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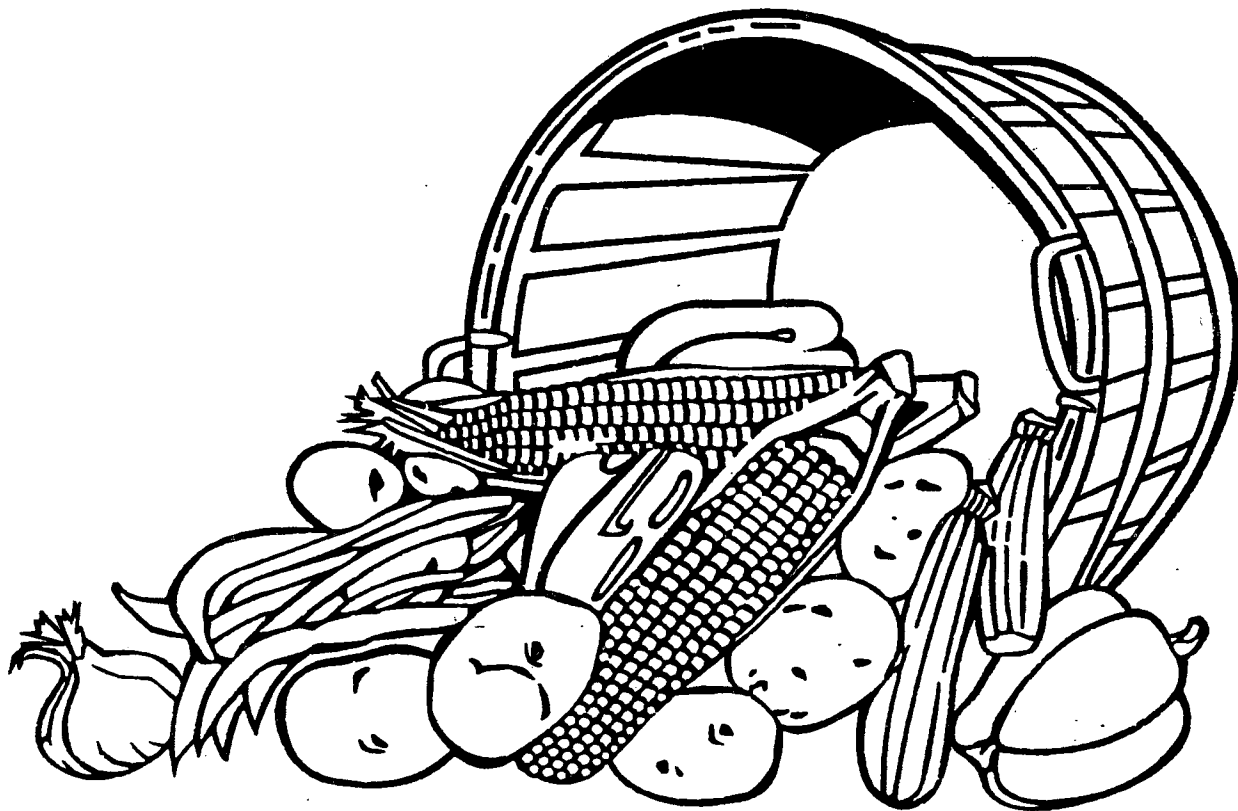
Agricultural  
Marketing  
Service

Fruit and  
Vegetable  
Division

# Milled Peanuts

## (Shelled Stock and Cleaned Virginia Type in the Shell)

### Inspection Instructions





# **Milled Peanuts Inspection Instructions (Shelled Stock and Cleaned Virginia Type in the Shell)**

These inspection instructions are specifically developed and designed by the Fresh Products Branch to assist officially licensed inspectors in the interpretation and application of the:

- U.S. Standards for Grades of Shelled Runner Type Peanuts, 7CFR, Section 51.2710;
- U.S. Standards for Grades of Shelled Spanish Type Peanuts, 7CFR, Section 51.2730;
- U.S. Standards for Grades of Shelled Virginia Type Peanuts, 7CFR, Section 51.2750; and
- U.S. Standards for Grades of Cleaned Virginia Type Peanuts in the Shell, 7CFR, Section 51.1235.

These inspection instructions do not establish any substantial rule not legally authorized by the official grade standards. This publication supersedes any milled peanut inspection instructions previously issued.

Refer to General Inspection Instructions for additional information pertaining to date, inspection point, carrier, condition of carrier, lading, etc. not covered in these instructions. (Reference to General Inspection Instructions in all Fresh Products Branch publications refers to any or all of the following: General Shipping Point Inspection Instructions, General Market Inspection Instructions, or Fresh Fruit and Vegetable Certificate Writing Handbooks).

**August  
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# Part I

## Inspection of Milled Peanuts

This section of the handbook is devoted to the basic guidelines for sampling and grading shelled peanuts and cleaned peanuts in the shell.

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### (1) Introduction

The inspection of peanuts differs from that of most fresh fruits and vegetables because peanut samples are usually drawn in one place and analyzed in another.

---

### (2) Description of Types

The type of peanuts inspected must always be shown on the inspection certificate. This is done by either quoting the wording on the PLI tags or by declaration of the applicant, i.e., "Applicant States Runner Type," etc. However, the type or variety must never be *certified* on the certificate.

---

#### Spanish Type

Kernels of older varieties are generally small, while newer varieties are mostly medium size. All are inclined to be rounder than other types of peanuts. The skin is smooth and has a delicate texture. Kernel color ranges from pale pinkish buff when fresh to light brown during storage.

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#### Runner Type

Kernels are small to medium and mostly somewhat elongated, many having blunt, flattened ends. The skin is usually a little thicker and less smooth than Spanish type peanuts. The color ranges from pinkish-brown when fresh to reddish brown during storage.

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#### Virginia Type

Pods are large, plump and usually contain two kernels. Kernels are medium to large and generally elongated. Most kernels have a distinct taper at each end and a tendency to be pointed at the sprout end. The skin has about the same texture as Runners. Color ranges from light pinkish-tan when fresh to reddish-brown during storage.

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#### Valencia Type

Pods are cylindrical, slender, and contain 2 to 4 kernels. Kernels are small to medium, with blocky, flattened ends. Color ranges from bright red when fresh to darker red during storage. Valencia's are grown almost exclusively in New Mexico for cleaned in-shell trade. For more information on how Valencia type peanuts are certified to grade, see page 26 and Exhibits XXV and XXVI on pages 127 and 128.

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### (3) Inspection Equipment

Inspectors must make certain that **ALL** equipment has been officially approved for use by the Fresh Products Branch (FPB) and that it is functioning properly. If there is any doubt as to approval or accuracy, consult the Federal Program Manager or State Supervisor.

The following is a list of items used in sampling and grading milled peanuts:

- Trier (13 to 15 inches in length) for shelled peanuts in sacks
- Dickens Pneumatic Grade sampler
- Dickens Pneumatic Aflatoxin sampler
- Whitaker/Slate Sampler
- Dickens Aflatoxin Subsampling Mill
- Vertical Cutter Mill
- Farmers' Stock Sheller
- Electronic Kernel Counter
- Buckets or sacks to hold samples
- Scales sensitive enough to accurately weigh and display weights in graduations of 0.1 gram and which have a capacity of 5,000 grams with overload protection for up to 15,000 grams (See next paragraph for detailed scale specifications)
- Hand divider and Dickens Mechanical Rotating divider
- Screens of various size openings. (Depending on the type of peanuts graded)
- Mechanical screen shaker for shelled kernels
- Electronic Moisture Meter
- Kernel Splitter
- Computer and applicable USDA-FPB approved software

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#### Scales

Accurate scales are required for determining percentages of defects. Scales must be capable of weighing to 0.1 gram. All new digital scales purchased for official inspection purposes are required to be **National Type Evaluation Program (NTEP)** approved. Exceptions to other specifications may be granted by the Field Operations Section (FOS) in Washington, D.C. Any digital scale meeting the following specifications may be used for milled peanut inspections:

1. Must be NTEP approved.
2. Equipped to interface with a computer or have provisions for installation of an interface.
3. Equipped to interface with an on-line printer or have provisions for installation of an interface.
4. Instant "taring" capacity which automatically adjusts to zero balance by means of depressing a tare bar. Tare ranges of 0 to 1500 grams. Less than 1.5 seconds required to tare.
5. Display readings in graduations of 0.1 gram.
6. Capable of weighing unknown weights up to 5,000 grams with over-load protection for loads up to 15,000 grams.
7. Contain a calibration mode by which it can accurately standardize to zero balance with official test weights. Calibration should always be carried out in the same manner regardless of the weight unit selected.
8. Digital display panel should not be less than 8 square inches and digits should be at least 1/2 inch in height. Must contain a stability detector that signals the final reading.
9. Designed to function properly in non-laboratory conditions during operation.
  - Temperatures 0° to 40° C.
  - Altitude 0 - 4000 m.
  - Relative humidity 15 to 85%
  - Vibration 0.3 m/second
10. Other technical requirements:
  - Stabilization time less than 3.0 seconds
  - Sensitivity drift  $8 \times 10^{-5}$  C
  - Display sequence less than 0.5 seconds
  - Power supply 115v/230v with a tolerance of  $\pm 10\%$
  - Frequency of 50 Hz to 60 Hz
  - Weighing to be reproducible within 0.05 grams

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## **(4) Sampling**

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### **Shelled Peanuts in Burlap Sacks**

All lots of shelled peanuts in burlap sacks must be sampled by means of a trier unless the lot can be sampled continuously by an approved, in-plant automatic sampler while sacks are being filled. A "trier" is a 13- to 15-inch long hollow probe that tapers to a sharp point. The end opposite the point is open, allowing for sampled peanuts to be poured from the probe.

---

## **Trier Sampling**

At least 25% of the sacks (one out of four) throughout the lot must be sampled, doubling this rate for appeals. Sampling must be "representative," i.e., divided proportionately between the top, middle, and bottom portions of different sacks. Sacks should be raised or twisted in such a way as to relieve any tautness and to provide for some slack in the burlap near the area to be probed. This relieves some of the pressure on the peanuts, thereby reducing the likelihood of any kernels splitting. This is especially important when sampling larger peanuts, such as Extra Large Virginias. Insert the probe into the sack in an approximately horizontal position with the open side up. Force the trier in until only the last few inches remain exposed. If it appears sacks are under pressure in the stack where it is not possible to obtain any slack in the burlap, discard the first half-handful of peanuts that comes through the trier. This should eliminate kernels that may have been split only by the pressure of the trier.

Take approximately the same amount of peanuts from each sack sampled to ensure the sampling rate is uniform for all sacks. (Small lots may require more than one full trier per sack. In such cases, all sacks sampled must be sampled in the same uniform and representative manner). Visually observe the peanuts sampled in your hand as they come out of the trier before putting them into the sample. By doing this, it is possible to notice if the peanuts in the sack being sampled are of a decidedly different quality than those in the rest of the sacks. If such sacks are found and can be identified by different markings, any sample from them must be kept and graded separately from the others. If an inspector encounters a lot with some containers having identical markings, but are of a distinctly different quality (i.e. splits mixed in a lot of U.S. No. 1's or No. 1's with splits) they should notify the applicant that the containers with the distinctly different quality peanuts can **NOT** be sampled and combined into a composite sample with the other containers. Therefore, the shipper will have to remove all sacks from the lot that have peanuts of a distinctly different quality.

After sampling, the hole left by insertion of the trier should be closed. A few strokes across the opening with the point of the trier will bring the burlap threads back into place sufficiently enough to fill the opening. This must be done gently to avoid breaking additional threads and thus enlarging the size of the opening.

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## **Bulk Loads, Fiberboard Bins and Tote Sacks (Super Sacks)**

When and where possible, peanuts should be sampled by an approved in-line automatic sampler in the plant while the containers are being filled. Each shelling plant/mill should be encouraged to install automatic samplers. However, "cup sampling" (by hand) is permitted on a temporary or emergency basis, but only if first authorized by the State Supervisor, the Federal Program Manager, or FOS. Except for lots exceeding 120,000 pounds sampled prior to packaging, the sampling rate must be proportionately the same as that required for bagged lots. Under certain circumstances, bulk bins or cartons may be sampled with either the Dickens Pneumatic Grade Sampler or the Whitaker/Slate Sampler.

Sample size and sampling procedures for bulk containers are the same as previously outlined. A pneumatic sampler may be used to sample lots of oil stock in semi-trailers that have flat surface bottoms. Those with flat, multi-level surface bottoms may also be sampled provided

the sampling tube will reach the bottom of each level. Semi-trailers having two or more hopper compartments tapering to a flat surface bottom may also be sampled provided they exhibit the Federal-State Inspection Service (FSIS) seal of approval. Smaller vehicles, such as farm dryers, trailers, trucks, or grain wagons that have tapered or hopper compartments must not be sampled with the pneumatic sampler. Trailers must display the "FSIS Seal of Approval" or an F&V "cable" seal prior to sampling. (See Farmers' Stock Inspection Instructions). Seals can be purchased through the FPB Supply Depot.

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## **Drawing Samples from Bulk Containers with a Shop-Vac Sampler**

### **Samplers**

There are three different types of shop-vac samplers available for sampling milled peanuts from bulk containers:

1. The aflatoxin sampler (1 inch diameter tube),
2. The Dickens Pneumatic Grade Sampler (1-3/8 inch diameter tube with special padding),
3. The Whitaker/Slate Sampler

Both the aflatoxin sampler and the Dickens Pneumatic Grade Sampler have a sampling tube attached to the bottom of the shop-vac. The Whitaker/Slate Sampler has a flexible tube extending from the top of the shop-vac attached to the sampling tube. It can be operated by setting the unit on the floor, reaching over the container, and inserting the tube into the peanuts. **The aflatoxin sampler can only be used for drawing aflatoxin samples. It may not be used for grade samples.** The Dickens Pneumatic Grade Sampler may be used for aflatoxin-only samples, update inspections, oil stock lots, and seed peanut lots. It may not be used for any other purpose without prior approval from FOS. Anytime the Dickens Pneumatic Grade Sampler is used to sample a lot where any grade factor is determined, the following statement must be made under "Remarks" on the certificate:

**"Above lot sampled at applicant's request with a Dickens Pneumatic Grade Sampler, which may bias grade factor accuracy."**

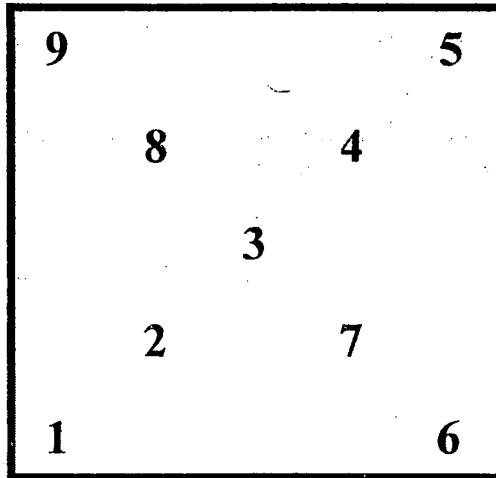
Further, all seed peanut lots must have the following statement made on the certificate under "Remarks:"

**"Applicant states certified/registered seed."**

**NOTE:** If a lot originally failed human consumption requirements account of quality and/or size, any subsequent inspection must be considered an "appeal" inspection and not an "update." Appeals for quality and/or size may **not** be drawn with the Dickens Pneumatic Grade Sampler.

**Bulk Container Sampling Pattern**

Bulk containers must be sampled according to the following probe pattern. If more than 9 containers are to be sampled in a lot, repeat the probe pattern until sampling is completed.



**TOP VIEW OF CONTAINER - FORKLIFT TO THIS SIDE**

**NOTE:** For appeal aflatoxin sampling, each container in the lot must be probed twice.

**Drawing Samples with the Whitaker/Slate Sampler**

The Whitaker/Slate shop-vac sampler is approved for all certifications including grade and size under the USDA-Marketing Order Administration Branch (MOAB) Domestic and Imported Peanut Regulations. The disclaimer statement that must be made under “Remarks” when sampling with the Dickens Pneumatic Grade Sampler does **not** have to be made when using this sampling device. This sampler may be used on bulk bins and mini bulk bags using the probe pattern above.

The Whitaker/Slate shop-vac sampler may also be used on totes/super sacks provided that the entire contents are accessible. This is done by either moving the throat of the sampler around or by making cuts in the sack, provided conditions are safe for the person doing the sampling. If the person sampling totes/super sacks can not safely reach over the container, then some kind of safe platform must be provided. The Dickens Pneumatic Grade Sampler is **not** approved for use on totes or super sacks because the bulk of its weight is attached to the top of the sampling tube, making its use very dangerous for these types of containers.

**NOTE:** The Whitaker/Slate sampler is **not** meant to replace the in-line automatic sampler. It is only intended to be used for updates and in facilities, such as seed mills and blanchers, where in-line automatic samplers are not installed because there is not a regular demand/need for one. Any facility where samples are drawn on a regular basis should be strongly encouraged to install an in-line automatic sampling device.

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### **In-Line Automatic Sampling Devices**

In-line automatic sampling devices must be officially approved by USDA/FSIS prior to being used to draw official samples. All sampling devices must bear the FSIS Seal of Approval or F&V cable seal, which also carries an assigned accountability number. The seal is usually affixed in close proximity to the sampling device. If for any reason the sampling device does not bear the seal of approval or is not marked to indicate official approval, promptly notify the immediate supervisor. Sampler approval (following testing) must be obtained through FOS, which bases the decision to approve/reject a sampler on testing conducted by the Agricultural Research Service (ARS) office located at North Carolina State University.

The opening of the automatic sampler must be set at not less than 1-1/2 inches to ensure that an accurate assessment of foreign material is determined. The inline automatic sampling rate should be at the highest rate attainable (at least one sample cut per every 500 pounds). For lots exceeding 120,000 pounds, the rate may be reduced to one cut per every 800 pounds provided that the lot is sampled prior to packaging.

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### **Paper Bags**

Multi-wall paper bags must not be sampled with a trier unless some method is available to ensure that bags will not leak or tear. Only sample paper bags by trier if a strong durable adhesive tape is available for sealing the holes left by the trier. Paper bags may be sampled by hand from the tops of each as described in the following paragraph. Another method for sampling paper bags is to use the short or long trier in the tops of bags while holding the bag at an angle approaching 90 degrees (practically horizontal or on its side).

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### **In-Shell Peanuts**

There is no alternate device similar to the trier for sampling cleaned in-shell peanuts. Sampling must be done by hand or by an approved automatic in-line sampler. Samples must be drawn from at least one-tenth (or more) of the bags in the lot, making sure to double the sampling rate for appeals. For hand-sampling, cut the stitches or loosen the sewing string to open the top of the bag. Slip an open hand as far down into the bag as possible, grasping and extracting a large handful of peanuts. Repeat as necessary

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## **(5) Mailing Samples for Inspection**

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### **Marking Samples**

All pertinent information about the lot must be recorded and submitted with the sample. This is done by including a copy of the FV-187/FV-187-CG, Notice of Sampling (187) in each sample container. This form should include the brand, name, weight, and grade as marked on each of the containers being sampled as well as the mill and lot number listed on the positive lot identification (PLI) tag. (See page 55 for instructions on completing the 187).



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## **Mailing Samples**

In some instances, such as in market offices, an inspection may be requested from an office not equipped with the equipment necessary for grading milled peanut samples. In such cases, inspectors should inform applicants that circumstances make it necessary to mail a sample to a properly equipped office that can weigh and screen the peanuts and that this will probably cause a delay of two or more days for completion of the inspection. If the applicant agrees to this procedure, the inspector must draw the sample in the manner previously described.

Samples must be placed in a double paper bag or cloth sack, packed in a sturdy container with ample protective padding, and mailed to the nearest inspection office equipped for milled peanut analyses. A 187 must be completed and mailed to the office that will analyze the sample. Further, a copy of the 187 must also be enclosed in the mailed sample. If one is not available, then a letter or memorandum must be completed containing the name and address of applicant and shipper as well as the time and place of sampling. A copy of this letter must be enclosed in the sample, with all other copies mailed to the analyzing office.

The office receiving the sample will analyze it, issue the certificate, and report the results to the applicant via the inspection office that drew the sample. The certificate must quote the various identifying marks and count reported by the sampling inspector. Under "Remarks," the date the sample was drawn, the identification of the conveyance (rail car/truck number or warehouse name), and the name of the USDA inspector who drew the sample (or the inspection office they are from) must also be shown.

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## **(6) Mixing and Dividing Samples**

The sample drawn for grade and aflatoxin analysis must be thoroughly mixed and divided by means of a Dickens Mechanical Rotating Divider. This device divides the sample into equal representative aflatoxin, grade, and check samples.

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### **Hand Divider**

Pour the entire grade analysis sample into the divider hopper and level it off. Pull back the sliding gate rapidly to divide the sample into two approximately equal parts. Run the sample through the divider 2 or 3 times to ensure a thorough mixing. If the portion in one of the divider "drawers" is close in weight to the amount needed for sample analysis, no further cut is necessary. However, if each drawer contains about twice as many peanuts as needed for the analysis sample, the contents of one of the drawers must be emptied into the hopper and divided a second time. In rare instances, it may be necessary to cut down the sample a third time to arrive at the quantity needed for analysis. A portion of the remainder of the sample equal to TWICE the size of the grade analysis sample must be retained as a check sample.

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## Cleaned Peanuts in the Shell

These peanuts cannot be readily mixed and divided in the sample divider used for shelled peanuts because of their large size. Instead, thoroughly mix cleaned peanuts in the shell by pouring them gently from one large container to another, four or five times. Then, empty them onto a flat surface, "sweeping" the portion of the lot to be weighed for sample analysis into a scale pan. This will ensure that a fair amount of any smaller material in the sample is obtained. If available, a Farmers' Stock Peanuts sample divider may also be used.

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## (7) Weighing the Analysis Sample

After the mixed sample has been reduced to the approximate size required for analysis, the exact amount (in grams) required for analysis must be weighed. Sample size is based on the overall size of the lot. (See the table below). Keep in mind that the minimum sample sizes listed in the table pertain only to amounts required for grade analysis. Additional peanuts must be drawn if aflatoxin samples or other types of "quality control" samples are requested by the applicant.

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### Sample Size – Edible Quality Shelled and In-Shell Peanuts

| Size of Load or Lot (Pounds) | Minimum Number Containers Sampled | Minimum Sample Drawn (Grams) | Minimum Sample Analyzed (Grams) <sup>1,2</sup> |
|------------------------------|-----------------------------------|------------------------------|--|
| Up to 57,500                 | 3                                 | 4,000                        | 1,000  |
| 57,501 to 100,000            | 3                                 | 8,000                        | 2,000  |
| 100,001 to 150,000           | 3                                 | 12,000                       | 3,000  |
| 150,001 to 200,000           | 3                                 | 16,000                       | 4,000  |

<sup>1</sup> The minimum sample size for grade analysis for all lots is 1,000 grams. However, for lots of U.S. Splits, "Virginia No. 2's" containing 70% or more splits, or blanched peanut lots that weigh over 57,500 pounds, the minimum sample analyzed may be reduced by one-half the amount shown in this column.

<sup>2</sup> **FOREIGN MATERIAL (FM)** - The minimum sample size analyzed for FM for U.S. No. 1 or better grades must be double the amount shown in this column (or "approximately double" for lots reported on computer-generated certificates). For grades lower than U.S. No. 1, the sample size may be doubled at an applicant's request and/or supervisors' discretion.

<sup>3</sup> Shelled peanut lots must be sampled at a 25 percent minimum sampling rate (1 out of every four containers), while in-shell lots must be sampled at a 10 percent minimum sampling rate (1 out of every 10 containers). For lots larger than 120,000 pounds sampled with an in-line automatic sampling device prior to packaging, the minimum sampling rate is at least one sample cut per every 800 pounds of peanuts.

---

## **(8) Check Samples**

When the sample is mixed and divided to obtain an analysis portion, another representative portion of the original sample must be saved and held as a "check sample." The size of the check sample must be twice that analyzed for grade, i.e., 2,000 grams if 1,000 grams was used for analysis.

The check sample must be retained along with the foreign material, damage, and minor defects from the analysis sample for a period of 15 days. During that time, it is available for review in the event the inspection results are questioned. The container holding the sample must be marked with sufficient identification as well as the date. It must be stored in such a way that it is protected as much as possible from rodents, insects, moisture or heat. It may be discarded at the end of the 15-day holding period. Where storage space is limited, supervisors may permit disposal after a shorter holding time.

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## **(9) Analyzing Shelled Peanut Samples**

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### **Seed Peanuts Treated with Fungicide**

Requests for sampling and/or inspection of seed peanuts that have been treated with a fungicide must be denied. The toxicity of fungicides presents a potential health hazard and both sampling and grading equipment could be contaminated by them. Further, size, moisture, and defects cannot be accurately determined on peanuts treated with fungicides.

---

### **Count per Pound or Ounce**

Only the U.S. Virginia Type Peanut Standards have requirements for count per pound. However, even though count is not a requirement of the U.S. Runner or U.S. Spanish Grades, shellers frequently request that count per pound or ounce be determined. Count determination includes all kernels in the sample **before** it is screened. Where available, an electronic eye counter may be used for official grading work. Count per pound or ounce is specified to the nearest whole kernel; i.e., 512.5 would be reported as 513 whole kernels per pound *or* 32 kernels per ounce.

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### **Sample Size for Count per Pound or Ounce**

A minimum sample size of 2 pounds from the total sample must be counted and the count per pound or ounce based on the number of kernels in the 2-pound sample. After counting, the 2-pound sample should be returned to the original sample. To conserve time, it is permissible to use kernels from the check sample *or* the additional portion of the sample analyzed for foreign material *if* count is determined by an electronic counter.

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### **Counting Splits**

In counting kernels, a split (half kernel) is counted as one-half, while two splits count as a whole kernel.

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## Screening

Samples are screened to determine the amount of kernels smaller than the minimum size specified for a given grade. When available, a mechanical screen shaker must be used. If not, the sample must be hand screened. Care must be taken to use the correct screen having the size opening prescribed for the type and grade of kernels. The sample used for screening should include the same kernels used in determining count per pound.

---

## Mechanical Shaker

The shaker is presumed to be working properly if peanut kernels spread uniformly over the screen surface and do not noticeably "bounce." If not, it is possible that the peanuts will not be completely/accurately screened. Corrections of the screen action may be made by adjusting the length of the thrust developed by the eccentric. This is done by either changing the tension on the brace (in the center of the screen) that affects the up and down vibration or by changing the tilt of the entire shaker.

When using a screen with slot openings, always place the screen in the shaker head with the slots running lengthwise to the shaker. In other words, the long dimension of the slots must run in the same direction as the thrust of the shaker as indicated by the rod connecting the eccentric bearing with the shaker head.

Place only enough of the sample on the screen to partially cover it with a single layer of kernels. The best action will be attained if the screen is about three-fourths to four-fifths covered. The size of the screen frame used on the shaker will govern the amount of peanuts that the machine can accommodate at one time. When using the 13 x 13 inch screen for a 1,000 gram sample, it is essential that the sample be screened in three separate portions to avoid overloading.

When using the *slot screens* specified for grades for whole peanuts, the shaker must run for **20 seconds**. When using the *round-hole screens* specified for Whole Kernels, Splits and Two's, the shaking time must be increased to **40 seconds**. The longer shaking time is required because of the difficulty of getting the elongated, small, whole kernels to pass through the round openings. The key to accurate screen sizing of shelled peanuts is to ensure that each peanut in the sample has an "opportunity" to pass through the screen openings. Again, take care not to overload the screen.

---

## Hand Screening

Offices where peanut inspections are rarely made usually are not equipped with a mechanical shaker. In such instances, screening must be done by hand. Care must be taken to use the screen with the proper size opening. The sample must be screened in several portions so that the screen is not more than two-thirds to three-fourths covered with a single layer of kernels at any time.

The method of shaking the screen is important. Move the screen with a short, slow motion from side to side and from front to rear, tilting it slightly to aid the movement of kernels. Pause the shaking motion every few seconds to permit small kernels to fall through the openings. Continue the gentle shaking and stopping routine until no more kernels fall through.

If a large number of small kernels become wedged in the slotted screen, a slight up-and-down motion of the screen will help to dislodge some of them. The screen must not be bumped against a hard surface nor should the kernels lodged in the screen be forced through in any other manner. **Kernels which remain lodged in the screen when the process is over are kept with those that rode the screen.**

In using the round hole screen for Whole Kernels, Splits or Two's, it may be necessary to give the screen a lot of up-and-down motion in addition to horizontal shaking in order to induce the long slender kernels to pass through. Considerably more time is required to screen these types, especially Virginia Two's.

---

### **Sorting the Screenings**

For shelled peanuts of any type or grade, all kernels passing through the screen must be sorted into various categories. These separations will vary somewhat depending on the grade you are working. The various grade factors and how each is handled is described in the following paragraphs.

---

### **Splits**

The standards define a "split" as the separated half of a peanut kernel. Sound splits are separated out when grading No. 1 Runner, Spanish, or Virginia types, or Medium or Extra Large grades of Virginia type. Splits are generally found in the screenings. Any found riding the screen must be placed with the sound splits. If defective kernels are found in splits, they must be separated out and scored as minor defects or damage. (See pages 13 through 19.)

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### **Broken Kernels**

All kernels with more than one-half, but less than three-quarters of the original kernel present are classed as "broken." Small pieces consisting of less than one-half of a kernel are also classed as broken. Kernels having one-fourth or less of their original volume broken off are classed as whole kernels. In grading No. 1 Runner, Spanish, or Virginia types, or Medium or Extra Large Virginia's, sound broken kernels are placed with the sound splits. Any defective broken kernels are placed with the other defective kernels. (See pages 13 through 19.)

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### **Small Whole Kernels**

Small whole kernels that pass through the screen out of No. 1, Medium or Extra Large grades must be examined for defects. Those which are visibly sound must be split to ascertain that they are in fact sound. After all defective kernels have been removed and placed with the other defects, those remaining are considered as the sound whole kernels (SWK) that pass through the screen.

---

### **Peanuts and Portions Passing Through Screen**

For grading U.S. Virginia Splits and U.S. No. 2 Virginia grades, all kernels that pass through the prescribed round-hole screen and are sound are counted against the tolerances for fall-through, regardless of whether they are whole kernels, small splits or small pieces.

---

### **Whole Kernels in Splits**

The U.S. Splits grade for Runner and Spanish peanuts requires that the kernels be practically all splits with only small tolerances for whole kernels. Whether the whole kernels ride or pass through the screen, they count against the SWK tolerance. Both the Runner and Spanish Splits grades provide a tolerance of 4.00 percent for SWK without regard to their size.

**Defective whole kernels are scored with the minor defects or damage and are not included with the sound whole kernels.** The Virginia Splits grade does not provide a tolerance for whole kernels, but does limit their number indirectly by requiring that at least 90.0 percent, by weight, must be splits. In determining the percentage of splits, all splits, including defective splits, and all fall-through splits are totaled together. After the percentage of splits has been calculated, any defective splits and/or fall-through splits are placed in their proper categories, i.e., with other defective and other fall-through kernels respectively.

---

### **Sorting Kernels Riding the Screen**

All kernels riding the screen must be examined individually in order to determine those that are defective or those that are of another varietal type.

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### **Other Types**

Kernels which are unmistakably of another type than the majority in the lot being graded and which stand out in "conspicuous contrast" with the lot, are scored as "other types." Such a contrast may be found when Runner kernels are mixed with Spanish. Exercise caution for mistaking minor variations of size, shape or color of kernels as other varieties/types. **Do not score kernels as other types unless approved to do so by your immediate supervisor.**

---

### **Defects**

When grading whole peanuts, all externally visible defects must be picked out before the whole kernels are run through the splitter. When a splitter is not used, the inspector must analyze the sample and pick out kernels that are externally defective before starting to cut the kernels to look for "concealed" defects.

---

### **Mechanical Splitting**

All externally defective kernels and borderline defects must be removed from the whole kernels before the lot is run through the kernel splitter. If this is not done, some of the external defects will become obliterated in the splitter, making them impossible to detect and score.

To ensure the greatest splitting efficiency, adjust the splitter speed control knob to as slow a speed as possible that will split a majority of the kernels. High speeds tend to excessively shatter or crush the kernels, making detection of small pieces of defective kernels difficult and

thus likely to be overlooked. Some kernels do not split, possibly because of the position in which they strike the metal wall of the splitter. These kernels should be poured back into the splitter and run through again at the same speed. If a few kernels still remain unsplit after the second time through, increase the speed of the splitter and run the remaining unsplit kernels through the splitter a third time. Any kernels that remain unsplit, (usually small, tough kernels), must be manually cut open using a sharp knife blade.

Both sides of each half of every split kernel must be examined to determine whether they are defective. Some splitters have a belt mechanism that automatically turns each split over, displaying both sides. For those that do not, it usually is necessary to turn each split kernels over manually in order to see both sides of the split. All minor defects and damaged kernels must be picked out.

---

### Scoring Minor Defects and Damage

Certain kinds of defects occurring in peanuts are considered less objectionable than others. These lesser defects are designated as “**minor defects**” while defective kernels of a more objectionable nature are designated as “**damage.**” If a peanut is affected by a damage factor as well as a minor defect factor, it is scored as damage. Special tolerances are provided for minor defects and damage in each of the No. 1 grades and in the Virginia Medium and Extra Large grades. **NOTE:** For all grades, the tolerance for damage may NOT be increased by any “unused” portion of the minor defects tolerance. For example, the grade you are working has a 2.00% tolerance for total damage and minor defects, including up to 1.50% for damage. Essentially, this means that in addition to 1.50% damaged kernels, the sample may also contain up to 0.50% minor defects and still meet grade requirements ( $1.50\% + 0.50\% = 2.00\%$ ). If it is determined that the sample contained only 0.20% minor defects, the remaining 0.30% that was not used for minor defects can **NOT** be “added” to the 1.50% tolerance for damaged kernels, for a total of 1.80% damage. (In this instance, damage is “capped” at 1.50%).

However, if the sample contained only 0.20% damage, the remaining 1.30% **CAN** be added to the minor defects up to the total 2.00% tolerance (or whatever the tolerance is for the grade you are working) for damage and minor defects combined. In this case, if only 0.20% damage was found, the sample could contain up to 1.80% minor defects and still meet the 2.00% total tolerance for damage and minor defects.

---

### Applying Visual Aids to Split, Broken and Whole Kernels

The amount of any defect shown on a kernel in any of the visual aides used for peanuts is the amount allowed for **one side** of a whole peanut. In other words, for a whole peanut, the reverse side is also allowed the same amount shown in the visual aid, although no one side may be affected more than that shown in the visual aid. For splits and broken kernels, the kernel may only be affected to the extent that the one side shown in the visual aid is affected. Therefore, if the original exterior surface of the kernel is affected to the extent that the visual aid is affected, then any amount of the defect on the reverse side would cause the kernel to be scored. If any surface of a split or broken kernel is affected to the extent that it is more objectionable than that shown in the visual aid, then the kernel must be scored.

---

## Skin Discoloration

In all grades and types of shelled peanuts, kernels with discolored skins are classed as **minor defects** when the discoloration is of a dark shade and covers more than 1/4 of the outer surface of the kernel or split (See illustration below). Color comparator PN-1 illustrates the shade and intensity of color considered as "dark." **Discoloration is defined as dark brown, dark gray, dark blue or black.** If more than 1/4 of the peanuts' skin appears as dark or darker than the brown, gray, blue or purple colors shown on PN-1, it is scored only as a minor defect. Kernels or portions exhibiting lighter shades of skin discoloration are not scoreable, regardless of the amount of the surface affected.



Whole Kernel



Split

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## Flesh Discoloration

Peanuts exhibiting flesh discoloration sufficient enough to materially or seriously affect appearance are scored as either minor defects or damage respectively, depending on the severity of the discoloration. In some cases, the discoloration may actually be early stages of rancidity or decay. However, due to the minute area affected, this is often difficult to determine. Discolored kernels generally fall into three classes: (1) Those with yellow, brown or gray discoloration over the surface of the flesh; (2) those with yellowish or brownish spots or "pits" which penetrate the flesh to some degree; or (3) those with hollow and discolored centers.

---

### Scoring Surface Flesh Discoloration (Other than Spots or Pits)

Kernels or splits that are darker than a light yellow color or some darker, more objectionable color, (such as purple or green), on enough of the surface to materially affect the kernels' appearance are scored as **minor defects**. This yellow color should not be confused with a separate, inner layer of the skin that is sometimes exposed and exhibits a yellowish-brown color. If the appearance of the kernel or split is materially affected **and** the discoloration penetrates more than 1/16 inch into the flesh **or** a distance equal to 1/2 the thickness of the kernel or split, score as **damage**. (See color photographs PN-CP-1, PNT-CP-9, and PNT-CP-10).

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### Flesh Discoloration Occurring as Spots or Pits

Spots or pits sometime occur in peanuts from certain localities or in certain years and are more frequently found in Spanish peanuts than other types. The kernel's skin must be removed to determine the extent of the injury. Most affected kernels will show some externally visible evidence of this defect, such as very small, slightly sunken areas; puckered skins; or slightly off-colored areas of skin.



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## Scoring Flesh Discoloration Occurring as Spots or Pits

### Chalky White Spots or Pits

Score as a **minor defect** when the aggregate area of all spots exceeds 1/2 of the outer surface area of the kernel or split and as **damage** when exceeding 3/4 of the outer surface area.

### Pale or Light Yellow Spots or Pits

Score as a **minor defect** when the aggregate area of all spots exceeds the area of a circle 3/16 inch in diameter on a whole kernel or 1/8 inch on a split. Score as **damage** when the aggregate area exceeds 1/4 the outer area *or* when any spot or pit penetrates a distance equal to 1/2 the greatest thickness of the kernel or split.

### Dark Yellow or Brown Spots or Pits

Score as a **minor defect** when the aggregate area of all spots or pits exceeds the area of a circle 1/8 inch in diameter on a whole kernel, 3/32 inch on a split, or when any spot penetrates a distance equal to 1/4 of the greatest thickness of the kernel or split. Score as **damage** when the aggregate area exceeds 3/16 inch on a whole kernel, 1/8 inch on a split *or* any spot or pit penetrates a distance equal to 1/2 the greatest thickness of the kernel or split.

### Dark Brown or Black Spots or Pits

Score as a **minor defect** when the aggregate area of all spots or pits exceeds the area of a circle 3/32 inch in diameter on a whole kernel, 1/16 inch on a split, or when any spot penetrates a distance equal to 1/4 of the greatest thickness of the kernel or split. Score as **damage** when the aggregate area exceeds 1/8 inch on a whole kernel, 3/32 inch on a split, *or* when any spot or pit penetrates a distance equal to 1/2 of the greatest thickness of the kernel or split.

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## Scoring Flesh Discoloration Occurring in Peanuts with Hollow Centers

The width, depth and size of the hollow space in the center of the kernel should not be considered as an important factor even though the cavity may be fairly large. Flesh color is the deciding factor. If the flesh is white or light yellow, the kernel should be passed. Score as a **minor defect** if the flesh has a definite mustard yellow color. Light to dark brown color over a large area may also be scored when **readily noticeable**. When the discoloration is present over a very small area, break the half-kernel crosswise and examine the inner flesh. If the discoloration penetrates into the flesh, score as a **minor defect**.

Generally speaking, kernels with very conspicuously discolored centers should be classed as **minor defects**. Kernels or splits are scored as **damage** only when the discoloration is dark brown or a darker, more objectionable, color *and* penetrates more than 1/16 inch into the flesh *or* a distance equal to 1/2 the thickness of the kernel or split.

**Summary for Scoring Spots, Pits, Surface Discoloration & Flesh Discoloration**

| Type of Spotting or Pitting  | Aggregate Area for Whole Kernels     | Aggregate Area for Splits            | Depth   |
|--|--------------------------------------|--------------------------------------|---|
| <b>CHALKY WHITE SPOTS/PITS</b><br>MINOR DEFECT<br>DAMAGE   | Over 1/2 surface<br>Over 3/4 surface | Over 1/2 surface<br>Over 3/4 surface | N/A<br>N/A  |
| <b>PALE OR LIGHT YELLOW SPOTS/PITS</b><br>MINOR DEFECT<br>DAMAGE   | Over 3/16" dia<br>Over 1/4 surface   | Over 1/8" dia<br>Over 1/4 surface    | N/A<br>OR Any spot penetrates "distance" equal to 1/2 of greatest thickness of kernel or split. |
| <b>DARK YELLOW OR BROWN SPOTS/PITS</b><br>MINOR DEFECT<br>DAMAGE   | Over 1/8" dia.<br>Over 3/16" dia.    | Over 3/32" dia.<br>Over 1/8" dia.    | OR 1/4 "distance"<br>OR 1/2 "distance"  |
| <b>DARK BROWN OR BLACK SPOTS/PITS</b><br>MINOR DEFECT<br>DAMAGE  | Over 3/32" dia.<br>Over 1/8" dia.    | Over 1/16" dia.<br>Over 3/32" dia.   | OR 1/4 "distance"<br>OR 1/2 "distance"  |
| <b>SCORING SURFACE DISCOLORATION AS:</b>   |                                      |                                      |   |
| <b>MINOR DEFECTS:</b>  |                                      |                                      |   |
| 1. Kernels/portions that are darker than a light yellow color <i>or</i> some darker, more objectionable color, such as purple or green, on enough of the surface to materially affect appearance, but <b>does not</b> penetrate more than 1/16" into the flesh. (See Visual Aides PN-CP-1, PNT-CP-9, and PNT-CP-10). |                                      |                                      |   |
| <b>DAMAGE:</b>   |                                      |                                      |   |
| 1. Same as for Minor Defect above, except discoloration <b>must</b> penetrate more than 1/16" into the flesh <i>or</i> a distance equal to 1/2 the thickness of the kernel or split.   |                                      |                                      |   |
| <b>SCORING FLESH DISCOLORATION IN PEANUTS WITH HOLLOW CENTERS AS:</b>  |                                      |                                      |   |
| <b>MINOR DEFECTS:</b>  |                                      |                                      |   |
| 1. Ignore width, depth, and size of hollow space.  |                                      |                                      |   |
| 2. Color of affected flesh must be mustard yellow, light brown, or a darker color over an area large enough to be <b>READILY NOTICABLE</b> .   |                                      |                                      |   |
| 3. For borderline cases, a half kernel must be broken crosswise and examined. If discoloration penetrates into the flesh, score as a minor defect.   |                                      |                                      |   |
| <b>DAMAGE:</b>   |                                      |                                      |   |
| 1. When discoloration is dark brown or a darker, more objectionable color AND penetrates more than 1/16 inch or more into the flesh <i>or</i> a distance equal to 1/2 the thickness of the kernel or split.  |                                      |                                      |   |

---

### **Sprouted Peanuts**

A peanut which is sprouted is considered a **minor defect** if the sprout is more than 1/8 inch long and the kernel or sprout is not damaged by rancidity, etc. To determine sprout length, measure from the tip end of the kernel where the sprout protrudes. If the length of the sprout is 1/8 inch or less, the kernel should **not** be scored as sprouted. Kernels with scoreable sprouts must also be checked for damage by other means and scored if found.

**NOTE: If any part of the sprout is affected by noticeable rancidity, mold, or decay, then the peanut must be scored as damage.**

---

### **Dirt**

A kernel (split, broken, or whole) that is distinctly covered with dirt which materially affects its appearance is classed as a **minor defect**. When the surface of the kernel is heavily smeared, thickly flecked, or coated with dirt so that its appearance is seriously affected, it is scored as **damage**. Use visual aid PN-CP-2 for scoring dirt.

---

### **Adhering Material**

When the surface of the kernel (split, broken, or whole) is heavily smeared, thickly flecked, or coated with any material other than dirt so that its appearance is seriously affected, it is scored as a **minor defect** for adhering material. The only difference between "damage by dirt" and a "minor defect by adhering material" is the type of material affecting the kernel. **Adhering material is never scored as damage**. Use visual aid PN-CP-5 for scoring adhering material.

**NOTE: Adhering material will usually contain some dirt. If the adhering material is predominantly dirt, score it as such. Otherwise, score as adhering material.**

---

### **Rancidity or Decay**

In most cases, rancid and decayed kernels are easily detected by their appearance. However, kernels may only have a slightly translucent appearance in early stages of rancidity.

This condition is frequently found following freezing injury. The inspector should taste a small portion of questionable kernels from time to time in order to guard against scoring peanuts with slightly abnormal flesh color and only a slightly stale flavor. Only peanuts with a decidedly rancid flavor are scored as rancid.

---

### **Mold**

Any kernel that exhibits mold is scored as **damage**. If there is any doubt that mold is present, do not score the kernel as damaged by mold. It may be scored for some other factor if it is otherwise defective.

---

### **Insects, Worm Cuts, Web, or Frass**

Peanuts that show any definite effects of insects are scored as **damage**. This includes an insect in the kernel, frass or web attached to the kernel, worm holes, or worm "cuts." **Kernels whose surface shows only slight injury that could be either a worm cut or a mechanical abrasion, but cannot be positively identified as a worm cut must not be scored.**

---

### **Freezing Injury**

Carefully review visual aid PEN-CP-6 "Peanuts Showing Characteristics of Freeze Damage" (Revised 9/89). Kernels affected by freezing or having characteristics of freezing injury usually have an abnormal appearance of the skin. It is slightly faded and usually dull in color, but is very different from the ordinary stain-type discoloration. The peanuts' veins are frequently brown and conspicuous.

Affected kernels must be peeled or split to determine the extent of injury before being scored as damage. The flesh of the half kernel must have an indication of freeze damage to be scored. The flesh will have a glassy or an abnormal dull appearance and may also show a noticeable yellow, brownish or grayish discoloration. Kernels having only a glassy appearance with no discoloration are scored as **damage** only if hard, brittle and/or have a distinctly objectionable taste. If the peanut has a definite rancid flavor, score it as damage regardless of skin or flesh color.

---

### **Unshelled Kernels**

The term "unshelled kernels" is applied to developed peanuts (not raisins or twisters) that have all or portions of the shell attached. The shell of an unshelled kernel is not considered foreign material. Therefore, the peanut and shell are weighed together with the damaged kernels when determining the percentage of damaged and unshelled kernels.

---

### **Foreign Material (FM)**

Generally speaking, FM is defined as anything other than peanut kernels. Materials most commonly found are stones, empty shells, sticks, pieces of vine (hay), lumps of dirt, seeds and raisins or twisters. Raisins or twisters are names applied to very immature peanut shells that are small, shriveled, tough and contain extremely small undeveloped kernels (Visual Aid PN-CP-8 is used to identify raisins or twisters for both milled and Farmers' Stock peanuts).

Because of the very small amount of FM present in shelled peanuts, it is unlikely that the sample customarily used for analysis will contain the proportionate amount of FM actually in the lot. In fact, the majority of samples analyzed are found to contain no FM, although it is almost a certainty that every shipment of peanuts contains at least small traces.

---

### Minimum Sample Size for Determining FM

In order to maintain accuracy in lots graded **U.S. No. 1 or better**, the minimum size sample for determining FM is **double** the amount required for grade analysis (or “approximately double” for grades reported on computer-generated certificates). This is due to the fact that FM tolerances are so small. When doubling the FM analysis portion, the certificate must show that FM content was based on a 2,000 gram (or larger) analysis.

---

### Describing FM

The kinds of FM and the number of pieces found in the sample may be reported on the certificate at an applicant’s request. If unusual FM, such as glass, metal, etc., is found, it should always be noted on the inspection notesheet.

---

### Analyzing a Larger Sample

With the exception of appeals, the size of the analysis sample is based on the size of the lot. (See chart on page 9). Analysis portions listed in the chart must be **doubled** for all appeals.

In instances where the analysis sample is adulterated, spilled, or otherwise unusable, another like-sized sample must be cut from the check sample. A larger sample is not required.

