regulations 800.85**). For example if the first, third, and fifth composites are U.S. No. 2 Yellow Soybeans, these composites (of like quality) may be combined on a single certificate.

Note: Two composite single lots of different grades may be combined if load order indicates the lower of the grades or better. For example if the combined lot load order indicates a grade of 'U.S. No. 3 or better Yellow Corn', lots graded as U.S. No. 3 Yellow Corn can be combined with lots graded as U.S. No. 2 Yellow Corn with a final grade of U.S. No. 3 or better Yellow Corn.

(3) Average Grade/Average Composite.

To form an average grade/average composite sample from multiple containers, official personnel must sample each individual container from locations within the Official Service Provider's area of responsibility in a reasonably continuous operation. Official personnel must then examine each container for odor, insects, and condition, and grade each container individually (with no certificates issued).

After grading individual containers, the applicant may select the containers to be combined for the average grade/average composite. All containers have to be similar in condition but do not have to be of the

same grade. However, all of the containers must be of the same class. Container samples which exceed Food and Drug Administration (FDA) defect action levels or are identified as sample grade based on sample grade criteria may not be combined for the average grade/average composite grade.

Each average grade/average composite may contain a maximum of 20 containers and each container represents a component of the single lot. Average Grade/Average Composite analysis is restricted to carriers inspected within the official service provider's area of responsibility. However, under combined lot procedures, an applicant may combine single lots of the same grade and same quality across different official service providers' areas of responsibility.

Once an average grade/average composite is certified it may not be reassembled.

(a) Reinspection.

After an average grade/average composite is formed, a review inspection can be performed but must be on the same basis as the original inspection. Since containers were graded individually then averaged, the review inspection will be on the basis of a review of each carrier. For example, 20 containers were graded individually then averaged to form a single grade, thus the review inspection would be on the basis of a review of each container, and then averaged. Appeal and board appeal inspections follow the same logic.

(b) Combined-Lot.

When complete inspection of all composites has been finished, and the composites have been certified as single lots, the applicant has the option of requesting combined-lot procedures for certifying multiple composites on a single certificate (**see Code of Federal Regulations 800.85**). For example if the first, third, and fifth composites are U.S. No. 2 Yellow Soybeans, these composites (of like quality) may be combined on a single certificate.

Composite grade single lots may be combined with average grade/average composite single lots.

Note: Two average grade/average composite single lots of different grades may be combined if load order indicates the lower of the grades or better. For example if the combined lot load order indicates a grade of 'U.S. No. 3 or better Yellow

Corn', lots graded as U.S. No. 3 Yellow Corn can be combined with lots graded as U.S. No. 2 Yellow Corn with a final grade of U.S. No. 3 or better Yellow Corn.

Note: Retain file samples for a minimum of 60 days.

- c. Weighing. A Class X weighing certificate is required to fulfill the mandatory export weighing requirements of the USGSA. The Weighing Handbook (<http://www.usda.gov/gipsa/reference-library/handbooks/weighing/weighing.htm>) transmits general procedures for weighing grain shipments.

Container weights are certified either individually or as a combined weight (one weight certificate with several container identifications on the certificate). Containers must be weighed within an Official Service Provider's area of responsibility in a reasonably continuous operation with breaks not to exceed 88 hours. If the 88-hour rule is satisfied, there is no limit to the number of containers that may be certified on a weight certificate. However, an applicant may elect to certify containers in smaller groups and combine using combined lot procedures. In lieu of weighing loaded containers, official personnel may transfer weights from another carrier (e.g. truck lot to container) or source to the container when the grain is officially Class X weighed. Official personnel must assure the weight of the grain source has not changed by checking carrier seals and other available information. Official personnel must observe the grain transfer then deduct any weight losses for grain not reaching the container.