---

### Weighing Defects

Carefully weigh all defective kernels and other classes of kernels sorted from the sample to the nearest one-tenth gram and calculate percentages to the nearest hundredth (second decimal point). A high degree of precision is required in peanut grading because of the relatively small tolerances involved.

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## (10) Analyzing Cleaned In-Shell Virginia Type Samples

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### Count Per Pound

To determine count per pound, take at least 4 half-pound “sub” samples from the thoroughly mixed main sample. (A half pound is equal to 226.8 grams). Count the number of pods in each half-pound sample and base the count per pound on the *average* of these counts. A peanut with a hull only long enough to contain one kernel is counted as one-half peanut. Any loose shelled kernels (LSK’s) or FM found in the sample must be excluded when weighing the half-pound portions, (but included when the sample is analyzed).

---

### Weighing the Analysis Sample

As previously mention, the amount of sample drawn and analyzed is based on the overall size of the lot. For the minimum size sample for analysis, see the chart on page 9 of these instructions. A check sample **twice** the size of the grade analysis sample must also be weighed, set aside in a properly marked container, and held in storage for a period of 15 days. (See page 10.)

---

## Screening

Because in-shell peanuts are difficult to size, they require a great deal of shaking to allow small peanuts the opportunity to fall through the sizing screen. Whether the sample analyzed is intended for a Fancy or Jumbo grade, make sure that the correct screen is used. Note: The screen must not be completely covered with peanuts as it is shaken.

The screen should be moved gently from side to side and from front to back. Frequent short, up-and-down shaking motions are needed to dislodge peanuts that tend to become wedged in the screen slots. Shake the screen until no more peanuts fall through. When the screen shaking has been completed, any peanuts that remain lodged in the slots should be tested by hand to determine whether they will pass through the screen slots when turned in another position. **DO NOT force peanuts through the screen openings.**

---

## Sorting for Shell Defects

Peanuts that rode the screen and those that passed through the screen must be sorted to pick out those with grade defects affecting the shell. Each peanut must be picked up individually and turned over so that its entire surface may be seen. Any defective peanuts that rode the screen are combined and weighed with those defective peanuts that passed through the screen to determine total shell defects. The various types of shell defects are discussed in the following paragraphs.

---

## Other Types

The standards require that the peanuts be “Virginia type,” which includes many different varieties. Virginia type peanuts must not be mixed with Spanish, Runner, or Valencia types. The large screen openings usually prevent the smaller types from being mixed in a milled product. Generally speaking, this factor is rarely encountered.

---

## Pops

Pops are peanut shells containing kernels that are so underdeveloped and/or badly shriveled as to be of practically no food value. In most cases, pops are removed from the heavier peanuts by suction during the milling process. Pops may be detected by the very light weight of a peanut when picked up individually. However, it is necessary to open the shell to verify that it is a pop. If a peanut contains one or more fairly well developed kernels, it should not be classed as a pop.

---

## Cracked or Broken Shells

Present methods used for handling peanuts cause many to have cracked or broken shells; a very common defect. Only cracks or broken areas causing conspicuous openings or which seriously weaken a large portion of the shell, especially if the kernel inside is easily visible without application of pressure to force the edges of the crack apart, are scored as damage. Peanut Photo No. 7 illustrates the scoring line for cracked or broken shells.

---

### **Discoloration or Staining of Shells**

A great many/majority of the shells in some lots show some light discoloration contrasting to the ideal buff color. The discoloration is generally due to either soil stain or to surface mildew that developed during the curing period. To be scorable as a grade defect, **at least 50 percent of the shell surface**, in the aggregate, must be affected by discoloration of a medium gray, medium brown, or a darker, more objectionable color. A peanut with less than 50 percent of its surface affected can **not** be scored as damage, even though the discoloration may be extremely dark and conspicuous. Color photo **PEN-CP-4** is used for scoring shell discoloration. Application of pale grayish talc powder to the shells to lighten the color and improve the appearance of in-shell lots was a very common practice in the past, and still may be done at the buyer's request. When grading lots that have been "powdered" in such a manner, the talc must **not** be removed to determine the amount of shell discoloration. Instead, judge each peanut on the basis of its appearance with the talc adhering to its surface.

---

### **Adhering Dirt Affecting Shells**

Adhering dirt affecting shells is scored as damage when readily apparent, dirt is caked, and its thickness is level with or above the natural veining of the shell.

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### **Paper Ends**

This term refers to peanuts that failed to develop a normal shell at the end opposite the stem. In some lots, many peanuts have shells that are comparatively thin and weak at the tip end. Score as a grade defect only when this condition is serious, i.e., when approximately 1/3 or more of the length of the peanut has a very undeveloped appearance and the shell is very thin and weak.

---

### **Shape**

This is not a grade factor for in-shell peanuts and therefore is ignored, no matter how unusual a peanuts' shape may be.

---

### **Undersize Kernels Free From Shell Defects**

After peanuts with external or shell defects (in addition to loose shelled peanuts and FM) have been picked out from the screenings, those remaining that have undamaged shells must be weighed and reported as "*Peanuts with undamaged shells passing through \_\_\_\_\_*." (The "prescribed" screen for the grade being determined).

---

### **Loose Shelled Kernels (LSK's)**

Any shelled kernels found in a sample of in-shell peanuts are classed as grade defects. They must be examined to determine whether any are damaged. (See pages 13 - 19). If not damaged, **the kernels are combined with the peanuts with defective shells and both are weighed together**. Any damaged LSK's present must be picked out and combined/weighed with peanuts having damaged kernels.

---

### **Foreign Material (FM)**

Any dirt or other FM found in the sample must be picked out and weighed separately. The weight of the FM is then added to that of the peanuts scored for having defective shells. **Although it is counted against the general tolerance for external defects, there is also a restrictive tolerance of one-half of one percent for FM.** Broken, empty shells must also be included with the FM.

---

### **Weighing External Defects**

When screening and sorting has been completed, all sorted items must be weighed and the weights recorded. This includes:

1. Undersize peanuts with shells that are not grade defects.
2. FM (Report zero if none present.)
3. Peanuts with defective shells and any undamaged LSK's. Those with defective shells that passed through the prescribed screen are weighed with those that rode the screen. Damaged LSK's must be set aside and later combined with peanuts having damaged kernels.

---

### **Examining Kernels for Defects When Hand Shelling**

All in-shell peanuts in the analysis sample must be opened to examine the kernels for defects. The determination of internal quality is separate and distinct from that of the external quality and there are separate tolerances. A damaged kernel or kernels makes the entire peanut scorable against the tolerance for peanuts with damaged kernels even if one kernel in the pod is not damaged. In shelling the peanuts, special attention must be given those peanuts with defective shells because they are considered more likely to contain damaged kernels. It is advisable to open these first to get an idea of how the sample may be affected by kernel defects.

---

### **Examining Kernels for Defects When Machine Shelling**

When machine shelling peanuts, it is practically impossible to keep the kernels and their corresponding shells together. Therefore, each time a damaged kernel is found among the shelled kernels, one-half (1/2) of a peanut shell must be taken from the shells and placed with the damaged kernel for scoring. This is done because most peanuts contain two kernels, thus making the ratio one-half of a shell to one kernel.

\*\*\* To conserve time on bulk loads it will be permissible to weigh an additional sample of the exact same weight as the original to determine and report the kernel grade factors. This would allow one sample to be shelled for the kernel grade factors while the original sample is used to determine external grade factors and size.

\*\*\*\*



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## **Kernel Defects**

The standards for cleaned in-shell peanuts list six different kinds of defects as damage. Except for skin discoloration, all defects previously mentioned for shelled peanuts are scored the same way for the In-shell Virginia Jumbo and Fancy grades. The interpretations for scoring these kernel defects are provided in the instructions for grading shelled peanuts. The following defects specifically listed in the standards include:

### **Rancid or Decayed**

(See page 18)

### **Moldy**

(See page 18)

### **Insect Damage**

(See page 19)

### **Flesh Discoloration**

Surface flesh discoloration. Kernels that have a yellow or some darker, more objectionable color, such as purple or green, on enough of the surface to materially affect its appearance are scored as damage. (See color photograph for minor defects of shelled stock).

### **Penetrating Flesh Discoloration**

Kernels that have a dark yellow or darker color penetrating the flesh, or yellow pitting extending deep into the kernel are scored as damage. (As a guide, see pages 15 - 17).

### **Sprouted**

(Same as for minor defect. See page 18)

### **Dirty**

(Same as for minor defect or damage. See page 18)

### **Freezing**

(Not mentioned in standard, but scored as damage under general definition of damage. See page 19).

### **Skin Discoloration**

Discoloration of the peanut skin is not a grade factor in the standards for cleaned in-shell peanuts. Peanuts having only discolored skins must not be scored as damaged.

### **Damaged LSK's**

Any LSK's previously picked out of the screenings that are damaged by any of the factors listed must be included with peanuts having damaged kernels.

---

## **Weighing Peanuts with Damaged Kernels**

Internally defective materials are only weighed once. This includes all kernels scored as damage, their shells, and any undamaged kernels that might have been contained in the same shell. In the case of machine shelled lots, shells must be placed with the damaged kernels at the ratio of 1/2 shell to 1 kernel. Also include any damaged LSK's found in the sample, but not sound or undamaged LSK's.

---

## **Step-by-step Grading Procedure for In-Shell Peanuts**

To grade a sample of cleaned in-shell peanuts, take the following steps:

1. Thoroughly mix sample.
2. Set aside and mark check sample.
3. Weigh analysis sample.
4. Determine count per pound.
5. Screen analysis sample.
6. Sort out peanuts with defective shells from those passing through screen.
7. Weigh and record weight of peanuts with undamaged shells passing screen.
8. Sort out LSK's and separate into damaged and sound portions.
9. Sort out peanuts with defective shells from those riding screen.
10. Weigh and record weight of peanuts with defective shells plus undamaged LSK's.
11. Sort out, weigh, and record weight of FM.
12. Open all peanut shells for kernel examination.
13. Determine and record kernel moisture content.
14. *(Optional)* Weigh and record weight of split and broken kernels.
15. *(Optional)* Weigh and record total weight of kernels.
16. Pick out visibly damaged kernels and set aside (Note: Split and broken kernels should already have been set aside at this point if steps 14 and 15 were followed).
17. Split all remaining whole kernels and examine for damage.
18. Weigh and record weight of peanuts with damaged kernels plus damaged LSK's.

**NOTE:** A statement must be made in the "Remarks" section of the certificate when showing the results of optional Steps 14 and 15, adding "determined and reported at applicant's request."

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## **(11) Certifying Lots of Valencia Type Peanuts**

There are no established U.S. Grade Standards for grades of cleaned in-shell Valencia type peanuts. However, AMS-MOAB has established minimum specification for moisture, FM, and damaged kernels for Valencia-type peanuts shipped for human consumption.

For all lots of cleaned in-shell Valencia peanuts, damaged kernels must be based on the U.S. Standards for Cleaned Virginia Type Peanuts in the Shell. For determining shell discoloration, use USDA Visual Aid PN-2. For cracked/broken and other shell defects, unless otherwise specified by the applicant, use the USDA official "Guide for scoring Virginia type peanuts in the shell, Revised No. 7." The following statements must be made under "Remarks" on the peanut certificate for in-shell Valencia peanut lots:

***"Cracked or broken shells, foreign material, and peanuts with damaged kernels based on U.S. Standards for Cleaned Virginia Type Peanuts in the Shell."***

***"Cracked or broken shells and discolored shells reported at applicant's request."***

See Exhibit XXV for an example of an in-shell Valencia certificate.

There are also no established U.S. Standards for grades of shelled Valencia type peanuts. However, these peanuts can be certified based on the U.S. Standards for Grades of Shelled Spanish Type Peanuts at an applicant's request. The following statement must be made on the peanut certificate for shelled Valencia peanut lots:

**GRADE:** *No Established U.S. Grade Standards*

**REMARKS:** *"Meets requirements of U.S. No. 1 grade based on U.S. Standards for Shelled Spanish Type Peanuts at applicant's request."*

See Exhibit XXVI for an example of a shelled Valencia certificate.

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## **(12) The Peanut Certificate – FV-184-9A/FV-184-9A-CG**

Certificates used for peanuts may either be handwritten (FV-184-9A) or computer generated (FV-184-9A-CG). For the sake of simplicity, both certificates will hereafter be referred to simply as the "184-9A." This certificate differs from those used for most other commodities. The main differences include:

1. The hour/date sampling began and hour/date the analysis was completed is reported. In some cases, when the sheller is milling special sizes, it may take several days to accumulate enough containers for the desired lot size. The sampling time is the date and hour sampling first began;
2. Temperatures are **not** reported;
3. Grade factors are reported in tabular form; and
4. File copies of these certificates must be retained for a minimum of 3 years.

---

**Lot Identification**

A full description of the tags attached to a lot of peanuts must be made part of the certificate covering the grade of given lot. This is a vital link in the positive lot identification (PLI) procedure. The description must quote the FSIS stamp as well as the mill number, lot number and crop year. The color of the tags must also be reported.

---

**Multiple Screen Sizes**

When reporting a percentage of whole kernels riding a specified screen size, report the total percentage riding that screen size, including any kernels riding a larger screen size. For example: An American Peanut Shellers Association (APSA) "Medium Runner" lot contains 10% riding the 21/64 x 3/4 inch screen and 1% riding the 22/64 x 3/4 inch screen and the applicant requests this information be reported on the certificate. Report this lot as illustrated below:

---

**Example**

**SIZE 2.00% SOUND WHOLE KERNELS PASSING THROUGH 16/64 X 3/4 INCH 3/4 SLOT SCREEN.**

\_\_\_\_\_ SOUND WHOLE KERNELS PASSING THROUGH \_\_\_\_\_ INCH  
\_\_\_\_\_ SCREEN.

**11% XXXXX WHOLE KERNELS RIDING 21/64 X 3/4 INCH SLOT SCREEN  
INCLUDING 1% XXXXX WHOLE KERNELS RIDING 22/64 X 3/4 INCH SLOT  
SCREEN.**

**1% XXXXXXXXXXXXXXXXXXXX X SOUND PORTIONS OF KERNELS PASSING  
THROUGH 17/64 INCH ROUND SCREEN.**

\_\_\_\_\_ % PEANUTS WITH UNDAMAGED SHELLS PASSING THROUGH  
\_\_\_\_\_ INCH \_\_\_\_\_ SCREEN.

**COUNT AVERAGES \_\_\_\_\_ PER POUND / OUNCE.**

If the applicant requests that the percentage riding the larger screen *not be included* in the total percentage, an additional statement must be shown under the "SIZE" heading of the certificate as shown below.

**SIZE \_\_\_\_\_ SOUND WHOLE KERNELS PASSING THROUGH \_\_\_\_\_ INCH  
\_\_\_\_\_ SCREEN.**

\_\_\_\_\_ % SOUND WHOLE KERNELS PASSING THROUGH \_\_\_\_\_ INCH  
\_\_\_\_\_ SCREEN.

**1% XXXXX WHOLE KERNELS RIDING 22/64 X 3/4 INCH SLOT SCREEN.**

**10% XXXXX WHOLE KERNELS RIDING 21/64 x 3/4 INCH SLOT SCREEN AND PASSING THROUGH 22/64 X 3/4 INCH SLOT SCREEN.**

**\_\_\_\_\_ % SOUND WHOLE KERNELS AND PORTIONS OF KERNELS PASSING THROUGH \_\_\_\_\_ INCH \_\_\_\_\_ SCREEN.**

**COUNT AVERAGES \_\_\_\_\_ PER POUND / OUNCE.**

---

**Examples of Grade and Remarks Statements**

For all lots of peanuts offered for inspection that have U.S.-, MOAB-, or APSA-defined grades printed on the PLI tags or containers, the following will apply:

The grade statement must show if the lot meets or fails to meet the designated grade and the "Remarks" statement must show compliance or non-compliance with the MOAB minimum quality and handling standards for domestic and imported peanuts (7CFR, Part 996). If the lot fails to grade and/or fails MOAB requirements, "See Remarks" should always follow the grade statement. Further, anytime a lot fails to meet either the tagged grade or the requirements of the MOAB regulations, a statement must be made giving the reason the lot failed. If additional screen sizes are shown that are not requirements of the grade determined or the MOAB minimum quality requirements, an asterisk (\*) must be shown to the left of that screen size and noted under "Remarks" that these sizes were reported at the applicant's request. (Unless a letter from the applicant requesting this information be reported on all certificates is on file with FSIS and/or FOS).

**NOTE:** Each certificate must indicate whether or not the lot meets MOAB human consumption or non-edible quality requirements as referenced in the Regulations. If the certificate shows the lot meets a "human consumption" grade, then no further mention of human consumption quality is necessary. However, if the lot fails to grade for any reason *or* is certified as meeting human consumption requirements with no grade referenced, *but* the lot meets MOAB Minimum Quality Standards, then a statement must be made under "Remarks" as follows: ***"Meets 7CFR, Part 996 for Human Consumption."*** If the lot is certified as meeting non-edible requirements, then the "Remarks" statement must read as follows: ***"Meets 7CFR, Part 996 for Non-Edible Quality."***

---

**Examples:**

**(Tagged U.S. No. 1 Runner)**

**(1) GRADE: U.S. No. 1 Runner - See Remarks**

**REMARKS: Meets requirements of 7CFR, Part 996 for Human Consumption.**

**(Tagged for U.S. No. 1 Spanish)**

(2) GRADE: Fails to grade U.S. No. 1 Spanish account split or broken –  
See Remarks.

REMARKS: Meets requirements of 7CFR, Part 996 for “Spanish with Splits.”

**(Tagged U.S. Runner Splits and Runner Splits)**

(3) GRADE: U.S. Runner Splits - Meets APSA “Runner Splits”

REMARKS: Meets requirements of 7CFR, Part 996 for Human Consumption.

*OR*

GRADE: U.S. Runner Splits - Fails to meet APSA requirements for  
“Runner Splits” account damage - See Remarks.

REMARKS: Meets requirements of 7CFR, Part 996 for Runner “Splits.”

**(Tagged U.S. No. 1 Runner & Jumbo Runner)**

(4) GRADE: U.S. No. 1 Runner - Meets APSA “Jumbo Runner.”

REMARKS: Meets requirements of 7CFR, Part 996 for Human Consumption.

*OR*

GRADE: U.S. No. 1 Runner - Fails to meet APSA requirements for “Jumbo  
Runner” account fall through. See Remarks.

REMARKS: Meets requirements of 7CFR, Part 996 for Human Consumption.

**(Tagged U.S. No. 2 Virginia)**

(5) GRADE: Fails to grade U.S. No. 2 Virginia account damage and minor  
defects - See Remarks.

REMARKS: Meets requirements of 7CFR, Part 996 for “No. 2 Virginia.”

*OR*

GRADE: Fails to grade U.S. No. 2 Virginia account damage and minor  
defects - See Remarks.

REMARKS: Fails to meet requirements of 7CFR, Part 996 for "No. 2 Virginia" account damage."

*OR*

GRADE: U.S. No. 2 Virginia - See Remarks.

REMARKS: Fails to meet requirements of 7CFR, Part 996 for "No. 2 Virginia" account damage.

**(Tagged U.S. No. 1 Runner - Applicant requested count be certified with grade)**

(6) GRADE: U.S. No. 1 Runner - 36 count per ounce.

REMARKS: Meets requirements of 7CFR, Part 996 for Human Consumption.

(If the above lot had been tagged to a higher count range, such as "38-42 count" or simply "38-42," then the lot would have failed to meet count as marked.)

**(Tagged U.S. Runner Splits & Runner Splits)**

(7) GRADE: Fails to grade U.S. Runner Splits and APSA "Runner Splits" account damage and minor defects - See Remarks.

REMARKS: Meets requirements of 7CFR, Part 996 for Runner "Splits."

*OR*

GRADE: Fails to grade U.S. Runner Splits and APSA Runner Splits account fall through - See Remarks.

REMARKS: Meets requirements of 7CFR, Part 996 for Runner "Splits."

*OR*

GRADE: U.S. Runner Splits. Fails to meet APSA requirements for "Runner Splits account damage. - See Remarks.

REMARKS: Meets requirements of 7CFR, Part 996 for Runner "Splits."

**(Tagged U.S. No. 2 Virginia and/or No. 2 Virginia)**

(8) GRADE: U.S. No. 2 Virginia.

REMARKS: Meets requirements of 7CFR, Part 996 for "No. 2 Virginia."

For all lots of peanuts offered for inspection that have no grade designation on tags or for bulk lots without tags, the following applies:

The grade statement must show if the lot meets or fails to meet the grade requested by the applicant and the "Remarks" statement must show compliance or non-compliance with MOAB Minimum Quality Regulations as well as any additional sizes reported at applicant's request. However, if the applicant asks that the *best possible grade* ("Jumbo Runner," "Medium Runner," "No. 1 Runner," etc.) be determined for a lot of peanuts, it is permissible to show only the highest grade the lot meets under the grade statement. In such cases, an asterisk (\*) must be shown next to the grade statement with an additional statement made under "Remarks" that the grade was determined at the applicant's request *unless* a letter from the applicant is on file requesting the highest grade be determined on all lots graded at that facility or for that company.

**Examples:**

Lot sized over the 21/64 inch screen for APSA "Jumbo Runner" and contained excess fall through for that grade, but met the requirements of the Medium Runner grade.

- (1) GRADE: \* Meets APSA Medium Runner
- REMARKS: Meets requirements of 7CFR, Part 996 for Human Consumption,  
\* Size and grade determined and reported at applicant's request.

OR

- (2) GRADE: \* See Remarks
- REMARKS: Meets requirements of 7CFR, Part 996 for "Runner with Splits."  
\* Size and grade determined and reported at applicant's request.

For lots known to be destined for the FSA PP-9 peanut purchase program, use the following statement(s) under "Remarks" in addition to those listed above:

- REMARKS: Meets requirements of 7CFR, Part 996 for Human Consumption.  
Meets requirements of FSA Announcement PP-9 for peanut butter.  
(or peanut granules or roasted peanuts, whichever applies).



---

## Correcting Certificates

Every possible effort should be made to enter accurate statements and data on certificates. However, if a mistake is made on a *handwritten* certificate necessitating a correction, care must be taken to show that the change is official. Any change **must** be accompanied by the initials of the inspector. **Do not erase or obliterate any incorrect data.** Instead, draw a single line through the error, initial the error, and record the correct data, in ink, as close as possible to the change. *Computer generated* certificates must be voided or superseded and then reprinted with the correct information/data.

---

## Voiding Certificates

If a serious mistake or several minor mistakes have been made, it is preferable to void the certificate and subsequently issue another one. In such cases, the word “Void” must be written diagonally across the face of the certificate. Voids must be kept on file with copies of issued certificates. If copies have been issued and left the sight of the inspector, the certificate must be superseded, not voided, regardless of whether or not all copies are returned.

---

# (13) Reinspections

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## Change in Quality

Although peanuts are a fairly stable commodity, there will be instances when changes occur between the time of inspection and their final use. Inspectors must always check with the Federal Program Manager or State Supervisor prior to reporting the results of a reinspection. **If supervisors have doubts as to what position to take regarding reinspections, they should contact FOS for guidance.**

---

## Confirmation (Update) Inspections

A receiver may request a subsequent inspection in order to ascertain that the quality of peanuts is satisfactory. In such cases, the applicant is not contesting the results of the original inspection, but only wants another inspection to ensure that the quality of the peanuts has not deteriorated since the original inspection.

When inspecting a shipment of peanuts showing evidence of a previous inspection, the inspector must obtain information about the results of the first inspection. If the results of the second inspection are generally in agreement with those of the first inspection, the certificate may be issued with reference to the previous certificate made under “Remarks.”

However, if the second inspection results are in conflict with the first inspection by a significant amount, the inspector must contact their supervisor for guidance, after which FOS must be contacted for a decision as to whether an “appeal situation” exists. Generally, an appeal situation exists if the conflict between the two inspections is due to a factor(s) that could not have changed since the first inspection or if the difference between the two inspections is due to a progressive “condition” factor (wetness, mold, etc.) and is so great that the elapsed time between

the two inspections can not account for the difference. In such instances, the results of the first inspection are discarded and the applicant is given the option of requesting an appeal inspection. If FOS decides that an appeal situation does not exist, the results of the original inspection will stand.

If the identity of the lot is not clearly tied to the shipping point inspection certificate by some form of lot identification, the shipping point certificate may be ignored and a new certificate issued without reference to it.

---

### **Appeal Inspections**

Any financially interested party may request an appeal inspection if it is believed that the original inspection report is in error. In such cases, if lot identification cannot be established with a reasonable degree of certainty, i.e., via PLI, USDA/FSIS seals, tags, or in some cases, car numbers or trailer licenses, then there is not sufficient basis for handling the inspection as an appeal.

Appeal inspections on **Intrastate Shipments** (those remaining in the boundaries of a State) must be computer generated, typed, or legibly handwritten and reported on the a 184-9A. Whenever possible, appeals should be conducted by two licensees, one of which must be approved for supervisory work.

Appeal inspections on **Interstate Shipments** (those moved to another State) must be reported on an FV-300 certificate and must be performed by an inspector who at least has "collaborator" status. The Federal Program Manager, or in their absence, the State Supervisor, must be notified and receive a copy of all appeals. Request for authority to reverse or sustain must be directed to FOS prior to reporting the results to the applicant or issuing the appeal certificate. An appeal inspection certificate must include a statement under "Remarks" showing whether the grade is sustained or reversed.

---

### **"Remarks" Statement Examples for Appeal Inspections**

**Sustained Lot.** "This certificate covers an appeal inspection of the above described lot that was previously inspected November 10, 2003, and reported on Georgia Federal-State certificate number \_\_\_\_\_ which is hereby sustained."

**Reversed Lot.** ".....reported on Georgia Federal-State certificate number \_\_\_\_\_ which is hereby reversed as to percentage of damage and minor defects."

---

### **Fees for Appeal Inspections**

The standard procedure for billing appeal inspections is to make no charge for an inspection that reverses the original inspection except for mileage, per diem, overtime, or related expenses. However, if the original inspection is sustained, the customary fee charges are applied.

---

## **Second Inspection in Market**

When a reinspection is requested on a lot previously inspected in the market, it must be handled as an appeal unless there are some unusual circumstances justifying a new inspection. Such an appeal inspection must be handled in the same manner as described for handling appeal inspections on interstate shipments, with an entirely new sample drawn for the inspection.

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## **(14) Reporting Moisture Content**

There are no moisture requirements in the U.S. Standards for Grades of Shelled or Cleaned in the Shell Peanuts. However, a moisture determination is required on all peanuts subject to MOAB Regulations or APSA grades. A well mixed portion from the grade sample is used for the moisture test. Moisture content must be determined by an officially approved electric moisture tester and the actual percentage reported in hundredths. **EXAMPLE:** 6.45%.

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## **Shipping Point**

All offices are equipped with electronic moisture testers for determining moisture content. Approved moisture testers include three Dickey-john models (GAC-II, GAC-2000, and GAC 2100) and four Steinlite models (DMP, SL-95, PT-2B, and G.) Refer to the Farmers' Stock Handbook for details on the procedure for performing a moisture test. If a lot fails to meet the requirements of the MOAB Regulations account of moisture and is offered for reinspection at a later date, a complete grade analysis must be performed. Since the drying process can cause additional splits and/or fall-through, it is not permissible to restrict such subsequent inspections to "moisture only."

---

## **Market Offices**

Moisture testers are not available in market inspection offices. Therefore, moisture determinations are made only upon request by an applicant. If so requested, a moisture sample of at least 300 grams must be placed in an airtight, closed container for shipment to the laboratory. This will prevent any change in moisture content during the interval between sampling, transit, and analysis.

Analyses for moisture content can be made in one of two ways - electric meter or air oven (the standard reference method). If the applicant requests analysis using an electric meter, send the sample to the FSIS office where the peanuts originated from. (If unsure, contact FOS for guidance). However, if the applicant requests analysis using the air oven method, properly identified samples must be sent to the USDA, AMS, Science and Technology Programs (STP) laboratory in Blakely, Georgia. Their address is: USDA, AMS, STP, Blakely Aflatoxin Laboratory, 959 North Main Street, Blakely, GA. 39823-2030, Phone (229) 723-4570, Fax (229) 723-3294.

Moisture results are reported under the "Quality" heading on the certificate as follows: "Moisture content (by oven, if requested) 8.78%." Further, a statement that the applicant requested the moisture test must be made under "Remarks." An additional fee must also be

charged for moisture analysis. Check with your immediate supervisor for the current fee schedule.

Provisions will be made by FOS to transfer moisture test fees to the STP. In cases where *only* a moisture determination is required, the applicant should be billed the current moisture analysis fee *plus* an hourly charge for the time required to draw the sample and send it to the STP Laboratory.

---

### **Delay in Running Moisture Test**

In cases where a delay of more than one-half day transpires prior to analysis, moisture content might be affected due to warm, dry air in the grading room. Because of this, inspectors must make every effort to run moisture analyses at the time samples are first brought into the office or grading room. However, when this cannot be done and the moisture test is run on a different date than the analysis date, report the following under "Remarks:" "Moisture determined on     (DATE)    ."

---

## **(15) Distribution of the 184-9A Certificate**

Use the following as a guide for distributing copies of *handwritten* 184-9A certificates:

|                      |   |
|----------------------|---|
| ORIGINAL (White)     | Applicant                                       |
| 1st Copy (Yellow)    | FSIS File                                       |
| 2nd Copy (Blue)      | MOAB / MOAB Designee                            |
| 3rd Copy (Pink)      | Aflatoxin Laboratory (Attached with lab sample) |
| 4th Copy (Green)     | Aflatoxin Laboratory (Lab Copy)                 |
| 5th Copy (Salmon)    | Applicant                                       |
| 6th Copy (Buff)      | FSIS District Office                            |
| 7th Copy (Goldenrod) | Receiver or Applicant (Or attach to oil sample) |

Where in-plant grading is not performed, it may be necessary for the 4th copy (green) to accompany the ground meal sample to the lab. Be sure to include all pertinent information and lot identification. The grade information and/or factor analysis need not be included in order to forward this copy to the lab. In such cases, the size, quality, and grade portion of the certificate should be crossed out and the sampler must sign their name under the "Remarks" section.

The 3rd copy (Pink), with complete grade information, must be forwarded to the STP lab upon completion of the inspection. STP will match up the green and pink copies, print aflatoxin analysis results on each, and forward the pink copy to MOAB (or their designee). Copies of the 184-9A must be sent to MOAB on all lots that fail to meet human consumption requirements. However, to assist in readily identifying these lots, MOAB requests that the words "Fails Human Consumption" be written or stamped in large letters on their copy of the certificate, (both handwritten and computer generated), preferably with red ink.

Use the following as a guide for distributing copies of *computer generated* 184-9A certificates:

1. Applicant
2. FSIS File (Main Office)
3. FSIS District Office / File
4. MOAB / MOAB Designee
5. Aflatoxin Laboratory
6. Aflatoxin Laboratory
7. Oil Analysis

**NOTE: For computer generated 184-9A's, 6 certificates are printed for all lots except oil analysis lots, for which 7 certificates are printed.**

Copies of all milled peanut inspection certificates must be sent to MOAB in Washington D.C. or, in lieu of that, to a representative designated by MOAB. This includes lots that meet as well as those that fail to meet the requirements of 7CFR part 996. As of August 2004, MOAB has requested that certificate copies be sent to their designated representative, Tabb & Associates. Their address is:

Tabb & Associates  
2537 Lafayette Plaza Drive  
Suite A  
Albany, GA 31707

Of course, this could change at some future date. In light of this, make sure to check with your supervisor to ascertain where to send certificate copies for any specific growing and marketing season. If copies must be sent directly to MOAB, their address is:

Office of the Chief  
USDA-AMS Fruit and Vegetable Programs  
Marketing Order Administrative Branch  
P.O. Box 96456, Room 2523 South Building  
Washington, D.C. 20090-6456

## Part II

# Positive Lot Identification (PLI) of Milled Peanuts

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### (1) General

This part of the handbook outlines the general procedure to follow for maintaining PLI of milled peanuts (cleaned in-shell and shelled stock). Included are instructions pertaining to the issuance of pre-stamped tags, tag accountability, assignment of lot numbers, and sampling. **Any major deviation from these instructions must be approved by FOS.**

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### (2) Purpose

Positive identification of a lot of shelled/in-shell peanuts in connection with inspection is intended to tie the inspection certificate to the lot. This is done so that there can be no doubt that the peanuts delivered are the same as those described on a certificate.

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### (3) Methods of Identification

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#### Lot-Numbered Tags for Individual Bags

This method consists of attaching a lot-numbered tag bearing the official stamp of the Inspection Service to each filled bag in the lot. This is the only approved method of PLIing bags.

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#### Sealing Loaded Conveyances

This method of maintaining a lot's identity consists of loading a lot (other than bags) into a closed vehicle during or after sampling. After closing the door(s) of the vehicle, serially numbered seals are applied by the inspector or under their supervision. The serial numbers used are then reported on the certificate along with all other facts describing the lot. **Only Federal or Federal-State issued seals may be used.** Under no circumstances will company or industry seals be permitted.

---

### (4) MOAB and CCC Lot Identification Requirements

All milled peanut lots shipped to the edible trade are required to be inspected and PLI'd.

**NOTE:** Lots that have been previously inspected and certified as meeting MOAB regulations and are reconstituted at the request of the receiver do **not** have to be reinspected, nor do they have to be PLI'd when shipped.

---

## **Sack Lots**

For sacked peanuts, a lot-numbered tag bearing the official stamp of the Inspection Service must be attached to each filled sack in the lot. For shelled peanuts, the tag must be machine sewn into the closure of the sack. In-shell peanuts are permitted to be packed in hand sewn burlap or open mesh sacks. If heat-sealed plastic bags are used, the tag must be inserted inside the bag prior to sealing so that the official stamp is visible.

---

## **Reuse of Tags is Prohibited**

Tags showing evidence of previous use, such as needle holes or a line perforation from a prior sewing, may not be used. **Any deviation from this policy must be approved by FOS.**

MOAB regulations require that "the crop year that is shown on the positive lot tag must accurately describe the crop year in which the peanuts were produced rather than the calendar year." If the accuracy of the crop year listed on the PLI tags is questionable, inspectors must notify their supervisor so that they can subsequently alert MOAB or their designee.

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## **Bulk Loads**

Lots shipped in bulk, such as in hopper cars, must have their lot identity maintained by sealing the conveyance. A lot number must also be assigned. (**Exception:** See "Note" at bottom of previous page).

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## **(5) PLI of Peanuts In Bulk Bins**

The Inspection Service recognizes there is no fool proof method of identifying bulk bins. The present system of taping tags to the bins is satisfactory, provided the system is carefully monitored. It is the Inspection Service's responsibility to adequately train inspectors as well as industry personnel in properly applying tape and tags to lids and bins to ensure that the PLI policies are being followed. In order to maintain the credibility and integrity of PLI, the following basic requirements must be adhered to:

---

### **Condition of Bins**

Inspectors should periodically check bins prior to use to ensure they are in a sanitary condition and free from filth, such as bird or rodent droppings, wood scraps, paper, plastic or metal fragments, etc. If bins are found to be unsatisfactory, the inspector must advise the appropriate plant personnel. If no attempt is made to correct this condition, inspectors should notify their immediate supervisor.

While the Inspection Service does not require that bins be new, they must at least be in fairly good condition. PLI can be refused if the containers cannot properly hold peanuts or if the containers rigidity/shape has been compromised to the point that tags, tape and/or strapping cannot be properly applied. Contact your supervisor if unsure whether bins are in a suitable condition to receive product and be PLI'd.

---

## PLI

As a licensed inspector, you are responsible for maintaining the PLI of each bulk lot certified to ensure that the certificate represents the same lot that was sampled and graded by FSIS.

PLI must be applied immediately after containers are filled, sampled, and lidded. If containers have to be moved unlidded to another area or location in the plant, it must be done under continuous surveillance of the Inspection Service.

To maintain and certify PLI of peanuts in large, bulk holding bins, the following procedure must be followed:

1. Check the container to see that it is empty prior to filling.
2. Check the top of the container to ensure peanuts are going into the correct container.
3. To maintain PLI, use an FSIS lock or seal to secure the bottom of the container.
4. During the production of the lot, periodically monitor the official sampler, sample bin, and the conveyer dumping peanuts into the container.
5. Upon completion of the lot, PLI must be maintained until the lot has been certified as meeting the USDA, MOAB regulations for quality and aflatoxin or until such time as the applicant reconstitutes a passing lot and requests that PLI no longer be maintained.
6. If the bulk container(s) have a lid, then it must be PLI'd with a seal or lock. In lieu of this, the licensee at the inspection site must maintain surveillance of the lot to ensure PLI.
7. Any time the licensee is absent from the inspection site, the top of the container(s) must be secured and PLI'd *or* the conveyance (elevator/conveyor) that moves the product into the container(s) must be secured with an FSIS lock or seal to prevent movement of peanuts into any of the bulk containers.
8. After the lot has been certified by FSIS, licensees must maintain close communications with the applicant's representative concerning maintaining PLI, especially if the licensee(s) will be leaving the inspection site.

Supervisors must ensure that all licensees receive, read, and comply with these instructions.



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## **Application of Non-Bar Coded PLI Tags**

### **Bulk Bins**

For non-barcode-type PLI tags, individual containers are considered PLI'd when tagged with two (2) FSIS lot tags and taped. Tape can be applied over the tag and lid in one of two ways:

1. Tape on and over lids, over the tags and down the side of the container. (Illustrations 1 and 3)
2. Tape is tucked under the lid allowing for expansion of the lid when containers are moved. (Illustration 2)

It is essential to use a clear tape that allows the tag to be seen through any portion of the tape.

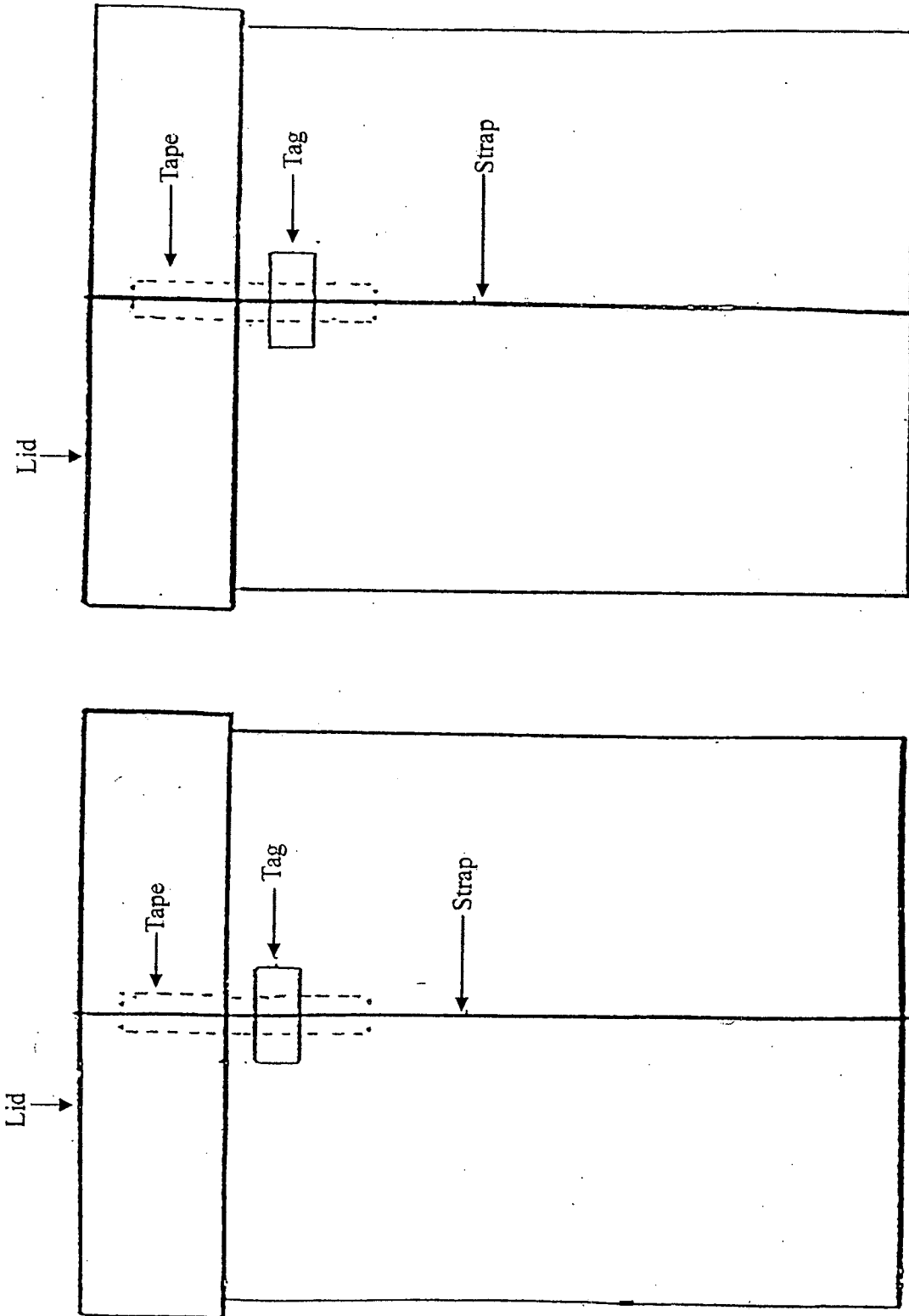
Two straps must be applied. Although strapping does not constitute PLI, it is necessary for PLI to be maintained. The only exception to this two strap requirement is for lots that are going for manufacture on the same premises as the shelling operation. For these lots, only one strap is required. If the tape comes loose from the containers, the lot will lose its PLI and must be resampled.

### **Tote or Super Sacks**

Bring flaps together, twist, and tie with either twine or plastic clips that can be tightened over the TOP flap. The bottom opening is not sealed.

PLI is a critical factor with the peanut industry and its credibility and significance can only be maintained through alertness by all responsible for it. Nothing must be taken for granted. Even the most conscientious operator does not know where their help is at times. Inspection Service personnel must realize that they are heavily involved in PLI and the peanut industry places unqualified trust in us that it can be managed error free.

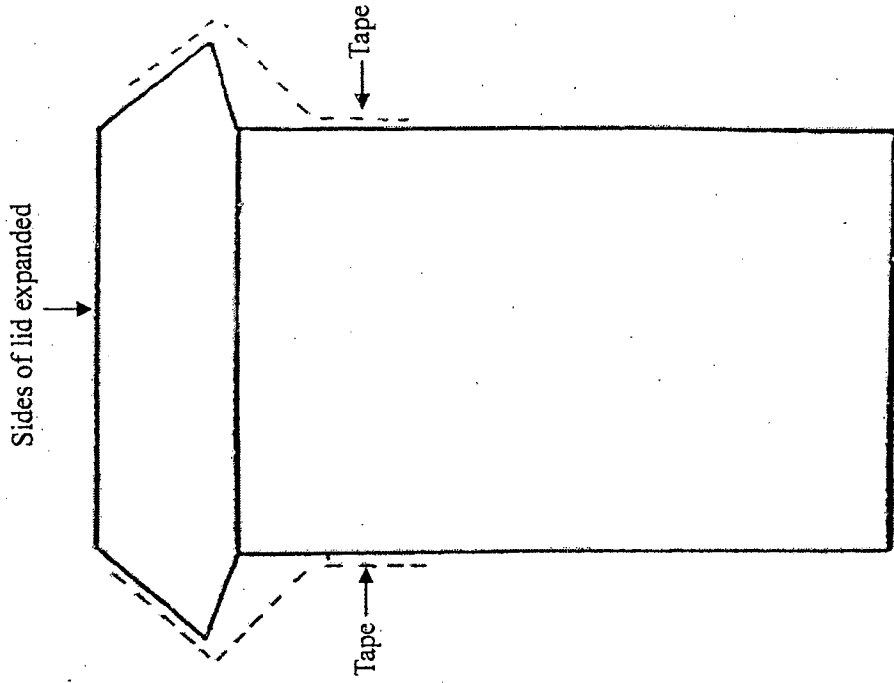
Illustration 1



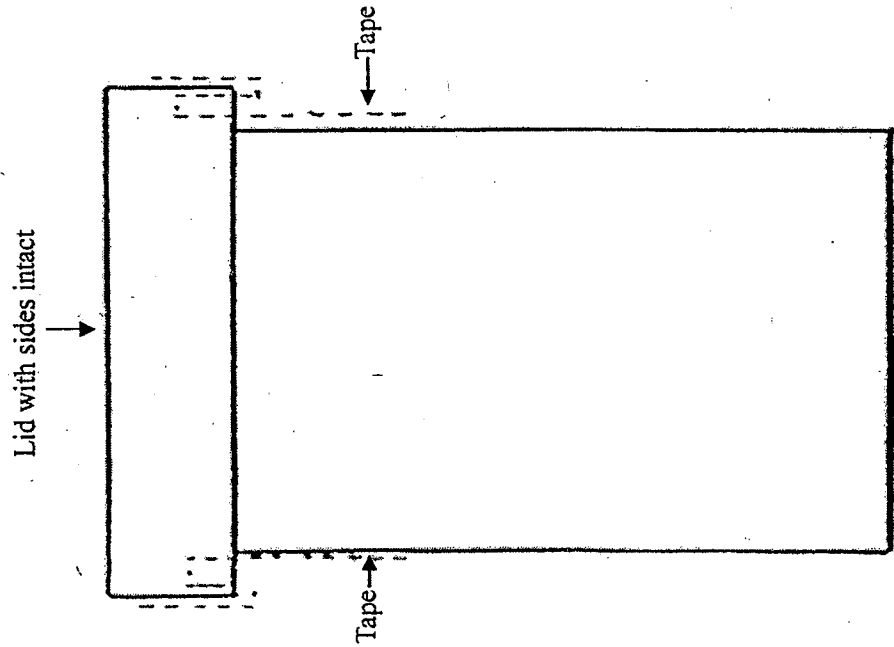
The above boxes show tape on the lids, over the tags and on the boxes with straps over the tape and tags. The tags are approximately 3 to 5 inches below the lid to allow for additional tape under the lid sides as shown in Illustration 2.

Illustration 2

EXAMPLE 2



EXAMPLE 1



Example 1 illustrates 8 to 10 inches of tape being tucked under the sides of the lid so if the sides of the lid expands, as in Example 2, because of broken straps, poor construction, or any other reason, there will be a sufficient amount of tape to accommodate the expansion and still remain intact on the lid, tag, & box.

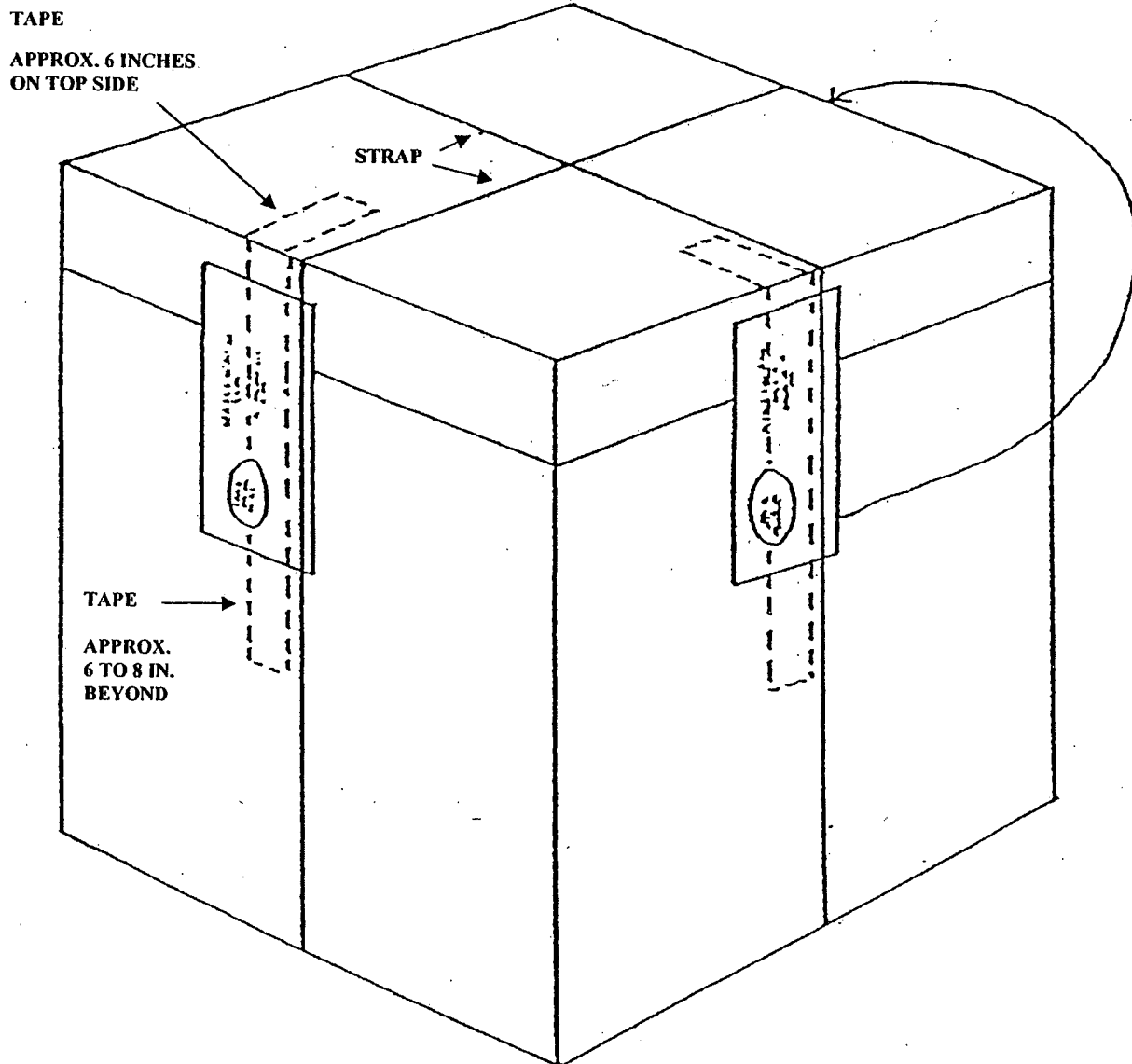
---

**Illustration 3**

**Notice tag is attached by tape to lid & box.  
Tag is put 1/2 under strap leaving room for tape  
To secure tag to box & lid.**

**DO NOT LET TAPE TOUCH STRAP**

**(OPTION)  
Tag may be placed on  
this side of box**



## Application of Bar Coded PLI Tags

### Tags

Some PLI tags have been designed to include bar coding as another way to monitor/track PLI tags and lots. (See Illustration 4 below). Bar coded PLI tags must include all the information required by the USDA for PLI and must include bar codes as determined by the e-Commerce Committee of the American Peanut Council. Generally, tags for tote/bulk sacks and bulk bins will have an adhesive backing, while bag tags will not.



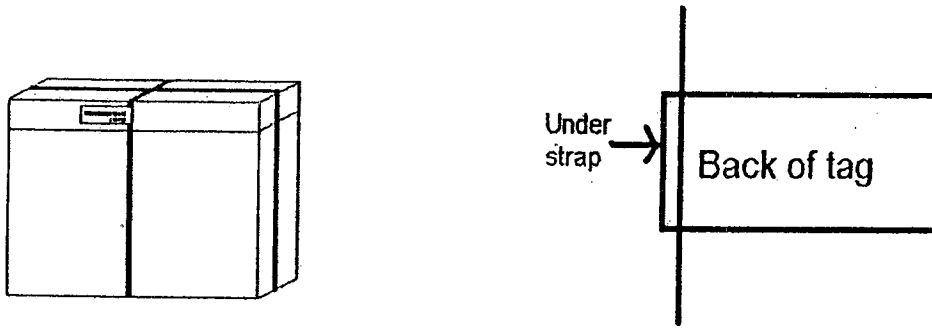
Illustration 4

### Bags

The bar coded PLI tag must be sewn onto each bag in the lot at the time the bag is sewn shut. The stitching on the tag must be approximately one inch from the edge of the tag on the end with the most space devoid of print. The stitching must be sewn parallel to the edge of the tag in such a way that it does not cross the bar code and the tag is securely fastened to the bag.

### Bulk Bins

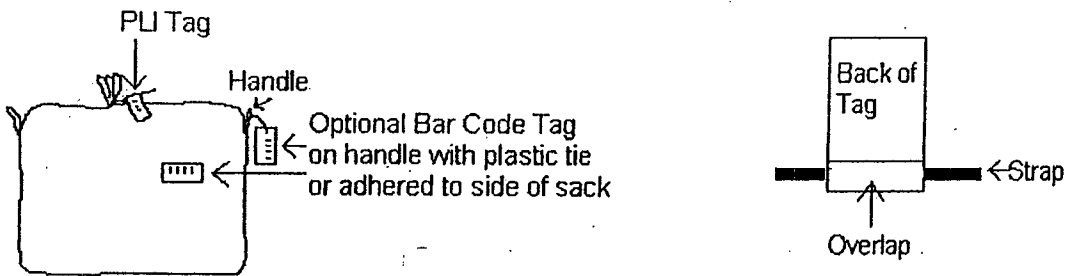
Two tags must be applied to each bulk bin. One tag is used for PLI purposes and must also be accessible to a bar code reader. This tag must be placed on one side of the bin where the strap has been applied vertically around the bin and must be heat sealed or secured with a permanent seal. The adhesive backing must be removed and the end with the most space devoid of print must be placed on the strap with approximately one inch of overlap. The overlap then is folded back under the strap with at least 1/4-inch of the overlap adhering to the back of the tag. The remainder of the tag is then pressed and adhered onto the side of the bulk bins' lid. The second tag must be placed on the side of the lid of the bulk bin and on the opposite side of the tag used for PLI. This tag must be accessible to a bar code reader, but will not be acceptable for PLI purposes (if not attached to the strap as mentioned above). See Illustration 5 on following page.



**Illustration 5**

**Tote or Super Sacks**

One tag must be used on the tie-string used to close the sack. Once the sack is filled and closed, the tie-string must be tied as close to the sack as possible. The end of the tag with the most space devoid of print must have approximately 2 inches of backing removed and must be placed on the strap with approximately one inch of overlap. The overlap is then folded back under the tie-string with at least 1/4 inch of the tag being adhered onto the back of the tag. This allows the tag to be used for PLI purposes while also allowing for bar code scanning. An additional tag may be used for bar code purposes only at an applicant's request. This tag may be applied in any way acceptable to the applicant. See Illustration 6 below.



**Illustration 6**

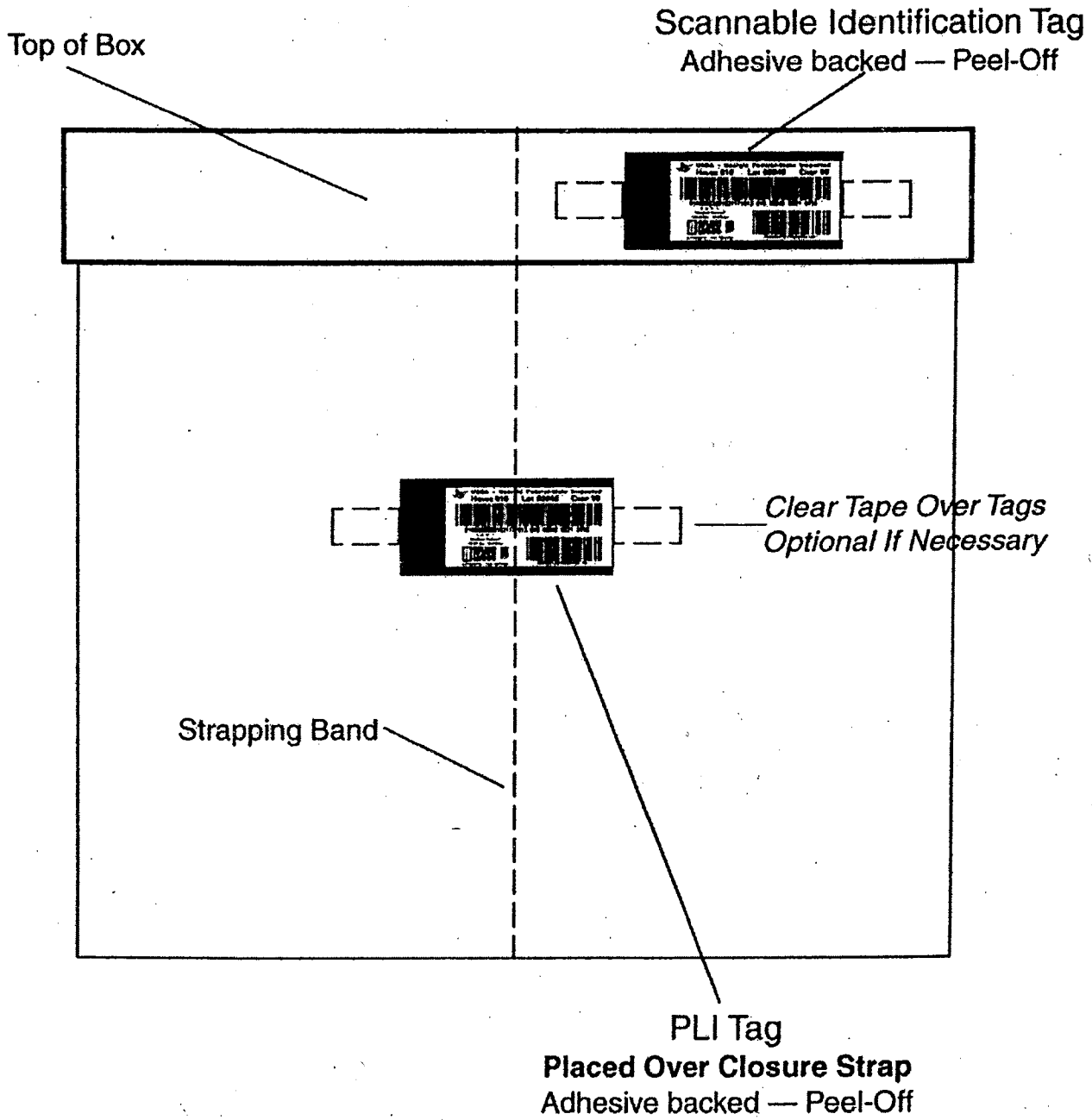
**Bulk Lots in Rail Cars**

Official USDA PLI car seals must be used for applying PLI to rail cars. One tag for each lot in an individual rail car must be provided to the applicant. These tags are subsequently required to be placed on the placard of the rail car for bar code reader accessibility.

**Illustration 7**

**Locations for Bar Coded PLI Tag and Scannable Identification Tag on Cardboard Bins**

**(Both tags are identical with duplicate sequential numbers)**

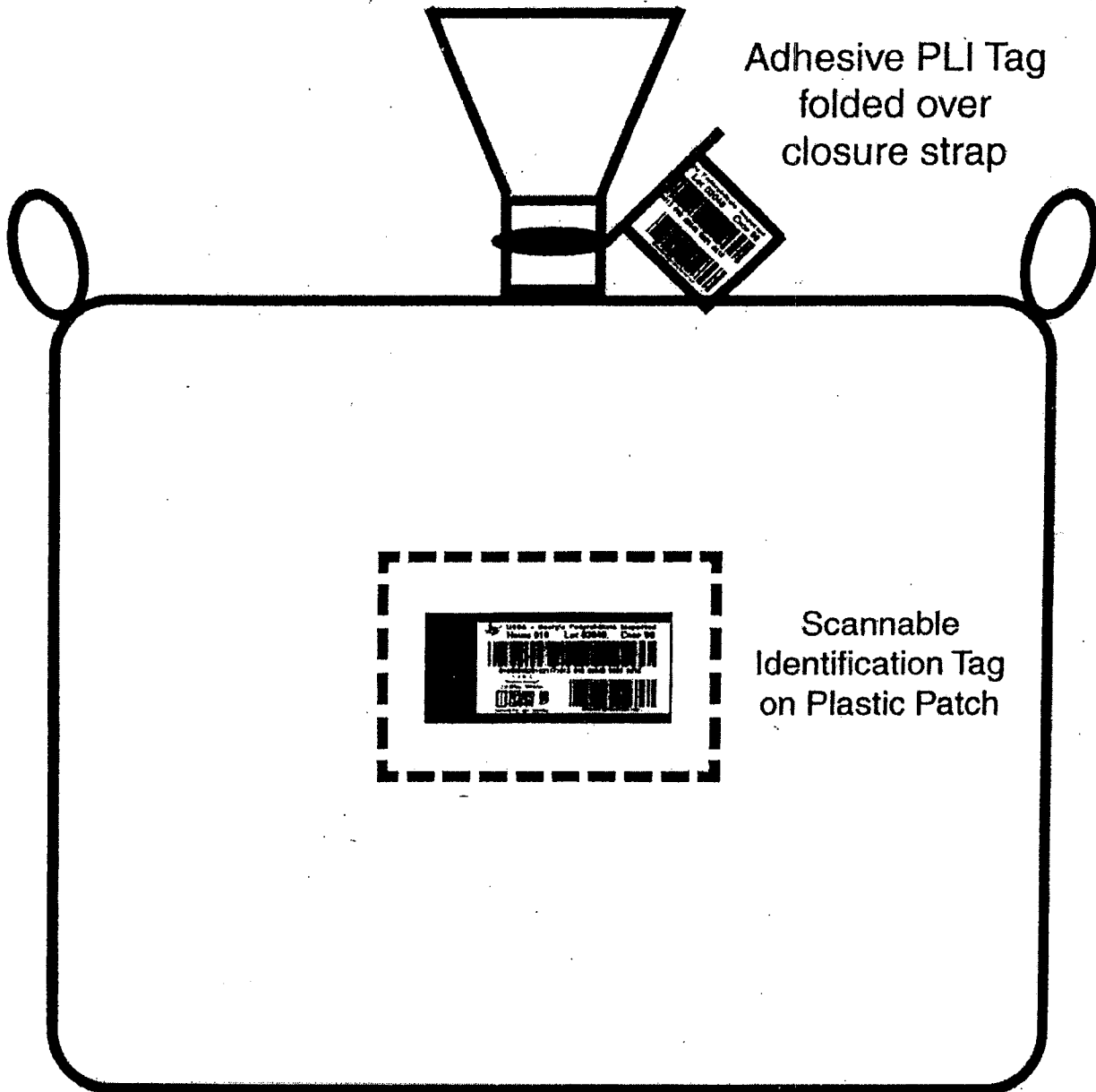


---

**Illustration 8**

**Locations for Bar Code PLI & Scannable Identification Tag on  
Tote or Super Sacks**

**(Both tags are identical with duplicate sequential numbers)**





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## Applying PLI Tags to Transferred Out-of-State Lots

Three methods of PLI are approved for tagging out-of-state peanut lots that are transferred from one type of container (bags, bins, totes, super sacks, etc) to another. They are:

1. Apply your own State's PLI tag once the lot is transferred;
2. Request PLI tags from the originating State to apply to the transferred lot. (This method may cause some delays.); or
3. Create a PLI tag that actually states that the lot is a "transfer."

Option three may prove beneficial in cases where the transfer takes place at a cold storage facility for which no house number exists. At the supervisor's discretion, a house number may be assigned to a cold storage facility or, as an alternative, the abbreviation "CS" may be used as the house number.

In all cases, make sure that it is clear that the lot was originally graded and certified in another State as it is imperative that the transferred lot not be misrepresented as to its State of origin. This can be accomplished by adding the following statement in the "Remarks" section of the transfer certificate (FV-184-12):

**REMARKS:** "Lot originally certified by (State of Origin) Federal-State Inspection Service."

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## (6) Method for Applying Tags

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### Stamp

An approved rubber stamp of uniform design, save for the name of the cooperating State, must be used to mark the bag tags for identification. This stamp includes changeable **plant numbers and lot numbers**.

---

### Inspector's Stamp

Each shipping point inspector who is required to PLI lots must be issued an inspection stamp. It will be assigned to the inspector for the duration of their assignment in that particular office or until the stamp is reassigned. Inspectors must keep the stamp exclusively in their possession and be responsible for it as long as it is on issue to them.

---

### Mill Identification Number

Each peanut shelling plant, in the State must be assigned a number. Plants are not permitted to use a mill number that has been assigned to another plant, even in the case of multi-plant operations under one company name. The PLI tags must show the plant number where the actual milling or remilling is being done.

---

### **Lot Identification Number**

Each lot must be assigned a number and the tag on every container in that lot must bear the same lot number. A specific lot number must **not** be used more than once at any one mill during a specific crop marketing year. This will ensure that every lot will have its own distinct number.

---

### **Tags**

The tags used to identify the containers in the lot must be supplied by the sheller (or other applicant for inspection). They may be printed with the sheller's name and the weight and grade of the peanuts, but the reverse side of the tags must bear no printing in order to allow room for the impression of the stamp.

---

### **Stamping**

The tag on every container in the lot must bear the inspection stamp mark. The tags may be stamped after they are sewn on the bags as the inspector draws the sample or they may be stamped before they are sewn on the bags. Whichever method is used should be agreed upon by the sheller and the Inspection Service and is subject to certain basic precautions to ensure the effectiveness of the system.

---

### **Tags Stamped When Inspected**

If the tags will be lot-number stamped as the lot is inspected, the sheller must stack the entire lot's tagged sacks so that both ends of each sack are exposed to view. Thus, all of the sewn-on tags will be accessible. The inspector must (a) sample the lot in the prescribed manner, (b) stamp every tag in the lot with the appropriate plant number and a specific lot number, and (c) determine the exact number of sacks in the lot to be reported on the certificate. Records on such lots must be maintained in the same manner as described for lots using pre-stamped tags.

If all of the sacks in the lot inspected and covered by the certificate are not shipped, the certificate will be just as valid for the lesser number, whatever it may be. However, the certificate cannot be used to represent a greater number of sacks than the number shown on its face. If some of the sacks in the lot are not shipped, they may be handled as instructed under "**Maximum Lot Size for Edible Shipments.**" (See page 80.)

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## **(7) Pre-Stamped Tags**

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### **Tags Stamped Prior To Inspection**

In most cases, it is impractical to attempt to stamp tags after they have been placed onto the containers. Consequently, a system has been devised whereby the sheller may be supplied with a specific number of pre-stamped tags to be sewn onto sacks or attached to bulk containers as they are filled and closed to await sampling and analysis by the inspector.

The procedure to be followed for this type of inspection is outlined below:

- (a) The sheller orders pre-stamped tags from the Inspection Service in advance, specifying the type, grade or quality, and the number of containers they intend to pack in each lot. Orders will usually consist of sets of tags for several separate lots.
- (b) Upon receipt of the order, all necessary information is recorded and a lot number assigned to each lot. (See the suggested recording sheet on page 54).
- (c) The tags are then prepared by the Inspection Service. The FSIS inspection stamp, mill number, assigned lot number, and crop-year are imprinted on each tag. The tags are carefully counted to ensure the number conforms to the number requested by the applicant for that lot, plus a specified number (usually 15) of extra tags for FSIS or emergency use. One additional tag must be stamped and retained for the office records. The date the tags are issued is also recorded.
- (d) Packaging the tags consists of binding each set securely together and, if several sets are placed in a larger package, the package must be marked to describe the sets of tags included therein. The sets of tags are then delivered to the sheller. The sheller (or their representative) must sign a form acknowledging receipt of the tags with each delivery. The receipt form should list and briefly describe each lot of tags and the date issued. The signed receipt form must be filed with the sample tag under the name of the shelling plant to which the tags were issued. Each inspection office must systematically maintain records of all transactions involving "pre-stamped" tags. These records must be entered in a book similar to the inspection car record or certificate record book.

Shellers must be advised that they are held accountable by the Inspection Service for all pre-stamped tags issued to them. When more than 10 tags cannot be accounted for, the applicant must provide a **written** explanation to the FSIS office as to why the tags are missing. Subsequently, FSIS must forward a copy of the letter of explanation to FOS.

Tags that are to be pre-stamped may be provided by the Inspection Service or by the sheller, depending upon local arrangements. Recommended material for the tags is strong, thin cardboard, approximately 4 x 8 inches in size. The color of tags may be varied to signify different types and/or grades of peanuts as designated by industry groups or individuals. One side of the tag may be printed in advance with information identifying the shipper and describing the quality and quantity of the contents of the container to which it will be attached.

---

## **Assigning Lot Numbers**

There are several methods of assigning PLI lot numbers. Two methods are shown in the following paragraphs. However, regardless of the method used, extreme care must be taken to avoid duplication of lot numbers.

- (a) Starting at the beginning of the crop year with lot No. 1, the lot, grade, and type of peanuts from each mill is assigned a consecutive number. For example, a mill will have lot No. 1 - Extra Large Grade, and lot No. 1 - Medium Grade, and lot No. 1 - U.S. No. 1 Grade, etc. Similarly, another mill will have lots No. 1 for Spanish and Runner U.S. No. 1 Grade, etc. However, no two lots of the same grade and type from one mill must bear the same lot number during a single crop-year.

To avoid confusion and possible duplication of lot numbers, separate record sheets must be used for listing lot numbers (and number of tags issued for that lot) assigned for each different type and grade at each shelling plant.

- (b) Another method of assigning lot numbers to an individual mill is to start with lot No. 1 at the beginning of the crop-year and use consecutive numbering for the remainder of that year, regardless of type or grade of the lots.
- (c) Even though lot tags are not issued on bulk carriers (hopper cars or bulk loads), it will be necessary to assign lot numbers in order to assist handlers and MOAB in handling potential complaints. Therefore, a lot number must be assigned to each load by the Inspection Service or the applicant. The lot number must be preceded by the letter "B" to denote "bulk" and must also appear on the certificate.

---

## **Attaching Tags**

The sheller must attach a pre-stamped tag to each container as they are closed after filling. For sacks, the sewing machine operator holds the tag against the sack in front of the machine in a position so that it is firmly stitched to the sacks. Tags must be held so that the stitching will cross them about an inch or more from the end, thus reducing the likelihood of the tags being accidentally torn off in handling.

The sheller must stack containers together in such a way that they are easily accessible for sampling. (Example: For sacks, both ends of each sack must be exposed. This avoids potential confusion or commingling with other lots that may be stored in the same area).

Any stamped tags not attached to containers after the entire lot has been filled and closed must be returned to the inspector who will destroy them after they are properly counted and recorded. The lot number assigned to this lot will not be used again.

The inspector must inspect and draw samples at random from containers scattered throughout the lot in the prescribed manner. At the same time, they must examine the PLI tags on as many or more containers than were sampled to ascertain that all bear tags with the same lot identification.. The inspector also must make a count of the containers, making sure they do not exceed the number of pre-stamped tags previously prepared for the lot.

Lastly, the inspector must analyze a sample and issue a certificate reporting the grade, the brand marks on the containers, information on the tags, including the three identifying numbers, and the exact number of containers in the lot if sampled **after** packaging or an approximate count of containers in the lot if sampled with an in-line automatic sampler during packaging.

---

## **(8) Collecting Unused Pre-stamped Tags**

Inspectors must obtain any unused pre-stamped tags for the lot being sampled from the sheller. The inspector must know in advance the exact number of tags issued to the sheller for that particular lot. For example, if the records show that the number of pre-stamped tags originally issued for lot No. 27 was 415 and there are only 400 sacks in lot No. 27, then the sheller must return the 15 unused tags or give a reasonable explanation of why some or all of them are missing.

All unused tags must be returned to the inspection office. The number of tags returned must be entered on the record sheet opposite the number of tags originally issued to the sheller. The number of sacks reported on the inspection certificate plus the number of unused tags returned must equal the number of pre-stamped tags originally issued to the sheller for that lot. Unused tags must be destroyed after the records are complete. This must only be done by the Inspection Service, not by the sheller.

---

## **(9) Recording Inspected Lots**

As soon as the inspection is completed, the following information must be entered on the record sheet opposite the entries made when the pre-stamped tags were originally issued for that lot:

- Date of inspection
- Certificate number
- Conformity to MOAB minimum quality and handling requirements
- Number of containers in the lot
- Number of unused tags returned
- Remarks (if any)

By law, lots that fail to meet MOAB requirements may not be shipped to buyers for edible use. Failing lots must either be remilled in an attempt to bring them up to minimum MOAB standards or diverted for domestic or export crushing. When a lot fails to meet MOAB requirements, a notation stating this fact must be made on the record sheet in the appropriate space. Also, a copy of the grade certificate must be sent to MOAB in Washington, D.C. (or their designated representative). If the lot is sold for oil stock or non-edible quality, the attached tags may be left on the sacks for identification purposes provided that a certificate is issued certifying that the lot meets MOAB requirements for non-edible quality. The Inspection Service must inform applicants that PLI tags used on lots that are not inspected must be returned to FSIS for accountability.

---

## **(10) Closing Out Tag Inventory**

All unused lots of pre-stamped tags must be reclaimed, accounted for, and destroyed at the end of the crop-year milling operation. When a shelling plant has completed its milling operation for the crop-year, the Inspection Service must review the record sheets to determine whether any lot(s) or pre-stamped tags issued to that plant are unaccounted for.

Any such unused tags must be obtained from the mill by the local inspector or supervisor and taken to the inspection office where they are counted, recorded on the record sheet, and subsequently destroyed. As previously noted, the Inspection Service requires a written explanation from the sheller for any unused lot tags not accounted for at the time. If the Inspection Service feels that the sheller's explanation is insufficient, that steps have not been taken to rectify the problem, and/or that the integrity of the PLI program has been jeopardized, that facility may have to be issued a written warning requiring corrections to their PLI tag accountability system that are acceptable to AMS/FSIS or face the possibility that PLI tags will have to be issued for future lots on a lot-by-lot basis.

---

## **(11) Record Sheet**

A sample of a record sheet is illustrated on the following page. It shows the suggested arrangement of columns for recording the information necessary for use of the PLI system. In lieu of maintaining a physical (hard copy) PLI Record Sheet, records may be stored electronically on computers.



## Part III

# The Notice of Sampling - Form FV-187/FV-187-CG

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### (1) General

The Notice of Sampling is a form used for identifying a sample of peanuts being sent to a laboratory for aflatoxin analysis. It also serves to provide a detailed description of a peanut lot sampled for grade as well as other products sampled for grade and/or chemical analysis. The Notice of Sampling may either be handwritten (FV-187) or computer generated (FV-187-CG). For the sake of simplicity, both forms will hereafter be referred to simply as the "187."

Because of the large number of samples analyzed in marketing peanuts in the U.S., it is considered essential that complete information accompany each sample to the laboratory.

---

#### **"Notice of Sampling"**

The 187 (or the 184-9A, which also incorporates an abridged version of the 187) must be issued by the Inspection Service for every sample of peanuts sent to a laboratory for aflatoxin analysis. This includes samples sent to USDA-approved laboratories as well as those operated by USDA-STP. **Part IV** of these instructions should be reviewed for special instructions for the various types of samples that may be requested.

---

### (2) Completing the 187

The following instructions cover the procedures to follow for completing the 187. The headings are mentioned in the order in which they appear on the form.

#### **Car, Truck or Ship**

Leave blank if the lot is not loaded into the conveyance or write in "Lot Inspection."

#### **Applicant**

The name of the party to be billed for the laboratory analysis must be entered here. In most cases, the name will be that of the sheller. In cases where the lot has been sold at the time of inspection, the buyer may be the applicant. Though unusual, if the request comes from MOAB, they are considered the applicant.

#### **Receiver**

In many cases, the lot may not have been sold at the time of sampling. The inspector must obtain and write in the name of the buyer if one exists. Otherwise, enter "Not Given."

#### **Shipper**

The sheller and shipper will usually be the same entity, but under some circumstances could be different companies or individuals.



**Type**

Check the appropriate block to indicate the type of peanuts in the lot. (Runner, Spanish, Virginia or Valencia).

**Contract Number**

If the sheller has a sales contract covering the lot of peanuts, enter the number. Otherwise, leave this space blank.

**Weight of Lot and Number of Sacks**

These figures must always be entered on the form because they are important to financially interested parties. They will usually be the shellers' figures, but the inspector must still verify that the number of containers in the lot is generally accurate.

**PLI Marks**

These 5 blocks are provided for quoting information from the PLI tags. As this information is extremely important, great care must be taken to ensure these blocks are accurately completed.

**Quality Designated by Shipper**

An accurate description is needed of the grade and size of the peanuts in each lot intended for the edible market.

Enter the description of the lot in the space for "Quality Designated by Shipper." The shipper's verbal statement or the printing on the tags may or may not adequately describe the grade/quality of the lot. If the lot fails to meet the designated grade, the lower quality must be noted by checking the block indicating the highest quality determined. Even though the lot meets the quality designated, it will be necessary to check the appropriate block showing the highest quality determined.

One of the following quality blocks must be checked for each lot to be tested:

|   |   |   |
|---|---|---|
| <b>CHECK HIGHEST QUALITY DETERMINED:</b>          |   |   |
| <input type="checkbox"/> RUNNER NO. 1 OR BETTER   | <input type="checkbox"/> U.S. SPLITS            | <input type="checkbox"/> EXPORT CRUSHING (Fragmented) |
| <input type="checkbox"/> SPANISH NO. 1 OR BETTER  | <input type="checkbox"/> "EDIBLE QUALITY"       | <input type="checkbox"/> OTHER (Specify): _____       |
| <input type="checkbox"/> VIRGINIA NO. 1 OR BETTER | <input type="checkbox"/> FAILS "EDIBLE QUALITY" | _____   |
| <input type="checkbox"/> PAC "WITH SPLITS"        | <input type="checkbox"/> DOMESTIC CRUSHING      |   |

If a lot fails to meet the grade intended or as tagged, but qualifies for a lower grade, that lower grade must be shown on the 187. For example, a lot tagged U.S. No. 1 Runner fails to grade only account of having 10% splits would qualify as "Runner with Splits." However, if the lot contained more than 15% splits, the quality designation would drop to "Meets 7CFR, Part 996 for Human Consumption."

**NOTE:** PAC "With Splits" is no longer a valid grade. Instead, draw a line-through the word PAC and replace with MOAB. Further, both "Domestic Crushing" and "Export Crushing (Fragmented)" are obsolete categories and therefore should not be used. Any lot(s) that are crushed, fragmented, destined for non-human consumption, wildlife feed, etc, should be reported using the "Other (*Specify*)" block. When using this block, also show some other form of descriptive term (if known) that further describes the lot, such as "LSKs," "fall through," "pick-outs," "screenings," etc. **Examples:** "Non-Edible Quality – screenings," "Non-edible quality - LSK's," or "Wildlife Feed - Pick-outs." Lastly, if the sample is stated to be from Segregation (Seg.) 3 Farmers' Stock, this fact must be noted on the 187. **Example:** "Applicant states above lot from Seg. 3 stock."

### **Inspection Certificate Number**

The space provided for this item must be completed if the certificate number used for the lot is known. However, if the laboratory samples are packaged and shipped before the certificate number can be ascertained, this space may be left blank. In such cases, the certificate number must be entered on the 4 remaining copies of the 187 prior to distribution.

### **Sample Designations**

This space is provided to indicate the type of sample sent to the laboratory for analysis. See **PART IV** of this handbook for details on sample designations.

### **Sample Sent To**

These spaces must be filled in with the name and address of the laboratory as well as the date the sample was sent.

### **Fees and Postage**

Charges for sampling services are determined by each individual FSIS program. In some cases, the service may be furnished in connection with inspection and without additional charge. In case a sample is drawn for the sole purpose of having it sent to the laboratory, a special fee should be charged at a previously established rate. Fees shown on this form do **not** include the inspection fee.

Any postage that is prepaid by the Inspection Service must be shown on the form. If the cost of mailing a sample to a specific location is known at the time the 187 is completed, include the amount on the 187. If this information will not be available until the package is taken to the post office, then the copy of the form placed inside the sample container will show nothing in the space for "postage." In such instances, any mailing charges must then be entered on the remaining four copies of the form prior to distribution.

---

## **(3) Distribution of Copies**

The 187 is prepared in sets of 8 copies and sets are serially numbered. Distribution and number of copies required may vary as sampling plan changes are adopted by MOAB.

Distribute *handwritten* copies of the 187 as follows:

- ORIGINAL: Lab with analysis sample
- 1st copy: FSIS File
- 2nd copy: MOAB / MOAB Designee
- 3rd copy: Sheller - Shipper
- 4th copy: Laboratory
- 5th copy: FSIS District Office
- 6th copy: FSIS District Office
- 7th copy: Sheller - Buyer

If the identity of the buyer is unknown at the time, that copy must be given to the applicant for possible later disposal. MOAB's copies must be mailed to them (or to a representative designated by them), at frequent intervals (one mailing every two or three days), unless otherwise instructed by the supervisor. As of August 2004, send MOAB copies to:

Tabb & Associates  
2537 Lafayette Plaza Drive  
Suite A  
Albany, GA 31707

For *computer generated* 187's, 4 certificates must be printed for all edible, non-edible, appeal 1-6, and quality control samples. Distribute as follows:

1. Applicant
2. FSIS Office
3. District FSIS Office / File
4. Laboratory

---

## (4) Voided 187's

If a mistake is made in some critical section of the 187, it must be voided by the same method used for other certificates, i.e., writing "VOID" in large letters diagonally across the face of the 187. Items considered critical that must not be marked through or changed are:

**Weight of lot, Date, Number of sacks/bins, Mill number, Lot number, and Crop year.**

A new 187 must then be correctly completed to replace a voided 187. Since the 187 is serially numbered, any voided forms must be kept on file in numerical order with copies of the completed forms.

Example - Handwritten 187

UNITED STATES DEPARTMENT OF AGRICULTURE  
 AGRICULTURAL MARKETING SERVICE  
 FEDERAL OR FEDERAL-STATE INSPECTION SERVICE  
**NOTICE OF SAMPLING**  
 (FOR GRADE OR CHEMICAL ANALYSIS)

F 409145

11/13/2003  
 DATE SAMPLING BEGAN

THIS IS TO CERTIFY That, in compliance with the regulations of the Secretary of Agriculture governing the inspection of fruits, vegetables and nuts pursuant to the Agricultural Marketing Act of 1946, as amended, (7 U.S.C. 1621 et seq.), I the undersigned, a duly authorized inspector of the United States Department of Agriculture, do hereby certify that, on the date indicated, samples drawn believed by me to be representative of the lot were as described below:

|   |  |  |
|---|--|--|
| SAMPLE DRAWN AT: (City, State)<br><u>SMITHVILLE, GA</u> | MILL OR WAREHOUSE NAME<br><u>MCCLESKEY PEANUTS, L.P.</u> | SAMPLING FOR:<br><input type="checkbox"/> Grade<br><input checked="" type="checkbox"/> Chemical Analysis |
|---|--|--|

CAR NO. \_\_\_\_\_  TRUCK NO. \_\_\_\_\_  NAME OF SHIP: \_\_\_\_\_

NAME AND ADDRESS OF APPLICANT (Zip Code)  
MCCLESKEY PEANUTS, L.P., SMITHVILLE, GA 13070

NAME AND ADDRESS OF:  
 RECEIVER NOT GIVEN

SHIPPER MCCLESKEY PEANUTS, L.P.

PRODUCT - PEANUTS:  
 CLEANED IN THE SHELL PEANUTS.  
 SHELLED PEANUTS.  
 DESIGNATED AS TYPE:  "RUNNER"  
 "SPANISH"  
 "VIRGINIA"  
 "VALENCIA"

|                                    |   |                           |                        |                    |                       |                        |
|------------------------------------|---|---------------------------|------------------------|--------------------|-----------------------|------------------------|
| WEIGHT OF LOT<br><u>45,150 lbs</u> | NUMBER OF<br><input type="checkbox"/> SACKS<br><input checked="" type="checkbox"/> BINS <u>21</u> | COLOR TAGS<br><u>PINK</u> | CROP YEAR<br><u>03</u> | STATE<br><u>GA</u> | MILL NO.<br><u>93</u> | LOT NO.<br><u>8076</u> |
|------------------------------------|---|---------------------------|------------------------|--------------------|-----------------------|------------------------|

QUALITY DESIGNATED BY SHIPPER (verbal or marked)  
HUMAN CONSUMPTION

GRADE INSPECTION CERTIFICATE NO.  
69307200

MEETS QUALITY DESIGNATED  
 FAILS QUALITY DESIGNATED

CHECK HIGHEST QUALITY DETERMINED:

|   |   |   |
|---|---|---|
| <input type="checkbox"/> RUNNER NO. 1 OR BETTER   | <input checked="" type="checkbox"/> U.S. SPLITS       | <input type="checkbox"/> EXPORT CRUSHING (Fragmented) |
| <input type="checkbox"/> SPANISH NO. 1 OR BETTER  | <input type="checkbox"/> "OTHER EDIBLE QUALITY"       | <input type="checkbox"/> OTHER (Specify) _____        |
| <input type="checkbox"/> VIRGINIA NO. 1 OR BETTER | <input type="checkbox"/> FAILS "OTHER EDIBLE QUALITY" |   |
| <input type="checkbox"/> P.A.C. "WITH SPLITS"     | <input type="checkbox"/> DOMESTIC CRUSHING            |   |

THIS SAMPLE IS DESIGNATED AS:  1-AB  2-AB  3-AB  1-CD  APPEAL  OTHER: \_\_\_\_\_

RESULTS FROM PREVIOUS SAMPLES: 1-AB 11 (ppb) 2-AB \_\_\_\_\_ (ppb) 1-CD \_\_\_\_\_ (ppb)

|  |  |               |                 |
|--|--|---------------|-----------------|
| PRODUCT: (Other than peanuts)<br><input type="checkbox"/> IN-SHELL BRAZIL NUTS<br><input type="checkbox"/> IN-SHELL PISTACHIO NUTS | <input type="checkbox"/> SHELLED PISTACHIO NUTS<br><input type="checkbox"/> OTHER: _____ | WEIGHT OF LOT | NUMBER OF SACKS |
|--|--|---------------|-----------------|

SHIPPER'S MARKS

|   |                       |                     |   |
|---|-----------------------|---------------------|---|
| TYPE OF ANALYSIS<br><input type="checkbox"/> KERNEL AND SHELL<br><input type="checkbox"/> KERNEL ONLY | APPROX. WT. OF SAMPLE | SAMPLE SHIPPED VIA: | RESULT OF ANALYSIS TO BE:<br><input type="checkbox"/> PHONED OR WIRED COLLECT<br><input type="checkbox"/> MAILED TO APPLICANT |
|---|-----------------------|---------------------|---|

REMARKS:

|   |   |                                |
|---|---|--------------------------------|
| SAMPLE SENT TO: (Name of Laboratory)<br><u>USDA-AMS-STP LAB</u> | (Address)<br><u>959 North Main St<br/>Birkely, GA 39823</u> | (Date sent)<br><u>11/13/03</u> |
|---|---|--------------------------------|

|                       |   |
|-----------------------|---|
| FEE <u>10.00</u>      | SIGNATURE OF INSPECTOR:<br><u>F. P. Wally</u> |
| POSTAGE               |   |
| TRANSPORTATION CHARGE | ADDRESS OF INSPECTOR:<br><u>Albany, GA</u>    |
| TOTAL <u>10.00</u>    |   |

FORM FV-187 (4-83) (Formerly FVQ Form 187 (3-80) which may be used)

**Example – Computer Generated 187**

**FV-187-CG**

UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL MARKETING SERVICE  
FRUIT AND VEGETABLE PROGRAMS  
NOTICE OF SAMPLING  
(FOR GRADE OR CHEMICAL ANALYSIS)

**G9301501**

*THIS IS TO CERTIFY That, in compliance with the regulations of the Secretary of Agriculture governing the inspection of fruits, vegetables, and nuts pursuant to the Agricultural Marketing Act of 1946, as amended, (7 U.S.C. 1621 etseq.) I, the undersigned, a duly authorized inspector of the United States Department of Agriculture, do hereby certify that, on the date indicated, samples drawn believed by me to be representative of the lot were as described below:*

|   |   |
|---|---|
| Sampling Started: 11/13/2003                              | Sampling for: Chemical Analysis                           |
| Applicant: MCCLESKEY PEANUTS L.P.<br>13070 SMITHVILLE, GA | Sampled at: MCCLESKEY PEANUTS, L.P.<br>736 SMITHVILLE, GA |
| Receiver: NOT GIVEN                                       | Shipper: MCCLESKEY PEANUTS, L.P.<br>SMITHVILLE, GA        |

Applicant States: 45,150 Lbs. Shelled Runner Type Peanuts in 21 Fiberboard Bins

Tagged Lot: Lot tagged with Pink tags inscribed:  
USDA - GEORGIA Federal-State Inspected  
House 93 Lot 8076 Crop 03  
Product of USA  
Splits (Runner Type) McCleskey Peanuts, L.P.  
Smithville, GA

Quality Designated by Shipper: HUMAN CONSUMPTION Certificate: G9307200 Meets Quality Designated

Highest Quality Determined: U.S. Splits

Sample Designated as: 2-AB Sample

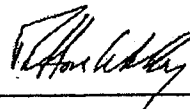
Results from Previous Samples:  
11 ppb 1-AB

PLI and Returned to Applicant's Agent. 11/17/2003

Remarks:

|                              |
|------------------------------|
| <i>Charges</i><br>10.00 2-AB |
| 10.00 Total                  |

SIGNATURE OF INSPECTOR:



## Part IV

# Requirements of the USDA Marketing Order Administration Branch (MOAB), USDA Farm Service Agency (FSA), and Grades of the American Peanut Shellers Association (APSA)

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### **(1) General**

The following outlines procedures for inspecting milled peanuts subject to MOAB Regulations, FSA requirements for the peanut purchase program, and/or APSA grades.

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### **(2) MOAB Minimum Quality Standards for Human Consumption**

---

#### **Aflatoxin Samples and Sample Designations**

Every lot of shelled peanuts marketed for edible trade as well as lots of cleaned in-shell peanuts that exceed 1.00 percent damaged kernels by mold, are required by MOAB regulations to be pre-tested for the presence of aflatoxin. Samples are required to be sent to either a USDA or USDA-approved laboratory.

In addition to the official MOAB samples, manufacturers may request that "Quality Control Samples" be analyzed for a more thorough check on the overall quality of the lot. The size of quality control samples vary from a single 5-pound sample to three 48-pound samples per lot. In order to furnish processors with additional samples upon request without drawing additional peanuts from a lot, most subsampling machines have been modified to provide an extra subsample of ground peanuts from the official Sample "#1" aflatoxin sample. However, such samples must not be furnished from official Samples "#2" or "#3" unless it can be confirmed by the laboratory performing the Sample #1 (official) analysis that these samples will not be needed. When reporting the various types of peanut samples on the 187, it is important that uniformity be maintained regarding sample designation. Use the sample designations described in Category I or II on the following pages, which are reported under the "Remarks" heading of each 187.

---

## Sampling and Grinding Peanuts for Laboratory Analysis

The following paragraphs outline the procedures required when sampling shelled peanuts for aflatoxin. (See pages 68 through 72 for aflatoxin sampling from bulk containers).

Draw a representative sample from at least 25 percent of the bags to total approximately 160 pounds. Of this amount, 144 pounds is used for aflatoxin analysis, while the remaining 16 pounds is used for a grade and a grade check sample.

Prior to shipment to the laboratory, the 144-pound aflatoxin sample must be further divided into 3 smaller samples (approximately 48 pounds each) by use of the Dickens mechanical rotating divider. This device is designed to divide the sample into 4 parts.

Each of the three 48-pound samples then must be placed in new burlap sacks or other suitable approved containers and tagged by either inserting or sewing a PLI tag to each sample container, conspicuously identifying them as Sample "#1," Sample "#2," and Sample "#3." The inspector's signature or some other type of identification must appear on each tag to ensure that the samples are/have not been tampered with. The original handwritten copy (or any computer generated copy) of the 187 must be enclosed with the first 48-pound sample and designated as Sample "#1." Per MOAB Regulations, USDA or USDA-approved laboratories are permitted to grind Sample "#1" in lieu of the Inspection Service.

Detailed procedures for dividing and identifying the sample(s) are provided in the following paragraphs.

---

## (3) Disposition of Samples

### Sample "#1"

This sample must be taken directly to a grinding station and the ground subsample prepared for laboratory analysis unless the applicant specifically requests that the sample be returned for testing at a later date or that the sample be returned to the applicant so that they may send it to a laboratory of their choice.

### Sample "#2"

This sample must be returned to the sheller at the time of sampling unless specifically requested to be taken to a grinding station at that time. In most cases, Sample "#2" will be left at the shelling plant and the sheller will either store or ship the sample with the lot of peanuts. If the average results of laboratory tests "I-A" and "I-B" is 9 parts per billion (ppb) to and including 45 ppb, the applicant will request the Inspection Service to prepare for delivery and/or send Sample "#2" to the lab. If a high percentage of the sheller's lots are showing levels of aflatoxin requiring Sample "#2," the sheller may request both Sample "#1" and "#2" (and possibly Sample "#3") be taken to the grinding station at the same time to avoid delay in laboratory results. **If a 187 is issued on a different date than the date the sample is sent to the laboratory, then the "issue date" must be stated under "Remarks."**

### Sample "#3"

The sheller's options for handling this sample are the same as for Sample "#2," except that Sample "#3" must be prepared for laboratory analysis when the average results of laboratory tests for "1-A," "2-A," "1-B" and "2-B" is 13 ppb to and including 23 ppb.

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### **Preparing Aflatoxin Samples**

The 48-pound aflatoxin sample(s) must be prepared as follows: Grind the entire 48-pound sample with a Dickens Subsampling Mill. The amount from the subsample output should be about 1,100 grams. However, in order to allow for variation in sample size from the subsampling mill, ground samples between 900 and 1,300 grams will be accepted by the laboratory. This will require an unground sample range of approximately 40 to 57 pounds if the subsampling mill is operating properly. USDA-approved laboratories have been instructed to return samples outside this range to the submitting inspection office and report all unacceptable samples to FOS. The entire amount of the ground subsample must be placed in a plastic bag or other suitable container and marked or labeled with the appropriate sample number and other necessary identification such as lot number, mill number, date, etc. Keep in mind you are not permitted to discard any portion of the ground sample to comply with the above requirements. Complete a 187 or a 184-9A and enclose a copy with each subsample sent to the laboratory. The date entered in the upper right corner of the form must be the date sampling began. When the sampling date is different from the date the subsample is prepared, it must be noted on the 187 in the "Date Sent" block. **(Warning: Ground samples received with less than 900 or more than 1,300 grams may be returned, which could prove cause for the lot having to be resampled.)**

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### **Cleaning the Subsampling Mill**

1. After grinding a sample, let the mill run long enough to completely clean out the grinding chamber before stopping.
2. Remove the grinding chamber and carefully remove and discard all material from the screen, funnel, etc. Some type of air pressure is necessary to clean these parts.
3. Lift the hinged cover over the subsampling section and use a long-handled brush to sweep all material from inside the subsampling section and spout into the subsample pan.
4. Remove the subsample pan with the subsample from the mill.
5. Clean the inside edges of the vertical vanes to make sure no loose particles fall onto the grinding chamber platform after cleaning or when the grinding chamber is replaced. Carefully sweep all material from the blades of the mill and from the grinding chamber platform. The blades may be rotated by hand to expose the entire platform.
6. Reclean the hinged top, the subsampling section, and the spout to make sure no loose particles are present. Close the cover.
7. Replace the grinding chamber and lock it in place with thumbscrews.
8. Clean the subsampling pan and return it to the mill.
9. A complete cleaning of the subsampling mill is required after grinding each sample.
10. The 1/4 inch screen is the largest opening permitted for official samples.