6. CERTIFICATION AND ADDITIONAL DOCUMENTATION

- a. Certificates. Certify grain inspection results on an Official Export Grain Inspection Certificate. Certify grain weight results on an Official Grain Weight Certificate. The Official Export Grain Inspection Certificate has a "Quantity" block on the certificate. Indicate the total number of containers represented by the certificate.
- b. Combined-Lot Certification. Upon applicant request, a certified lot of grain (e.g., a certificate for 20 containers containing U.S. No. 2 Yellow Corn) may be combined with another certified lot of grain of like quality (e.g., another lot with 20 containers of U.S. No. 2 Yellow Corn) to get one certificate. To issue a combined-lot certificate, the original certificates must be voided. A new certificate will be issued with all carriers listed, and the factor results must be calculated using a weighted average based on the number of containers on each certificate. Combined-lot certificates may be formed from single lot certificates that originated in different official service providers' territories.

Note: All Container ID numbers must be placed in the remarks section of the combined-lot certificate.

c. Special Certificate Statements.

- (1) Container identification. Record the container(s) identification(s) on the scale tape or ticket and list the identification(s) in the remarks section of the certificate, on the next page of the certificate, or on separate GIPSA letterhead if the carrier identifications do not fit in the identification block of the certificates. The certificate must reference in the identification block where to find the carrier identifications (see remarks or see next page).
- (2) Grain sampled prior to loading the container. Include the statement "This grain was sampled and graded prior to loading the container(s)." if the information used for container certification was based on grain inspection results from other carriers or bins.
- (3) Fumigation statement. Place the following information in the "Remarks" section of the certificate.

If fumigated according to official procedures:

"The (grain) in carrier(s) (Carrier Identification) was/were fumigated according to official procedures."

If only witness fumigation (official personnel present to observe but fumigation not done according to FGIS procedures):

"This (grain) was witnessed being fumigated with (dosage) of (product) after it was loaded into (Carrier Identification)."

- (4) Combined-Lot Certification Statement: The official service provider should supersede ALL inspection certificates to be combined in the combined-lot certificate. In the remarks section state:

"This combined-lot certificate supersedes certificate Nos. _____, dated ____; _____, dated ____; and _____, dated _____. The superseded certificates have not been surrendered."

d. Letterhead Statements.

- (1) GIPSA letterhead stationary is used for all export grain.
- (2) Split lot shipments. Containers represented by one inspection or weight certificate may ship overseas on more than one vessel. The applicant may

need additional information and documentation to facilitate the import of containerized grain into a foreign country when this happens. An applicant may request an optional letterhead statement to identify container identifications involved in a split shipment. The letterhead statement must reference the certificate number and certificate date. The letterhead statement may also include a reference to the grade of the shipment (if it is a reference to the inspection certificate) or to the total weight of the lot (if it is a reference to the weight certificate). The applicant may also state the name of the vessel that carried the containers.

Statement example: "The following containers were graded as U.S. No. 2 Yellow Soybeans as identified by certificate number [show certificate number], dated [show date]. The applicant states that these containers were loaded onto the M/V [show vessel name]."

Following this statement, include the container identifications provided by the applicant. These container identifications must match the identifications, in part, on the referenced certificate.

The applicant may attach a copy of the referenced certificate to the letterhead statement. If another original certificate is needed by the applicant [one for each vessel], the applicant may request and receive a duplicate certificate.

7. **SUPPLEMENTAL INFORMATION**

All containers inspected by FGIS and its official service providers will be considered as export inspections and will be assessed at the applicable rate(s), including the export metric tonnage fee.

8. **QUESTIONS**

Direct any questions regarding this procedure to the local field office or to Andrew Greenfield (202) 720-0277, Anthony Goodeman (202) 720-0291, or Robert Dorman (816) 649-8411 of the Policies, Procedures, and Market Analysis Branch. Also, please visit the "Inspection and Weighing of Containers" Q & A page located at <http://www.gipsa.usda.gov/fgis/standproc.html> .

/s/ Robert Lijewski

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