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## **Use of the Vertical Cutter Mill (VCM)**

In addition to the Dickens Subsampling Mill, the VCM is also approved for grinding aflatoxin samples. This device produces a paste-like substance as opposed to the peanut meal produced by the Dickens mill. Unlike the Dickens Mill, the VCM has no subsampling capability. Once the entire 48-pound aflatoxin sample is ground, the inspector must use a spoon or spatula to take small amounts of paste from various locations of the resulting mixture, eventually obtaining a portion of approximately 1,100 grams. (Again, labs may return samples outside the 900 to 1,300 gram range). This sample must be placed in an air tight, non-leaking container (zip lock bag, etc) for shipment to the lab for analysis. All other paperwork (187 or 184-9A) must be completed just as if using the Dickens Mill. Make sure that the entire VCM mixing apparatus is thoroughly cleaned before grinding the next sample.

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## **(4) Aflatoxin Sample Designations**

### **Designations for Ground Subsamples and Laboratory Tests**

#### **CATEGORY I**

**THE DESIGNATIONS IN THIS CATEGORY ARE THE ONLY AFLATOXIN SAMPLES OFFICIALLY RECOGNIZED BY FPB, MOAB, AND FSA.**

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### **MOAB Sampling Plan for Shelled Peanut Samples "1-AB," "2-AB," and "3-AB"**

These are the ground subsamples from the initial three 48-pound official samples required by MOAB for aflatoxin analysis.

#### **Subsample "1-AB"**

"1-AB" is the designation used to identify the ground subsample extracted from the 48-pound Sample "#1." The two laboratory tests from this sample are identified as "1-A" and "1-B" and are analyzed by a USDA or USDA-approved lab. The original copy of the 187 or designated copies of the 184-9A must be enclosed with subsample "1-AB." A fee charge must be shown on the 187, to be paid by the handler or receiver of the lot. If any additional costs are involved for sampling or preparation of subsample "1-AB," it should be charged on the 184-9A.

#### **Subsample "1-CD"**

"1-CD" must be used to identify the second subsample from the 48-pound Sample "#1," which is extracted at the same time as subsample "1-AB," by use of the two spout grinder. The "1-CD" subsample is furnished only upon request. The two tests from this sample are identified as "1-C" and "1-D" and are analyzed by a USDA-approved manufacturers' lab. When subsample "1-CD" has been requested, it will be necessary for the Inspection Service to hold Subsample "1-AB" until notified whether it will be required. The "1-AB" sample will be required when the average test results "1-C" and "1-D" is reported to be more than 8 ppb or at applicant's request. If this occurs, only an USDA-approved lab may be used to analyze Sample 1-AB.

It will be necessary to fill out a separate 187 for subsample "1-CD" and "1-AB." If known, the results of the two laboratory tests from subsample "1-CD" must be reported under the appropriate heading of the 187 for subsample "1-AB."

**Example:**

If the average ppb for "1-C" + "1-D" is reported to be more than 8 ppb, the results must be reported on the 187 and the original enclosed with subsample "1-AB" for delivery to the laboratory. However, if the average ppb for "1-C" + "1-D" is reported to be 8 ppb or less, state the following on the 187 for "1-AB": "( Name of Lab ) reported as negative on ( Date )." The original copy of the 187 must be filed in the FSIS office. Then, with the applicant's approval, subsample "1-AB" may be discarded.

**Subsample "2-AB"**

"2-AB" is used to identify the ground subsample extracted from the 48-pound "#2" sample. The two laboratory tests from this sample are identified a "2-A" and "2-B." This subsample must be sent to a USDA or USDA-approved lab when the average test results for "1-A" + "1-B" is reported to be 9 ppb up to and including 45 ppb.

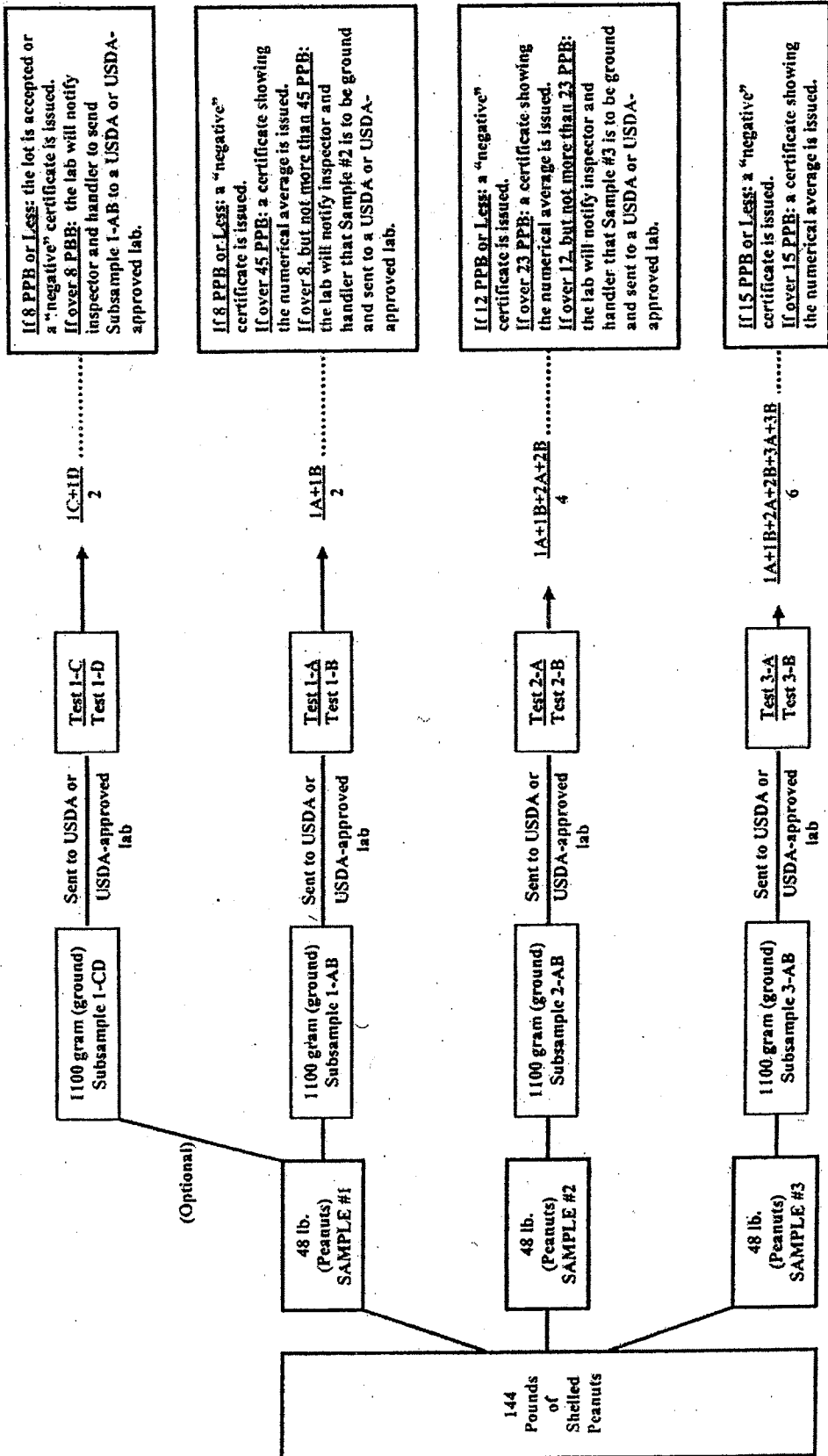
Enter the sheller (or any other financially interested party requesting aflatoxin sampling) as the applicant on the 187 and charge for normal costs of sample preparation for subsample "2-AB." If extra expenses are involved due to retrieving the 48-pound sample from a location other than the sheller's premises, then the sheller must be charged the additional cost. The original copy of the 187 must be mailed to the applicant and a copy enclosed with subsample "2-AB." **The average ppb as reported by the laboratory for "1-A" + "1-B" must also be shown under the "Remarks" heading of the 187.**

**Subsample "3-AB"**

"3-AB" is used to identify the ground subsample extracted from the 48-pound Sample "#3." The two laboratory tests from this sample are identified as "3-A" and "3-B." This subsample is to be sent to a USDA or USDA-approved lab when the average test results of "1-A" + "1-B" + "2-A" + "2-B" is reported to be 13 ppb up to and including 23 ppb. The sheller will be listed as the applicant on the 187 and charged for normal costs involving sample preparation. The original copy of the 187 must be mailed to the applicant and a copy enclosed with subsample "3-AB." If the average ppb for "2-A" + "2-B" is reported by the lab, then this value must be shown in the "2-AB" heading in the sample designation area of the 187. If the *average* of "1-A" + "1-B" + "2-A" + "2-B" is given, then that value must be entered in the "2-AB" heading, **including** the word "*average*" (or the abbreviation "*ave.*"). See the following page for diagram of sampling plan.

# Aflatoxin Sampling Plan

## AFLATOXIN SAMPLING PLAN - 1990 & SUBSEQUENT CROP YEARS



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## **(5) Costs**

All costs involved in sampling and testing "Subsample 1-CD" are for the account of the buyer(s) of the lot. The cost of the assay on "Subsample 1-AB" and a portion of the cost of drawing the three 48-pound samples, grinding Sample #1, and preparation and delivery of "Subsample 1-AB" (or Sample #1) to the laboratory are for the account of the applicant.

The following costs are also for the account of the applicant:

1. Cost of grinding and subsampling Sample #2 and delivering "Subsample 2-AB" to the lab.
2. Cost of lab analysis for tests "2-A" and "2-B."
3. Cost of grinding and subsampling Sample #3 and delivering "Subsample 3-AB" to the lab.
4. Cost of lab analysis for tests "3-A" and "3-B."

If any of the samples/subsamples are lost, misplaced, or spoiled and replacement samples are needed, the entire cost of drawing new samples are also for the account of the applicant.

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## **Packing Samples**

Be sure that all containers are packed and closed securely before mailing or transporting to the laboratory.

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## **Subsamples Given to Applicant**

Turning subsamples over to the applicant for delivery to the lab should be discouraged unless there is justification for doing so. When it is deemed necessary to give subsamples to the applicant for delivery to the lab, they must be bagged, sewn, and/or sealed in a manner in accordance with official PLI procedures.

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## **Subsamples Designated as Appeal Sample "1-6"**

These samples are analyzed when the result of the original analysis is in question. Such samples may be drawn at shipping point or at destination. The sampling procedure and sample preparation for "Appeal Samples" is basically the same as outlined for subsample "1-AB," "2-AB," and "3-AB," except as follows:

1. Sample must be drawn from at least 50 percent of the bags. (See pages 68 through 72 for procedures when drawing samples from bulk containers or bulk trailers and cars).
2. The entire 144-pound sample must be ground and only 1 subsample (the total output from the subsampling mill - approximately 3,300 grams), must be sent to the lab for analysis.

If a Dickens Subsampling Mill is not available at destination, the unground 144-pound sample may be sent to the lab. The laboratory will run 6 analyses for all appeals.

3. The sample container must be marked "Appeal Sample 1-6." If the sample consists of more than one container, mark them as "1 of 6," "2 of 6," "3 of 6," etc.
4. Check the "Appeal" block under the "Sample Designated" section.
5. All costs are charged to the account of the applicant.
6. Appeal samples must only sent to USDA or USDA-approved laboratories. See the following for instructions.

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## **(6) Aflatoxin Appeals – FSA Peanut Purchase Program**

FSA requires that all lots offered for the Peanut Purchase Program must be pre-tested for aflatoxin in accordance with MOAB regulations. If a lot's initial aflatoxin certificate was negative, it is acceptable for the Peanut Purchase Program and will not have to be updated. If the lot has been certified positive for aflatoxin, it may either be appealed or blanched. A failing lot that is blanched must have its PLI maintained throughout the blanching process and then must be retested for aflatoxin.

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## **(7) Appeal Aflatoxin Sampling Plan**

In addition to the initial sampling and testing pursuant to the official "Sampling Plan" on any lot of shelled peanuts, any financially interested party may request an "appeal" sample for aflatoxin purposes. Such requests must be made to a licensed inspector, FSIS, or the Federal Program Manager.

"Appeal" sampling may be applied to lots of peanuts packed in bags, bulk containers, or bulk railcars or trailers and before or after shipment from the handler's premises. For bagged lots, appeal samples must be drawn from **at least 50 percent of the bags** in the lot. If the lot is packed in bulk containers, railcars, or trailers, the appeal sample may be drawn by using an in-line mechanical sampler (while the initial sample is being drawn) *provided* that the sampling rate is at least one sample cut from every 250 pounds of product at the handler's premises and held by the inspector or (under PLI procedures) by the handler. The appeal sample may also be drawn by the inspector at the manufacturer's plant *provided* that a mechanical device approved by the Inspection Service that is capable of extracting an appropriate sample is made available to the inspector and *further provided* that PLI has been maintained on the lot. PLI is considered to have been maintained on bulk carriers if the official seals remain intact on the latches of the doors of all openings (normally used for unloading cargo) at the bottom of the bulk carrier.

The gross amount of peanuts drawn in each official appeal sample must be at least 144 pounds. The entire 144-pound sample must be forwarded by the inspector to the lab. If an approved subsampling mill is made available, the entire 144-pound sample may be ground and subsampled with the entire portion of the ground material diverted by the subsampling mill (approximately 3300 grams) forwarded to the lab. In order to allow for variation in sample size from the subsampling mill, ground samples weighing between 2,700 and 3,900 grams will be acceptable. USDA and USDA-approved laboratories have been instructed to return samples outside this range to the submitting inspection office and report all unacceptable samples to FOS. **(WARNING: Samples received with less than 2,700 or more than 3,900 grams may be returned by the lab, which would require the lot(s) to be resampled.)**

Either a 187 or a copy of the 184-9A must accompany the 144-pound sample (or 3,300 gram subsample) to the lab. Only USDA or USDA-approved labs are eligible to analyze official appeal samples.

The entire subsample can be analyzed as three subsamples of approximately 1,100 grams each with two tests on each subsample, *OR* as six subsamples of half that size with a test on each subsample. Regardless of the analysis method, six test results must be shown on the certificate, listing the individual test results as: Subsample #1, Subsample #2, Subsample #3, Subsample #4, Subsample #5, and Subsample #6.

All costs involved in appeal sampling and testing are for the account of the applicant. Accordingly, lab certificates must be issued to them in their name.

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## **(8) Appeal Aflatoxin Sampling of Shelled Peanuts in Cartons, Bulk Bins, or Tote/Super Sacks with the Dickens Pneumatic Aflatoxin Sampler**

J.W. Dickens of ARS developed a method and procedure for drawing aflatoxin samples from bulk bins, cartons or tote/super sacks. Samples drawn by this method must be used only for aflatoxin testing. It is the applicant's responsibility to furnish the sampler outside of peanut producing areas.

The approved sampler consists of a 5 foot by 1 inch (inside diameter) thin walled aluminum (or steel) sample tube, a 15 foot by 1 inch (inside diameter) flexible hose with smooth bore, and a shop-vac with casters. The sample tube is connected to the flexible hose which is mounted to the intake of the shop-vac.

The sampling tube, flexible hose and fittings to connect the flexible hose to the shop-vac may be purchased from Georgia Federal-State Shipping Point Inspection Service, Inc., P.O. Box 71767, Albany, Georgia, 31708-1767, Phone: 229-432-6201. The shop-vac may be purchased directly from a supplier. Contact your local FSIS office for a list of suppliers.

The pneumatic grade sampler may also be used to draw aflatoxin samples. However, a **pneumatic aflatoxin sampler cannot be used to draw grade samples**. The following procedure must be used when aflatoxin samples are drawn from bins, cartons or tote/super sacks.

For appeal samples to have official status, containers must be PLI'd. Inspectors must check containers prior to sampling to assure that PLI has been maintained and the cover and/or taping of the PLI tags has not been removed.

The applicant is responsible for making containers accessible so the Dickens or Whitaker/Slate Pneumatic sampler can be rolled to at least one side of the carton.

Openings must be made for the sample tube by cutting crosses in the tops of the containers. Each cut should be approximately 3 inches long. In addition to providing entry for the sample tube, the opening must also provide for entry of the air removed by the sampler. If this is not done, the sampler will not function properly. **NOTE:** After probes are taken, you must close each opening with tape in order to maintain PLI of the lot.

With the fan operating, insert the sample tube through the opening in the top of the container and take a vertical probe from top to bottom of the container. Push the tube downward rapidly enough to avoid extracting an excessive quantity of peanuts. When the tube reaches the bottom, the fan may be stopped to prevent drawing additional peanuts as the tube is retracted. (Note: If the extra peanuts will not make the sample too large, the tube may be extracted with the fan operating). The quantity of peanuts taken per probe can be controlled by the rate at which the probe is inserted and withdrawn. Experience will enable the operator to draw the desired quantity of peanuts with one probe per container. The rate of sampling must be the same from top to bottom of a container and the same quantity must be taken from each container sampled. **CAUTION:** It is the inspector's responsibility to ensure that the Dickens or Whitaker/Slate Pneumatic sampler is operating properly prior to its use. If the sampler is leaking air or otherwise damaged, it will not sample the peanuts properly. If the inspector believes that the sampler is not sampling correctly, they must have the air velocity checked before resuming use.

#### **Minimum Number of Probes per Container**

Alternate the position of successive probes so they are taken either 1/4, 1/2, or 3/4 the distance from the center to one side of the container. If the first container is probed 1/4 distance, probe the second 1/2 distance, the third 3/4 distance, etc. The second probe in a container will be taken opposite the first probe and successive probes in the container will be taken on center lines equal distances from those of the previous probes. Multiple probes from the same container will be taken at different distances from the center of the container.

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## **(9) Mechanical Device for Sampling Bulk Lots**

A mechanical device is approved for use in drawing official appeal samples from bulk rail-cars or trailers. Availability and use of the device are as follows:

1. The sampler tube and accessories may be purchased from: Georgia Federal-State Shipping Point Inspection Service, Inc., P.O. Box 71767, Albany, Georgia 31708-1767, PH: 229-432-6201. A shop-vac with casters is also required.
2. The 25-foot flexible hose on the sampler tube allows the sample to be collected in the shop-vac container while it is located on the ground beside the railcar or trailer. Four-foot sections of the sampling tube are added as the probe is made from top to bottom of the shipment. These sections are then removed as the tube is withdrawn.
3. With the fan operating, take vertical probes from top to bottom of the shipment. Push the tube downward rapidly enough to avoid taking an excessive quantity of peanuts. The amount taken per probe can be controlled by the rate of insertion and withdrawal of the tube. Experience will enable the operator to draw the desired quantity of peanuts.
4. The rate of sampling must be the same from top to bottom and must also be the same through every loading hatch. In other words, at least one top-to-bottom probe must be made through every loading hatch *and* the same number of probes must be made through all hatches. The first probe should be in the center of the hatch. If a second probe is necessary, it should be taken at one side of the hatch.
5. If too much sample is drawn, the quantity may be reduced by properly subdividing the entire sample. If additional sample is needed after the first set of probes, another probe must be made through every hatch. The second set of probes must be made more rapidly so the quantity of peanuts taken is less than taken by the first set of probes. The desired additional quantity of peanuts may be subdivided from those taken by the second set of probes and added to the peanuts taken by the first set.

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## **(10) Drawing Appeal Aflatoxin Samples on Shelled Peanuts in Terminal Markets**

A minimum of 50 percent of the containers must be sampled from lots of bags and similar sized packages. However, if a request is made for both a grade and appeal aflatoxin samples, it will be necessary for the market inspectors to check with the appropriate shipping point office to determine if the lot was sampled with an automatic sampler. If an automatic sampler was used at shipping point, then 100 percent of the bags must be sampled at the terminal market. Take at least one probe from every container on bulk bins and tote/super sack lots.



### **The total sample weight must be approximately 144 pounds**

The entire 144-pound sample or a ground subsample (approximately 3,300 grams) must be sent to an approved laboratory for analysis (see below). If requested to grind the 144-pound sample, the applicant must furnish a Dickens Subsampling Mill. The applicant (or their representative) may grind the sample, but it is the inspector's responsibility to ensure that the mill is thoroughly cleaned prior to grinding. Inspectors must observe the grinding process, with the subsample kept under their surveillance **at all times**. Those offices that have not previously furnished ground subsamples should contact FOS for additional instruction upon receiving the initial request to send a subsample in lieu of the 144-pound sample.

A 187 must be issued for each lot sampled. See **Part III** of this handbook for instructions on completing and distributing copies of this form. Under the "Remarks" heading of the 187, state "Appeal sample 1-6 sent to (name of laboratory and address)." The designation "Appeal sample 1-6" must be used for either the 144-pound sample or the ground subsample. If the applicant requests to be notified of the laboratory results, the phone number, fax number, mailing address, or e-mail address of the person to be contacted must be shown under "Remarks."

Unless instructed otherwise by FOS, appeal samples may be sent to any USDA or USDA-approved laboratory for analysis. Cost of shipping the sample must be paid at the point of shipment. If possible, arrange for the applicant to pay the charges, especially if an air freight service is used. The packaged sample must be turned over directly to the carrier by the Inspection Service. If it is necessary for the inspector to prepay the charges, the applicant will be billed for the cost.

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### **Aflatoxin Sampling Requirements for Cleaned In-Shell Peanuts**

MOAB regulations do not require cleaned in-shell peanuts be tested for aflatoxin unless they exceed 1.00 percent kernels damaged by mold. However, if tested, whether prior to or after shipment, the following plan must be used:

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### **Aflatoxin Sampling Procedure for Cleaned In-Shell Peanuts**

1. The applicant must contact the Federal or Federal-State Inspection Service and request that a sample be drawn. A minimum of 10 percent of the containers in the lot (20 percent for appeal samples) must be sampled. The in-shell sample drawn must be large enough to provide for 48 pounds of shelled kernels (approximately 70 pounds of in-shell peanuts). This sample is designated as "Sample #1."
2. In the event "Sample #2" or "Sample #3" is later requested, the inspector must resample the lot and provide for 48 pounds of kernels for each sample requested.
3. In some instances, the inspector may be requested by an applicant to draw a sample of sufficient size to provide for three 48-pound samples upon the initial sampling.
4. For appeals, all three samples must be drawn at the same time.

5. In each case, the 48-pound samples are designated as "Sample #1," "Sample #2," or "Sample #3." The samples must be analyzed using the existing pre-testing plan as described in the MOAB Regulations.

---

## **Aflatoxin Samples from Imported Peanuts**

### **Samples "1IMP," "2IMP," and "3IMP"**

These designations are used only for imported peanuts and alert aflatoxin lab personnel to treat the samples as imports. Similar to domestic peanuts, three 48-pound samples are used.

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## **Aflatoxin Samples from Peanut Meal**

### **Samples "M-1," "M-2," "M-3," and "M-4"**

These are samples drawn from peanut meal. When requested to draw an aflatoxin sample from peanut meal, sample as follows:

Draw a sample from at least 25% of the bags of sufficient size to provide 20 pounds of meal for aflatoxin analysis. Divide the 20-pound sample into two 10-pound samples by using an officially approved divider. The two 10-pound samples must be packed in suitable containers with proper identification and marked as samples "M-1" and "M-2." The original copy of the 187 must be enclosed with sample "M-1." Both samples are then mailed to a USDA or USDA-approved laboratory.

Depending upon the laboratory results of sample "M-1" and "M-2" the sheller or crusher may request the meal be resampled. For such requests, follow the same procedure as outlined above, except the two new samples are designated as "M-3" and "M-4." On the second 187, state the aflatoxin results (in ppb) for the "M-1" and "M-2" samples and send a copy with the sample marked "M-3." When requested by applicant, samples "M-3" and "M-4" may be drawn at the same time samples "M-1" and "M-2" are drawn.

All cost involved in the sampling, preparation and delivery of the sample to the laboratory and all testing for peanut meal are for the account of the applicant.

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## **(11) Unofficial Aflatoxin Samples**

### **CATEGORY II**

The sample designations in this category are used for "special request" samples. Even though these samples are officially drawn, they do not have official status as related to MOAB pre-testing requirements. When special requests are made for aflatoxin samples, inspectors should keep in mind that 1-AB, 2-AB, 3-AB, and numbers 1 through 6 are sample designations reserved only for samples officially recognized by MOAB.

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## (12) Summary of Unofficial Aflatoxin Samples

The following summary of sample designation codes and their corresponding meanings is provided to simplify reference as to the various sources and types of unofficial quality control samples.

The number "8" is the lowest "number" to be used when referring to unofficial quality control samples, *except* when the "1-CD" is not requested and an extra ground sample is furnished from the second spout of Sample #1. Then, it is designated as "AF-7-CD."

If only 1 analysis is requested, designate the sample using the letter "C." If 2 analyses are requested, designate the sample using the letters "CD."

| Code      | Meaning  |
|-----------|--|
| "AF-7-CD" | The <u>ground</u> subsamples from the second spout of a No. 1 aflatoxin sample when the "1-CD" has <b>not</b> been requested.  |
| "8"       | <u>Whole peanuts</u> drawn separately from the official 144-pound sample and submitted as whole peanuts. If peanuts are blanched, designate as "Blanched 8." This designation may also be used for samples submitted for lots destined for the European Union (E.U.) |
| "8C"      | Same as above, except the sample has been ground and the 900 to 1,300 gram subsample is submitted for 1 analysis. If peanuts are blanched, designate as "Blanched 8C."   |
| "8CD"     | Same as above, except 2 analyses are requested. If peanuts are blanched, designate as "Blanched 8CD."  |
| "AF"      | Designations beginning with the prefix "AF" signifies samples from an <u>unused portion</u> of the official 144-pound sample. This designation may also be used for samples submitted for lots destined for the E.U.   |
| "AF-EX"   | Sample designations ending with the letters "EX" signifies that extra peanuts were drawn at the same time as the official 144-pound sample. These "extras" are <b>in addition to</b> the official 144-pound sample.  |

For the purpose of uniformity in reporting the various types of unofficial samples, the following designations have been adopted.

**Samples "8," "9," "10," etc.**

These designations are used when additional peanuts are drawn separately from the official sample and the unground sample is sent to the laboratory. Begin the designations with number "8" and continue in numerical order. If peanuts are blanched, designate as "Blanched 8," "Blanched 9," "Blanched 10," etc. This designation may also be used for samples submitted for lots destined for the E.U.

**Subsamples "8-CD," "9-CD," "10-CD," etc.**

These designations are used when additional peanuts have been drawn separately from the three official samples and only the ground subsample is sent to the lab. Sending subsamples designated with the letters "CD" indicates to the lab that they are to run two separate analyses. If the applicant specifically requests that only one analysis be made, the samples are designated as "8-C," "9-C," "10-C," etc. If peanuts are blanched, designate as "Blanched 8-C," "Blanched 9-C," "Blanched 10-C," etc.

**Samples "AF-8," "AF-9," etc.**

When samples are furnished from an unused portion of the official 144-lb. aflatoxin sample, their designation must be prefixed with the letters "AF." For example, if official samples #2 and #3 were not required by the laboratory, but requested by the receiver, these samples would be designated "AF-8" and "AF-9" to indicate they were from the official aflatoxin samples 2 and 3. This designation may also be used for samples submitted for lots destined for the E.U.

**Subsamples "AF-7CD," "AF-8CD," "AF-9CD," etc.**

Ground subsamples furnished from a portion of the official 144-lb. aflatoxin sample are prefixed with the letters "AF" as follows: "AF-7CD," "AF-8CD," etc. This indicates that the subsample is from the second spout of the subsampling mill and was prepared at the same time as the "1-AB" sample. This subsample can only be furnished when the "1-CD" is **not** requested.

**Subsamples "AF-8-CD-EX," "AF-9-CD-EX," etc.**

When samples are furnished that are **in addition to** the official 144-lb. aflatoxin sample, they must be prefixed with the letters "AF" and end with the letters "EX." If an extra sample of whole peanuts (unground) is requested to be drawn at the same time as the regular 144-lb. sample, designate as "AF-8-EX." If a ground subsample is furnished, designate it as "AF-8-CD-EX."

"AF-8C" indicates a ground subsample from the official sample was previously marked as #2, but the #2 was not required. In this case, since the sample is marked only with the letter "C," the lab will run only one analysis. Regardless if one or two analyses are to be run, the amount of the total ground sample sent to the lab must be within the previously mentioned 900 to 1,300 gram range.

"AF-9CD" indicates a ground subsample from the official sample that was previously marked as #3, but not needed.

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## **(13) Moisture**

The maximum moisture content permitted for human consumption under MOAB Regulations is 9.00 percent for shelled and 10.00 percent for in-shell peanuts. Moisture content must be determined and reported on every inspection certificate. Report "actual" moisture content. Do not round results to the nearest whole number. If moisture exceeds 9.00 percent for shelled or 10.00 percent for in-shell peanuts, the lot fails to meet MOAB Outgoing Quality requirements. If the lot is offered for reinspection at a later date, a complete grade analysis must be performed to certify compliance with the MOAB Regulations.

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## **(14) Size**

All domestic lots of shelled peanuts shipped to edible trade must meet the tolerances for fall-through specified in the MOAB Outgoing Quality Regulations. Further, they may also be certified to any U.S. (or APSA grade, if applicable) using the screen size and fall-through tolerances specified for those grades.

### **Reporting Size**

When reporting size on the certificate, state the size of the openings of the screen used as well as the percentage that passes through the screen in the space provided on the 184-9A. For example: "2.18% sound whole kernels passing 16/64 x 3/4 inch slot screen, 0.76% sound portions passing 17/64 inch round hole screen."

## (15) MOAB Minimum Quality Standards – Peanuts for Human Consumption

### Lots of Whole Kernels or Whole Kernels with Splits – Maximum Limitations

| Type and Grade Category   | Unshelled Peanuts & Damaged Kernels | Unshelled Peanuts, Damaged Kernels, & Minor Defects | Total Fall Through, Sound Whole Kernels and/or Sound Split & Broken Kernels | Foreign Material | Moisture |
|---|-------------------------------------|---|---|------------------|----------|
| Runner  | 1.50%                               | 2.50%   | 6.00%; 17/64 inch round screen  | 0.20%            | 9.00%    |
| Virginia (Except No. 2)   | 1.50%                               | 2.50%   | 6.00%; 17/64 inch round screen  | 0.20%            | 9.00%    |
| Spanish & Valencia  | 1.50%                               | 2.50%   | 6.00%; 16/64 inch round screen  | 0.20%            | 9.00%    |
| No. 2 Virginia  | 1.50%                               | 3.00%   | 6.00%; 17/64 inch round screen  | 0.20%            | 9.00%    |
| Runner with Splits (Not more than 15% sound splits)             | 1.50%                               | 2.50%   | 6.00%; 17/64 inch round screen  | 0.20%            | 9.00%    |
| Virginia with Splits (Not more than 15% sound splits)           | 1.50%                               | 2.50%   | 6.00%; 17/64 inch round screen  | 0.20%            | 9.00%    |
| Spanish & Valencia with Splits (Not more than 15% sound splits) | 1.50%                               | 2.50%   | 6.00%; 16/64 inch round screen  | 0.20%            | 9.00%    |

### Lots of "Splits" – Maximum Limitations

| Type and Grade Category                       | Unshelled Peanuts & Damaged Kernels | Unshelled Peanuts, Damaged Kernels, & Minor Defects | Total Fall Through, Sound Whole Kernels and/or Sound Split & Broken Kernels | Foreign Material | Moisture |
|---|-------------------------------------|---|---|------------------|----------|
| Runner (Not less than 90% splits)             | 2.00%                               | 2.50%   | 6.00%; 17/64 inch round screen  | 0.20%            | 9.00%    |
| Virginia (Not less than 90% splits)           | 2.00%                               | 2.50%   | 6.00%; 17/64 inch round screen  | 0.20%            | 9.00%    |
| Spanish & Valencia (Not less than 90% splits) | 2.00%                               | 2.50%   | 6.00%; 16/64 inch round screen  | 0.20%            | 9.00%    |

## (16) Summary of Tolerances – Peanuts for Human Consumption

### U.S. Standards

| Grade Category            | Other Types | Foreign Material | Damaged Peanuts & Unshelled Kernels | Total Damaged, Unshelled, & Minor Defects |
|---------------------------|-------------|------------------|-------------------------------------|---|
| U.S. Extra Large Virginia | 0.75%       | 0.1%             | 1.00%                               | 1.75%                                     |
| U.S. Medium Virginia      | 1.00%       | 0.1%             | 1.25%                               | 2.00%                                     |
| U.S. No. 1 Virginia       | 1.00%       | 0.1%             | 1.25%                               | 2.00%                                     |
| U.S. Virginia Splits      | 2.00%       | 0.2%             | 2.00%                               | 2.00%                                     |
| U.S. No. 2 Virginia *     | 2.00%       | 0.2%             | 2.50% <sup>1</sup>                  | 2.50% <sup>1</sup>                        |
| U.S. No. 1 Runner         | 1.00%       | 0.1%             | 1.50%                               | 2.00%                                     |
| U.S. Runner Splits        | 2.00%       | 0.2%             | 2.00%                               | 2.00%                                     |
| U.S. No. 2 Runner         | 2.00%       | 0.2%             | 2.50% <sup>2</sup>                  | 2.50%                                     |
| U.S. No. 1 Spanish        | 1.00%       | 0.1%             | 1.50%                               | 2.00%                                     |
| U.S. Spanish Splits       | 2.00%       | 0.2%             | 2.00%                               | 2.00%                                     |

<sup>1</sup> The U.S. Standards for No. 2 Virginia-type peanuts provides for a tolerance of 2.50 percent for Total Damaged, Unshelled, and Minor defects, all of which may be strictly Damaged Peanuts and Unshelled Kernels. However, the 7CFR, Part 996 human consumption requirements provides for up to 3.00 percent for Total Damaged, Unshelled, & Minor Defects (column 5 above), but “caps” this amount at a maximum tolerance of 1.50 percent for Damaged Peanuts & Unshelled Kernels (column 4 above), exclusive of Minor Defects.

<sup>2</sup> The U.S. Standards for No. 2 Runner-type peanuts provides for a tolerance of 2.50 percent for Total Damaged, Unshelled, and Minor defects, all of which may be strictly Damaged Peanuts and Unshelled Kernels. While the 7CFR, Part 996 human consumption requirements provides for the same 2.50 percent for Total Damaged, Unshelled, & Minor Defects (column 5 above), this amount is “capped” at a maximum tolerance of 1.50 percent for Damaged Peanuts & Unshelled Kernels (column 4 above), exclusive of Minor Defects.

### MOAB Human Consumption Categories

| Grade Category  | Other Types | Foreign Material | Damaged Peanuts & Unshelled Kernels | Total Damaged, Unshelled, & Minor Defects |
|---|-------------|------------------|-------------------------------------|---|
| Runner  | No Limit    | 0.20%            | 1.50% <sup>3</sup>                  | 2.50%                                     |
| Spanish & Valencia  | No Limit    | 0.20%            | 1.50%                               | 2.50%                                     |
| Virginia (Except No. 2)   | No Limit    | 0.20%            | 1.50%                               | 2.50%                                     |
| No. 2 Virginia  | No Limit    | 0.20%            | 1.50% <sup>4</sup>                  | 3.00% <sup>4</sup>                        |
| Runner Splits (Not less than 90% splits or broken)                        | No Limit    | 0.20%            | 2.00%                               | 2.50%                                     |
| Spanish & Valencia Splits (Not less than 90% splits or broken)            | No Limit    | 0.20%            | 2.00%                               | 2.50%                                     |
| Virginia Splits (Not less than 90% splits or broken)                      | No Limit    | 0.20%            | 2.00%                               | 2.50%                                     |
| Runner with Splits (Not more than 15% sound splits or broken)             | No Limit    | 0.20%            | 1.50%                               | 2.50%                                     |
| Spanish & Valencia with Splits (Not more than 15% sound splits or broken) | No Limit    | 0.20%            | 1.50%                               | 2.50%                                     |
| Virginia with Splits (Not more than 15% sound splits or broken)           | No Limit    | 0.20%            | 1.50%                               | 2.50%                                     |

**Note:** "Splits" are what remains in the sample after separating out FM and any whole kernels.

<sup>3</sup> *The U.S. Standards allow a maximum of 2.50 percent for Damaged Peanuts and Unshelled Kernels in the No. 2 Runner grade*

<sup>4</sup> *The U.S. Standards allow a maximum 2.50 percent for these categories.*



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## (17) Maximum Lot Size for Edible Shipments

When a sheller desires to stockpile either shelled or cleaned in-shell peanuts and ship them in small lots over a period of time, the lots must be tagged with a lot number, inspected and certified as previously mentioned. Such lots may not exceed 200,000 pounds. As portions of the lot are shipped, the Inspection Service must, if so requested, issue transfer certificates covering the number of bags shipped and identify them with the original certificate. The 200,000 pound limitation also applies to bulk containers or bulk rail cars or trailers.

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## (18) MOAB Regulations for "Non-Edible Quality" Shelled Peanuts

"Non-edible quality" applies to any lot that does not meet the minimum requirements for human consumption. The only requirement for non-edible quality lots of peanuts is that they be PLI'd using red tags. Further, the following statement must be made under "Remarks" on the 184-9A when certifying non-edible peanuts:

**"Meets 7 CFR, Part 996 for non-edible quality"**

Non-edible quality peanut lots that do not have an aflatoxin certificate *or* lots with aflatoxin certificates showing 300 ppb or higher may only be sent to a crusher or exported. Non-edible quality peanuts that have an aflatoxin certificate showing less than 300 ppb may be sent to any non-edible outlet, but are subject to action levels set by the Food and Drug Administration (FDA) for aflatoxin. Non-edible quality peanuts are not required to be fragmented or dyed.

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## (19) Lots Packed for, but Failing Human Consumption Requirements

Lots that fail to meet the minimum requirements for "Human Consumption" cannot legally be shipped to the edible trade. Failing lots may be:

1. **Blanched**, regardless of the amount of damage, FM, moisture, or fall-through present in the lot. Lots previously certified as exceeding aflatoxin tolerances may also be blanched. Lots that are moved under this provision must be PLI'd, accompanied by a valid grade inspection certificate, and the title retained by the handler until the peanuts are blanched and certified as meeting all quality specifications for any of the human consumption grades in the MOAB Regulations, including fall-through. Lots that have been certified as meeting the minimum requirements for fall-through, damaged kernels, and/or minor defects prior to blanching are **exempt** from these requirements after blanching. However, in such instances, a statement must be made under "Remarks" as follows: "Meets 7CFR, Part 996 for Blanched Peanuts." If a lot fails on fall-through, damaged kernels, and/or minor defects prior to blanching, then these factors must be determined and certified after blanching. All other factors must also be determined after blanching.

**NOTE:** 7CFR Part 996.50 (2)(f) stipulates that a handler's shelled peanuts may be moved *without* PLI and grade inspection to the handler's blanching facility that blanches only the handler's peanuts. The title of such peanuts must be retained by the handler or importer until the peanuts have been certified by the Inspection Service as meeting MOAB outgoing quality standards.

2. **Remilled** by a USDA-approved remiller if failing "human consumption" for any reason. There are no limits for the amount of fall-through, damage, minor defects or FM that a lot may contain before it is allowed to be remilled. Lots of peanuts that are moved to approved commercial remillers under this provision must be PLI'd and accompanied by a valid grade inspection certificate with title retained by the handler until the peanuts are remilled and certified as meeting specifications of any edible grade in the MOAB Regulations. Any remilled lot must have a negative aflatoxin certificate before disposition for human consumption.
3. **Disposed of to any non-edible outlet**, provided they are PLI'd and red tagged. An aflatoxin certificate is required unless the lot is going to be crushed.

**NOTE:** All residuals from failing lots that are blanched or remilled must be treated the same as non-edible quality peanuts described in Section 18 on page 80.

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## **(20) Roasted Blanched Lots**

Lots that have met all MOAB quality requirements, but fail on aflatoxin may be blanched and immediately roasted in the same process. This is only allowed by USDA-approved blanchers. The Inspection Service will then draw an aflatoxin sample from the roasted lot. This process must be done under Inspection Service surveillance in order to maintain PLI. No determination of quality factors is made on roasted lots. A transfer certificate must be issued on such lots to maintain PLI of the original red-skin lot and corresponding 184-9A. The aflatoxin sample must be accompanied by a 187 when sent to the lab and, under "Remarks," must state "above lot blanched and roasted." (See 7CFR, Part 996.50 (2)(e)).

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## **(21) "Sheller Oil Stock" Quality**

This term applies to all peanuts or portions of peanuts that are separated from edible quality peanuts during the milling process by screening, sorting, or other means. The only requirement for "sheller oil stock" lots is that they be PLI'd using red tags or other methods acceptable to the Inspection Service. (The same as for "non-edible quality"). FM and moisture may be determined on "sheller oil stock" lots at the applicant's request. Such lots may be disposed of in the same manner as any non-edible quality lot. FM must be determined for sheller oil stock using the following procedure:

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## Sample Size

For all lots of screenings, the minimum size sample for FM analysis is 500 grams. For all lots of screenings mixed with LSK's or pick-outs, the minimum size sample is 1,000 grams. For all straight lots of LSK's or pick-outs, follow the sampling guide listed on page 9

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## Inspection Procedure

Determining FM in lots of oil stock is often a tedious and time consuming job, especially in lots of screenings that contain large amounts of peanut particles and meal. All lots must be examined closely and picked over by hand to remove FM. A Farmers' Stock peanut sheller may be used to separate very fine material. If unshelled peanuts, raisins, or twisters are present, remove the shells and weigh them with the FM.

All shelled stock offices should have at least two screens, one having 1/8 inch openings and the other 1/16 inch openings (about the size of window-screen wire). After the sample has been picked by hand, it should be screened over these two screens. The portion of the sample that passes through the 1/8 inch screen, but rides the 1/16 inch screen must be examined closely for small pieces of FM. The meal that passes through the 1/16 inch screen must be checked for dirt. Remember, FM means all pieces or loose particles of any substance other than peanut kernels or skins.

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## (22) Shelled Peanuts Originating from Seg. I, II or III, Farmers' Stock

All shelled peanut lots, regardless of their original Farmers' Stock segregation, that are destined for human consumption must be PLI'd, certified to a MOAB human consumption grade, and certified negative for aflatoxin. Lots that are sent to any non-edible outlet are only required to be PLI'd using red tags or other methods acceptable to the Inspection Service. (Same as for "non-edible quality.") An aflatoxin certificate is also required unless the lot is going to be crushed.

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## (23) Aflatoxin Samples for Non-Edible Quality Peanuts

Aflatoxin testing requirements for non-edible quality depends upon the category of peanuts and the disposition of the lot. If requested to draw such samples, use the procedure as outlined for shelled peanuts for human consumption.

**NOTE: All costs involving sampling, sample preparation, delivery of the samples to the laboratory, and testing for non-edible quality are for the account of the applicant.**

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## (24) MOAB Requirements for Cleaned In-Shell Peanuts for Human Consumption

**Moisture** - Not more than 10.00%.

**Size** - No requirement.

**FM** - Not more than 0.50%.

**Defects** - Not more than 2.00% peanuts with damaged kernels. Not more than 1.00% kernels damaged by mold, unless tested and found negative for aflatoxin.

**NOTE:** See pages 72 & 73 for Aflatoxin Sampling Plan for Cleaned In-Shell Peanuts.

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## (25) Storage Lots

\*\*\* MOAB Regulations permit shellers to transfer lots of peanuts from one of their own plants to their own blanching facility which only blanches that handler's peanuts without having a valid grade certificate or PLI.

PLI tags may be issued prior to inspection for lots that the sheller plans to have graded and placed into storage at a location beyond the surveillance of the Inspection Service. Since the words "Federal-State Inspected" appears on the PLI tags, the Inspection Service and the sheller, if applicable, must maintain accurate records of all tags issued to ensure that all such lots are inspected and accounted for. Refer to Part II of these instructions for details on accountability of tags. Use of official FSIS PLI tags on lots of milled peanuts that have not been inspected is prohibited. \*\*\*\*

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## (26) Inspecting Peanuts for the FSA Peanut Purchase Program

FPB and FSIS Inspectors have the obligation for determining compliance with the FSA Peanut Purchase Program (Peanut Product Announcement PP-9 or simply, "PP-9"). Accordingly, FPB and FSIS Inspectors, as well as Processed Products Branch (PPB) inspectors, are involved in ascertaining these quality requirements. FSIS inspectors are responsible for determining quality and size requirements, drawing aflatoxin samples from red skin or blanched lots, and maintaining PLI for custom blanched lots. PPB inspectors are responsible for maintaining PLI from the time raw peanuts are delivered to a processing plant through the processing of the end product. To assist PPB in determining compliance of the raw product, it is important that both update and transfer certificates indicate whether a lot meets PP-9 requirements. When requested to perform an update inspection, it must be determined from the applicant if the lot is intended for the FSA purchase program. If so, it must be stated on the certificate whether the lot meets or fails to meet PP-9 for roasting, peanut butter, or granules, whichever applicable. (See item #9 on page 86).

1. Produced in the USA.
2. Produced from the current crop year stocks or as specified in the applicable bid invitation.
3. Pre-tested for aflatoxin at the contractor's expense in accordance with 7CFR, Part 996 by a USDA or USDA-approved laboratory and found to be negative.
4. If it is determined that the lot does not meet the aflatoxin requirements based on the original analysis or by means of an appeal inspection certificate, the lot must be resampled and tested for aflatoxin after blanching (provided blanching is required).

Tables 1 and 2 list the grades allowed for purchase under this announcement. All lots of peanuts meeting one of the grades in the following tables must also meet the requirements specified in item #5 on the following page.

**TABLE 1 – PEANUT GRADES FOR PEANUT BUTTER AND PEANUT GRANULES**

| <b>U.S. and APSA grades that may be used for peanuts to be processed into peanut butter or peanut granules are:</b> |                                |
|---|--------------------------------|
| U.S. No. 1 Runner   | APSA Jumbo Runner              |
| U.S. No. 1 Spanish  | APSA Medium Runner             |
| U.S. No. 1 Virginia   | APSA No. 1 Runner              |
| U.S. Runner Splits  | APSA Runner Grades with Splits |
| U.S. Spanish Splits   | APSA Runner Splits             |
| U.S. Virginia Splits  | APSA No. 2 or Small Runner     |
| U.S. Extra Large Virginia   | Valencia type                  |
| U.S. Medium Virginia  |                                |
| U.S. No. 2 Virginia (minimum 80% splits)  |                                |

**TABLE 2 – PEANUT GRADES AND MINIMUM SIZES FOR ROASTED PEANUTS**

| <b>Grade &amp; minimum screen sizes for peanuts to be processed from roasted peanuts are:</b> |                            |
|---|----------------------------|
| <b>Grade</b>  | <b>Minimum Screen Size</b> |
| U.S. No. 1 Runner   | 18/64 x 3/4 inch slot      |
| U.S. No. 1 Spanish  | 15/64 x 3/4 inch slot      |
| U.S. No. 1 Virginia   | 18/64 x 1 inch slot        |
| U.S. Extra Large Virginia   | 20/64 x 1 inch slot        |
| U.S. Medium Virginia  | 18/64 x 1 inch slot        |
| APSA Jumbo Runner   | 21/64 x 3/4 inch slot      |
| APSA Medium Runner  | 18/64 x 3/4 inch slot      |
| Valencia type   | 15/64 x 3/4 inch slot      |

5. The quality of the shelled peanuts utilized in this program must be within the requirements of current grades as outlined in Table 1 or Table 2, provided that a tolerance of not more than **2.00 percent** by weight is permitted for **minor defects and damaged combined**, including therein not more than **1.25 percent for damage**; and provided further for lots required to be **U.S. No. 1 Grade or better**, peanuts may contain not more than **3.00 percent split or broken kernels**; or when peanuts are removed **from cold storage or when remilled prior to usage**, the lot of peanuts may contain not more than **6.00 percent split or broken kernels**. Alternatively, manufacturers are authorized to use **U.S. No. 2 Virginia** lots containing a **minimum of 80.0 percent splits**.

**NOTE:** Keep in mind that the grades listed in Tables 1 and 2 allow a damage tolerance in excess of the restricted 1.25% damage tolerance specified in the peanut purchase announcement. For example, a lot of Runner type peanuts containing 1.30% damage would grade U.S. No. 1 Runner and meet MOAB Regulations for human consumption, but fail PP-9 purchase specifications.

6. The rail cars or trailers in which peanuts are loaded must be clean, sanitary, and in a condition to protect the commodity during transit so that the peanuts arrive at destination free from contamination.
7. Except for lots where the finished product is to be unblanched roasted Spanish type peanuts, the contractor may elect to blanch the peanuts en route, in which case it is the contractors responsibility to inform custom blanchers as follows:

The Inspection Service must be given advance notice of any incoming lot. The notice must include:

- a. The dates the lot will arrive at the blanching facility;
- b. The lot manifest;
- c. The lot identification;
- d. The name of the prime contractor; and
- e. The announcement and invitation number under which the lot is being tendered as well as the type of end product to be manufactured for delivery.

The Inspection Service must monitor the lot for PLI. Manufacturers of commercial peanut butter may use any USDA-approved blanching facility. The Peanut Purchase Program does not require a lot be inspected after blanching as long as it has a valid inspection certificate showing size and grade factors met the requirements of the announcement prior to blanching and PLI has been maintained.

**NOTE:** The Memorandum of Understanding (MOU) between MOAB and approved blanchers requires all lots that fail the Outgoing Quality Requirements for any reason be inspected and certified as meeting MOAB requirements for grade, size (unless meeting size prior to blanching), and aflatoxin before the lot may be manufactured into finished product or shipped to a manufacturer.

Once a lot that has met the requirements of the announcement has been blanched and PLI has been maintained, a transfer certificate must be issued containing a statement showing compliance with the announcement.

8. The original certificates for grade and aflatoxin showing that grade factors and aflatoxin levels met the requirements of the announcement is all that is required. Updates will not be required. However, PLI must be maintained.
9. A statement showing compliance with the announcement will usually not appear on the grade certificate since it is not normally known at the time of inspection if the lot is destined for the peanut purchase program. However, this fact is known at the time of the original inspection and the lot meets the requirements of the announcement, then a statement showing compliance with the announcement may be shown on the grade certificate under "Remarks" to read as follows:

*"Meets Quality Requirements of FSA Announcement ( number ) for ( Peanut Butter / Peanut Granules / Roasted Peanuts )"*

**EXAMPLE:** *"Meets Quality Requirements of FSA Announcement PP-9 for Peanut Butter"*

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## **(27) Official Trading Rules of the American Peanut Shellers Association (APSA)**

The APSA has established kernel size and grade classifications as part of the Association's Official Trading Rules. The following pages contain instructions pertaining to these grade classifications.

Inspectors must use caution in determining the exact percentages of various classes of defective kernels even though they may exceed the U.S. grade tolerance or tolerances established by the Association. Adjustments in prices are sometimes made on the basis of the exact percentage reported on the certificate regardless of whether the percentage is within or exceeds a given tolerance.

### **Official Rules of the American Peanut Shellers Association Revised 2004**

#### **(A) APSA SHELLED RUNNER PEANUTS - GRADES**

##### **RULE 1.**

**Section 1. Jumbo Runner.** *Jumbo Runner* consists of shelled Runner-type peanut kernels of similar varietal characteristics which are whole and free from foreign material, damage, and minor defects, and which not pass through a screen having 21/64 x 3/4 inch openings.

In order to allow for variations incident to proper grading and handling, the following tolerances, by weight, shall be permitted:

- (1) 1.00 percent for other types of peanuts;
- (2) 3.00 percent for sound peanuts which are split or broken;
- (3) 1.00 percent for damage;
- (4) 2.00 percent for damage and minor defects combined;
- (5) 0.10 percent for foreign material;
- (6) 9.00 percent for moisture; and
- (7) 5.00 percent for sound kernels which will pass through the prescribed screen as to fall-through; and otherwise meet Minimum Quality Standards as published in 7CFR, Part 996.

**Section 2. Medium Runner. *Medium Runner*** consists of shelled Runner-type peanut kernels of similar varietal characteristics which are whole and free from foreign material, damage and minor defects, milled through a screen having 21/64 x 3/4 inch openings and which will not pass through a screen having 18/64 x 3/4 inch openings.

In order to allow for variations incident to proper grading and handling, the following tolerances, by weight, shall be permitted:

- (1) 1.00 percent for other types of peanuts;
- (2) 3.00 percent for sound peanuts which are split or broken;
- (3) 1.00 percent for damage,
- (4) 2.00 percent for damage and minor defects combined,
- (5) 0.10 percent for foreign material;
- (6) 9.00 percent for moisture; and
- (5) 5.00 percent for sound whole kernels which will pass through the prescribed screen as to fall-through; and otherwise meet Minimum Quality Standards as published in 7CFR, Part 996.

**Section 3. APSA No. 1 Runner. *No. 1 Runner*** consists of shelled Runner-type peanut kernels of similar varietal characteristics which are whole and free from foreign material, damage and minor defects, milled through a screen having 18/64 x 3/4 inch openings and which will not pass through a screen having 16/64 x 3/4-inch openings.

In order to allow for variations to proper grading and handling, the following tolerances, by weight, shall be permitted:

- (1) 1.00 percent for other types of peanuts;
- (2) 3.00 percent for sound peanuts which are split or broken;
- (3) 1.50 percent for damage;
- (4) 2.50 percent for damage and minor defects combined;
- (5) 0.10 percent for foreign material;
- (6) 9.00 percent for moisture; and
- (7) 5.00 percent for sound whole kernels which will pass through the prescribed screen and otherwise meet Minimum Quality Standards as published in 7CFR, Part 996 as to fall-through.



**Section 4. Runner Grades with Splits.** Runner grades described in foregoing Sections 1, 2, and 3 and further identified by the words, "with splits," as follows: "Jumbo Runner with Splits," "Medium Runner with Splits," and "No. 1 Runner with Splits." Tolerances to allow for variations incident to proper grading and handling shall be the same as those set forth in the above sections except 15.00 percent for sound peanuts which are split or broken, of which not over 6.00 percent will pass through a 17/64 inch round opening screen, shall be permitted.

**Section 5. Runner Splits.** *Runner Splits* consists of shelled Runner-type peanut kernels of similar varietal characteristics which are split or broken, but which are free from foreign material, damage and minor defects and which will not pass through a screen having 17/64 inch round openings.

In order to allow for variations incident to proper grading and handling, the following tolerances, by weight, shall be permitted:

- (1) 2.00 percent for other types of peanuts;
- (2) 1.50 for damage;
- (3) 2.50 percent for damage and minor defects combined;
- (4) 0.20 percent for foreign material;
- (5) 9.00 percent for moisture; and otherwise meet Minimum Quality Standards as published in 7CFR, Part 996 as to fall-through and percent split or broken kernels.

**Section 6. APSA No. 2 or Small Runner.** *No. 2 or Small Runner* consists of shelled Runner-type peanut kernels of similar varietal characteristics which may be split or broken, but which are free from foreign material, damage and minor defects, and which will not pass through a screen having 17/64 inch round openings.

In order to allow for variations incident to proper grading and handling, the following tolerances, by weight, shall be permitted:

- (1) 2.00 percent for other types of peanuts;
- (2) 1.50 percent for damage;
- (2) 2.50 percent for damage and minor defects combined;
- (3) 0.20 percent for foreign material;
- (4) 9.00 percent for moisture; and
- (5) otherwise meet Minimum Quality Standards as published in 7CFR, Part 996 as to fall-through

**Section 7. Application of Tolerances.** The tolerances provided in these standards are on a lot basis and shall be applied to a composite sample representative of the lot. However, any container or group of containers in which peanuts are obviously of a quality materially different from that in the majority of containers shall be considered a separate lot, and shall be sampled separately.

**(B) APSA SHELLED SPANISH PEANUTS - GRADES**

**RULE 2.**

**Section 1. No. 1 Spanish. *No. 1 Spanish*** consists of shelled Spanish-type peanut kernels of similar varietal characteristics which are whole and free from foreign material, damage, and minor defects, and which will not pass through a screen having 15/64 x 3/4 inch openings.

In order to allow for variations to proper grading and handling, the following tolerances, by weight, shall be permitted-

- (1) 1.00 percent for other type peanuts;
- (2) 3.00 percent for sound peanuts which are split or broken;
- (3) 1.50 percent for damage;
- (4) 2.50 percent for damage and minor defects combined;
- (5) 0.10 percent for foreign material;
- (6) 9.00 percent for moisture; and
- (7) 5.00 percent for sound whole peanuts which will pass through the prescribed screen and otherwise meet Minimum Quality Standards for splits as published in 7CFR, Part 996 as to fall-through.

**Section 2. Spanish Splits. *Spanish Splits*** consists of shelled Spanish-type peanut kernels of similar varietal characteristics which are split or broken, but are free from foreign material, damage and minor defects, and which will not pass through a screen having 16/64 inch round openings.

In order to allow for variations incident to proper grading and handling, the following tolerances, by weight, shall be permitted:

- (1) 2.00 percent for other type of peanuts;
- (2) 1.50 percent for damage;
- (3) 2.50 percent for damage and minor defects combined;
- (4) 0.20 percent foreign material;
- (5) 9.00 percent for moisture; and otherwise meet Minimum Quality Standards as published in 7CFR, Part 996 as to fall-through and percent split or broken kernels.

**Section 3. No. 2 Spanish. *No. 2 Spanish*** consists of shelled Spanish-type peanut kernels of similar varietal characteristics which may be split or broken, but which are free from foreign material, damage and minor defects, and which will not pass through a screen having 16/64 inch round openings.

In order to allow for variations incident to proper grading and handling, the following tolerances, by weight, shall be permitted:

- (1) 2.00 percent for other types of peanuts;
- (2) 1.50 percent for damage;
- (3) 2.50 percent damage and minor defects combined;
- (4) 0.20 percent foreign material;
- (5) 9.00 percent for moisture; and otherwise meet Minimum Quality Standards as published in 7CFR, Part 996 as to fall-through.

**Section 4. Application of Tolerances.** The tolerances provided in these standards are on a lot basis and shall be applied to a composite sample representative of the lot. However, any container or group of containers in which peanuts are obviously of a quality materially different from that in the majority of containers shall be considered a separate lot, and shall be sampled separately.

### (C) APSA SHELLED VIRGINIA PEANUTS - GRADES

#### RULE 3.

**Section 1. Extra Large Virginia. *Extra Large Virginia*** consists of shelled Virginia-type peanut kernels of similar varietal characteristics which are whole and free from foreign material, damage and minor defects, and which will not pass through a screen having 20/64 x 1 inch openings.

In order to allow for variations incident to proper grading and handling the following tolerances, by weights, shall be permitted:

- (1) 0.75 percent for other varieties of peanuts;
- (2) 3.00 percent for sound peanuts which are split or broken;
- (3) 1.00 percent for damaged or unshelled peanuts;
- (4) 0.75 percent for minor defects; provided, that in addition, any unused part of the tolerance for damaged or unshelled peanuts shall be allowed for minor defects;
- (5) 0.10 percent for foreign material; and
- (6) 9.00 percent for moisture
- (7) 5.00 percent for sound, whole peanuts which will pass through the prescribed screen and otherwise meet minimum quality standards as published in 7CFR, Part 996 as to fall-through.

**Section 2. Medium Virginia. *Medium Virginia*** consists of shelled Virginia-type peanut kernels of similar varietal characteristics which are whole and free from foreign material, damage and minor defects, and which will not pass through a screen having 18/64 x 1 inch openings.

In order to allow for variations incident to proper grading and handling, the following tolerances, by weight, shall be permitted:

- (1) 1.00 percent for other varieties of peanuts;
- (2) 3.00 percent for sound peanuts which are split or broken;
- (3) 1.25 percent for damaged or unshelled peanuts;
- (4) 0.75 percent for minor defects; provided, that in addition, any unused part of the tolerance for damaged or unshelled peanuts shall be allowed for minor defects;
- (5) 0.10 percent for foreign material
- (6) 9.00 percent for moisture; and
- (7) 5.00 percent for sound, whole peanuts which will pass through the prescribed screen otherwise meet minimum quality standards as published in 7CFR, Part 996 as to fall through.

**Section 3. No. 1 Virginia. *No. 1 Virginia*** consists of shelled Virginia-type peanut kernels of similar varietal characteristics which are whole and free from foreign material, damage and minor defects, and which will not pass through a screen having 15/64 x 1 inch openings.

In order to allow for variations incident to proper grading and handling, the following tolerances, by weight, shall be permitted:

- (1) 1.00 percent for other varieties of peanuts;
- (2) 3.00 percent for sound peanuts which are split or broken;
- (3) 1.50 percent for damaged or unshelled peanuts;
- (4) 2.50 percent damage and minor defects combined;
- (5) 1.00 percent for minor defects; provided, that in addition, any unused part of the tolerance for damaged or unshelled peanuts shall be allowed for minor defects;
- (6) 0.10 percent for foreign material
- (7) 9.00 percent for moisture; and
- (8) 5.00 percent for sound, whole peanuts which will pass through the prescribed screen otherwise meet minimum quality standards as published in 7CFR, Part 996 as to fall through.

**Section 4. Virginia Splits.** *Virginia Splits* consists of shelled Virginia-type peanut kernels of similar varietal characteristics which are free from foreign material, damage and minor defects, and which will not pass through a screen having 20/64 inch round openings. Not less than 90.00 percent, by weight, shall be splits.

In order to allow for variations incident to proper grading and handling, the following tolerances, by weight, shall be permitted:

- (1) 2.00 percent for other varieties of peanuts;
- (2) 1.50 percent for damaged or unshelled peanuts;
- (3) 2.50 percent for damaged or unshelled peanuts and minor defects;
- (4) 0.20 percent for foreign material
- (5) 9.00 percent for moisture; and
- (6) 5.00 percent for sound portions of peanuts and sound whole kernels which will pass through the prescribed screen and otherwise meet minimum quality standards as published in 7CFR, Part 996 as to fall through and percent split or broken kernels.

**Section 5. No 2 Virginia.** *No. 2 Virginia* consists of shelled Virginia-type peanut kernels of similar varietal characteristics which may be split or broken, but which are free from foreign material, damage and minor defects, and which will not pass through a screen having 17/64 inch round openings.

In order to allow for variations incident to proper grading and handling, the following tolerances, by weight, shall be permitted:

- (1) 2.00 percent for other varieties of peanuts;
- (2) 1.50 percent for damaged or unshelled peanuts;
- (3) 3.00 percent for damaged or unshelled peanuts and minor defects;
- (4) 0.20 percent for foreign material
- (5) 9.00 percent for moisture; and
- (6) otherwise meet minimum quality standards as published in 7CFR, Part 996 as to fall through.

**Section 6. Application of Tolerances.** The tolerances provided in these standards are on a lot basis and shall be applied to a composite sample representative of the lot. However, any container or group of containers in which the peanuts are obviously of a quality materially different from that in the majority of containers shall be considered a separate lot, and shall be sampled separately.

## Definitions

**Similar varietal characteristics** - For all types of peanuts referenced in the APSA grades, "similar varietal characteristics" means that the peanut kernels in the lot are not of distinctly different varieties. For example, Spanish-type must not be mixed with Runner-type.

- (a) **Whole** - the peanut kernel is not split or broken.
- (b) **Split** - the separated half of a peanut kernel.
- (c) **Broken** - more than one-fourth of the peanut kernel is broken off.
- (d) **Foreign Material** - pieces or loose particles of any substance other than peanut kernels or skins.
- (e) **Unshelled** - a peanut kernel with part or all of the hull (shell) attached.
- (f) **Portion** - part or parts of a peanut kernel other than a whole.
- (g) **Minor defects** - the peanut kernel is not damaged, but is affected by one or more of the following:
  - (1) Skin discoloration which is dark brown, dark gray, dark blue or black and covers more than one-fourth of the surface;
  - (2) Flesh discoloration which is darker than a light yellow color or consists of more than a slight yellow pitting of the flesh;
  - (3) Sprout extending more than one-eighth of an inch from the tip of the kernel; and
  - (4) Dirt when the surface of the kernel is distinctly dirty, and its appearance is materially affected.
- (h) **Damage** - the peanut kernel is affected by one or more of the following:
  - (1) Rancidity or decay;
  - (2) Mold;
  - (3) Insect or worm cuts, web or frass;
  - (4) Freezing injury causing hard, translucent or discolored flesh;
  - (5) Dirt when the surface of the kernel is heavily smeared, thickly flecked or coated with dirt, seriously affecting its appearance; and
  - (6) Unshelled.
- (i) **Sound** - whole peanuts or portions free from damage or minor defects.

(D) APSA IN-SHELL VIRGINIA PEANUTS - GRADES

RULE 4.

**Section 1.** Grades shall be the same as for U.S. standards.

**Section 2. Jumbo Hand Picked.** *Jumbo Hand Picked* shall consist of cleaned Virginia-type peanuts in the shell, which are mature, dry, and free from loose peanut kernels, dirt or other foreign material, pops, paper ends, and from damage caused by cracked or broken shells, discoloration or other means. The kernel shall be free from damage from any cause. In addition, the peanuts shall not pass through a screen having 37/64 x 3 inch perforations or the unshelled peanuts in any lot shall not average more than 176 count per pound.

In order to allow for variations incident to proper grading and handling, the following tolerances, by weight, shall be permitted:

1. 10.00 percent total for pops, peanuts having paper ends or damaged shells, loose undamaged peanut kernels, and dirt or other foreign material, but not more than one-twentieth of this amount, or 0.50 percent shall be allowed for dirt or other foreign material.
2. 5.00 percent for peanuts which will pass through the prescribed screen, but which are free from pops and from peanuts having paper ends or damaged shells.
3. 3.50 percent for peanuts with damaged kernels and damaged loose kernels.

**Section 3. Fancy Hand Picked.** *Fancy Hand Picked* shall consist of cleaned Virginia-type peanuts in the shell, which are mature, dry, and free of loose peanut kernels, dirt or other foreign material, pops, paper ends, and from damage caused by cracked or broken shells, discoloration or other means. The kernels shall be free from damage from any cause. In addition, the peanuts shall not pass through a screen having 32/64 x 3 inch perforations or the unshelled peanuts in any lot shall not average more than 225 count per pound.

In order to allow for variations incident to proper grading and handling, the following tolerances, by weight, shall be permitted.

1. 11.00 percent total for pops, peanuts having paper ends or damaged shells, loose undamaged peanut kernels, and dirt or other foreign material, but not more than one twenty-second of this amount, or 0.50 percent, shall be allowed for dirt or other foreign material.
2. 5.00 percent for peanuts which will pass through the prescribed screen, but which are free from pops and from peanuts having paper ends or damaged shells.
3. 4.50 percent for peanuts with damaged kernels, and damaged loose kernels.

**Section 4. Unclassified.** *Unclassified* shall consist of cleaned Virginia-type peanuts in the shell which fail to meet the requirements of either of the foregoing grades. The term "unclassified" is not a grade within the meaning of these standards but is provided as a designation to show that no definite grade has been applied to the lot.

**Section 5. Application of Tolerances.** The tolerances provided in these standards are on a lot basis and shall be applied to a composite sample representative of the lot. However, any container or group of containers in which peanuts are obviously of a quality materially different from that in the majority of containers shall be considered a separate lot, and shall be sampled separately.

### **Definitions**

- (a) **Mature** - the shells are firm and well developed.
- (b) **Pops** - fully developed shells which contain practically no kernels.
- (c) **Paper ends** - peanuts which have very soft and/or very thin ends.
- (d) **Damage** - any injury or defect which materially affects the appearance, edible or shipping quality of the individual peanut or the lot as a whole. The following shall be considered as damage:
  - (1) Cracked or broken shells which have been broken to the extent that the kernel within is plainly visible without minute examination and with no application of pressure, or the appearance of the individual peanut is materially affected.
  - (2) Discolored shells which have dark discoloration caused by mildew, staining, or other means affecting one-half or more of the shell surface. Talc powder or other similar material which may have been applied to the shells during the cleaning process shall not be removed to determine the amount of discoloration beneath, but the peanut shall be judged as it appears with the talc.
  - (3) Kernels which are rancid or decayed.
  - (4) Moldy kernels.
  - (5) Kernels showing sprouts extending more than one-eighth inch from the end of the kernel.
  - (6) Distinctly dirty kernels.
  - (7) Kernels which are wormy, or have worm frass adhering, or have work cuts which are more than superficial.
  - (8) Kernels which have dark yellow color penetrating the flesh, or yellow pitting extending deep into the kernel.
- (e) **Count per Pound** - the number of peanuts in a pound. When determining the count per pound, one single kernel shall be counted as one-half peanut.



**Summary of Screen Sizes and Tolerances (by weight) for U.S. Standards for Shelled Peanuts**

**SUMMARY OF SCREEN SIZE(S) AND TOLERANCES (BY WEIGHT)  
U.S. STANDARDS FOR SHELLED PEANUTS**

**-MAXIMUM LIMITATIONS-**

| PEANUT TYPE AND CATEGORY                                  | UNSHELLED PEANUTS & DAMAGED KERNELS | TOTAL UNSHELLED PEANUTS, DAMAGED KERNELS & MINOR DEFECTS | FALL THROUGH (Sound)                 | FOREIGN MATERIAL | OTHER TYPES OR VARIETIES | SOUND SPLITS OR SOUND WHOLE KERNELS | MOISTURE       |
|---|-------------------------------------|--|--------------------------------------|------------------|--------------------------|-------------------------------------|----------------|
| U.S. NO 1 RUNNER  | 1.50%                               | 2.00%  | 3.00% SWK<br>16/64 x 3/4" Slot       | 0.10%            | 1.00%                    | Splits<br>3.00%                     | No Requirement |
| U.S. NO 1 SPANISH *                                       | 1.50%                               | 2.00%  | 2.00% SWK<br>15/64 x 3/4" Slot       | 0.10%            | 1.00%                    | Splits<br>3.00%                     | No Requirement |
| U.S. EXTRA LARGE VIRGINIA<br>(512 max. count per lb. UOS) | 1.00%                               | 1.75%  | 3.00% SWK<br>20/64 x 1" Slot         | 0.10%            | 0.75%                    | Splits<br>3.00%                     | No Requirement |
| U.S. MEDIUM VIRGINIA<br>(640 max. count per lb. UOS)      | 1.25%                               | 2.00%  | 3.00% SWK<br>18/64 x 1" Slot         | 0.10%            | 1.00%                    | Splits<br>3.00%                     | No Requirement |
| U.S. NO 1 VIRGINIA<br>(864 max. count per lb. UOS)        | 1.25%                               | 2.00%  | 3.00% SWK<br>15/64 x 1" Slot         | 0.10%            | 1.00%                    | Splits<br>3.00%                     | No Requirement |
| U.S. RUNNER SPLITS  | 2.00%                               | 2.00%  | 2.00% portions<br>17/64" Round       | 0.20%            | 2.00%                    | SWK<br>4.00%                        | No Requirement |
| U.S. SPANISH SPLITS *                                     | 2.00%                               | 2.00%  | 2.00% portions<br>16/64" Round       | 0.20%            | 2.00%                    | SWK<br>4.00%                        | No Requirement |
| U.S. VIRGINIA SPLITS                                      | 2.00%                               | 2.00%  | 3.00% SWK & portions<br>20/64" Round | 0.20%            | 2.00%                    | Minimum<br>90%<br>Splits            | No Requirement |
| U.S. No. 2 RUNNER   | 2.50%                               | 2.50%  | 6.00% SWK & portions<br>17/64" Round | 0.20%            | 2.00%                    | No Limit                            | No Requirement |
| U.S. No. 2 SPANISH *                                      | 2.50%                               | 2.50%  | 6.00% SWK & portions<br>16/64" Round | 0.20%            | 2.00%                    | No Limit                            | No Requirement |
| U.S. NO 2 VIRGINIA  | 2.50%                               | 2.50%  | 6.00% SWK & portions<br>17/64" Round | 0.20%            | 2.00%                    | No Limit                            | No Requirement |

\* Valencia may be certified on basis of Spanish Standards at applicant's or MOAB's request.

**Summary of Screen Sizes and Tolerances (by weight) for APSA & U.S. Grades for Shelled Runner Peanuts**

**SUMMARY OF SCREEN SIZE(S) AND TOLERANCES (BY WEIGHT) FOR APSA AND U.S. GRADES FOR SHELLED RUNNER PEANUTS**

| GRADE & MINIMUM SCREEN SIZE   | FALL-THROUGH PRESCRIBED SCREENS   | SWK & SOUND PORTIONS PASSING 17/64" ROUND SCREEN   | OTHER TYPES    | SPLITS                                     | DAMAGE         | DAMAGE & MINOR DEFECTS | FM             | MOISTURE     |
|---|---|--|----------------|--|----------------|------------------------|----------------|--------------|
| APSA JUMBO<br>21/64 x 3/4" Slot   | SWK<br>5.00%  | 6.00%  | 1.00%          | Split/Broken<br>3.00%                      | 1.00%          | 2.00%                  | 0.10%          | 9.00%        |
| APSA MEDIUM<br>18/64 x 3/4" Slot<br>(Report % riding 21/64 x 3/4" Slot)         | SWK<br>5.00%  | 6.00%  | 1.00%          | Split/Broken<br>3.00%                      | 1.00%          | 2.00%                  | 0.10%          | 9.00%        |
| NO. 1, 16/64 x 3/4" Slot<br>(Report % riding 18/64 x 3/4" Slot)<br>APSA<br>U.S. | SWK<br>5.00%<br>3.00%   | 6.00%<br>N/A                                       | 1.00%<br>1.00% | Split/Broken<br>3.00%<br>3.00%             | 1.50%<br>1.50% | 2.50%<br>2.00%         | 0.10%<br>0.10% | 9.00%<br>N/A |
| NO. 2 or APSA SMALL<br>17/64" Round<br>APSA<br>U.S.                             | 6.00%<br>6.00%  | 6.00%<br>6.00                                      | 2.00%<br>2.00% | No Require.<br>No Require.                 | 1.50%<br>2.50% | 2.50%<br>2.50%         | 0.20%<br>0.20% | 9.00%<br>N/A |
| RUNNER SPLITS<br>17/64" Round<br>APSA<br>U.S.                                   | 6.00% SWK & Sound Portions<br>2.00% Sound Portions  | 6.00% SWK & Sound Portions<br>2.00% Sound Portions | 2.00%<br>2.00% | Min. 90.00% Split/Broken<br>Max. 4.00% SWK | 1.50%<br>2.00% | 2.00%<br>2.00%         | 0.20%<br>0.20% | 9.00%<br>N/A |
| APSA WITH SPLITS  | Any of the above APSA grades may be certified as a "With Splits" grade provided that they meet the above tolerances, except a tolerance of 15 percent is allowed for split kernels. |  |                |  |                |                        |                |              |

(U.S. Grade Standards are not part of the American Peanut Shelter's Association rules, but are included for information only.)

**Summary of Screen Sizes and Tolerances (by weight) for APSA & U.S. Grades for Shelled Spanish Peanuts**

**SUMMARY OF SCREEN SIZE(S) AND TOLERANCES (BY WEIGHT) FOR APSA AND U.S. GRADES FOR SHELLED SPANISH PEANUTS**

| GRADE & MINIMUM SCREEN SIZE      | FALL-THROUGH PRESCRIBED SCREEN | OTHER TYPES | SWK or SPLITS/BROKEN     | DAMAGE | DAMAGE & MINOR DEFECTS | FOREIGN MATERIAL | MOISTURE |
|----------------------------------|--------------------------------|-------------|--------------------------|--------|------------------------|------------------|----------|
| NO 1<br>(15/64 x 3/4" Slot)      |                                |             | <u>Splits/Broken</u>     |        |                        |                  |          |
| APSA                             | 5.00% * SWK                    | 1.00%       | 3.00%                    | 1.50%  | 2.50%                  | 0.10%            | 9.00%    |
| U.S.                             | 2.00% SWK <sup>1</sup>         | 1.00%       | 3.00%                    | 1.50%  | 2.00%                  | 0.10%            | N/A      |
| SPANISH SPLITS<br>(16/64" Round) |                                |             |                          |        |                        |                  |          |
| APSA                             | 6.00% SWK & Sound Portions     | 2.00%       | Min. 90.00% Split/Broken | 1.50%  | 2.50%                  | 0.20%            | 9.00%    |
| U.S.                             | 2.00% Sound Portions           | 2.00%       | Max. 4.00% SWK           | 2.00%  | 2.00%                  | 0.20%            | N/A      |
| No. 2<br>(16/64" Round)          | SWK & Sound Portions           |             |                          |        |                        |                  |          |
| APSA                             | 6.00%                          | 2.00%       | Not Restricted           | 1.50%  | 2.50%                  | 0.20%            | 9.00%    |
| U.S.                             | 6.00%                          | 2.00%       | Not Restricted           | 2.50%  | 2.50%                  | 0.20%            | N/A      |

\* Also must meet 7CFR, Part 996 minimum quality standards for fall-through (6.00% SWK and sound portions passing through the 16/64" round screen).

(U.S. Grade Standards are not part of the American Peanut Shelter's Association rules, but are included for information only.)

**Summary of Screen Sizes and Tolerances (by weight) for APSA & U.S. Grades for Shelled Virginia Peanuts**

**SUMMARY OF SCREEN SIZE(S) AND TOLERANCES (BY WEIGHT) FOR APSA AND U.S. GRADES FOR SHELLED VIRGINIA PEANUTS**

| GRADE & MINIMUM SCREEN SIZE    | FALL-THROUGH PRESCRIBED SCREENS | OTHER TYPES | SOUND SPLIT OR BROKEN KERNELS | DAMAGE | DAMAGE & MINOR DEFECTS | FOREIGN MATERIAL | MOISTURE | COUNT PER POUND MAXIMUM |
|--------------------------------|---------------------------------|-------------|-------------------------------|--------|------------------------|------------------|----------|-------------------------|
| EXTRA LARGE<br>20/64 x 1" Slot | SWK                             |             |                               |        |                        |                  |          |                         |
| APSA                           | 5.00% *                         | 0.75%       | 3.00%                         | 1.00%  | 1.75%                  | 0.10%            | 9.00%    | N/A                     |
| U.S.                           | 3.00%                           | 0.75%       | 3.00%                         | 1.00%  | 1.75%                  | 0.10%            | N/A      | 512 **                  |
| MEDIUM VA<br>18/64 x 1" Slot   | SWK                             |             |                               |        |                        |                  |          |                         |
| APSA *                         | 5.00% *                         | 1.00%       | 3.00%                         | 1.25%  | 2.00%                  | 0.10%            | 9.00%    | N/A                     |
| U.S.                           | 3.00%                           | 1.00%       | 3.00%                         | 1.25%  | 2.00%                  | 0.10%            | N/A      | 640 **                  |
| NO 1 VA<br>15/64 x 1" Slot     | 5.00% * SWK                     | 1.00%       | 3.00%                         | 1.50%  | 2.50%                  | 0.10%            | 9.00%    | N/A                     |
| APSA                           | 3.00% SWK                       | 1.00%       | 3.00%                         | 1.25%  | 2.00%                  | 0.10%            | N/A      | 864 **                  |
| U.S.                           |                                 |             |                               |        |                        |                  |          |                         |
| VA SPLITS<br>20/64" Round      | 5.00% * SWK & Sound Portions    | 2.00%       | ≥ 90.0%                       | 1.50%  | 2.50%                  | 0.20%            | 9.00%    | N/A                     |
| APSA                           | 3.00%                           | 2.00%       | ≥ 90.0%                       | 2.00%  | 2.00%                  | 0.20%            | N/A      | N/A                     |
| U.S.                           |                                 |             |                               |        |                        |                  |          |                         |
| NO 2 VA<br>17/64" Round        | SWK & Sound Portions            |             |                               |        |                        |                  |          |                         |
| APSA                           | 6.00%                           | 2.00%       | No Require.                   | 1.50%  | 3.00%                  | 0.20%            | 9.00%    | N/A                     |
| U.S.                           | 6.00%                           | 2.00%       | No Require.                   | 2.50%  | 2.50%                  | 0.20%            | N/A      | N/A                     |

\* Also must meet 7CFR, Part 996 minimum quality standards for fall-through (6.00% SWK and sound portions passing through a 17/64" round screen..

\*\* Unless otherwise specified

(U.S. Grade Standards are not part of the American Peanut Sheller's Association rules, but are included for information only.)

**Summary of Screen Sizes and Tolerances (by weight) for APSA & U.S. Grades for Cleaned Virginia Type Peanuts in the Shell**

**SUMMARY OF SCREEN SIZE(S) AND TOLERANCES (BY WEIGHT) FOR APSA AND U.S. GRADES FOR CLEANED VIRGINIA TYPE PEANUTS IN THE SHELL**

| GRADE, MINIMUM SCREEN SIZE AND UNLESS OTHERWISE SPECIFIED MAXIMUM AVERAGE COUNT PER POUND | TOTAL POPS, PAPER ENDS, DAMAGED SHELLS, LOOSE UNMATERIALIZED KERNELS & DIRT OR OTHER FOREIGN MATERIAL | TOTAL DAMAGED KERNELS AND DAMAGED LOOSE KERNELS |            | FALL-THROUGH FOR PEANUTS FREE FROM POPS, PAPER ENDS OR DAMAGED SHELLS |                | MOISTURE           |            |
|---|---|---|------------|---|----------------|--------------------|------------|
|   |   | U.S./APSA STANDARD                              | MOAB REGS. | U.S./APSA STANDARD  | MOAB REGS.     | U.S./APSA STANDARD | MOAB REGS. |
| U.S. and APSA JUMBO HAND PICKED<br>Min. 37/64 x 3"<br>(176 count) **                      | 10.00%<br>Including 0.50%<br>Dirt/Foreign Material  | 3.50%   | 2.00%*     | 5.00%   | No Requirement | No Requirement     | 10.00%     |
| U.S. and APSA FANCY HAND PICKED<br>Min. 32/64 x 3"<br>(225 count) ***                     | 11.00%<br>Including 0.50%<br>Dirt/Foreign Material  | 4.50%   | 2.00%*     | 5.00%   | No Requirement | No Requirement     | 10.00%     |

\* Including not more than 1.00 percent kernels damage by mold unless peanuts are negative as to aflatoxin.

\*\* APSA must meet either minimum screen size OR count per oz. U.S. Standards must meet both, but the 176 count per pound may be unless otherwise specified.

\*\*\* APSA must meet either minimum screen size OR count per oz. U.S. Standards must meet both, but the 225 count per pound may be unless otherwise specified.

(U.S. Grade Standards are not part of the American Peanut Sheller's Association rules, but are included for information only.)

Summary of Screen Sizes and Tolerances (by weight) for MOAB Grades for Human Consumption (7CFR, Part 996)

SUMMARY OF SCREEN SIZES AND TOLERANCES (BY WEIGHT) FOR MOAB GRADES OF SHELLED PEANUTS FOR HUMAN CONSUMPTION (7CFR, PART 996)

-MAXIMUM LIMITATIONS-

| TYPE PEANUT AND GRADE CATEGORY                         | UNSHELLED PEANUTS & DAMAGED KERNELS | TOTAL UNSHELLED PEANUTS DAMAGED KERNELS & MINOR DEFECTS | FALL-THROUGH  |  | FOREIGN MATERIAL | SOUND SPLITS OR SOUND WHOLE KERNELS | MOISTURE |
|--|-------------------------------------|---|---|--|------------------|-------------------------------------|----------|
|  |                                     |   | SOUND SPLITS, BROKEN KERNELS AND/OR SOUND WHOLE KERNELS |  |                  |                                     |          |
| RUNNER   | 1.50%                               | 2.50%   | 6.00%<br>17/64" Round                                   |  | 0.20%            | No Limit                            | 9.00%    |
| SPANISH & VALENCIA *                                   | 1.50%                               | 2.50%   | 6.00%<br>16/64" Round                                   |  | 0.20%            | No Limit                            | 9.00%    |
| VIRGINIA (Except No. 2 Virginia)                       | 1.50%                               | 2.50%   | 6.00%<br>17/64" Round                                   |  | 0.20%            | No Limit                            | 9.00%    |
| No 2 VIRGINIA  | 1.50%                               | 3.00%   | 6.00%<br>17/64" Round                                   |  | 0.20%            | No Limit                            | 9.00%    |
| RUNNER WITH SPLITS                                     | 1.50%                               | 2.50%   | 6.00%<br>17/64" Round                                   |  | 0.20%            | Splits/Broken 15%                   | 9.00%    |
| SPANISH WITH SPLITS                                    | 1.50%                               | 2.50%   | 6.00%<br>16/64" Round                                   |  | 0.20%            | Splits/Broken 15%                   | 9.00%    |
| VIRGINIA WITH SPLITS                                   | 1.50%                               | 2.50%   | 6.00%<br>17/64" Round                                   |  | 0.20%            | Splits/Broken 15%                   | 9.00%    |
| RUNNER SPLITS (Not less than 90% splits)               | 2.00%                               | 2.50%   | 6.00%<br>17/64" Round                                   |  | 0.20%            | Min. 90% Splits/Broken%             | 9.00%    |
| SPANISH & VALENCIA SPLITS * (Not less than 90% splits) | 2.00%                               | 2.50%   | 6.00%<br>16/64" Round                                   |  | 0.20%            | Min. 90% Splits/Broken%             | 9.00%    |
| VIRGINIA SPLITS (Not less than 90% splits)             | 2.00%                               | 2.50%   | 6.00%<br>17/64" Round                                   |  | 0.20%            | Min. 90% Splits/Broken%             | 9.00%    |

\* Valencia may be certified on basis of Spanish Standards at applicant's request.

**Summary of Sheller Oil Stock Requirements**

**SHELLER OIL STOCK**

| TYPE PEANUT & CATEGORY                          | USDA-FSIS PLI                        | DAMAGED & MINOR DEFECTS | FOREIGN MATERIAL | OTHER TYPE OR VARIETY | SPLITS OR WHOLE KERNELS | MOISTURE        |
|---|--------------------------------------|-------------------------|------------------|-----------------------|-------------------------|-----------------|
| RUNNER (LSK, Screenings & Pickouts)             | Required Using Red Tags or PLI Seals | Not Determined          | No Restrictions  | Not Determined        | Not Determined          | No Restrictions |
| SPANISH & VALENCIA (LSK, Screenings & Pickouts) | Required Using Red Tags or PLI Seals | Not Determined          | No Restrictions  | Not Determined        | Not Determined          | No Restrictions |
| VIRGINIA (LSK, Screenings & Pickouts)           | Required Using Red Tags or PLI Seals | Not Determined          | No Restrictions  | Not Determined        | Not Determined          | No Restrictions |

"REMARKS" Statement for MOAB Regulations: "Meets 7 CFR, Part 996 for Non-Edible Quality."

Exhibit I - U.S. No. 1 Runner, APSA "Medium Runner" in Bulk.

| <b>C 280165</b>   | UNITED STATES DEPARTMENT OF AGRICULTURE<br>AGRICULTURAL MARKETING SERVICE<br>FEDERAL STATE INSPECTION SERVICE<br><b>MILLED PEANUT INSPECTION CERTIFICATE</b>  | <b>C 280165</b>  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
|---|---|--|---------|--------------------------|--|--|-------------------|--|--|---------------------|--|--|------------------|--|--|-------|--|--|------------------------------|--|--|------------------------------|--|--|---|--|--------------|-------|---------|------------------------|-----|------|-------------------------|------|------|----------------------|-----|------|---------------|-----|------|---------------------|----|----|--|-----|------|------------------------------|--|------|
| This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et. seq.) and is admissible as prima facie evidence in all courts of the United States. WARNING: Any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both.                  |   |  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
| SAMPLING BEGAN<br>HOUR: 1:00 PM DATE: 11/22/03<br>LOCATION CODE: WHERE SAMPLE DRAWN: Applicant's Plant Smithville, GA<br>APPLICANT CODE: 13035 APPLICANT NAME AND ADDRESS: McCleskey Mills, Smithville, GA<br>RECEIVER NAME AND ADDRESS: NOT GIVEN  | SAMPLE ANALYSIS FINISHED<br>HOUR: 3:30 PM DATE: 11/22/03<br>WHERE SAMPLE ANALYZED: SMITHVILLE, GA<br>SHIPPER NAME AND ADDRESS: SAME AS APPLICANT  | TYPE OF INSPECTION (Mark One Only)<br><input checked="" type="checkbox"/> LOT INSPECTED<br>LOT LOADED into <input type="checkbox"/> CAR <input type="checkbox"/> TRAILER<br>CONVEYANCE IDENTIFICATION<br>PREFIX: NUMBER: ST: |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
| PRODUCT:  |   |  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
| <input type="checkbox"/> CLEANED IN THE SHELL <input type="checkbox"/> FIBERBOARD BINS <input type="checkbox"/> WITH NO DISTINGUISHING MARKS<br><input checked="" type="checkbox"/> SHELLED PEANUTS IN <input type="checkbox"/> BURLAP SACKS <input type="checkbox"/> TAGGED WITH _____ COLORED TAGS<br><input checked="" type="checkbox"/> BULK See Remarks  |   |  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
| TAG INSCRIPTION<br>HOUSE: LOT NUMBER: CROP YR: USDA: GA FEDERAL STATE INSPECTED:  |   | TAG CONTROL<br><input type="checkbox"/> ISSUED<br><input type="checkbox"/> USED<br><input type="checkbox"/> RETURNED   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
| APPLICANT STATES: 47,670 LBS RUNNER TYPE BULK LOT NO. B5-232 OR COUNT OF _____ CONTAINERS   |   | 2003 CROP YEAR, GA HOUSE #93   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
| SIZE:   |   |  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
| * 0.00 % S/W Kernels PASSING 18/64 x 3/4 Inch S Screen; * 11.14 % Wh Kernels RIDING 21/64 x 3/4 Inch S Screen<br>% S/W Kernels PASSING _____ Inch _____ Screen; % Wh Kernels RIDING _____ Inch _____ Screen<br>% S/W Kernels & Kernel Portions PASSING _____ Inch _____ Screen<br>% Peanuts With Undamaged Shells PASSING _____ Inch _____ Screen   |   |  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
| COUNT AVERAGES 45 <input checked="" type="checkbox"/> PER OUNCE <input type="checkbox"/> PER POUND  |   |  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
| QUALITY   |   |  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
| SAMPLE OF APPROXIMATELY 75,000 GRAMS DRAWN, 1000 GRAMS ANALYZED CONTAINED THE FOLLOWING:  |   |  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
| PEANUTS IN THE SHELL  |   | SHELLED PEANUTS  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
| <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>GRADE FACTOR</th> <th>GRAMS</th> <th>PERCENT</th> </tr> <tr> <td>CRACKED OR BROKEN SHELLS</td> <td></td> <td></td> </tr> <tr> <td>DISCOLORED SHELLS</td> <td></td> <td></td> </tr> <tr> <td>OTHER SHELL DEFECTS</td> <td></td> <td></td> </tr> <tr> <td>FOREIGN MATERIAL</td> <td></td> <td></td> </tr> <tr> <td>TOTAL</td> <td></td> <td></td> </tr> <tr> <td>PEANUTS WITH DAMAGED KERNELS</td> <td></td> <td></td> </tr> <tr> <td>MOISTURE (BY ELECTRIC METER)</td> <td></td> <td></td> </tr> </table> | GRADE FACTOR  | GRAMS  | PERCENT | CRACKED OR BROKEN SHELLS |  |  | DISCOLORED SHELLS |  |  | OTHER SHELL DEFECTS |  |  | FOREIGN MATERIAL |  |  | TOTAL |  |  | PEANUTS WITH DAMAGED KERNELS |  |  | MOISTURE (BY ELECTRIC METER) |  |  | <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>GRADE FACTOR</th> <th>GRAMS</th> <th>PERCENT</th> </tr> <tr> <td>OTHER TYPES OF KERNELS</td> <td>0.0</td> <td>0.00</td> </tr> <tr> <td>SPLIT OR BROKEN KERNELS</td> <td>11.8</td> <td>1.18</td> </tr> <tr> <td>DAMAGED OR UNSHELLED</td> <td>0.0</td> <td>0.00</td> </tr> <tr> <td>MINOR DEFECTS</td> <td>3.1</td> <td>0.31</td> </tr> <tr> <td>SOUND WHOLE KERNELS</td> <td>XX</td> <td>XX</td> </tr> <tr> <td>FOREIGN MATERIAL (BASED ON 2000 GRAMS)</td> <td>0.0</td> <td>0.00</td> </tr> <tr> <td>MOISTURE (BY ELECTRIC METER)</td> <td></td> <td>7.10</td> </tr> </table> |  | GRADE FACTOR | GRAMS | PERCENT | OTHER TYPES OF KERNELS | 0.0 | 0.00 | SPLIT OR BROKEN KERNELS | 11.8 | 1.18 | DAMAGED OR UNSHELLED | 0.0 | 0.00 | MINOR DEFECTS | 3.1 | 0.31 | SOUND WHOLE KERNELS | XX | XX | FOREIGN MATERIAL (BASED ON 2000 GRAMS) | 0.0 | 0.00 | MOISTURE (BY ELECTRIC METER) |  | 7.10 |
| GRADE FACTOR  | GRAMS   | PERCENT  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
| CRACKED OR BROKEN SHELLS  |   |  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
| DISCOLORED SHELLS   |   |  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
| OTHER SHELL DEFECTS   |   |  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
| FOREIGN MATERIAL  |   |  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
| TOTAL   |   |  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
| PEANUTS WITH DAMAGED KERNELS  |   |  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
| MOISTURE (BY ELECTRIC METER)  |   |  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
| GRADE FACTOR  | GRAMS   | PERCENT  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
| OTHER TYPES OF KERNELS  | 0.0   | 0.00   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
| SPLIT OR BROKEN KERNELS   | 11.8  | 1.18   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
| DAMAGED OR UNSHELLED  | 0.0   | 0.00   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
| MINOR DEFECTS   | 3.1   | 0.31   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
| SOUND WHOLE KERNELS   | XX  | XX   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
| FOREIGN MATERIAL (BASED ON 2000 GRAMS)  | 0.0   | 0.00   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
| MOISTURE (BY ELECTRIC METER)  |   | 7.10   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
| GRADE:  |   |  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
| * U.S. No. 1 Runner, MEETS APSA "Medium Runner"   |   |  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
| SAMPLES DILLED TO APPLICANT ABOVE<br><input type="checkbox"/> 1-CD <input checked="" type="checkbox"/> 1-AB <input type="checkbox"/> APPEAL DRAWN AND SENT TO: AIMS (NAME OF LAB) BROOKLY, GA (ADDRESS) 11/22/03 (DATE)<br>ANALYSIS RESULTS TO BE <input type="checkbox"/> PHONED ( ) <input type="checkbox"/> WIRED Collect <input checked="" type="checkbox"/> MAILED to Applicant  |   |  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
| REMARKS: <input checked="" type="checkbox"/> MEETS Requirements of Marketing Agreement 7 CFR PART 996 FOR HUMAN CONSUMPTION <input type="checkbox"/> FAILS to meet Requirements of Marketing Agreement  |   |  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |
| CHARGES<br>FEES \$<br>DRAWING \$<br>HANDLING \$<br>SAMPLING \$<br>EXPENSES \$<br>TOTAL \$   | * Size and grade determined and reported at applicant's request.<br>Lot stored in applicant's bulk bin # 5 and sealed with FSIS Seals # A92466 through A92469<br>I, the undersigned, a duly authorized inspector of the United States Department of Agriculture, do hereby certify that at the request of the applicant and on the date indicated, samples of the above described products were inspected and the quality and/or condition as shown by said samples were as herein stated.<br>SIGNATURE OF INSPECTOR: |  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |                              |  |  |                              |  |  |   |  |              |       |         |                        |     |      |                         |      |      |                      |     |      |               |     |      |                     |    |    |  |     |      |                              |  |      |



# Exhibit II - Transfer Certificate on Exhibit I Lot.

U. S. DEPARTMENT OF AGRICULTURE  
 AGRICULTURAL MARKETING SERVICE  
 FEDERAL STATE INSPECTION CERTIFICATE

CERTIFICATE NO.

**A- 010889**

## TRANSFER CLEARANCE CERTIFICATE (PEANUTS)

This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U. S. C. 1621 et seq.), and is admissible as prima facie evidence in all courts of the United States. **WARNING:** Any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both.

|  |  |                                     |                         |                     |   |                         |
|--|--|-------------------------------------|-------------------------|---------------------|---|-------------------------|
| TRANSFER LOCATION<br><b>McCLESKEY MILLS<br/>SMITHVILLE, GA</b> | LOT LOADED INTO<br><input checked="" type="checkbox"/> Car<br><input type="checkbox"/> Trailer | INITIAL & NUMBER<br><b>IOU-7273</b> | TRANSFER BEGUN          |                     | TRANSFER COMPLETED  |                         |
|  |  |                                     | Date<br><b>11-23-03</b> | Hour<br><b>9:00</b> | <input checked="" type="checkbox"/> A.M.<br><input type="checkbox"/> P.M. | Date<br><b>11-23-03</b> |

NAME AND ADDRESS OF APPLICANT

**(13035) McCLESKEY MILLS, SMITHVILLE, GA**

NAME AND ADDRESS OF RECEIVER

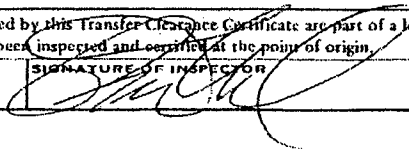
**PEANUT PROCESSORS INC. SAVANNAH, GA**

| Lot  | (1)  | (2)     | (3)     | (4)     | (5)     |
|--|--|---------|---------|---------|---------|
| Certificate No.  | <b>B-S-232</b>   |         |         |         |         |
| Date of Certificate  | <b>C280165</b>   |         |         |         |         |
| Shipper (Name and Address)   | <b>11-22-03</b>  |         |         |         |         |
| Applicant's Count  | <b>McCLESKEY MILLS<br/>Smithville, GA</b>  |         |         |         |         |
| Equivalent Pounds  | <b>BULK</b>  |         |         |         |         |
| Product (Type)   | <b>47670</b>   |         |         |         |         |
|  | <b>RUNNER</b>  |         |         |         |         |
|  | PERCENT  | PERCENT | PERCENT | PERCENT | PERCENT |
| Passing 18/64 x 3/4 Screen   | <b>0.00</b>  |         |         |         |         |
| Riding 21/64 x 3/4 Screen  | <b>11.14</b>   |         |         |         |         |
| Other Types  | <b>0.00</b>  |         |         |         |         |
| Split or Broken Kernels  | <b>1.13</b>  |         |         |         |         |
| Damaged or Unshelled   | <b>0.00</b>  |         |         |         |         |
| Minor Defects  | <b>0.31</b>  |         |         |         |         |
| Sound Whole Kernels  | <b>xxx</b>   |         |         |         |         |
| Foreign Material   | <b>0.00</b>  |         |         |         |         |
| Moisture   | <b>7.10</b>  |         |         |         |         |
| Ave. Count Per: <input checked="" type="checkbox"/> Oz. <input type="checkbox"/> Lb. | <b>45</b>  |         |         |         |         |
| Grade:   | <b>US No. 1 RUNNER. MEETS APSA "MEDIUM RUNNER"</b>   |         |         |         |         |
| Loaded into Hopper No.   | <b>A-1</b>   |         |         |         |         |
| Fee  | <b>\$ 13.00</b>  |         |         |         |         |
| Expenses   | USDA/FSIS personnel maintained positive lot identification and observed the transfer and weighing process of the above lot(s) from <b>Bulk Bin # 5</b> into <b>ABOVE CAR</b> |         |         |         |         |
| Overtime   | now being lot number _____, and sealed with seal numbers <b>USDA-FV-123456</b> through <b>123472</b>   |         |         |         |         |
| Total  | <b>\$ 13.00</b>  |         |         |         |         |

REMARKS

**Applicant States 2003 CROP YEAR.**

This is to certify that the peanuts covered by this Transfer Clearance Certificate are part of a lot bearing inspection certificate and that satisfactory proof has been offered to show that said peanuts have been inspected and certified at the point of origin.

DATE **11-23-03** SIGNATURE OF INSPECTOR 

FORM FV-184-12  
(1-86)

ORIGINAL-APPLICANT



Exhibit IV - Update Inspection on Interstate Shipment Reported on FV-300.

| CARRIER   |   | APPLICANT   |                                   | U.S. DEPARTMENT OF AGRICULTURE<br>AGRICULTURAL MARKETING SERVICE<br>INSPECTION CERTIFICATE |  |
|---|---|---|-----------------------------------|--|--|
| NO ID   |   | FARMERS FERTILIZER & MILLINGS CO.<br>ADDRESS: COLOULT, GA |                                   | K-   |  |
| Center/Lot ID Shaded by:  |   | SHIPMENT: DOTHAN OIL MILL CO. (61006)                     |                                   | 120603 0245P   |  |
| Additional Lot ID:  |   | ADDRESS: DOTHAN AL  |                                   | 400 SACKS  |  |
| Carrier Type/Name:  |   | SHIPPER: UNITED REFRIGERATION CORPORS GA                  |                                   | 44,092 LBS   |  |
| Refrigeration Unit:   |   | INSPECTION: TARED "NO BRAND" DOTHAN OIL MILL CO. AL       |                                   | Y  |  |
| Temp: <input type="checkbox"/> On <input type="checkbox"/> Off  |   | US No. 1 Medium Runner 110.23 LBS                         |                                   | N  |  |
| Lot: <input type="checkbox"/> On <input type="checkbox"/> Off   |   | SOKLOS P.L.E. HOUSE No. 6                                 |                                   |  |  |
| Date: _____   |   | LOT 2028A, CRUP YARD 2003                                 |                                   |  |  |
| OFFSIZE TOLERANCE   |   |   |                                   |  |  |
| 0.18  | SHelled PEANUTS                         | 18" x 14" IN SLOTTED SCREEN                               | 1000 grams analyzed               |  |  |
| 0.26  |   | UNDEr KErNELS LINING 2 1/2" x 3/4" IN SLOTTED SCREEN      |                                   |  |  |
| 0.00  | GRADE FACTORS                           | GRAMS   | CHUFT AVERAGES 45 KERNELS PER     |  |  |
| 0.40  | OTHER TYPES                             | 0.0   | OUNCE.                            |  |  |
| 0.00  | SPLIT OR BROKEN KERNELS                 | 24.0  | Quality and Condition of          |  |  |
| 0.13  | DAMAGED OR UNSHELLED KERNELS            | 0.0   | Approximately 75,000 grams drawn, |  |  |
| 0.00  | MINOR DEFECTS                           | 1.3   | 1000 grams analyzed.              |  |  |
|   | FOREIGN MATERIAL (Based on 2,000 grams) | 0.0   | 8.20% moisture by electric        |  |  |
|   |   |   | meter.                            |  |  |
|   |   |   | Inspection completed 12/7/03      |  |  |
|   |   |   | AT 8:30 AM                        |  |  |
| GRADE: US No. 1 Runner, Meets APFA Medium Runner.   |   |   |                                   |  |  |
| REMARKS: Meets requirements of 7CFR Part 996 for Human Consumption. Lot previously reported on ALABAMA  |   |   |                                   |  |  |
| FED/STATE CERTIFICATE # F-319202, dated June 16, 2003.  |   |   |                                   |  |  |
| WARNING: Any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both. |   |   |                                   | ESTIMATED TOTAL \$   |  |
| FARMER'S SIGNATURE: <i>[Signature]</i>  |   |   |                                   | Market Office: <i>[Signature]</i>  |  |

**Exhibit V - Screenings and Pick-outs. Meets 7CFR, Part 996 for Non-Edible Quality.**

|  |  |   |   |            |              |
|--|--|---|---|------------|--------------|
| <b>C 280165</b>  | UNITED STATES DEPARTMENT OF AGRICULTURE<br>AGRICULTURAL MARKETING SERVICE<br>FEDERAL STATE INSPECTION SERVICE<br><b>MILLED PEANUT INSPECTION CERTIFICATE</b> | <b>C 280165</b>   |   |            |              |
| This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et. seq.) and is admissible as prima facie evidence in all courts of the United States. <b>WARNING: Any person who knowingly shall falsify, make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both.</b> |  |   |   |            |              |
| SAMPLING BEGAN<br>HOUR: <u>1015 AM</u> DATE: <u>12/27/03</u><br>LOCATION CODE: _____ WHERE SAMPLE DRAWN: <u>PLANT #5</u><br>APPLICANT CODE: _____ APPLICANT NAME AND ADDRESS: <u>SEABROOK BLANCHING CORP. #5 SYLVESTER GA</u><br>RECEIVER NAME AND ADDRESS: <u>NOT GIVEN</u>   | SAMPLE ANALYSIS FINISHED<br>HOUR: <u>330 AM</u> DATE: <u>12/27/03</u><br>WHERE SAMPLE ANALYZED: <u>ALBANY, GA</u>  | TYPE OF INSPECTION (Mark One Only)<br><input checked="" type="checkbox"/> LOT INSPECTED<br><input type="checkbox"/> LOT LOADED INTO<br><input type="checkbox"/> CAR <input type="checkbox"/> TRAILER<br>CONVEYANCE IDENTIFICATION<br>PREFIX: _____ NUMBER: _____ ST: _____<br>SHIPPER NAME AND ADDRESS: _____   |   |            |              |
| PRODUCT<br><input type="checkbox"/> CLEANED IN THE SHELL <input type="checkbox"/> FIBERBOARD BINS <input type="checkbox"/> WITH NO DISTINGUISHING MARKS<br><input checked="" type="checkbox"/> SHELLED PEANUTS IN <input checked="" type="checkbox"/> BURLAP SACKS <input checked="" type="checkbox"/> TAGGED WITH <u>RED</u> COLORED TAGS<br><input type="checkbox"/> ROASTED <input type="checkbox"/> BULK   |  |   |   |            |              |
| TAG INSCRIPTION: <u>Rejects Shelled Peanuts, Plant #5, Seabrook Blanching Co. p. Peanut Processing Division, Sylvester, GA</u>   |  | TAG CONTROL<br><u>400</u> ISSUED<br><u>359</u> USED<br><u>41</u> RETURNED   |   |            |              |
| HOUSE: <u>96</u> LOT NUMBER: <u>42</u> CROP YR: <u>02</u><br>USDA: <u>GEORGIA</u> FEDERAL STATE INSPECTED: _____   | APPLICANT STATES: _____<br>TYPE: _____ BULK LOT NO: _____ OR COUNT OF: <u>359</u> CONTAINERS   |   |   |            |              |
| SIZE<br>% SAW Kernels PASSING _____ Inch Screen; % Wh Kernels RIDING _____ Inch Screen<br>% SAW Kernels PASSING _____ Inch Screen; % Wh Kernels RIDING _____ Inch Screen<br>% SAW Kernels & Kernel Portions PASSING _____ Inch Screen<br>% Peanuts With Undamaged Shells PASSING _____ Inch Screen<br>COUNT AVERAGES: <input type="checkbox"/> PER OUNCE <input type="checkbox"/> PER POUND  |  |   |   |            |              |
| QUALITY<br>SAMPLE OF APPROXIMATELY <u>75000</u> GRAMS DRAWN, <u>1000</u> GRAMS ANALYZED CONTAINED THE FOLLOWING:   |  |   |   |            |              |
| PEANUTS IN THE SHELL   |  | SHELLED PEANUTS   |   |            |              |
| GRADE FACTOR   | GRAMS  | PERCENT   | GRADE FACTOR                                  | GRAMS      | PERCENT      |
| CRACKED OR BROKEN SHELLS   |  |   | OTHER TYPES OF KERNELS                        |            |              |
| DISCOLORED SHELLS  |  |   | SPLIT OR BROKEN KERNELS                       |            |              |
| OTHER SHELL DEFECTS  |  |   | DAMAGED OR UNSHELLED                          |            |              |
| FOREIGN MATERIAL   |  |   | MINOR DEFECTS                                 |            |              |
| TOTAL  |  |   | SOUND WHOLE KERNELS                           |            |              |
| PEANUTS WITH DAMAGED KERNELS   |  |   | FOREIGN MATERIAL (BASED ON <u>1000</u> GRAMS) | <u>1.4</u> | <u>0.14*</u> |
| MOISTURE (BY ELECTRIC METER)   |  |   | MOISTURE (BY ELECTRIC METER)                  |            | <u>3.30*</u> |
| GRADE<br>SEE REMARKS   |  |   |   |            |              |
| SAMPLES BILLED TO APPLICANT ABOVE<br><input type="checkbox"/> 1-C) <input checked="" type="checkbox"/> 1-AH <input type="checkbox"/> APPEAL DRAWN AND SENT TO _____ (NAME OF LAB) _____ (ADDRESS) _____ (DATE)<br>ANALYSIS RESULTS TO BE <input type="checkbox"/> PHONED ( ) <input type="checkbox"/> WIFED Collect <input type="checkbox"/> MAILED to Applicant   |  |   |   |            |              |
| REMARKS <input checked="" type="checkbox"/> MEETS Requirements of Marketing Agreement <input type="checkbox"/> FAILS to meet Requirements of Marketing Agreement<br><u>7CFR, Part 996 for non-edible quality</u>   |  |   |   |            |              |
| CHARGES<br>FEES \$ _____<br>DRAWING \$ _____<br>HANDLING \$ _____<br>SAMPLING \$ _____<br>EXPENSES \$ _____<br>TOTAL \$ _____  |  | Applicant states screenings, pickouts are Runner-type and roasted rejects. * Factors determined & reported at applicant's request.<br>I, the undersigned, a duly authorized inspector of the United States Department of Agriculture, do hereby certify that at the request of the applicant and on the date indicated, samples of the above described products were inspected and the quality and/or condition as shown by said samples were as herein stated.<br>SIGNATURE OF INSPECTOR: <u>[Signature]</u> |   |            |              |

ORIGINAL

**Exhibit VI - Non-Edible Quality Lot.**

|                 |  |                 |
|-----------------|--|-----------------|
| <b>C 280165</b> | UNITED STATES DEPARTMENT OF AGRICULTURE<br>AGRICULTURAL MARKETING SERVICE<br>FEDERAL STATE INSPECTION SERVICE<br><b>MILLED PEANUT INSPECTION CERTIFICATE</b> | <b>C 280165</b> |
|-----------------|--|-----------------|

This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et. seq.) and is admissible as prima facie evidence in all courts of the United States. WARNING: Any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both.

|   |   |   |   |  |  |
|---|---|---|---|--|--|
| <b>SAMPLING BEGAN</b><br>HOUR: <u>7:15 AM</u> DATE: <u>12/20/03</u>                                   |   | <b>SAMPLE ANALYSIS FINISHED</b><br>HOUR: <u>2:30 PM</u> DATE: <u>12/20/03</u> |   | <b>TYPE OF INSPECTION (Mark One Only)</b><br><input checked="" type="checkbox"/> LOT INSPECTED<br><input type="checkbox"/> LOT LOADED INTO<br><input checked="" type="checkbox"/> CAR <input type="checkbox"/> TRAILER |  |
| LOCATION CODE: _____<br>WHERE SAMPLE DRAWN: <u>Ashburn Swilling Plant</u>                             | WHERE SAMPLE ANALYZED: <u>Ashburn, GA</u> |   | <b>CONVEYANCE IDENTIFICATION</b><br>PREFIX: _____ NUMBER: <u>176091</u> ST: _____ |  |  |
| APPLICANT CODE: <u>13020</u><br>APPLICANT NAME AND ADDRESS: <u>Golden Peanut Company, Atlanta, GA</u> |   | RECEIVER NAME AND ADDRESS: <u>NOT GIVEN</u>                                   |   | SHIPPER NAME AND ADDRESS: <u>Golden Peanut Co., Ashburn, GA</u>  |  |

**PRODUCT**

- CLEANED IN THE SHELL  FIBERBOARD BINS  WITH NO DISTINGUISHING MARKS  
 SHELLED PEANUTS  BURLAP SACKS  TAGGED WITH \_\_\_\_\_ COLORED TAGS  
 BULK "See Remarks"

|                 |                |         |                         |      |          |
|-----------------|----------------|---------|-------------------------|------|----------|
| TAG INSCRIPTION |                |         | TAG CONTROL             |      |          |
| HOUSE           | LOT NUMBER     | CROP YR | ISSUED                  | USED | RETURNED |
| USDA            | <u>Georgia</u> |         | FEDERAL STATE INSPECTED |      |          |

APPLICANT STATES: 2002 Crop year, GA House # 18  
162,000 LBS Runner TYPE BULK LOT NO. B-153 OR COUNT OF \_\_\_\_\_ CONTAINERS

|  |
|--|
| % S/W Kernels PASSING _____ Inch Screen; <u>18.9</u> % Wh Kernels RIDING <u>16/64 x 3/4</u> Inch <u>S</u> Screen*  |
| % S/W Kernels PASSING _____ Inch Screen; <u>20.97</u> % Wh Kernels RIDING <u>14/64 x 3/4</u> Inch <u>S</u> Screen* |
| % S/W Kernels & Kernel Portions PASSING _____ Inch Screen  |
| % Peanuts With Undamaged Shells PASSING _____ Inch Screen  |

COUNT AVERAGES  PER OUNCE  PER POUND passing through 16/64 x 3/4 inch slot screen

**QUALITY**

SAMPLE OF APPROXIMATELY 75,000 GRAMS DRAWN. 4000 GRAMS ANALYZED CONTAINED THE FOLLOWING:

| PEANUTS IN THE SHELL         |       |         | SHELLED PEANUTS                               |              |              |
|------------------------------|-------|---------|---|--------------|--------------|
| GRADE FACTOR                 | GRAMS | PERCENT | GRADE FACTOR                                  | GRAMS        | PERCENT      |
| CRACKED OR BROKEN SHELLS     |       |         | OTHER TYPES OF KERNELS                        | XX           | XX           |
| DISCOLORED SHELLS            |       |         | SPLIT OR BROKEN KERNELS                       | XX           | XX           |
| OTHER SHELL DEFECTS          |       |         | DAMAGED OR UNSHELLED                          | XX           | XX           |
| FOREIGN MATERIAL             |       |         | MINOR DEFECTS                                 | XX           | XX           |
| TOTAL                        |       |         | SOUND WHOLE KERNELS                           | XX           | XX           |
| PEANUTS WITH DAMAGED KERNELS |       |         | FOREIGN MATERIAL (BASED ON <u>4000</u> GRAMS) | <u>336.8</u> | <u>4.21*</u> |
| MOISTURE (BY ELECTRIC METER) |       |         | MOISTURE (BY ELECTRIC METER)                  |              | <u>8.00*</u> |

**GRADE**

*See Remarks*

SAMPLES BILLED TO APPLICANT ABOVE (NAME OF LAB) (ADDRESS) (DATE)  
 1-CD  1-AB  APPEAL DRAWN AND SENT TO \_\_\_\_\_  
 ANALYSIS RESULTS TO BE  PHONED ( )  WIRED Collect  MAILED to Applicant

REMARKS  MEETS Requirements of Marketing Agreement - 7 CFR, Part 996 for non-edible quality.  FAILS to meet Requirements of Marketing Agreement

CHARGES: FEES \$ \_\_\_\_\_ DRAWING \$ \_\_\_\_\_ HANDLING \$ \_\_\_\_\_ SAMPLING \$ \_\_\_\_\_ EXPENSES \$ \_\_\_\_\_ TOTAL \$ \_\_\_\_\_

\* Factors determined & reported at applicant's request. Above rail car sealed with USFPA seals C096433 through C096438.

I, the undersigned, duly authorized inspector of the United States Department of Agriculture, do hereby certify that at the request of the applicant, and on the date indicated, samples of the above described products were inspected and the quality and/or condition as shown by said samples were:

SIGNATURE OF INSPECTOR: \_\_\_\_\_

**Exhibit VII - U.S. No. 1 Runner, APSA "Medium Runner." Lot Packed in Fiberboard Bins.**

|                 |  |                 |
|-----------------|--|-----------------|
| <b>C 280165</b> | UNITED STATES DEPARTMENT OF AGRICULTURE<br>AGRICULTURAL MARKETING SERVICE<br>FEDERAL-STATE INSPECTION SERVICE<br><b>MILLED PEANUT INSPECTION CERTIFICATE</b> | <b>C 280165</b> |
|-----------------|--|-----------------|

*This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et. seq) and is admissible as prima facie evidence in all courts of the United States. WARNING: Any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both*

|  |   |   |  |   |  |
|--|---|---|--|---|--|
| <b>SAMPLING BEGAN</b><br>HOUR: <u>3:30 PM</u> DATE: <u>11/16/03</u>                                      |   | <b>SAMPLE ANALYSIS FINISHED</b><br>HOUR: <u>5:00 PM</u> DATE: <u>11/17/03</u>                     |  | <b>TYPE OF INSPECTION (Mark One Only)</b><br><input checked="" type="checkbox"/> LOT INSPECTED<br><input type="checkbox"/> LOT LOADED INTO<br><input type="checkbox"/> CAR <input type="checkbox"/> TRAILER |  |
| LOCATION CODE: _____<br>WHERE SAMPLE DRAWN: <u>Applicant's Plant</u><br><u>Smithville, GA</u>            | WHERE SAMPLE ANALYZED:<br><u>SMITHVILLE, GA</u> | <b>CONVEYANCE IDENTIFICATION</b><br>PREFIX: _____ NUMBER: _____ ST: _____                         |  |   |  |
| APPLICANT CODE: <u>13035</u><br>APPLICANT NAME AND ADDRESS:<br><u>McCloskey Mills Inc. Smithville GA</u> |   | RECEIVER NAME AND ADDRESS: <u>NOT GIVEN</u><br>SHIPPER NAME AND ADDRESS: <u>SAME AS APPLICANT</u> |  |   |  |

**PRODUCT**

CLEANED IN THE SHELL  FIBERBOARD BINS  WITH NO DISTINGUISHING MARKS  
 SHELLED PEANUTS IN  BURLAP SACKS  TAGGED WITH LIGHT BLUE COLORED TAGS  
 BULK

|  |                       |                    |                      |   |  |
|--|-----------------------|--------------------|----------------------|---|--|
| TAG INSCRIPTION: <u>U.S. No. 1 "Medium Runner" Weight 2270 LBS</u><br><u>McCloskey Mills Inc. Smithville, GA</u> |                       |                    |                      | TAG CONTROL<br>50 ISSUED<br>42 USED<br>8 RETURNED |  |
| HOUSE: <u>76</u>   | LOT NUMBER: <u>13</u> | CROP YR: <u>03</u> | USDA: <u>6E02614</u> | FEDERAL-STATE INSPECTED                           |  |

APPLICANT STATES: 47670 LBS Runner TYPE BULK LOT NO. \_\_\_\_\_ OR COUNT OF 21 CONTAINERS

**SIZE**

2.55 % S/W Kernels PASSING 18/64 x 3/4 Inch 5 Screen; 7.50 % Wh Kernels RIDING 21/64 x 3/4 Inch 5 Screen  
 \_\_\_\_\_ % S/W Kernels PASSING \_\_\_\_\_ Inch \_\_\_\_\_ Screen; \_\_\_\_\_ % Wh Kernels RIDING \_\_\_\_\_ Inch \_\_\_\_\_ Screen  
 \_\_\_\_\_ % S/W Kernels & Kernel Portions PASSING \_\_\_\_\_ Inch \_\_\_\_\_ Screen  
 \_\_\_\_\_ % Peanuts With Undamaged Shells PASSING \_\_\_\_\_ Inch \_\_\_\_\_ Screen

COUNT AVERAGES 42  PER OUNCE  PER POUND

**QUALITY**  
 SAMPLE OF APPROXIMATELY 75000 GRAMS DRAWN, 1000 GRAMS ANALYZED CONTAINED THE FOLLOWING:

| PEANUTS IN THE SHELL         |       |         | SHELLED PEANUTS                               |             |             |
|------------------------------|-------|---------|---|-------------|-------------|
| GRADE FACTOR                 | GRAMS | PERCENT | GRADE FACTOR                                  | GRAMS       | PERCENT     |
| CRACKED OR BROKEN SHELLS     |       |         | OTHER TYPES OF KERNELS                        | <u>0.0</u>  | <u>0.00</u> |
| DISCOLORED SHELLS            |       |         | SPLIT OR BROKEN KERNELS                       | <u>18.0</u> | <u>1.80</u> |
| OTHER SHELL DEFECTS          |       |         | DAMAGED OR UNSHELLED                          | <u>6.0</u>  | <u>0.60</u> |
| FOREIGN MATERIAL             |       |         | MINOR DEFECTS                                 | <u>6.2</u>  | <u>0.62</u> |
| TOTAL                        |       |         | SOUND WHOLE KERNELS                           | <u>22</u>   | <u>2.2</u>  |
| PEANUTS WITH DAMAGED KERNELS |       |         | FOREIGN MATERIAL (BASED ON <u>5000</u> GRAMS) | <u>0.0</u>  | <u>0.00</u> |
| MOISTURE (BY ELECTRIC METER) |       |         | MOISTURE (BY ELECTRIC METER)                  |             | <u>7.20</u> |

**GRADE**  
US No. 1 Runner Meets APSA "Medium Runner" See Remarks

SAMPLES BILLED TO APPLICANT ABOVE:  1-CD  1-AB  APPEAL  
 DRAWN AND SENT TO: AMS (NAME OF LAB) Blakely, GA (ADDRESS) 11/17/03 (DATE)  
 ANALYSIS RESULTS TO BE:  PHONED ( )  WIRED Collect  MAILED to Applicant

**REMARKS**  
 MEETS Requirements of Marketing Agreement  
7 CFR, Part 946 for Human Consumption  
 FAILS to meet Requirements of Marketing Agreement

**CHARGES**

FEES \$ \_\_\_\_\_  
 DRAWING \$ \_\_\_\_\_  
 HANDLING \$ \_\_\_\_\_  
 SAMPLING \$ \_\_\_\_\_  
 EXPENSES \$ \_\_\_\_\_  
 TOTAL \$ \_\_\_\_\_

I, the undersigned, a duly authorized inspector of the United States Department of Agriculture, do hereby certify that at the request of the applicant and on the date indicated, samples of the above described products were inspected and the quality and/or condition as shown by said samples were as herein stated.  
 SIGNATURE OF INSPECTOR: *[Signature]*

**Exhibit VIII – Fails U.S. No. 1 Runner Account Split or Broken Kernels. Fails APSA "Medium Runner" Account Split or Broken Kernels and Fall Through. Meets 7CFR, Part 996 for Human Consumption.**

| <b>C 280165</b>  | UNITED STATES DEPARTMENT OF AGRICULTURE<br>AGRICULTURAL MARKETING SERVICE<br>FEDERAL STATE INSPECTION SERVICE<br><b>MILLED PEANUT INSPECTION CERTIFICATE</b> | <b>C 280165</b>   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
|--|--|---|---------|--------------------------|--|--|-------------------|--|--|---------------------|--|--|------------------|--|--|-------|--|--|---|--------------|-------|---------|------------------------|-----|------|-------------------------|-------|-------|----------------------|-----|------|---------------|-----|------|---------------------|----|----|---|-----|------|
| This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et. seq.) and is admissible as prima facie evidence in all courts of the United States. WARNING: Any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both. |  |   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| <b>SAMPLING BEGAN</b><br>HOUR: 1:30 pm DATE: 11/16/02  |  | <b>SAMPLE ANALYSIS FINISHED</b><br>HOUR: 7:30 pm DATE: 11/16/02   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| <b>TYPE OF INSPECTION (Mark One Only)</b><br><input checked="" type="checkbox"/> LOT INSPECTED<br>LOT LOADED INTO: <input type="checkbox"/> CAR <input type="checkbox"/> TRAILER   |  |   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| LOCATION CODE:<br>WHERE SAMPLE DRAWN: <u>Plant</u><br><u>Smithville, GA</u>  |  | WHERE SAMPLE ANALYZED:<br><u>Smithville, GA</u>   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| APPLICANT CODE: <u>13035</u><br>APPLICANT NAME AND ADDRESS:<br><u>McCleskey Mills Inc, Smithville, GA</u>  |  | CONVEYANCE IDENTIFICATION<br>PREFIX: _____ NUMBER: _____ ST: _____  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| RECEIVER NAME AND ADDRESS:<br><u>NOT GIVEN</u>   |  | SHIPPER NAME AND ADDRESS:<br><u>SAME AS APPLICANT</u>   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| <b>PRODUCT</b>   |  |   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| <input type="checkbox"/> CLEANED IN THE SHELL. <input checked="" type="checkbox"/> FIBERBOARD BINS <input type="checkbox"/> WITH NO DISTINGUISHING MARKS<br><input checked="" type="checkbox"/> SHELLED PEANUTS IN <input type="checkbox"/> BURLAP SACKS <input checked="" type="checkbox"/> TAGGED WITH <u>LT. Blue</u> COLORED TAGS<br><input type="checkbox"/> BULK   |  |   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| TAG INSCRIPTION: <u>U.S. No. 1 "Medium Runner" Weight 2270 LBS</u><br><u>McCleskey Mills Inc, Smithville, GA</u>   |  | TAG CONTROL:<br><input checked="" type="checkbox"/> ISSUED<br><input checked="" type="checkbox"/> USED<br><input type="checkbox"/> RETURNED |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| HOUSE: <u>47</u> LOT NUMBER: <u>2598</u> CROP YR: <u>02</u>  | USDA: <u>GEORGIA</u>   | FEDERAL STATE INSPECTED: _____  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| APPLICANT STATES: _____  |  |   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| 47470 LBS  | Runner TYPE  | BULK LOT NO. _____ OR COUNT OF <u>21</u> CONTAINERS   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| <b>SIZE</b>  |  |   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| 0.85 % SW Kernels PASSING <u>16/64 x 3/4</u> Inch <u>S</u> Screen; 0.00% Wh Kernels RIDING <u>21/64 x 3/4</u> Inch <u>S</u> Screen<br>13.35 % SW Kernels PASSING <u>17/64 x 3/4</u> Inch <u>S</u> Screen; 40.20% Wh Kernels RIDING <u>18/64 x 3/4</u> Inch <u>S</u> Screen<br>0.56 % SW Kernels & Kernel Portions PASSING <u>17/64</u> Inch <u>R</u> Screen<br>% Peanuts With Undamaged Shells PASSING _____ Inch _____ Screen   |  |   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| COUNT AVERAGES: <u>55</u> PER OUNCE <input checked="" type="checkbox"/> PER POUND <u>875</u> PER POUND   |  |   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| <b>QUALITY</b>   |  |   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| SAMPLE OF APPROXIMATELY <u>75,000</u> GRAMS DRAWN, <u>1,000</u> GRAMS ANALYZED CONTAINED THE FOLLOWING:  |  |   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| <b>PEANUTS IN THE SHELL</b>  |  | <b>SHELLED PEANUTS</b>  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>GRADE FACTOR</th> <th>GRAMS</th> <th>PERCENT</th> </tr> </thead> <tbody> <tr> <td>CRACKED OR BROKEN SHELLS</td> <td></td> <td></td> </tr> <tr> <td>DISCOLORED SHELLS</td> <td></td> <td></td> </tr> <tr> <td>OTHER SHELL DEFECTS</td> <td></td> <td></td> </tr> <tr> <td>FOREIGN MATERIAL</td> <td></td> <td></td> </tr> <tr> <td>TOTAL</td> <td></td> <td></td> </tr> </tbody> </table>  | GRADE FACTOR   | GRAMS   | PERCENT | CRACKED OR BROKEN SHELLS |  |  | DISCOLORED SHELLS |  |  | OTHER SHELL DEFECTS |  |  | FOREIGN MATERIAL |  |  | TOTAL |  |  | <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>GRADE FACTOR</th> <th>GRAMS</th> <th>PERCENT</th> </tr> </thead> <tbody> <tr> <td>OTHER TYPES OF KERNELS</td> <td>0.0</td> <td>0.00</td> </tr> <tr> <td>SPLIT OR BROKEN KERNELS</td> <td>454.3</td> <td>45.43</td> </tr> <tr> <td>DAMAGED OR UNSHELLED</td> <td>6.0</td> <td>0.60</td> </tr> <tr> <td>MINOR DEFECTS</td> <td>6.2</td> <td>0.62</td> </tr> <tr> <td>SOUND WHOLE KERNELS</td> <td>xx</td> <td>xx</td> </tr> <tr> <td>FOREIGN MATERIAL (BASED ON <u>2000</u> GRAMS)</td> <td>0.0</td> <td>0.00</td> </tr> </tbody> </table> | GRADE FACTOR | GRAMS | PERCENT | OTHER TYPES OF KERNELS | 0.0 | 0.00 | SPLIT OR BROKEN KERNELS | 454.3 | 45.43 | DAMAGED OR UNSHELLED | 6.0 | 0.60 | MINOR DEFECTS | 6.2 | 0.62 | SOUND WHOLE KERNELS | xx | xx | FOREIGN MATERIAL (BASED ON <u>2000</u> GRAMS) | 0.0 | 0.00 |
| GRADE FACTOR   | GRAMS  | PERCENT   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| CRACKED OR BROKEN SHELLS   |  |   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| DISCOLORED SHELLS  |  |   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| OTHER SHELL DEFECTS  |  |   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| FOREIGN MATERIAL   |  |   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| TOTAL  |  |   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| GRADE FACTOR   | GRAMS  | PERCENT   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| OTHER TYPES OF KERNELS   | 0.0  | 0.00  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| SPLIT OR BROKEN KERNELS  | 454.3  | 45.43   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| DAMAGED OR UNSHELLED   | 6.0  | 0.60  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| MINOR DEFECTS  | 6.2  | 0.62  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| SOUND WHOLE KERNELS  | xx   | xx  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| FOREIGN MATERIAL (BASED ON <u>2000</u> GRAMS)  | 0.0  | 0.00  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| PEANUTS WITH DAMAGED KERNELS _____   |  | FOREIGN MATERIAL (BASED ON <u>2000</u> GRAMS) <u>0.0</u>  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| MOISTURE (BY ELECTRIC METER) _____   |  | MOISTURE (BY ELECTRIC METER) <u>7.20</u>  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| <b>GRADE</b>   |  |   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| FAILS U.S. No. 1 Runner account split or broken kernels. Fails APMA "Medium Runner" account split or broken kernels and fall-through. See Remarks  |  |   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| SAMPLES BILLED TO APPLICANT ABOVE: <input type="checkbox"/> I-CD <input checked="" type="checkbox"/> I-AB <input type="checkbox"/> APPEAL  |  |   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| DRAWN AND SENT TO: <u>AMS</u> (NAME OF LAB)<br>ANALYSIS RESULTS TO BE: <input type="checkbox"/> PHONED ( ) <input type="checkbox"/> WIFED Collect <input type="checkbox"/> MAILED to Applicant   |  | (ADDRESS) <u>Blackley GA</u><br>(DATE) <u>11/16/02</u>  |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| REMARKS: <input checked="" type="checkbox"/> MEETS Requirements of Marketing Agreement, 7CFR Part 996 for Human Consumption <input type="checkbox"/> FAILS to meet Requirements of Marketing Agreement   |  |   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| CHARGES: FEES \$ _____ DRAWING \$ _____ HANDLING \$ _____ SAMPLING \$ _____ EXPENSES \$ _____ TOTAL \$ _____   |  |   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| * Size determined and reported at Applicant's request  |  |   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| I, the undersigned, a duly authorized inspector of the United States Department of Agriculture, do hereby certify that at the request of the applicant and on the date indicated, samples of the above described product were inspected and the quality and/or condition as shown by said samples were as herein stated.   |  |   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |
| SIGNATURE OF INSPECTOR: <u>[Signature]</u>   |  |   |         |                          |  |  |                   |  |  |                     |  |  |                  |  |  |       |  |  |   |              |       |         |                        |     |      |                         |       |       |                      |     |      |               |     |      |                     |    |    |   |     |      |

**Exhibit IX - U.S. No. 1 Runner. Fails to Meet Count as Marked.**

|                 |  |                 |
|-----------------|--|-----------------|
| <b>C 280165</b> | UNITED STATES DEPARTMENT OF AGRICULTURE<br>AGRICULTURAL MARKETING SERVICE<br>FEDERAL STATE INSPECTION SERVICE<br><b>MILLED PEANUT INSPECTION CERTIFICATE</b> | <b>C 280165</b> |
|-----------------|--|-----------------|

This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et. seq.) and is admissible as prima facie evidence in all courts of the United States. WARNING: Any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both.

|  |  |   |   |  |  |
|--|--|---|---|--|--|
| <b>SAMPLING BEGAN</b><br>HOUR: <u>9:00 AM</u> DATE: <u>11/22/02</u>                                      |  | <b>SAMPLE ANALYSIS FINISHED</b><br>HOUR: <u>1:30 PM</u> DATE: <u>11/27/02</u> |   | <b>TYPE OF INSPECTION (Mark One Only)</b><br><input checked="" type="checkbox"/> LOT INSPECTED<br>LOT LOADED INTO: <input type="checkbox"/> CAR <input type="checkbox"/> TRAILER |  |
| LOCATION CODE: _____<br>WHERE SAMPLE DRAWN: <u>Applicant's Plant Smithville, GA</u>                      | WHERE SAMPLE ANALYZED: <u>Smithville, GA</u> |   | <b>CONVEYANCE IDENTIFICATION</b><br>PREFIX: _____ NUMBER: _____ ST: _____ |  |  |
| APPLICANT CODE: <u>13035</u><br>APPLICANT NAME AND ADDRESS: <u>McCloskey Mills, Inc., Smithville, GA</u> |  | RECEIVER NAME AND ADDRESS: <u>NOT GIVEN</u>                                   |   |  |  |

**PRODUCT**

|   |  |   |
|---|--|---|
| <input type="checkbox"/> CLEANED IN THE SHELL       | <input type="checkbox"/> FIBERBOARD BINS         | <input type="checkbox"/> WITH NO DISTINGUISHING MARKS                         |
| <input checked="" type="checkbox"/> SHELLED PEANUTS | <input checked="" type="checkbox"/> BURLAP SACKS | <input checked="" type="checkbox"/> TAGGED WITH <u>Lt. Green</u> COLORED TAGS |
| <input type="checkbox"/> BULK                       |  |   |

|   |  |  |  |   |  |
|---|--|--|--|---|--|
| TAG INSCRIPTION: <u>U.S. No. 1 Runners - 38-42 Count, 110.23 lbs. - 50 Kilos.</u> |  |  |  | TAG CONTROL<br><u>410</u> ISSUED<br><u>400</u> USED<br><u>10</u> RETURNED |  |
| HOUSE: <u>193</u> LOT NUMBER: <u>1641</u> CROP YR: <u>02</u>                      |  |  |  | FEDERAL STATE INSPECTED: _____  |  |
| APPLICANT STATES: _____   |  |  |  |   |  |

44,092 LBS Runner TYPE BULK LOT NO. \_\_\_\_\_ ON COUNT OF 400 CONTAINERS

**SIZE**

|  |
|--|
| <u>0.00</u> % S/W Kernels PASSING <u>16/64 x 3/4</u> Inch <u>3</u> Screen: _____ % Wh Kernels RIDING _____ Inch _____ Screen |
| _____ % S/W Kernels PASSING _____ Inch _____ Screen: _____ % Wh Kernels RIDING _____ Inch _____ Screen                       |
| _____ % S/W Kernels & Kernel Portions PASSING _____ Inch _____ Screen  |
| _____ % Peanuts With Undamaged Shells PASSING _____ Inch _____ Screen  |

COUNT AVERAGES 36  PER OUNCE  PER POUND

**QUALITY**  
 SAMPLE OF APPROXIMATELY 75,000 GRAMS DRAWN, 1,000 GRAMS ANALYZED CONTAINED THE FOLLOWING:

| PEANUTS IN THE SHELL         |       |         | SHELLED PEANUTS                               |             |             |
|------------------------------|-------|---------|---|-------------|-------------|
| GRADE FACTOR                 | GRAMS | PERCENT | GRADE FACTOR                                  | GRAMS       | PERCENT     |
| CRACKED OR BROKEN SHELLS     |       |         | OTHER TYPES OF KERNELS                        | <u>0.0</u>  | <u>0.00</u> |
| DISCOLORED SHELLS            |       |         | SPLIT OR BROKEN KERNELS                       | <u>16.9</u> | <u>1.69</u> |
| OTHER SHELL DEFECTS          |       |         | DAMAGED OR UNSHELLED                          | <u>1.6</u>  | <u>0.16</u> |
| FOREIGN MATERIAL             |       |         | MINOR DEFECTS                                 | <u>2.9</u>  | <u>0.29</u> |
| <b>TOTAL</b>                 |       |         | SOUND WHOLE KERNELS                           | <u>XX</u>   | <u>XX</u>   |
| PEANUTS WITH DAMAGED KERNELS |       |         | FOREIGN MATERIAL (BASED ON <u>2000</u> GRAMS) | <u>0.0</u>  | <u>0.00</u> |
| MOISTURE (BY ELECTRIC METER) |       |         | MOISTURE (BY ELECTRIC METER)                  |             | <u>7.10</u> |

**GRADE**  
U.S. No. 1 Runner. Fails to meet count as marked.

SAMPLES BILLED TO APPLICANT ABOVE:  1-CD  1-AB  APPEAL  
 DRAWN AND SENT TO: AMS ADDRESS: Biakely, GA DATE: 11/27/02  
 ANALYSIS RESULTS TO BE:  PHONED ( )  WIRED Collect  MAILED to Applicant

REMARKS:  MEETS Requirements of Marketing Agreement 7 CFR Part 996 FOR HUMAN CONSUMPTION  FAILS to meet Requirements of Marketing Agreement

**CHARGES**

|             |       |
|-------------|-------|
| FEE \$      | _____ |
| DRAWING \$  | _____ |
| HANDLING \$ | _____ |
| SAMPLING \$ | _____ |
| EXPENSES \$ | _____ |
| TOTAL \$    | _____ |

I, the undersigned, a duly authorized inspector of the United States Department of Agriculture, do hereby certify that all the request of the applicant and on the date indicated, samples of the above described products were inspected and the quality and/or condition shown by said samples were as herein stated.

SIGNATURE OF INSPECTOR: [Signature]



**Exhibit X – U.S. No. 1 Runner. Count Certified With Grade.**

|                 |  |                 |
|-----------------|--|-----------------|
| <b>C 280165</b> | UNITED STATES DEPARTMENT OF AGRICULTURE<br>AGRICULTURAL MARKETING SERVICE<br>FEDERAL STATE INSPECTION SERVICE<br><b>MILLED PEANUT INSPECTION CERTIFICATE</b> | <b>C 280165</b> |
|-----------------|--|-----------------|

This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et. seq.) and is admissible as prima facie evidence in all courts of the United States. WARNING: Any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both.

|   |   |   |  |   |  |
|---|---|---|--|---|--|
| <b>SAMPLING BEGAN</b><br>HOUR: <u>9:00 AM</u> DATE: <u>11/22/03</u>                                       |   | <b>SAMPLE ANALYSIS FINISHED</b><br>HOUR: <u>1:30 AM</u> DATE: <u>11/27/03</u> |  | <b>TYPE OF INSPECTION (Mark One Only)</b><br><input checked="" type="checkbox"/> LOT INSPECTED<br><input type="checkbox"/> LOT LOADED INTO<br><input type="checkbox"/> CAR <input type="checkbox"/> TRAILER |  |
| LOCATION CODE: _____<br>WHERE SAMPLE DRAWN: <u>Applicant's Plant</u><br><u>Smithville, GA</u>             | WHERE SAMPLE ANALYZED:<br><u>Smithville, GA</u> | <b>CONVEYANCE IDENTIFICATION</b><br>PREFIX: _____ NUMBER: _____ ST: _____     |  |   |  |
| APPLICANT CODE: <u>13035</u><br>APPLICANT NAME AND ADDRESS:<br><u>McCleskey Mills Inc, Smithville, GA</u> |   | RECEIVER NAME AND ADDRESS: <u>NOT GIVEN</u>                                   |  |   |  |

**PRODUCT**

|   |  |   |
|---|--|---|
| <input type="checkbox"/> CLEANED IN THE SHELL       | <input type="checkbox"/> FIBERBOARD BINS         | <input type="checkbox"/> WITH NO DISTINGUISHING MARKS                         |
| <input checked="" type="checkbox"/> SHELLED PEANUTS | <input checked="" type="checkbox"/> BURLAP SACKS | <input checked="" type="checkbox"/> TAGGED WITH <u>LT. GREEN</u> COLORED TAGS |
| <input type="checkbox"/> IN                         | <input type="checkbox"/> BULK                    |   |

**TAG DESCRIPTION** U.S. No. 1 Runner 110.23 lbs. - So. kilos.  
McCleskey Mills Inc, Smithville, GA

|                  |                         |                    |                      |                                |
|------------------|-------------------------|--------------------|----------------------|--------------------------------|
| HOUSE: <u>48</u> | LOT NUMBER: <u>1119</u> | CROP YR: <u>03</u> | USDA: <u>GEORGIA</u> | FEDERAL STATE INSPECTED: _____ |
|------------------|-------------------------|--------------------|----------------------|--------------------------------|

**TAG CONTROL**  
400 ISSUED  
400 USED  
0 RETURNED

APPLICANT STATES: \_\_\_\_\_

44092 LBS Runner TYPE BULK LOT NO. \_\_\_\_\_ OR COUNT OF 400 CONTAINERS

**SIZE**

0.00 % SW Kernels PASSING 1/4" x 3/4" Inch 5 Screen; \_\_\_\_\_ % Wh Kernels RIDING \_\_\_\_\_ Inch \_\_\_\_\_ Screen  
 \_\_\_\_\_ % SW Kernels PASSING \_\_\_\_\_ Inch \_\_\_\_\_ Screen; \_\_\_\_\_ % Wh Kernels RIDING \_\_\_\_\_ Inch \_\_\_\_\_ Screen  
 \_\_\_\_\_ % SAW Kernels & Kernel Portions PASSING \_\_\_\_\_ Inch \_\_\_\_\_ Screen  
 \_\_\_\_\_ % Peanuts With Undamaged Shells PASSING \_\_\_\_\_ Inch \_\_\_\_\_ Screen

COUNT AVERAGES: 36  PER OUNCE  PER POUND

**QUALITY**  
 SAMPLE OF APPROXIMATELY 75000 GRAMS DRAWN, 1000 GRAMS ANALYZED CONTAINED THE FOLLOWING:

| PEANUTS IN THE SHELL         |       |         | SHELLED PEANUTS                               |             |             |
|------------------------------|-------|---------|---|-------------|-------------|
| GRADE FACTOR                 | GRAMS | PERCENT | GRADE FACTOR                                  | GRAMS       | PERCENT     |
| CRACKED OR BROKEN SHELLS     |       |         | OTHER TYPES OF KERNELS                        | <u>0.0</u>  | <u>0.00</u> |
| DISCOLORED SHELLS            |       |         | SPLIT OR BROKEN KERNELS                       | <u>16.9</u> | <u>1.69</u> |
| OTHER SHELL DEFECTS          |       |         | DAMAGED OR UNSHELLED                          | <u>1.6</u>  | <u>0.16</u> |
| FOREIGN MATERIAL             |       |         | MINOR DEFECTS                                 | <u>2.9</u>  | <u>0.29</u> |
| TOTAL                        |       |         | SOUND WHOLE KERNELS                           | <u>xx</u>   | <u>xx</u>   |
| PEANUTS WITH DAMAGED KERNELS |       |         | FOREIGN MATERIAL (BASED ON <u>2000</u> GRAMS) | <u>0.0</u>  | <u>0.00</u> |
| MOISTURE (BY ELECTRIC METER) |       |         | MOISTURE (BY ELECTRIC METER)                  |             | <u>7.10</u> |

**GRADE:** \* U.S. No. 1 Runner, 36 COUNT PER OUNCE

SAMPLES DELIVERED TO APPLICANT ABOVE

1-CD  1-AB  APPEAL DRAWN AND SENT TO AMS (NAME OF LAB) Blakely, GA (ADDRESS) 11/27/03 (DATE)

ANALYSIS RESULTS TO BE:  PHONED ( )  WIRED Collect  MAILED to Applicant

REMARKS:  MEETS Requirements of Marketing Agreement (7 CFR PART 996 FOR HUMAN CONSUMPTION)  FAILS to meet Requirements of Marketing Agreement

**CHARGES**

FEES \$ \_\_\_\_\_  
 DRAWING \$ \_\_\_\_\_  
 HANDLING \$ \_\_\_\_\_  
 SAMPLING \$ \_\_\_\_\_  
 EXPENSES \$ \_\_\_\_\_  
 TOTAL \$ \_\_\_\_\_

\* Count per ounce certified with grade at applicant's request

I, the undersigned, a duly authorized inspector of the United States Department of Agriculture, do hereby certify that at the request of the applicant and on the date indicated, samples of the above described products were inspected and the quality and/or condition/s shown by said samples were as herein stated.

\_\_\_\_\_  
 SIGNATURE OF INSPECTOR

**Exhibit XI – Fails U.S. No. 1 Runner Account Damage & Minor Defects. Meets APSA “No 1 Runner.”**

|                 |  |                 |
|-----------------|--|-----------------|
| <b>C 280165</b> | UNITED STATES DEPARTMENT OF AGRICULTURE<br>AGRICULTURAL MARKETING SERVICE<br>FEDERAL-STATE INSPECTION SERVICE<br><b>MILLED PEANUT INSPECTION CERTIFICATE</b> | <b>C 280165</b> |
|-----------------|--|-----------------|

This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et. seq.) and is admissible as prima facie evidence in all courts of the United States. WARNING: Any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both.

|   |   |  |
|---|---|--|
| SAMPLING BEGAN<br>HOUR: <b>5:40 PM</b> DATE: <b>12/19/03</b><br>LOCATION CODE: <b>Ashburn Shellings Plant</b><br>WHERE SAMPLE DRAWN: <b>Ashburn, GA</b> | SAMPLE ANALYSIS FINISHED<br>HOUR: <b>2:25 PM</b> DATE: <b>12/20/03</b><br>WHERE SAMPLE ANALYZED: <b>Ashburn, GA</b> | TYPE OF INSPECTION (Mark One Only)<br><input checked="" type="checkbox"/> LOT INSPECTED<br><input type="checkbox"/> LOT LOADED INTO<br><input type="checkbox"/> CAR <input type="checkbox"/> TRAILER |
| APPLICANT NAME AND ADDRESS:<br><b>Golden Peanut Co., Atlanta, GA</b>  |   | CONVEYANCE IDENTIFICATION<br>PREFIX: _____ NUMBER: _____ ST: _____   |
| RECEIVER NAME AND ADDRESS:<br><b>NOT GIVEN</b>  |   | SHIPPER NAME AND ADDRESS:<br><b>Golden Peanut Co., Ashburn, GA</b>   |

**PRODUCT**

CLEANED IN THE SHELL  FIBERBOARD BINS  WITH NO DISTINGUISHING MARKS  
 SHELLED PEANUTS  IN  BURLAP SACKS  TAGGED WITH **SALMON** COLORED TAGS  
 BULK

TAG INSCRIPTION: **U.S. No. 1 "No 1 Runner" Gross weight 110.23 lbs, 50 kils. Net weight 109.12 lbs, 49.5 kilos, Golden Peanut Company, Atlanta GA.**

HOUSE: **68** LOT NUMBER: **1028** CROP YR: **03** USA: **USA** REGION: **GEORGIA** FEDERAL-STATE INSPECTED: \_\_\_\_\_  
 TAG CONTROL: **420** ISSUED, **400** USED, **20** RETURNED

APPLICANT STATES: **44092** LBS **Runner** TYPE BULK LOT NO OR COUNT OF **400** CONTAINERS

**SIZE**

**1.58** % SAW Kernels PASSING **16/64 x 3/4** Inch **5** Screen; **38.98** % Wh Kernels RIDING **18/64 x 3/4** Inch **5** Screen  
 % SAW Kernels PASSING \_\_\_\_\_ Inch \_\_\_\_\_ Screen; % Wh Kernels RIDING \_\_\_\_\_ Inch \_\_\_\_\_ Screen  
 % SAW Kernels & Kernel Portions PASSING \_\_\_\_\_ Inch \_\_\_\_\_ Screen  
 % Peanuts With Undamaged Shells PASSING \_\_\_\_\_ Inch \_\_\_\_\_ Screen

COUNT AVERAGES: **67**  PER OUNCE  PER POUND

**QUALITY**

SAMPLE OF APPROXIMATELY **7500** GRAMS DRAWN, **1000** GRAMS ANALYZED CONTAINED THE FOLLOWING:

| PEANUTS IN THE SHELL         |       |         | SHELLED PEANUTS                               |             |             |
|------------------------------|-------|---------|---|-------------|-------------|
| GRADE FACTOR                 | GRAMS | PERCENT | GRADE FACTOR                                  | GRAMS       | PERCENT     |
| CRACKED OR BROKEN SHELLS     |       |         | OTHER TYPES OF KERNELS                        | <b>0.0</b>  | <b>0.00</b> |
| DISCOLORED SHELLS            |       |         | SPLIT OR BROKEN KERNELS                       | <b>13.6</b> | <b>1.36</b> |
| OTHER SHELL DEFECTS          |       |         | DAMAGED OR UNSHELLED                          | <b>10.9</b> | <b>1.09</b> |
| FOREIGN MATERIAL             |       |         | MINOR DEFECTS                                 | <b>10.0</b> | <b>1.00</b> |
| TOTAL                        |       |         | SOUND WHOLE KERNELS                           | <b>x</b>    | <b>x</b>    |
| PEANUTS WITH DAMAGED KERNELS |       |         | FOREIGN MATERIAL (BASED ON <b>2000</b> GRAMS) | <b>0.0</b>  | <b>0.00</b> |
| MOISTURE (BY ELECTRIC METER) |       |         | MOISTURE (BY ELECTRIC METER)                  |             | <b>7.30</b> |

**GRADE**

**FAILS TO EXCEED U.S. No 1 Runner account damage and minor defects. Meets APSA "No 1 Runner" See Remarks**

SAMPLES DELIVERED TO APPLICANT ABOVE

1-CO  1-AB  APPEAL DRAWN AND SENT TO **AMS** (NAME OF LAB) **Blakely, GA** (ADDRESS) **12/20/03** (DATE)  
 ANALYSIS RESULTS TO BE  PHONED ( )  WIFED Collect  MAILED to Applicant

REMARKS:  MEETS Requirements of Marketing Agreement **7 CFR, Part 996 for Human Consumption**  FAILS to meet Requirements of Marketing Agreement

CHARGES

FEES \$ \_\_\_\_\_  
 DRAWING \$ \_\_\_\_\_  
 HANDLING \$ \_\_\_\_\_  
 SAMPLING \$ \_\_\_\_\_  
 EXPENSES \$ \_\_\_\_\_  
 TOTAL \$ \_\_\_\_\_

I, the undersigned, duly authorized inspector of the United States Department of Agriculture, do hereby certify that at the request of the applicant and on the date indicated, samples of the above described products were inspected and the quality and/or condition as shown by said samples were as follows:  
 SIGNATURE OF INSPECTOR: *[Signature]*

**Exhibit XII - U.S. No. 1 Runner. Meets APSA "No. 1 Runner."**

|                 |  |                 |
|-----------------|--|-----------------|
| <b>C 280165</b> | UNITED STATES DEPARTMENT OF AGRICULTURE<br>AGRICULTURAL MARKETING SERVICE<br>FEDERAL-STATE INSPECTION SERVICE<br><b>MILLED PEANUT INSPECTION CERTIFICATE</b> | <b>C 280165</b> |
|-----------------|--|-----------------|

*This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et seq.) and is admissible as prima facie evidence in all courts of the United States. WARNING: Any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both.*

|  |   |   |  |   |    |
|--|---|---|--|---|----|
| <b>SAMPLING BEGAN</b><br>HOUR: <u>830 AM</u> DATE: <u>11/28/03</u> |   | <b>SAMPLE ANALYSIS FINISHED</b><br>HOUR: <u>1000 AM</u> DATE: <u>11/29/03</u> |  | <b>TYPE OF INSPECTION (Mark One Only)</b><br><input checked="" type="checkbox"/> LOT INSPECTED<br><input type="checkbox"/> LOT LOADED INTO<br><input type="checkbox"/> CAR <input type="checkbox"/> TRAILER |    |
| LOCATION CODE  | WHERE SAMPLE DRAWN<br><u>Smithville, GA</u>                             | WHERE SAMPLE ANALYZED<br><u>Smithville, GA</u>                                | CONVEYANCE IDENTIFICATION                            |   |    |
| APPLICANT CODE<br><u>13035</u>                                     | APPLICANT NAME AND ADDRESS<br><u>McCloskey Mills Inc, Smithville GA</u> |   | PREFIX   | NUMBER  | ST |
| RECEIVER NAME AND ADDRESS<br><u>NOT GIVEN</u>                      |   |   | SHIPPER NAME AND ADDRESS<br><u>SAME AS APPLICANT</u> |   |    |

**PRODUCT**

CLEANED IN THE SHELL  FIBERBOARD BINS  WITH NO DISTINGUISHING MARKS  
 SHELLED PEANUTS IN  BURLAP SACKS  TAGGED WITH Salmon COLORED TAGS  
 BULK

|   |  |  |  |             |          |
|---|--|--|--|-------------|----------|
| TAG DESCRIPTION <u>US No. 1 Runner "No. 1 Runner" weight 276 lbs</u>                                |  |  |  | TAG CONTROL |          |
| HOUSE <u>46</u> LOT NUMBER <u>117</u> CROP YR <u>03</u> USDA <u>Georgia</u> FEDERAL-STATE INSPECTED |  |  |  | <u>50</u>   | ISSUED   |
|   |  |  |  | <u>42</u>   | USED     |
|   |  |  |  | <u>5</u>    | RETURNED |

APPLICANT STATES

47670 LBS Runner TYPE BULK LOT NO \_\_\_\_\_ OR COUNT OF 21 CONTAINERS

**SIZE**

0.47 % S/W Kernels PASSING 16/64 x 3/4 Inch S Screen; 12.84 % Wh Kernels RIDING 18/64 x 3/4 Inch S Screen  
0.03 % S/W Kernels PASSING \_\_\_\_\_ Inch \_\_\_\_\_ Screen; \_\_\_\_\_ % Wh Kernels RIDING \_\_\_\_\_ Inch \_\_\_\_\_ Screen  
0.03 % S/W Kernels & Kernel Portions PASSING 17/64 Inch R Screen  
 \_\_\_\_\_ % Peanuts With Undamaged Shells PASSING \_\_\_\_\_ Inch \_\_\_\_\_ Screen

COUNT AVERAGES 60  PER OUNCE  PER POUND

**QUALITY**

SAMPLE OF APPROXIMATELY 75000 GRAMS DRAWN, 1000 GRAMS ANALYZED CONTAINED THE FOLLOWING:

| PEANUTS IN THE SHELL         |       |         | SHELLED PEANUTS                               |            |             |
|------------------------------|-------|---------|---|------------|-------------|
| GRADE FACTOR                 | GRAMS | PERCENT | GRADE FACTOR                                  | GRAMS      | PERCENT     |
| CRACKED OR BROKEN SHELLS     |       |         | OTHER TYPES OF KERNELS                        | <u>0.0</u> | <u>0.00</u> |
| DISCOLORED SHELLS            |       |         | SPLIT OR BROKEN KERNELS                       | <u>9.2</u> | <u>0.92</u> |
| OTHER SHELL DEFECTS          |       |         | DAMAGED OR UNSHELLED                          | <u>3.4</u> | <u>0.34</u> |
| FOREIGN MATERIAL             |       |         | MINOR DEFECTS                                 | <u>2.7</u> | <u>0.27</u> |
| TOTAL                        |       |         | SOUND WHOLE KERNELS                           | <u>x</u>   | <u>x</u>    |
| PEANUTS WITH DAMAGED KERNELS |       |         | FOREIGN MATERIAL (BASED ON <u>2000</u> GRAMS) | <u>0.0</u> | <u>0.00</u> |
| MOISTURE (BY ELECTRIC METER) |       |         | MOISTURE (BY ELECTRIC METER)                  |            | <u>7.70</u> |

US No. 1 Runner Meets APSA "No. 1 Runner" See Remarks

SAMPLES BILLED TO APPLICANT ABOVE

I-CD  I-AB  APPEAL DRAWN AND SENT TO AMS (NAME OF LAB) Blakely GA (ADDRESS) 11/29/03 (DATE)  
 ANALYSIS RESULTS TO BE  PHONED ( )  WIRED Collect  MAILED to Applicant

REMARKS  MEETS Requirements of Marketing Agreement 7 CFR, Part 996 for Human Consumption  FAILS to meet Requirements of Marketing Agreement

**CHARGES**

FEES \$ \_\_\_\_\_

DRAWING \$ \_\_\_\_\_

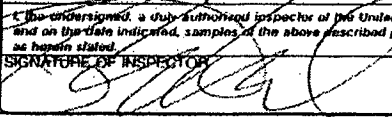
HANDLING \$ \_\_\_\_\_

SAMPLING \$ \_\_\_\_\_

EXPENSES \$ \_\_\_\_\_

TOTAL \$ \_\_\_\_\_

I, the undersigned, a duly authorized inspector of the United States Department of Agriculture, do hereby certify that at the request of the applicant and on the date indicated, samples of the above described products were inspected and the quality and/or condition as shown by said samples were as herein stated.

SIGNATURE OF INSPECTOR 

**Exhibit XIII - U.S. Runner Splits. Meets APSA "Runner Splits."**

|                 |  |                 |
|-----------------|--|-----------------|
| <b>C 280165</b> | UNITED STATES DEPARTMENT OF AGRICULTURE<br>AGRICULTURAL MARKETING SERVICE<br>FEDERAL-STATE INSPECTION SERVICE<br><b>MILLED PEANUT INSPECTION CERTIFICATE</b> | <b>C 280165</b> |
|-----------------|--|-----------------|

This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et. seq.) and is admissible as prima facie evidence in all courts of the United States. WARNING: Any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both.

|   |                                       |   |  |  |  |
|---|---------------------------------------|---|--|--|--|
| <b>SAMPLING BEGAN</b><br>HOUR: 4:40 PM DATE: 11/27/02                                     |                                       | <b>SAMPLE ANALYSIS FINISHED</b><br>HOUR: 6:45 AM DATE: 11/27/02                     |  | <b>TYPE OF INSPECTION (Mark One Only)</b><br><input checked="" type="checkbox"/> LOT INSPECTED<br>LOT LOADED INTO: <input type="checkbox"/> CAR <input type="checkbox"/> TRAILER |  |
| LOCATION CODE: _____<br>WHERE SAMPLE DRAWN: APPLICANT'S PLANT                             | WHERE SAMPLE ANALYZED: SMITHVILLE, GA | <b>CONVEYANCE IDENTIFICATION</b><br>PREFIX: _____ NUMBER: _____ ST: _____           |  |  |  |
| APPLICANT CODE: 13035<br>APPLICANT NAME AND ADDRESS: McCleskey Mills Inc., Smithville, GA |                                       | RECEIVER NAME AND ADDRESS: NOT GIVEN<br>SHIPPER NAME AND ADDRESS: SAME AS APPLICANT |  |  |  |

**PRODUCT**

CLEANED IN THE SHELL  
 SHELLED PEANUTS

FIBERBOARD BINS  
 BURLAP SACKS  
 BULK

WITH NO DISTINGUISHING MARKS  
 TAGGED WITH YELLOW COLORED TAGS

**TAG DESCRIPTION** U.S. Runner Splits, "Runner Splits" Weight 2125 LBS.  
 McCleskey Mills Inc., Smithville, GA

|           |                  |             |               |                                |                        |
|-----------|------------------|-------------|---------------|--------------------------------|------------------------|
| HOUSE: 17 | LOT NUMBER: 8467 | CROP YR: 02 | USDA: GEORGIA | FEDERAL-STATE INSPECTED: _____ | TAG CONTROL: 50 ISSUED |
|           |                  |             |               |                                | 42 USED                |
|           |                  |             |               |                                | 8 RETURNED             |

APPLICANT STATES: 44 675 LBS  
 TYPE: Runner  
 BULK LOT NO.: \_\_\_\_\_ OR COUNT OF: 21 CONTAINERS

**SIZE**

% S/W Kernels PASSING \_\_\_\_\_ Inch Screen; % Wh Kernels RIDING \_\_\_\_\_ Inch Screen  
 % S/W Kernels PASSING \_\_\_\_\_ Inch Screen; % Wh Kernels RIDING \_\_\_\_\_ Inch Screen  
 0.57 % S/W Kernels & Kernel Portions PASSING 1764 Inch R Screen  
 % Peanuts With Undamaged Shells PASSING \_\_\_\_\_ Inch Screen

COUNT AVERAGES:  PER OUNCE  PER POUND

**QUALITY**  
 SAMPLE OF APPROXIMATELY 75000 GRAMS DRAWN, 1000 GRAMS ANALYZED CONTAINED THE FOLLOWING:

| PEANUTS IN THE SHELL         |       |         | SHELLED PEANUTS                        |       |         |
|------------------------------|-------|---------|--|-------|---------|
| GRADE FACTOR                 | GRAMS | PERCENT | GRADE FACTOR                           | GRAMS | PERCENT |
| CRACKED OR BROKEN SHELLS     |       |         | OTHER TYPES OF KERNELS                 | 0.0   | 0.00    |
| DISCOLORED SHELLS            |       |         | SPLIT OR BROKEN KERNELS                | 24    | 2.4     |
| OTHER SHELL DEFECTS          |       |         | DAMAGED OR UNSHELLED                   | 9.6   | 0.96    |
| FOREIGN MATERIAL             |       |         | MINOR DEFECTS                          | 6.7   | 0.67    |
| TOTAL                        |       |         | SOUND WHOLE KERNELS                    | 31.9  | 3.19    |
| PEANUTS WITH DAMAGED KERNELS |       |         | FOREIGN MATERIAL (BASED ON 2000 GRAMS) | 0.0   | 0.00    |
| MOISTURE (BY ELECTRIC METER) |       |         | MOISTURE (BY ELECTRIC METER)           |       | 7.20    |

**GRADE**  
 U.S. Runner Splits, Meets APSA "Runner Splits"

SAMPLES BILLED TO APPLICANT ABOVE:  1-CD  1-AB  APPEAL

DRAWN AND SENT TO: AMS (NAME OF LAB) Bleckley GA (ADDRESS) 11/27/02 (DATE)

ANALYSIS RESULTS TO BE:  PHONED ( )  WHEED Collect  MAILED to Applicant

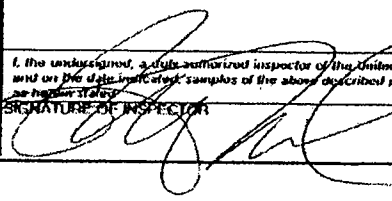
**REMARKS**  MEETS Requirements of Marketing Agreement 7 CFR PART 996 FOR HUMAN CONSUMPTION

**CHARGES**

FEES \$ \_\_\_\_\_  
 DRAWING \$ \_\_\_\_\_  
 HANDLING \$ \_\_\_\_\_  
 SAMPLING \$ \_\_\_\_\_  
 EXPENSES \$ \_\_\_\_\_  
 TOTAL \$ \_\_\_\_\_

I, the undersigned, a duly authorized inspector of the United States Department of Agriculture, do hereby certify that at the request of the applicant and on the date indicated samples of the above described product were inspected and the quality and/or condition's shown by said samples were as herein stated.

SIGNATURE OF INSPECTOR



**Exhibit XIV - U.S. No. 1 Runner. Meets APSA "Jumbo Runner."**

|                 |  |                 |
|-----------------|--|-----------------|
| <b>C 280165</b> | UNITED STATES DEPARTMENT OF AGRICULTURE<br>AGRICULTURAL MARKETING SERVICE<br>FEDERAL STATE INSPECTION SERVICE<br><b>MILLED PEANUT INSPECTION CERTIFICATE</b> | <b>C 280165</b> |
|-----------------|--|-----------------|

*This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et. seq.) and is admissible as prima facie evidence in all courts of the United States. WARNING: Any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both.*

|  |  |  |  |  |    |
|--|--|--|--|--|----|
| SAMPLING BEGAN<br>HOUR: <b>9:00 AM</b> DATE: <b>11/22/03</b> |  | SAMPLE ANALYSIS FINISHED<br>HOUR: <b>1:30 PM</b> DATE: <b>11/27/03</b> |  | TYPE OF INSPECTION (Mark One Only)<br><input checked="" type="checkbox"/> LOT INSPECTED<br><input type="checkbox"/> LOT LOADED INTO<br><input type="checkbox"/> CAR <input type="checkbox"/> TRAILER |    |
| LOCATION CODE  | WHERE SAMPLE DRAWN<br><b>Applicant's Plant</b>                           | WHERE SAMPLE ANALYZED<br><b>Smithville GA</b>                          | CONVEYANCE IDENTIFICATION                            |  |    |
| APPLICANT CODE<br><b>13035</b>                               | APPLICANT NAME AND ADDRESS<br><b>McCleskey Mills Inc. Smithville, GA</b> |  | PREFIX   | NUMBER   | ST |
| RECEIVER NAME AND ADDRESS<br><b>NOT GIVEN</b>                |  |  | SHIPPER NAME AND ADDRESS<br><b>SAME AS APPLICANT</b> |  |    |

**PRODUCT**

|   |  |   |
|---|--|---|
| <input type="checkbox"/> CLEANED IN THE SHELL       | <input type="checkbox"/> FIBERBOARD BINS         | <input type="checkbox"/> WITH NO DISTINGUISHING MARKS                         |
| <input checked="" type="checkbox"/> SHELLED PEANUTS | <input checked="" type="checkbox"/> BURLAP SACKS | <input checked="" type="checkbox"/> TAGGED WITH <u>LT. GREEN</u> COLORED TAGS |
| <input type="checkbox"/> BULK                       |  |   |

|   |                          |                      |                        |             |          |
|---|--------------------------|----------------------|------------------------|-------------|----------|
| TAG INSCRIPTION<br><b>U.S. No. 1 "Jumbo Runner" 110.23 lbs., 50 kilos</b> |                          |                      |                        | TAG CONTROL |          |
| <b>McCleskey Mills Inc. Smithville GA</b>                                 |                          |                      |                        | <b>850</b>  | ISSUED   |
| HOUSE<br><b>608</b>   | LOT NUMBER<br><b>119</b> | CROP YR<br><b>02</b> | USDA<br><b>Georgia</b> | <b>800</b>  | USED     |
| APPLICANT STATES  |                          |                      |                        | <b>50</b>   | RETURNED |

|                  |                    |              |                                   |
|------------------|--------------------|--------------|-----------------------------------|
| <b>88184</b> LBS | <b>RUNNER</b> TYPE | BULK LOT NO. | OR COUNT OF <b>800</b> CONTAINERS |
|------------------|--------------------|--------------|-----------------------------------|

|   |   |
|---|---|
| <b>2.27</b> % SW Kernels PASSING <b>21/64 x 3/4</b> Inch <b>S</b> Screen; | % Wh Kernels RIDING _____ Inch _____ Screen |
| % SW Kernels PASSING _____ Inch _____ Screen;                             | % Wh Kernels RIDING _____ Inch _____ Screen |
| % SW Kernels & Kernel Portions PASSING _____ Inch _____ Screen            |   |
| % Peanuts With Undamaged Shells PASSING _____ Inch _____ Screen           |   |

COUNT AVERAGES **38**  PER OUNCE  PER POUND

**QUALITY**

SAMPLE OF APPROXIMATELY **75000** GRAMS DRAWN, **2000** GRAMS ANALYZED CONTAINED THE FOLLOWING:

| PEANUTS IN THE SHELL         |       |         | SHELLED PEANUTS                               |             |             |
|------------------------------|-------|---------|---|-------------|-------------|
| GRADE FACTOR                 | GRAMS | PERCENT | GRADE FACTOR                                  | GRAMS       | PERCENT     |
| CRACKED OR BROKEN SHELLS     |       |         | OTHER TYPES OF KERNELS                        | <b>0.0</b>  | <b>0.00</b> |
| DISCOLORED SHELLS            |       |         | SPLIT OR BROKEN KERNELS                       | <b>33.8</b> | <b>1.69</b> |
| OTHER SHELL DEFECTS          |       |         | DAMAGED OR UNSHELLED                          | <b>3.2</b>  | <b>0.16</b> |
| FOREIGN MATERIAL             |       |         | MINOR DEFECTS                                 | <b>5.8</b>  | <b>0.29</b> |
| TOTAL                        |       |         | SOUND WHOLE KERNELS                           | <b>xx</b>   | <b>xx</b>   |
| PEANUTS WITH DAMAGED KERNELS |       |         | FOREIGN MATERIAL (BASED ON <b>4000</b> GRAMS) | <b>0.0</b>  | <b>0.00</b> |
| MOISTURE (BY ELECTRIC METER) |       |         | MOISTURE (BY ELECTRIC METER)                  |             | <b>7.10</b> |

**GRADE**

**US No 1 Runner. Meets APSA "Jumbo Runner" See Remarks**

|  |                             |                               |                           |
|--|-----------------------------|-------------------------------|---------------------------|
| SAMPLES BILLED TO APPLICANT ABOVE  | (NAME OF LAB)<br><b>AMS</b> | (ADDRESS)<br><b>Dawson GA</b> | (DATE)<br><b>11/27/03</b> |
| <input checked="" type="checkbox"/> 1-CD <input checked="" type="checkbox"/> 1-AB <input type="checkbox"/> APPEAL  | DRAWN AND SENT TO           |                               |                           |
| ANALYSIS RESULTS TO BE: <input type="checkbox"/> PHONED ( ) <input type="checkbox"/> WIRED Collect <input checked="" type="checkbox"/> MAILED to Applicant |                             |                               |                           |

REMARKS  MEETS Requirements of Marketing Agreement  
**7 CFR Part 996 for Human Consumption**

FAILS to meet Requirements of Marketing Agreement

CHARGES

FEES \$ \_\_\_\_\_

DRAWING \$ \_\_\_\_\_

HANDLING \$ \_\_\_\_\_

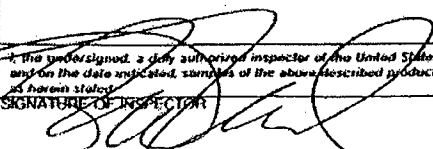
SAMPLING \$ \_\_\_\_\_

EXPENSES \$ \_\_\_\_\_

TOTAL \$ \_\_\_\_\_

I, the undersigned, a duly authorized inspector of the United States Department of Agriculture, do hereby certify that at the request of the applicant and on the date indicated, samples of the above described products were inspected and the quality and/or condition as shown by said samples were

SIGNATURE OF INSPECTOR



**Exhibit XV – Fails U.S. No. 1 Runner Account Split or Broken Kernels. Fails APSA “Jumbo Runner” Account Split or Broken Kernels and Fall Through. Meets 7CFR, Part 996 for Runner with Splits.**

|   |  |  |   |             |             |
|---|--|--|---|-------------|-------------|
| <b>C 280165</b>   | UNITED STATES DEPARTMENT OF AGRICULTURE<br>AGRICULTURAL MARKETING SERVICE<br>FEDERAL STATE INSPECTION SERVICE<br><b>MILLED PEANUT INSPECTION CERTIFICATE</b> | <b>C 280165</b>  |   |             |             |
| This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et. seq.) and is admissible as prima facie evidence in all courts of the United States. <b>WARNING:</b> Any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both. |  |  |   |             |             |
| SAMPLING BEGAN<br>HOUR: <u>8:15 PM</u> DATE: <u>9/17/02</u><br>LOCATION CODE: _____ WHERE SAMPLE DRAWN: <u>Ashburn Shelling Plant</u>   | SAMPLE ANALYSIS FINISHED<br>HOUR: <u>7:10 AM</u> DATE: <u>9/18/02</u><br>WHERE SAMPLE ANALYZED: <u>Ashburn, GA</u>   | TYPE OF INSPECTION (Mark One Only)<br><input checked="" type="checkbox"/> LOT INSPECTED<br><input type="checkbox"/> LOT LOADED INHO<br><input type="checkbox"/> CAR <input type="checkbox"/> TRAILER |   |             |             |
| APPLICANT CODE: <u>13020</u> APPLICANT NAME AND ADDRESS: <u>GOLDEN PEANUT COMPANY, Atlanta, GA</u>  |  | CONVEYANCE IDENTIFICATION<br>PREFIX: _____ NUMBER: _____ ST: _____   |   |             |             |
| RECEIVER NAME AND ADDRESS: <u>NOT GIVEN</u>   |  | SHIPPER NAME AND ADDRESS: <u>GOLDEN PEANUT CO., Ashburn, GA</u>  |   |             |             |
| <b>PRODUCT</b>  |  |  |   |             |             |
| <input type="checkbox"/> CLEANED IN THE SHELL <input type="checkbox"/> FIBERBOARD BINS <input type="checkbox"/> WITH NO DISTINGUISHING MARKS<br><input checked="" type="checkbox"/> SHELLED PEANUTS <input type="checkbox"/> IN <input checked="" type="checkbox"/> BURLAP SACKS <input checked="" type="checkbox"/> TAGGED WITH <u>GREEN</u> COLORED TAGS<br><input type="checkbox"/> BULK   |  |  |   |             |             |
| TAG DESCRIPTION: <u>U.S. No. 1 "Jumbo Runner" Gross weight 110.23 lbs, 50.6 kals</u><br><u>NET WT. 109.12 lbs, 49.5 kals Golden Peanut Company, Atlanta, GA</u>   |  | TAG CONTROL<br><input type="checkbox"/> ISSUED<br><input type="checkbox"/> USED<br><input type="checkbox"/> RETURNED   |   |             |             |
| HOUSE: <u>17</u> LOT NUMBER: <u>1011</u> CROP YR: <u>07</u>   | USDA: <u>870261A</u>   | FEDERAL STATE INSPECTED: _____   |   |             |             |
| APPLICANT STATES: <u>44097</u> LBS <u>Runner</u> TYPE BULK LOT NO. _____ OR COUNT OF <u>400</u> CONTAINERS  |  |  |   |             |             |
| <b>SIZE</b>   |  |  |   |             |             |
| <u>29.90</u> % SAW Kernels PASSING <u>3/16" x 3/4"</u> Inch <u>5</u> Screen; _____ % Wh Kernels RIDING _____ Inch _____ Screen<br><u>0.00</u> % SAW Kernels PASSING <u>16/64 x 3/4"</u> Inch <u>5</u> Screen; _____ % Wh Kernels RIDING _____ Inch _____ Screen<br><u>0.02</u> % SAW Kernels & Kernel Portions PASSING <u>17/64</u> Inch <u>R</u> Screen<br>_____ % Peanuts With Undamaged Shells PASSING _____ Inch _____ Screen   |  |  |   |             |             |
| COUNT AVERAGES: <u>40</u> <input checked="" type="checkbox"/> PER OUNCE <input type="checkbox"/> PER POUND  |  |  |   |             |             |
| <b>QUALITY</b>  |  |  |   |             |             |
| SAMPLE OF APPROXIMATELY <u>75000</u> GRAMS DRAWN, <u>1000</u> GRAMS ANALYZED CONTAINED THE FOLLOWING:   |  |  |   |             |             |
| PEANUTS IN THE SHELL  |  | SHELLED PEANUTS  |   |             |             |
| GRADE FACTOR  | GRAMS  | PERCENT  | GRADE FACTOR                                  | GRAMS       | PERCENT     |
| CRACKED OR BROKEN SHELLS  |  |  | OTHER TYPES OF KERNELS                        | <u>0.0</u>  | <u>0.00</u> |
| DISCOLORED SHELLS   |  |  | SPLIT OR BROKEN KERNELS                       | <u>35.3</u> | <u>3.53</u> |
| OTHER SHELL DEFECTS   |  |  | DAMAGED OR UNSHELLED                          | <u>0.0</u>  | <u>0.00</u> |
| FOREIGN MATERIAL  |  |  | MINOR DEFECTS                                 | <u>3.0</u>  | <u>0.30</u> |
| TOTAL   |  |  | SOUND WHOLE KERNELS                           | <u>XX</u>   | <u>XX</u>   |
| PEANUTS WITH DAMAGED KERNELS  |  |  | FOREIGN MATERIAL (BASED ON <u>2000</u> GRAMS) | <u>0.0</u>  | <u>0.00</u> |
| MOISTURE (BY ELECTRIC METER)  |  |  | MOISTURE (BY ELECTRIC METER)                  |             | <u>7.10</u> |
| <b>GRADE</b>  |  |  |   |             |             |
| Fails U.S. No. 1 Runner account split or broken kernels. Fails APSA "Jumbo Runner" account split or broken kernels and fall through. See Remarks.   |  |  |   |             |             |
| SAMPLES BILLED TO APPLICANT ABOVE   |  |  |   |             |             |
| <input type="checkbox"/> I-CO <input checked="" type="checkbox"/> I-AB <input type="checkbox"/> APPEAL  | DRAWN AND SENT TO: <u>AMS</u> (NAME OF LAB)  | (ADDRESS) <u>DAWSON, GA</u>  |   |             |             |
| ANALYSIS RESULTS TO DE: <input type="checkbox"/> PHONED ( ) <input type="checkbox"/> WRIED Collect <input checked="" type="checkbox"/> MAILED to Applicant  |  | (DATE) <u>9/18/02</u>  |   |             |             |
| REMARKS: <input checked="" type="checkbox"/> MEETS Requirements of Marketing Agreement<br><u>7CFR Part 996 for Runner with Splits</u>   |  |  |   |             |             |
| CHARGES<br>FEES \$ _____<br>DRAWING \$ _____<br>HANDLING \$ _____<br>SAMPLING \$ _____<br>EXPENSES \$ _____<br>TOTAL \$ _____   |  |  |   |             |             |
| I, the undersigned, duly authorized inspector of the United States Department of Agriculture, do hereby certify that at the request of the applicant and on the date indicated, samples of the above described products were inspected and the quality and/or condition as shown by said samples were as herein stated.<br>SIGNATURE OF INSPECTOR: _____  |  |  |   |             |             |

FORM FV-184-9A (11-90)

ORIGINAL

**Exhibit XVI - U.S. No. 2 Runner. Meets 7CFR, Part 996 for Human Consumption.**

|                 |  |                 |
|-----------------|--|-----------------|
| <b>C 280165</b> | UNITED STATES DEPARTMENT OF AGRICULTURE<br>AGRICULTURAL MARKETING SERVICE<br>FEDERAL STATE INSPECTION SERVICE<br><b>MILLED PEANUT INSPECTION CERTIFICATE</b> | <b>C 280165</b> |
|-----------------|--|-----------------|

*This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et. seq.) and is admissible as prima facie evidence in all courts of the United States. WARNING: Any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both.*

|   |   |   |
|---|---|---|
| <b>SAMPLING BEGAN</b><br>HOUR: 12:30 AM DATE: 12/20/02<br>LOCATION CODE: Ashburn Swilling Plant       | <b>SAMPLE ANALYSIS FINISHED</b><br>HOUR: 7:30 AM DATE: 12/20/02<br>WHERE SAMPLE ANALYZED: Ashburn, GA | <b>TYPE OF INSPECTION (Mark One Only)</b><br><input checked="" type="checkbox"/> LOT INSPECTED<br><input type="checkbox"/> LOT LOADED INTO<br><input type="checkbox"/> CAR <input type="checkbox"/> TRAILER |
| <b>APPLICANT CODE:</b> 13020<br><b>APPLICANT NAME AND ADDRESS:</b> Golden Peanut Company, Atlanta, GA |   | <b>CONVEYANCE IDENTIFICATION</b><br>PREFIX: NUMBER: ST:   |
| <b>RECEIVER NAME AND ADDRESS:</b> NOT GIVEN   |   | <b>SHIPPER NAME AND ADDRESS:</b> Golden Peanut Company, Ashburn, GA   |

**PRODUCT**

|   |   |   |
|---|---|---|
| <input type="checkbox"/> CLEANED IN THE SHELL       | <input checked="" type="checkbox"/> FIBERBOARD BINS | <input type="checkbox"/> WITH NO DISTINGUISHING MARKS             |
| <input checked="" type="checkbox"/> SHELLED PEANUTS | <input type="checkbox"/> BURLAP SACKS               | <input checked="" type="checkbox"/> TAGGED WITH GRAY COLORED TAGS |
| <input type="checkbox"/> BULK                       |   |   |

|  |                  |             |               |  |  |
|--|------------------|-------------|---------------|--|--|
| <b>TAG DESCRIPTION:</b> U.S. No. 2 Runner, Weight 2150 lbs, Golden Peanut Company, Atlanta, GA |                  |             |               | <b>TAG CONTROL</b><br>50 ISSUED<br>46 USED<br>4 RETURNED |  |
| HOUSE: 18  | LOT NUMBER: 2502 | CROP YR: 02 | USDA: Georgia | FEDERAL STATE INSPECTED                                  |  |

|                                    |                     |                                     |                    |
|------------------------------------|---------------------|-------------------------------------|--------------------|
| <b>APPLICANT STATES:</b> 49450 LBS | <b>TYPE:</b> Runner | <b>BULK LOT NO. OR COUNT OF:</b> 23 | <b>CONTAINERS:</b> |
|------------------------------------|---------------------|-------------------------------------|--------------------|

|  |  |
|--|--|
| % S/W Kernels PASSING _____ Inch _____ Screen<br>% S/W Kernels PASSING _____ Inch _____ Screen<br>0.40 % S/W Kernels & Kernel Portions PASSING 1764 Inch R Screen<br>% Peanuts With Undamaged Shells PASSING _____ Inch _____ Screen | % Wh Kernels RIDING 18/64 x 3/4 Inch S Screen<br>% Wh Kernels RIDING 16/64 x 3/4 Inch S Screen<br>and passing through 18/64 x 3/4 inch slot screen |
|--|--|

**QUALITY**

SAMPLE OF APPROXIMATELY 75000 GRAMS DRAWN, 1000 GRAMS ANALYZED CONTAINED THE FOLLOWING:

| PEANUTS IN THE SHELL         |       |         | SHELLED PEANUTS                        |       |         |
|------------------------------|-------|---------|--|-------|---------|
| GRADE FACTOR                 | GRAMS | PERCENT | GRADE FACTOR                           | GRAMS | PERCENT |
| CRACKED OR BROKEN SHELLS     |       |         | OTHER TYPES OF KERNELS                 | 0.0   | 0.00    |
| DISCOLORED SHELLS            |       |         | SPLIT OR BROKEN KERNELS                | 504.4 | 50.44   |
| OTHER SHELL DEFECTS          |       |         | DAMAGED OR UNSHELLED                   | 5.0   | 0.50    |
| FOREIGN MATERIAL             |       |         | MINOR DEFECTS                          | 5.7   | 0.57    |
| <b>TOTAL</b>                 |       |         | SOUND WHOLE KERNELS                    | XX    | XX      |
| PEANUTS WITH DAMAGED KERNELS |       |         | FOREIGN MATERIAL (BASED ON 2000 GRAMS) | 0.0   | 0.00    |
| MOISTURE (BY ELECTRIC METER) |       |         | MOISTURE (BY ELECTRIC METER)           |       | 7.60    |

**GRADE:** U.S. No. 2 RUNNER. See Remarks

|  |   |  |
|--|---|--|
| SAMPLES BILLED TO APPLICANT ABOVE<br><input checked="" type="checkbox"/> 1-CD <input checked="" type="checkbox"/> 1-AB <input type="checkbox"/> APPEAL | DRAWN AND SENT TO: AM S (NAME OF LAB)<br>ANALYSIS RESULTS TO BE: <input type="checkbox"/> PHONED ( ) <input type="checkbox"/> WIRED Collect <input checked="" type="checkbox"/> MAILED to Applicant | (ADDRESS) Biakely, GA<br>(DATE) 12/20/02 |
|--|---|--|

REMARKS:  MEETS Requirements of Marketing Agreement 7 CFR PART 996 FOR HUMAN CONSUMPTION  FAILS to meet Requirements of Marketing Agreement

**CHARGES**

FEES \$ \_\_\_\_\_

DRAWING \$ \_\_\_\_\_

HANDLING \$ \_\_\_\_\_

SAMPLING \$ \_\_\_\_\_

EXPENSES \$ \_\_\_\_\_

TOTAL \$ \_\_\_\_\_

\* Size determined & Reported at applicant's request.

I, the undersigned, a duly authorized inspector of the United States Department of Agriculture, do hereby certify that at the request of the applicant and on the date indicated, samples of the above described products were inspected and the quality and/or condition as shown by said samples were as herein stated.

SIGNATURE OF INSPECTOR: *[Signature]*

**Exhibit XVII – Fails U.S. Runner Splits Account Damage & Minor Defects. Meets APSA “Runner Splits” and 7CFR, Part 996 for Human Consumption.**

|                 |  |                 |
|-----------------|--|-----------------|
| <b>C 280165</b> | UNITED STATES DEPARTMENT OF AGRICULTURE<br>AGRICULTURAL MARKETING SERVICE<br>FEDERAL STATE INSPECTION SERVICE<br><b>MILLED PEANUT INSPECTION CERTIFICATE</b> | <b>C 280165</b> |
|-----------------|--|-----------------|

This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et. seq.) and is admissible as prima facie evidence in all courts of the United States. WARNING: Any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both.

|  |  |  |   |   |  |
|--|--|--|---|---|--|
| <b>SAMPLING BEGAN</b><br>HOUR: <u>5:30 PM</u> DATE: <u>10/5/03</u>                                     |  | <b>SAMPLE ANALYSIS FINISHED</b><br>HOUR: <u>2:30 PM</u> DATE: <u>10/6/03</u> |   | <b>TYPE OF INSPECTION (Mark One Only)</b><br><input checked="" type="checkbox"/> LOT INSPECTED<br><input type="checkbox"/> LOT LOADED INTO<br><input type="checkbox"/> CAR <input type="checkbox"/> TRAILER |  |
| LOCATION CODE: _____<br>WHERE SAMPLE DRAWN: <u>Applicant's Shellings Plant</u>                         | WHERE SAMPLE ANALYZED: <u>Smithville, GA</u> |  | <b>CONVEYANCE IDENTIFICATION</b><br>PREFIX: _____ NUMBER: _____ ST: _____ |   |  |
| APPLICANT CODE: <u>13030</u><br>APPLICANT NAME AND ADDRESS: <u>McCleskey Mills Inc, Smithville, GA</u> |  | RECEIVER NAME AND ADDRESS: <u>NOT GIVEN</u>                                  |   |   |  |

**PRODUCT**

|   |   |  |
|---|---|--|
| <input type="checkbox"/> CLEANED IN THE SHELL       | <input checked="" type="checkbox"/> FIBERBOARD BINS | <input type="checkbox"/> WITH NO DISTINGUISHING MARKS                      |
| <input checked="" type="checkbox"/> SHELLED PEANUTS | <input type="checkbox"/> BURLAP SACKS               | <input checked="" type="checkbox"/> TAGGED WITH <u>YELLOW</u> COLORED TAGS |
| <input type="checkbox"/> BULK                       |   |  |

|  |                         |                    |  |                                |
|--|-------------------------|--------------------|--|--------------------------------|
| TAG DESCRIPTION: <u>U.S. Runner Splits, "Runner Splits" Weight: 2125 lbs</u><br><u>McCleskey Mills Inc, Smithville, GA</u> |                         |                    | TAG CONTROL<br><u>50</u> ISSUED<br><u>42</u> USED<br><u>8</u> RETURNED |                                |
| HOUSE: <u>42</u>   | LOT NUMBER: <u>8125</u> | CROP YR: <u>03</u> | USDA: <u>GEORGIA</u>   | FEDERAL STATE INSPECTED: _____ |

|   |   |
|---|---|
| APPLICANT STATES: <u>44,625 LBS</u> <u>RUNNER</u> TYPE: <u>RUNNER</u> | BULK LOT NO.: _____ OR COUNT OF: <u>21</u> CONTAINERS |
|---|---|

**SIZE**

|  |                                       |
|--|---------------------------------------|
| % S/W Kernels PASSING _____ Inch Screen;                         | % Wh Kernels RIDING _____ Inch Screen |
| % S/W Kernels PASSING <u>1.12</u> Inch Screen;                   | % Wh Kernels RIDING _____ Inch Screen |
| % S/W Kernels & Kernel Portions PASSING <u>17/64</u> Inch Screen |                                       |
| % Peanuts With Undamaged Shells PASSING _____ Inch Screen        |                                       |

COUNT AVERAGES:  PER OUNCE  PER POUND

**QUALITY**

SAMPLE OF APPROXIMATELY 75000 GRAMS DRAWN, 1000 GRAMS ANALYZED CONTAINED THE FOLLOWING:

| PEANUTS IN THE SHELL         |       |         | SHELLED PEANUTS                               |             |             |
|------------------------------|-------|---------|---|-------------|-------------|
| GRADE FACTOR                 | GRAMS | PERCENT | GRADE FACTOR                                  | GRAMS       | PERCENT     |
| CRACKED OR BROKEN SHELLS     |       |         | OTHER TYPES OF KERNELS                        | <u>0.0</u>  | <u>0.00</u> |
| DISCOLORED SHELLS            |       |         | SPLIT OR BROKEN KERNELS                       | <u>22</u>   | <u>22</u>   |
| OTHER SHELL DEFECTS          |       |         | DAMAGED OR UNSHELLED                          | <u>9.8</u>  | <u>0.98</u> |
| FOREIGN MATERIAL             |       |         | MINOR DEFECTS                                 | <u>14.8</u> | <u>1.48</u> |
| <b>TOTAL</b>                 |       |         | SOUND WHOLE KERNELS                           | <u>19.0</u> | <u>1.90</u> |
| PEANUTS WITH DAMAGED KERNELS |       |         | FOREIGN MATERIAL (BASED ON <u>1000</u> GRAMS) | <u>0.0</u>  | <u>0.00</u> |
| MOISTURE (BY ELECTRIC METER) |       |         | MOISTURE (BY ELECTRIC METER)                  |             | <u>7.20</u> |

**GRADE**  
 FAILS TO GRADE U.S. RUNNER SPLITS ACCOUNT DAMAGE AND MINOR DEFECTS,  
 MEETS APSA "RUNNER SPLITS." SEE REMARKS

SAMPLES BILLED TO APPLICANT ABOVE

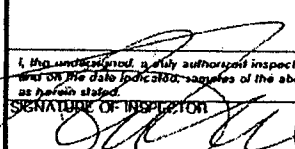
|  |  |                                 |   |  |   |
|--|--|---------------------------------|---|--|---|
| <input checked="" type="checkbox"/> 1-CD | <input checked="" type="checkbox"/> 1-AB | <input type="checkbox"/> APPEAL | DRAWN AND SENT TO: <u>Dms</u> (NAME OF LAB) | <u>Blakely, GA</u> (ADDRESS)           | <u>10/6/03</u> (DATE)                                   |
| ANALYSIS RESULTS TO BE                   |  |                                 | <input type="checkbox"/> PHONED ( )         | <input type="checkbox"/> WIRED Collect | <input checked="" type="checkbox"/> MAILED to Applicant |

REMARKS:  MEETS Requirements of Marketing Agreement  
7CFR, Part 996 for Human Consumption.  
 FAILS to meet Requirements of Marketing Agreement

**CHARGES**

|             |       |
|-------------|-------|
| FEES \$     | _____ |
| DRAWING \$  | _____ |
| HANDLING \$ | _____ |
| SAMPLING \$ | _____ |
| EXPENSES \$ | _____ |
| TOTAL \$    | _____ |

I, the undersigned, a duly authorized inspector of the United States Department of Agriculture, do hereby certify that at the request of the applicant and on the date indicated, samples of the above described products were inspected and the quality and/or condition as shown by said samples were as herein stated.

SIGNATURE OF INSPECTOR: 



**Exhibit XVIII – Fails U.S. Runner Splits Account Sound Whole Kernels. Meets APSA “Runner Splits” and 7CFR, Part 996 for Human Consumption.**

|   |   |   |                          |  |    |
|---|---|---|--------------------------|--|----|
| C 280165  |   | UNITED STATES DEPARTMENT OF AGRICULTURE<br>AGRICULTURAL MARKETING SERVICE<br>FEDERAL STATE INSPECTION SERVICE |                          | C 280165   |    |
| <b>MILLED PEANUT INSPECTION CERTIFICATE</b>   |   |   |                          |  |    |
| <small>This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et. seq.) and is admissible as prima facie evidence in all courts of the United States. WARNING: Any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both.</small> |   |   |                          |  |    |
| SAMPLING BEGAN  |   | SAMPLE ANALYSIS FINISHED  |                          | TYPE OF INSPECTION (Mark One Only)   |    |
| HOUR<br>4:50 PM   | DATE<br>10/27/03  | HOUR<br>2:00 PM   | DATE<br>10/30/03         | <input checked="" type="checkbox"/> LOT INSPECTED<br><input type="checkbox"/> LOT LOADED INTO<br><input type="checkbox"/> CAR <input type="checkbox"/> TRAILER |    |
| LOCATION CODE   | WHERE SAMPLE DRAWN<br>Applicant's Shelling Plant                  | WHERE SAMPLE ANALYZED<br>Smithville, GA   |                          | CONVEYANCE IDENTIFICATION  |    |
| APPLICANT CODE<br>13030   | APPLICANT NAME AND ADDRESS<br>McCloskey Mills Inc, Smithville, GA |   | PREFIX                   | NUMBER   | ST |
| RECEIVER NAME AND ADDRESS<br>NOT GIVEN  |   |   | SHIPPER NAME AND ADDRESS |  |    |

**PRODUCT**

CLEANED IN THE SHELL     FIBERBOARD BINS     WITH NO DISTINGUISHING MARKS  
 SHELLED PEANUTS    IN     BURLAP SACKS     TAGGED WITH Yellow COLORED TAGS  
 BULK

TAG INSCRIPTION U.S. Runner Splits, "Runner Splits" Weight 2125 lbs.    TAG CONTROL

McCloskey Mills Inc, Smithville, GA    50 ISSUED

HOUSE 68 LOT NUMBER 1069 CROP YR 03    USDA GEORGIA    FEDERAL STATE INSPECTED 8 USED 42 RETURNED 8

APPLICANT STATES

44,625 LBS    Runner TYPE    BULK LOT NO    OR COUNT OF 21 CONTAINERS

**SIZE**

% SW Kernels PASSING \_\_\_\_\_ Inch \_\_\_\_\_ Screen    % Wh Kernels RIDING \_\_\_\_\_ Inch \_\_\_\_\_ Screen

0.41 % SW Kernels PASSING \_\_\_\_\_ Inch \_\_\_\_\_ Screen    % Wh Kernels RIDING \_\_\_\_\_ Inch \_\_\_\_\_ Screen

17/64 Inch R Screen

% Peanuts With Undamaged Shells PASSING \_\_\_\_\_ Inch \_\_\_\_\_ Screen

COUNT AVERAGES     PER OUNCE     PER POUND

**QUALITY**

SAMPLE OF APPROXIMATELY 75000 GRAMS DRAWN, 1000 GRAMS ANALYZED CONTAINED THE FOLLOWING:

| PEANUTS IN THE SHELL         |       |         | SHELLED PEANUTS                                |       |         |
|------------------------------|-------|---------|--|-------|---------|
| GRADE FACTOR                 | GRAMS | PERCENT | GRADE FACTOR                                   | GRAMS | PERCENT |
| CRACKED OR BROKEN SHELLS     |       |         | OTHER TYPES OF KERNELS                         | 0.0   | 0.00    |
| DISCOLORED SHELLS            |       |         | SPLIT OR BROKEN KERNELS                        | x x   | x x     |
| OTHER SHELL DEFECTS          |       |         | DAMAGED OR UNSHELLED                           | 6.0   | 0.60    |
| FOREIGN MATERIAL             |       |         | MINOR DEFECTS                                  | 12.8  | 1.28    |
| TOTAL                        |       |         | SOUND WHOLE KERNELS                            | 43.8  | 4.38    |
| PEANUTS WITH DAMAGED KERNELS |       |         | FOREIGN MATERIAL (BASED ON <u>60000</u> GRAMS) | 0.0   | 0.00    |
| MOISTURE (BY ELECTRIC METER) |       |         | MOISTURE (BY ELECTRIC METER)                   |       | 6.90    |

**GRADE**

FAILS TO GRADE U.S. RUNNER SPLITS ACCOUNT SOUND WHOLE KERNELS. MEETS APSA "RUNNER SPLITS" SEE REMARKS

SAMPLES BILLED TO APPLICANT ABOVE

1-CD     1-AB     APPEAL    DRAWN AND SENT TO AMS    (ADDRESS) Blakely, GA    (DATE) 10/30/03

ANALYSIS RESULTS TO BE  PHONED ( )  WIFED Collect  MAILED to Applicant

REMARKS  MEETS Requirements of Marketing Agreement  
7 CFR Part 996 for Human Consumption  
 FAILS to meet Requirements of Marketing Agreement

**CHARGES**

FEES \$ \_\_\_\_\_

DRAWING & \_\_\_\_\_

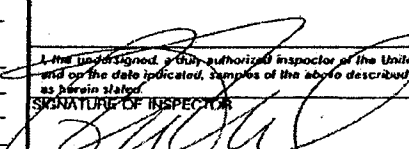
HANDLING \$ \_\_\_\_\_

SAMPLING \$ \_\_\_\_\_

EXPENSES \$ \_\_\_\_\_

TOTAL \$ \_\_\_\_\_

I, the undersigned, a duly authorized inspector of the United States Department of Agriculture, do hereby certify that at the request of the applicant and on the date indicated, samples of the above described products were inspected and the quality and/or condition as shown by said samples were as herein stated.

SIGNATURE OF INSPECTOR 

**Exhibit XIX – Fails U.S. Runner Splits, APSA “Runner Splits” & 7CFR, Part 996 for Human Consumption Account Damage & Minor Defects.**

|                 |  |                 |
|-----------------|--|-----------------|
| <b>C 280165</b> | UNITED STATES DEPARTMENT OF AGRICULTURE<br>AGRICULTURAL MARKETING SERVICE<br>FEDERAL-STATE INSPECTION SERVICE<br><b>MILLED PEANUT INSPECTION CERTIFICATE</b> | <b>C 280165</b> |
|-----------------|--|-----------------|

This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et. seq.) and is admissible as prima facie evidence in all courts of the United States. WARNING: Any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both.

|  |   |  |  |   |  |  |
|--|---|--|--|---|--|--|
| <b>SAMPLING BEGAN</b>  |   | <b>SAMPLE ANALYSIS FINISHED</b>                    |  | <b>TYPE OF INSPECTION (Mark One Only)</b> |  |  |
| HOUR: <u>9:45 AM</u> DATE: <u>12/12/02</u><br>LOCATION CODE: _____ WHERE SAMPLE DRAWN: <u>Applicant's Shelling Plant</u> | HOUR: <u>11:30 AM</u> DATE: <u>12/14/02</u><br>WHERE SAMPLE ANALYZED: <u>SMITHVILLE, GA</u> |  | <input checked="" type="checkbox"/> LOT INSPECTED<br><input type="checkbox"/> LOT LOADED INTO<br><input type="checkbox"/> CAR <input type="checkbox"/> TRAILER |   |  |  |
| APPLICANT CODE: <u>13035</u> APPLICANT NAME AND ADDRESS: <u>McLESKEY MILLS INC, SMITHVILLE, GA</u>                       |   | PREFIX: _____ NUMBER: _____ ST: _____              |  | <b>CONVEYANCE IDENTIFICATION</b>          |  |  |
| RECEIVER NAME AND ADDRESS: <u>NOT GIVEN</u>  |   | SHIPPER NAME AND ADDRESS: <u>SAME AS APPLICANT</u> |  |   |  |  |

**PRODUCT**

|   |   |  |
|---|---|--|
| <input type="checkbox"/> CLEANED IN THE SHELL       | <input type="checkbox"/> FIBERBOARD BINS            | <input type="checkbox"/> WITH NO DISTINGUISHING MARKS                      |
| <input checked="" type="checkbox"/> SHELLED PEANUTS | IN <input checked="" type="checkbox"/> BURLAP SACKS | <input checked="" type="checkbox"/> TAGGED WITH <u>Yellow</u> COLORED TAGS |
|   | <input type="checkbox"/> BULK                       |  |

|  |  |  |  |                                       |  |
|--|--|--|--|---------------------------------------|--|
| TAG INSCRIPTION: <u>U.S. Runner Splits "Runner Splits" 110.23 lbs. 50 kilos.</u>                                       |  |  |  | TAG CONTROL                           |  |
| McLeskey Mills Inc, Smithville, GA<br>HOUSE: <u>60</u> LOT NUMBER: <u>8515</u> CROP YR: <u>02</u> USDA: <u>GEORGIA</u> |  |  |  | 425 ISSUED<br>400 USED<br>25 RETURNED |  |
| FEDERAL-STATE INSPECTED  |  |  |  |                                       |  |

|                                    |                     |                    |                                    |
|------------------------------------|---------------------|--------------------|------------------------------------|
| APPLICANT STATES: <u>44092</u> LBS | TYPE: <u>Runner</u> | BULK LOT NO. _____ | OR COUNT OF: <u>400</u> CONTAINERS |
|------------------------------------|---------------------|--------------------|------------------------------------|

**SIZE**

|   |  |
|---|--|
| % S/W Kernels PASSING _____ Inch _____ Screen;                            | % Wh Kernels RIDING _____ Inch _____ Screen; |
| <u>0.40</u> % S/W Kernels PASSING _____ Inch _____ Screen;                | % Wh Kernels RIDING _____ Inch _____ Screen; |
| % S/W Kernels & Kernel Portions PASSING <u>17/64</u> Inch <u>R</u> Screen |  |
| % Peanuts With Undamaged Shells PASSING _____ Inch _____ Screen           |  |

COUNT AVERAGES  PER OUNCE  PER POUND

**QUALITY**

SAMPLE OF APPROXIMATELY 75000 GRAMS DRAWN, 1000 GRAMS ANALYZED CONTAINED THE FOLLOWING:

| PEANUTS IN THE SHELL         |       |         | SHELLED PEANUTS                               |             |             |
|------------------------------|-------|---------|---|-------------|-------------|
| GRADE FACTOR                 | GRAMS | PERCENT | GRADE FACTOR                                  | GRAMS       | PERCENT     |
| CRACKED OR BROKEN SHELLS     |       |         | OTHER TYPES OF KERNELS                        | <u>0.0</u>  | <u>0.00</u> |
| DISCOLORED SHELLS            |       |         | SPLIT OR BROKEN KERNELS                       | <u>XX</u>   | <u>XX</u>   |
| OTHER SHELL DEFECTS          |       |         | DAMAGED OR UNSHELLED                          | <u>17.5</u> | <u>1.75</u> |
| FOREIGN MATERIAL             |       |         | MINOR DEFECTS                                 | <u>10.0</u> | <u>1.00</u> |
| TOTAL                        |       |         | SOUND WHOLE KERNELS                           | <u>34.9</u> | <u>3.49</u> |
| PEANUTS WITH DAMAGED KERNELS |       |         | FOREIGN MATERIAL (BASED ON <u>2000</u> GRAMS) | <u>0.0</u>  | <u>0.00</u> |
| MOISTURE (BY ELECTRIC METER) |       |         | MOISTURE (BY ELECTRIC METER)                  |             | <u>7.60</u> |

**GRADE**  
Fails to grade US Runner Splits and APSA "Runner Splits" account DAMAGE and Minor Defects. See Remarks

SAMPLES BILLED TO APPLICANT ABOVE

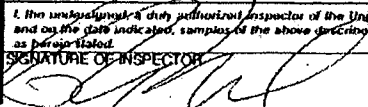
|                               |  |                                 |                                     |  |   |
|-------------------------------|--|---------------------------------|-------------------------------------|--|---|
| <input type="checkbox"/> I-CD | <input checked="" type="checkbox"/> I-AB | <input type="checkbox"/> APPEAL | DRAWN AND SENT TO: <u>AMS</u>       | (ADDRESS): <u>Dawson, GA</u>           | (DATE): <u>12/14/02</u>                                 |
| ANALYSIS RESULTS TO BE        |  |                                 | <input type="checkbox"/> PHONED ( ) | <input type="checkbox"/> WIRED Collect | <input checked="" type="checkbox"/> MAILED to Applicant |

REMARKS  MEETS Requirements of Marketing Agreement  
 FAILS to meet Requirements of Marketing Agreement  
7 CFR Part 996 for Human Consumption account damage & minor defects.

**CHARGES**

|                   |
|-------------------|
| FEES \$ _____     |
| DRAWING \$ _____  |
| HANDLING \$ _____ |
| SAMPLING \$ _____ |
| EXPENSES \$ _____ |
| TOTAL \$ _____    |

I, the undersigned, duly authorized inspector of the United States Department of Agriculture, do hereby certify that at the request of the applicant and on the date indicated, samples of the above described products were inspected and the quality and/or condition as shown by said samples were as herein stated.

SIGNATURE OF INSPECTOR: 

**Exhibit XX – Oil Stock Lot. Meets 7 CFR, Part 996 for Non-Edible Quality.**

|                 |  |                 |
|-----------------|--|-----------------|
| <b>C 280165</b> | UNITED STATES DEPARTMENT OF AGRICULTURE<br>AGRICULTURAL MARKETING SERVICE<br>FEDERAL STATE INSPECTION SERVICE<br><b>MILLED PEANUT INSPECTION CERTIFICATE</b> | <b>C 280165</b> |
|-----------------|--|-----------------|

*This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et. seq.) and is admissible as prima facie evidence in all courts of the United States. WARNING: Any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both.*

|   |   |   |  |   |     |
|---|---|---|--|---|-----|
| <b>SAMPLING BEGAN</b><br>HOUR: <u>4:00 PM</u> DATE: <u>March 21, 2003</u> |   | <b>SAMPLE ANALYSIS FINISHED</b><br>HOUR: <u>8:30 AM</u> DATE: <u>March 22, 2003</u> |  | <b>TYPE OF INSPECTION (Mark One Only)</b><br><input checked="" type="checkbox"/> LOT INSPECTED<br><input type="checkbox"/> LOT LOADED INTO<br><input type="checkbox"/> CAR <input type="checkbox"/> TRAILER |     |
| LOCATION CODE: <u>37020</u>   | WHERE SAMPLE DRAWN: <u>CLARKTON, NC</u>                         | WHERE SAMPLE ANALYZED: <u>DUBLIN, NC</u>  | CONVEYANCE IDENTIFICATION                          |   |     |
| APPLICANT CODE: <u>37020</u>  | APPLICANT NAME AND ADDRESS: <u>E. J. COXX CO., CLARKTON, NC</u> |   | PREFIX:  | NUMBER:   | ST: |
| RECEIVER NAME AND ADDRESS: <u>NOT GIVEN</u>                               |   |   | SHIPPER NAME AND ADDRESS: <u>SAME AS APPLICANT</u> |   |     |

**PRODUCT**

|   |   |   |
|---|---|---|
| <input type="checkbox"/> CLEANED IN THE SHELL       | <input type="checkbox"/> FIBERBOARD BINS              | <input type="checkbox"/> WITH NO DISTINGUISHING MARKS                   |
| <input checked="" type="checkbox"/> SHELLED PEANUTS | <input checked="" type="checkbox"/> USED BURLAP SACKS | <input checked="" type="checkbox"/> TAGGED WITH <u>RED</u> COLORED TAGS |
| <input type="checkbox"/> BULK                       |   |   |

|                         |                          |                    |                       |                     |                 |
|-------------------------|--------------------------|--------------------|-----------------------|---------------------|-----------------|
| TAG INSCRIPTION         |                          |                    |                       | TAG CONTROL         |                 |
| HOUSE: <u>20</u>        | LOT NUMBER: <u>LSK-3</u> | CROP YR: <u>02</u> | USDA: <u>NCSA 014</u> | <u>500</u> ISSUED   | <u>225</u> USED |
| FEDERAL STATE INSPECTED |                          |                    |                       | <u>275</u> RETURNED |                 |

|  |               |                         |             |
|--|---------------|-------------------------|-------------|
| APPLICANT STATES: <u>16,875 LBS VIRGINIA</u> | BULK LOT NO.: | OR COUNT OF: <u>225</u> | CONTAINERS: |
|--|---------------|-------------------------|-------------|

**SIZE**

|  |
|--|
| % SW Kernels PASSING _____ Inch _____ Screen: <u>22.10%</u> Wh Kernels RIDING <u>15/64 x 1</u> Inch <u>S</u> Screen* |
| % SW Kernels PASSING _____ Inch _____ Screen: _____ % Wh Kernels RIDING _____ Inch _____ Screen                      |
| % SW Kernels & Kernel Portions PASSING _____ Inch _____ Screen   |
| % Peanuts With Undamaged Shells PASSING _____ Inch _____ Screen  |

COUNT AVERAGES  PER OUNCE  PER POUND

**QUALITY**

| SAMPLE OF APPROXIMATELY <u>40,000</u> GRAMS DRAWN, <u>1,000</u> GRAMS ANALYZED CONTAINED THE FOLLOWING: |       |         |  |               |                |
|---|-------|---------|--|---------------|----------------|
| PEANUTS IN THE SHELL  |       |         | SHELLED PEANUTS                                |               |                |
| GRADE FACTOR  | GRAMS | PERCENT | GRADE FACTOR                                   | GRAMS         | PERCENT        |
| CRACKED OR BROKEN SHELLS  |       |         | OTHER TYPES OF KERNELS                         |               |                |
| DISCOLORED SHELLS   |       |         | SPLIT OR BROKEN KERNELS                        |               |                |
| OTHER SHELL DEFECTS   |       |         | DAMAGED OR UNSHELLED                           |               |                |
| FOREIGN MATERIAL  |       |         | MINOR DEFECTS                                  |               |                |
| TOTAL   |       |         | SOUND WHOLE KERNELS                            |               |                |
| PEANUTS WITH DAMAGED KERNELS  |       |         | FOREIGN MATERIAL (BASED ON <u>1,000</u> GRAMS) | <u>281.30</u> | <u>28.13</u> * |
| MOISTURE (BY ELECTRIC METER)  |       |         | MOISTURE (BY ELECTRIC METER)                   |               | <u>6.38</u> *  |

**GRADE**

**SEE REMARKS**

|   |  |  |  |
|---|--|--|--|
| SAMPLES BILLED TO APPLICANT ABOVE   | (NAME OF LAB)  | (ADDRESS)                              | (DATE)                                       |
| <input checked="" type="checkbox"/> 1-CD <input checked="" type="checkbox"/> 1-AB <input type="checkbox"/> APPEAL | DRAWN AND SENT TO: <u>PLI and given to applicant</u> |  |  |
| ANALYSIS RESULTS TO BE:   | <input type="checkbox"/> PHONED ( )                  | <input type="checkbox"/> WIRED Collect | <input type="checkbox"/> MAILED to Applicant |

REMARKS:  MEETS Requirements of Marketing Agreement  
7CFR PART 996 for NON-EDIBLE QUALITY

FAILS to meet Requirements of Marketing Agreement

\* Factors determined and reported at applicant's request.  
 Applicant states peanuts in sacks to be Virginia LSK's.

I, the undersigned, duly authorized inspector of the United States Department of Agriculture, do hereby certify that at the request of the applicant and as the data indicated, samples of the above described products were inspected and the quality and/or condition as shown by said samples were as herein stated.

SIGNATURE OF INSPECTOR: *[Signature]*

|             |  |
|-------------|--|
| CHARGES     |  |
| FEES \$     |  |
| DRAWING \$  |  |
| HANDLING \$ |  |
| SAMPLING \$ |  |
| EXPENSES \$ |  |
| TOTAL \$    |  |

Exhibit XXI - FV-184-9A Used as a "Notice of Sampling" Only.

|                 |  |                 |
|-----------------|--|-----------------|
| <b>C 280165</b> | UNITED STATES DEPARTMENT OF AGRICULTURE<br>AGRICULTURAL MARKETING SERVICE<br>FEDERAL-STATE INSPECTION SERVICE<br><b>MILLED PEANUT INSPECTION CERTIFICATE</b> | <b>C 280165</b> |
|-----------------|--|-----------------|

This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et. seq.) and is admissible as prima facie evidence in all courts of the United States. WARNING: Any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both.

|   |  |  |
|---|--|--|
| SAMPLING BEGAN<br>HOUR: <u>10:00 AM</u> DATE: <u>1/16/04</u><br>LOCATION CODE: <u>Applicant's Plot Smithville, GA</u> | SAMPLE ANALYSIS FINISHED<br>HOUR: <u>11:45 am</u> DATE: <u>1/16/04</u><br>WHERE SAMPLE ANALYZED: <u>Albany, GA</u> | TYPE OF INSPECTION (Mark One Only)<br><input checked="" type="checkbox"/> LOT INSPECTED<br><input type="checkbox"/> LOT LOADED INTO<br><input type="checkbox"/> CAR <input type="checkbox"/> TRAILER |
| APPLICANT CODE: <u>13035</u><br>APPLICANT NAME AND ADDRESS: <u>McCleskey Mills Inc., Smithville, GA</u>               |  | CONVEYANCE IDENTIFICATION<br>PREFIX: _____ NUMBER: _____ ST: _____   |
| RECEIVER NAME AND ADDRESS: <u>Jack's Peanut Co., Albany, GA</u>   |  | SHIPPER NAME AND ADDRESS: <u>SAME AS APPLICANT</u>   |

PRODUCT

|   |   |  |
|---|---|--|
| <input type="checkbox"/> CLEANED IN THE SHELL       | <input type="checkbox"/> FIBERBOARD BINS            | <input type="checkbox"/> WITH NO DISTINGUISHING MARKS                    |
| <input checked="" type="checkbox"/> SHELLED PEANUTS | IN <input checked="" type="checkbox"/> BURLAP SACKS | <input checked="" type="checkbox"/> TAGGED WITH <u>Blue</u> COLORED TAGS |
|   | <input type="checkbox"/> BULK                       |  |

TAG INSCRIPTION: U.S. No. 1 "Medium Runner" 110.23 lbs. 50 K. lbs.  
McCleskey Mills Smithville, GA

|              |                   |                |             |                                |   |
|--------------|-------------------|----------------|-------------|--------------------------------|---|
| HOUSE: _____ | LOT NUMBER: _____ | CROP YR: _____ | USDA: _____ | FEDERAL-STATE INSPECTED: _____ | TAG CONTROL: <u>415</u> ISSUED<br><u>400</u> USED<br><u>15</u> RETURNED |
|--------------|-------------------|----------------|-------------|--------------------------------|---|

APPLICANT STATES: \_\_\_\_\_

44,092 LBS Runner TYPE BULK LOT NO. \_\_\_\_\_ OR COUNT OF 400 CONTAINERS

SIZE

|   |  |
|---|--|
| <del>% SW Kernels PASSING _____ Inch Screen</del>                       | <del>% Wh Kernels RIDING _____ Inch Screen</del> |
| <del>% SW Kernels &amp; Kernel Portions PASSING _____ Inch Screen</del> | <del>% Wh Kernels RIDING _____ Inch Screen</del> |
| <del>% Peanuts With Undamaged Shells PASSING _____ Inch Screen</del>    | <del>_____ Inch Screen</del>                     |

COUNT AVERAGES  PER OUNCE  PER POUND

QUALITY

SAMPLE OF APPROXIMATELY 75000 GRAMS DRAWN, GRAMS ANALYZED CONTAINED THE FOLLOWING:

| PEANUTS IN THE SHELL                    |       |         | SHELLED PEANUTS                                    |       |         |
|---|-------|---------|--|-------|---------|
| GRADE FACTOR                            | GRAMS | PERCENT | GRADE FACTOR                                       | GRAMS | PERCENT |
| <del>CRACKED OR BROKEN SHELLS</del>     |       |         | <del>OTHER TYPES OF KERNELS</del>                  |       |         |
| <del>DISCOLORED SHELLS</del>            |       |         | <del>SPLIT OR BROKEN KERNELS</del>                 |       |         |
| <del>OTHER SHELL DEFECTS</del>          |       |         | <del>DAMAGED OR UNSHELLED</del>                    |       |         |
| <del>FOREIGN MATERIAL</del>             |       |         | <del>MINOR DEFECTS</del>                           |       |         |
| <del>TOTAL</del>                        |       |         | <del>SOUND WHOLE KERNELS</del>                     |       |         |
| <del>PEANUTS WITH DAMAGED KERNELS</del> |       |         | <del>FOREIGN MATERIAL (BASED ON _____ GRAMS)</del> |       |         |
| <del>MOISTURE (BY ELECTRIC METER)</del> |       |         | <del>MOISTURE (BY ELECTRIC METER)</del>            |       |         |

GRADE \_\_\_\_\_

SAMPLES BILLED TO APPLICANT ABOVE

1-CD  1-AB  APPEAL

DRAWN AND SENT TO: AMS (NAME OF LAB) Blakely, GA (ADDRESS) 1/17/04 (DATE)

ANALYSIS RESULTS TO BE  PHONED ( )  WRITTEN Collect  MAILED to Applicant

REMARKS  MEETS Requirements of Marketing Agreement  FAILS to meet Requirements of Marketing Agreement

*Sampled by R. Wood.*

CHARGES

FEES \$ \_\_\_\_\_

DRAWING \$ \_\_\_\_\_

HANDLING \$ \_\_\_\_\_

SAMPLING \$ \_\_\_\_\_

EXPENSES \$ \_\_\_\_\_

TOTAL \$ \_\_\_\_\_

I, the undersigned, a duly authorized inspector of the United States Department of Agriculture, do hereby certify that at the request of the applicant and on the date indicated, samples of the above described products were inspected and the quality and/or condition as shown by said samples were as herein stated.

SIGNATURE OF INSPECTOR \_\_\_\_\_

**Exhibit XXII - Fails U.S. No. 2 Virginia Account Damage & Minor Defects. Meets 7CFR, Part 996 for No. 2 Virginia.**

|   |   |  |
|---|---|--|
| <b>C 280165</b>   | UNITED STATES DEPARTMENT OF AGRICULTURE<br>AGRICULTURAL MARKETING SERVICE<br>FEDERAL-STATE INSPECTION SERVICE | <b>C 280165</b>  |
| <b>MILLED PEANUT INSPECTION CERTIFICATE</b>   |   |  |
| This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et seq.) and is admissible as prima facie evidence in all courts of the United States. WARNING: Any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both. |   |  |
| SAMPLING BEGAN<br>HOUR: 120 pm DATE: 3/17/04  | SAMPLE ANALYSIS FINISHED<br>HOUR: 730 pm DATE: 3/17/04  | TYPE OF INSPECTION (Mark One Only)<br><input checked="" type="checkbox"/> LOT INSPECTED<br><input type="checkbox"/> LOT LOADED INTO<br><input type="checkbox"/> CAR <input type="checkbox"/> TRAILER |
| LOCATION CODE: 37002 WHERE SAMPLE DRAWN: ARLANDER, NC<br>APPLICANT CODE: 37002 APPLICANT NAME AND ADDRESS: GOLDEN PEANUT CO., ARLANDER, NC  | WHERE SAMPLE ANALYZED: SAME   | CONVEYANCE IDENTIFICATION<br>PREFIX: NUMBER: ST:   |
| RECEIVER NAME AND ADDRESS: NOT GIVEN  |   | SHIPPER NAME AND ADDRESS: SAME AS APPLICANT  |

**PRODUCT**

|   |   |  |
|---|---|--|
| <input type="checkbox"/> CLEANED IN THE SHELL       | <input checked="" type="checkbox"/> FIBERBOARD BINS | <input type="checkbox"/> WITH NO DISTINGUISHING MARKS              |
| <input checked="" type="checkbox"/> SHELLED PEANUTS | <input type="checkbox"/> BURLAP SACKS               | <input checked="" type="checkbox"/> TAGGED WITH GREEN COLORED TAGS |
| <input type="checkbox"/> IN                         | <input type="checkbox"/> BULK                       |  |

|   |   |
|---|---|
| TAG DESCRIPTION: VIRGINIA No. 2 Shelled Peanuts, Golden Peanut Company, Atlanta Georgia 30342 | TAG CONTROL<br>88 ISSUED<br>88 USED<br>0 RETURNED |
| HOUSE: 27 LOT NUMBER: 5728 CROP YR: 03<br>USDA: NCDA FEDERAL-STATE INSPECTED                  |   |

**APPLICANT STATES**

|            |               |              |                |            |
|------------|---------------|--------------|----------------|------------|
| 44,000 lbs | VIRGINIA TYPE | BULK LOT NO. | OR COUNT OF 22 | CONTAINERS |
|------------|---------------|--------------|----------------|------------|

**SIZE**

|  |                                       |
|--|---------------------------------------|
| % SAW Kernels PASSING _____ Inch Screen;                         | % Wh Kernels RIDING _____ Inch Screen |
| % SAW Kernels PASSING _____ Inch Screen;                         | % Wh Kernels RIDING _____ Inch Screen |
| 1.11 % SAW Kernels & Kernel Portions PASSING 17/64 Inch R Screen |                                       |
| % Peanuts With Undamaged Shells PASSING _____ Inch Screen        |                                       |

COUNT AVERAGES  PER OUNCE  PER POUND

**QUALITY**

SAMPLE OF APPROXIMATELY 72000 GRAMS DRAWN, 1000 GRAMS ANALYZED CONTAINED THE FOLLOWING:

| PEANUTS IN THE SHELL         |       |         | SHELLED PEANUTS                        |             |
|------------------------------|-------|---------|--|-------------|
| GRADE FACTOR                 | GRAMS | PERCENT | GRADE FACTOR                           | PERCENT     |
| CRACKED OR BROKEN SHELLS     |       |         | OTHER TYPES OF KERNELS                 | 0.0 0.00    |
| DISCOLORED SHELLS            |       |         | SPLIT OR BROKEN KERNELS                | 813.2 81.32 |
| OTHER SHELL DEFECTS          |       |         | DAMAGED OR UNSHELLED                   | 9.0 0.90    |
| FOREIGN MATERIAL             |       |         | MINOR DEFECTS                          | 16.5 1.65   |
| <b>TOTAL</b>                 |       |         | SOUND WHOLE KERNELS                    | x x         |
| PEANUTS WITH DAMAGED KERNELS |       |         | FOREIGN MATERIAL (BASED ON 1000 GRAMS) | 0.0 0.00    |
| MOISTURE (BY ELECTRIC METER) |       |         | MOISTURE (BY ELECTRIC METER)           | 7.00        |

**GRADE**

FAILS TO GRADE U.S. No. 2 VIRGINIA ACCOUNT DAMAGE AND MINOR DEFECTS.

SAMPLES BILLED TO APPLICANT ABOVE

|  |  |                                 |                        |               |             |           |         |        |
|--|--|---------------------------------|------------------------|---------------|-------------|-----------|---------|--------|
| <input checked="" type="checkbox"/> 1-CD | <input checked="" type="checkbox"/> 1-AB | <input type="checkbox"/> APPEAL | DRAWN AND SENT TO: AMS | (NAME OF LAB) | Suffolk, VA | (ADDRESS) | 3/17/04 | (DATE) |
|--|--|---------------------------------|------------------------|---------------|-------------|-----------|---------|--------|

ANALYSIS RESULTS TO BE  PHONED ( )  WIRED Collect  MAILED to Applicant

**REMARKS**

MEETS Requirements of Marketing Agreement  
 7 CFR Part 996 for "No. 2 VIRGINIA"  
 FAILS to meet Requirements of Marketing Agreement

**CHARGES**

FEES \$ \_\_\_\_\_

DRAWING \$ \_\_\_\_\_

HANDLING \$ \_\_\_\_\_

SAMPLING \$ \_\_\_\_\_

EXPENSES \$ \_\_\_\_\_

TOTAL \$ \_\_\_\_\_

I, the undersigned, a duly authorized inspector of the United States Department of Agriculture, do hereby certify that at the request of the applicant and on the date indicated, samples of the above described products were inspected and the quality and/or condition as shown by said samples were as herein stated.

SIGNATURE OF INSPECTOR: *[Signature]*

**Exhibit XXIII – U.S. Virginia Splits. Meets 7CFR, Part 996 for Human Consumption.**

|                 |  |                 |
|-----------------|--|-----------------|
| <b>C 280165</b> | UNITED STATES DEPARTMENT OF AGRICULTURE<br>AGRICULTURAL MARKETING SERVICE<br>FEDERAL STATE INSPECTION SERVICE<br><b>MILLED PEANUT INSPECTION CERTIFICATE</b> | <b>C 280165</b> |
|-----------------|--|-----------------|

This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et. seq.) and is admissible as prima facie evidence in all courts of the United States. WARNING: Any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both.

|  |   |                                 |                           |   |  |
|--|---|---------------------------------|---------------------------|---|--|
| <b>SAMPLING BEGAN</b>                  |   | <b>SAMPLE ANALYSIS FINISHED</b> |                           | <b>TYPE OF INSPECTION (Mark One Only)</b>         |  |
| HOUR<br>9:50 AM                        | DATE<br>2-12-04   | HOUR<br>4:00 PM                 | DATE<br>2-12-04           | <input checked="" type="checkbox"/> LOT INSPECTED | <input type="checkbox"/> LOT LOADED into |
| LOCATION CODE<br>37002                 | WHERE SAMPLE DRAWN<br>AULANDER, NC                                | WHERE SAMPLE ANALYZED<br>Same   |                           | <input type="checkbox"/> CAR                      | <input type="checkbox"/> TRAILER         |
| APPLICANT CODE<br>37002                | APPLICANT NAME AND ADDRESS<br>GOLDEN PEANUT COMPANY, AULANDER, NC |                                 | CONVEYANCE IDENTIFICATION |   |  |
| RECEIVER NAME AND ADDRESS<br>NOT GIVEN | SHIPPER NAME AND ADDRESS<br>GOLDEN PEANUT CO., AULANDER, NC       |                                 | PREFIX                    | NUMBER  | ST                                       |

**PRODUCT**

CLEANED IN THE SHELL       FIBERBOARD BINS       WITH NO DISTINGUISHING MARKS  
 SHELLED PEANUTS      IN       BURLAP SACKS       TAGGED WITH PINK COLORED TAGS  
 BULK

TAG INSCRIPTION: Virginia Splits Shelled Peanuts, Golden Peanut Co  
Atlanta GA 30317

|             |                    |               |               |                         |   |
|-------------|--------------------|---------------|---------------|-------------------------|---|
| HOUSE<br>11 | LOT NUMBER<br>4028 | CROP YR<br>03 | USDA<br>NC-DA | FEDERAL STATE INSPECTED | TAG CONTROL<br>400 ISSUED<br>400 USED<br>0 RETURNED |
|-------------|--------------------|---------------|---------------|-------------------------|---|

APPLICANT STATES: 114092 LBS      VIRGINIA TYPE      BULK LOT NO. \_\_\_\_\_ OR COUNT OF 400 CONTAINERS

**SIZE**

|   |   |
|---|---|
| % SAW Kernels PASSING _____ Inch _____ Screen                       | % Wh Kernels RIDING _____ Inch _____ Screen |
| <u>0.41</u> % SAW Kernels PASSING <u>20/64</u> Inch <u>R</u> Screen | % Wh Kernels RIDING _____ Inch _____ Screen |
| % Peanuts With Undamaged Shells PASSING _____ Inch _____ Screen     |   |

COUNT AVERAGES       PER OUNCE       PER POUND

**QUALITY**

SAMPLE OF APPROXIMATELY 72000 GRAMS DRAWN, 1600 GRAMS ANALYZED CONTAINED THE FOLLOWING:

| PEANUTS IN THE SHELL         |       |         | SHELLED PEANUTS                               |              |              |
|------------------------------|-------|---------|---|--------------|--------------|
| GRADE FACTOR                 | GRAMS | PERCENT | GRADE FACTOR                                  | GRAMS        | PERCENT      |
| CRACKED OR BROKEN SHELLS     |       |         | OTHER TYPES OF KERNELS                        | <u>0.0</u>   | <u>0.00</u>  |
| DISCOLORED SHELLS            |       |         | SPLIT OR BROKEN KERNELS                       | <u>942.6</u> | <u>94.26</u> |
| OTHER SHELL DEFECTS          |       |         | DAMAGED OR UNSHELLED                          | <u>3.1</u>   | <u>0.31</u>  |
| FOREIGN MATERIAL             |       |         | MINOR DEFECTS                                 | <u>3.0</u>   | <u>0.30</u>  |
| TOTAL                        |       |         | SOUND WHOLE KERNELS                           | <u>xx</u>    | <u>xx</u>    |
| PEANUTS WITH DAMAGED KERNELS |       |         | FOREIGN MATERIAL (BASED ON <u>1000</u> GRAMS) | <u>0.0</u>   | <u>0.00</u>  |
| MOISTURE (BY ELECTRIC METER) |       |         | MOISTURE (BY ELECTRIC METER)                  |              | <u>7.40</u>  |

**GRADE**

U.S. VIRGINIA SPLITS

SAMPLES BILLED TO APPLICANT ABOVE

1-CD     1-AB     APPEAL    DRAWN AND SENT TO AMS    (ADDRESS) Suffolk, VA    (DATE) 2/12/04  
Sol # 4663    ANALYSIS RESULTS TO BE  PHONED ( )  WIFED Collect  MAILED to Applicant

REMARKS:  MEETS Requirements of Marketing Agreement 7 CFR Part 996 for Human Consumption       FAILS to meet Requirements of Marketing Agreement

**CHARGES**

FEES \$ \_\_\_\_\_

DRAWING \$ \_\_\_\_\_

HANDLING \$ \_\_\_\_\_

SAMPLING \$ \_\_\_\_\_

EXPENSES \$ \_\_\_\_\_

TOTAL \$ \_\_\_\_\_

I, the undersigned, a duly authorized inspector of the United States Department of Agriculture, do hereby certify that at the request of the applicant and on the date indicated, samples of the above described products were inspected and the quality and/or condition as shown by said samples were as herein stated.

SIGNATURE OF INSPECTOR:

**Exhibit XXIV – In-Shell Virginia Peanuts – U.S. Fancy Hand Picked. Meets 7CFR, Part 996 for Human Consumption.**

|                 |  |                 |
|-----------------|--|-----------------|
| <b>C 280165</b> | UNITED STATES DEPARTMENT OF AGRICULTURE<br>AGRICULTURAL MARKETING SERVICE<br>FEDERAL-STATE INSPECTION SERVICE<br><b>MILLED PEANUT INSPECTION CERTIFICATE</b> | <b>C 280165</b> |
|-----------------|--|-----------------|

This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et seq.) and is admissible as prima facie evidence in all courts of the United States. WARNING: Any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both.

|  |                                    |   |   |  |  |  |
|--|------------------------------------|---|---|--|--|--|
| SAMPLING BEGAN                         |                                    | SAMPLE ANALYSIS FINISHED                                      |   | TYPE OF INSPECTION (Mark One Only)   |  |  |
| HOUR<br>120 AM<br>DATE<br>3/5/04       | WHERE SAMPLE DRAWN<br>ARLANDER, NC | HOUR<br>830 PM<br>DATE<br>3/5/04                              | WHERE SAMPLE ANALYZED<br>SAME                               | <input checked="" type="checkbox"/> LOT INSPECTED<br><input type="checkbox"/> LOT LOADED INTO<br><input type="checkbox"/> CAR <input type="checkbox"/> TRAILER |  |  |
| LOCATION CODE<br>37002                 | APPLICANT CODE<br>37002            | APPLICANT NAME AND ADDRESS<br>Golden Peanut Co., Arlander, NC |   | CONVEYANCE IDENTIFICATION<br>PREFIX NUMBER ST  |  |  |
| RECEIVER NAME AND ADDRESS<br>NOT GIVEN |                                    |   | SHIPPER NAME AND ADDRESS<br>Golden Peanut Co., Arlander, NC |  |  |  |

**PRODUCT**

|  |  |  |
|--|--|--|
| <input checked="" type="checkbox"/> CLEANED IN THE SHELL | <input type="checkbox"/> FIBERBOARD BINS         | <input type="checkbox"/> WITH NO DISTINGUISHING MARKS                      |
| <input type="checkbox"/> SHELLED PEANUTS                 | <input checked="" type="checkbox"/> BURLAP SACKS | <input checked="" type="checkbox"/> TAGGED WITH <u>ORANGE</u> COLORED TAGS |
| <input type="checkbox"/> IN                              | <input type="checkbox"/> BULK                    |  |

|   |  |                         |  |                                      |  |
|---|--|-------------------------|--|--------------------------------------|--|
| TAG DESCRIPTION <u>VIRGINIA FANCY IN-SHELL PEANUTS, GOLDEN PEANUT</u>                 |  |                         |  | TAG CONTROL                          |  |
| COMPANY <u>Atlanta GA</u><br>HOUSE <u>14</u> LOT NUMBER <u>7469</u> CROP YR <u>03</u> |  |                         |  | 800 ISSUED<br>800 USED<br>0 RETURNED |  |
| USDA <u>NC-139</u>  |  | FEDERAL-STATE INSPECTED |  |                                      |  |

|                  |                  |                      |             |            |
|------------------|------------------|----------------------|-------------|------------|
| APPLICANT STATES | SIZE             | BULK LOT NO.         | OR COUNT OF | CONTAINERS |
|                  | <u>50000</u> lbs | <u>VIRGINIA</u> TYPE | <u>800</u>  |            |

|   |  |
|---|--|
| % SW Kernels PASSING _____ Inch Screen;   | % Wh Kernels RIDING _____ Inch Screen                    |
| % SW Kernels PASSING _____ Inch Screen;   | % Wh Kernels RIDING _____ Inch Screen                    |
| % SW Kernels & Kernel Portions PASSING _____ Inch Screen  |  |
| <u>3.41</u> % Peanuts With Undamaged Shells PASSING <u>3/16</u> & <u>3</u> Inch <u>S</u> Screen |  |
| COUNT AVERAGES <u>13</u> <input checked="" type="checkbox"/> PER OUNCE                          | <u>201</u> <input checked="" type="checkbox"/> PER POUND |

**QUALITY**

SAMPLE OF APPROXIMATELY 40000 GRAMS DRAWN, 2000 GRAMS ANALYZED CONTAINED THE FOLLOWING:

| PEANUTS IN THE SHELL         |       |         | SHELLED PEANUTS                         |       |         |
|------------------------------|-------|---------|---|-------|---------|
| GRADE FACTOR                 | GRAMS | PERCENT | GRADE FACTOR                            | GRAMS | PERCENT |
| CRACKED OR BROKEN SHELLS     | 144.6 | 8.23    | OTHER TYPES OF KERNELS                  |       |         |
| DISCOLORED SHELLS            | 17.4  | 0.87    | SPLIT OR BROKEN KERNELS                 |       |         |
| OTHER SHELL DEFECTS          | 7.0   | 0.35    | DAMAGED OR UNSHELLED                    |       |         |
| FOREIGN MATERIAL             | 3.4   | 0.17    | MINOR DEFECTS                           |       |         |
| TOTAL                        |       | 9.62    | SOUND WHOLE KERNELS                     |       |         |
| PEANUTS WITH DAMAGED KERNELS | 6.3   | 0.32    | FOREIGN MATERIAL (BASED ON _____ GRAMS) |       |         |
| MOISTURE (BY ELECTRIC METER) |       | 6.20    | MOISTURE (BY ELECTRIC METER)            |       |         |

**GRADE**

U.S. FANCY HAND PICKED

|   |                        |   |        |
|---|------------------------|---|--------|
| SAMPLES BILLED TO APPLICANT ABOVE   | (NAME OF LAB)          | (ADDRESS)   | (DATE) |
| <input checked="" type="checkbox"/> 1-CD <input checked="" type="checkbox"/> 1-AB <input type="checkbox"/> APPEAL<br>DRAWN AND SENT TO <u>AMS</u> <u>Suffolk, VA</u> <u>3/5/04</u><br>SEAL # <u>47203</u> | ANALYSIS RESULTS TO BE | <input type="checkbox"/> PHONED ( ) <input type="checkbox"/> WIRELESS Collect <input checked="" type="checkbox"/> MAILED to Applicant |        |

REMARKS  MEETS Requirements of Marketing Agreement 7CFR Part 996 for Human Consumption

FAILS to meet Requirements of Marketing Agreement

CHARGES

FEES \$ \_\_\_\_\_

DRAWING \$ \_\_\_\_\_

HANDLING \$ \_\_\_\_\_

SAMPLING \$ \_\_\_\_\_

EXPENSES \$ \_\_\_\_\_


TOTAL \$ \_\_\_\_\_

TOTAL KERNELS 75.68% including 7.89% split or broken, determined and reported at Applicant's request.

I, the undersigned, duly authorized inspector of the United States Department of Agriculture, do hereby certify that at the request of the applicant and on the date indicated, samples of the above described products were inspected and the quality and/or condition as shown by said samples were as herein stated.

SIGNATURE OF INSPECTOR

**Exhibit XXV - In-Shell Valencia Peanuts.**

|   |  |   |
|---|--|---|
| <b>C 280165</b>   | UNITED STATES DEPARTMENT OF AGRICULTURE<br>AGRICULTURAL MARKETING SERVICE<br>FEDERAL-STATE INSPECTION SERVICE<br><b>MILLED PEANUT INSPECTION CERTIFICATE</b> | <b>C 280165</b>   |
| This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et seq.) and is admissible as prima facie evidence in all courts of the United States. WARNING: Any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both. |  |   |
| SAMPLING BEGAN<br>HOUR: 8:30 AM<br>DATE: 3-9-04   | SAMPLE ANALYSIS FINISHED<br>HOUR: 8:45 AM<br>DATE: 3-11-04   | TYPE OF INSPECTION (Mark One Only)<br><input checked="" type="checkbox"/> LOT INSPECTED<br>LOT LOADED into<br><input type="checkbox"/> CAR <input type="checkbox"/> TRAILER |
| LOCATION CODE<br>WHERE SAMPLE DRAWN: Applicant's Plant<br>Portales, NM  | WHERE SAMPLE ANALYZED<br>PORTALES, NM  | CONVEYANCE IDENTIFICATION<br>PREFIX: _____ NUMBER: _____ SE: _____  |
| APPLICANT CODE<br>APPLICANT NAME AND ADDRESS<br>BEST PEANUTS CO., PORTALES, NM  | RECEIVER NAME AND ADDRESS<br>NOT GIVEN   | SHIPPER NAME AND ADDRESS<br>SAME AS APPLICANT   |
| PRODUCT:  |  |   |
| <input checked="" type="checkbox"/> CLEANED IN THE SHELL<br><input type="checkbox"/> SHELLED PEANUTS  |  |   |
| <input type="checkbox"/> FIBERBOARD BINS<br><input checked="" type="checkbox"/> OPEN MESH BUREAU SACKS<br><input type="checkbox"/> BULK   |  |   |
| <input type="checkbox"/> WITH NO DISTINGUISHING MARKS<br><input checked="" type="checkbox"/> TAGGED WITH <u>WHITE</u> COLORED TAGS  |  |   |
| TAG INSCRIPTION (32) 25 lb open mesh sacks in shell Valencia peanuts<br>(407) 50 lb open mesh sacks in shell Valencia peanuts   |  | TAG CONTROL<br>550 ISSUED<br>439 USED<br>111 RETURNED   |
| HOUSE: 02<br>LOT NUMBER: 9<br>CROP YR: 03   | USDA: NEW MEXICO<br>FEDERAL-STATE INSPECTED  |   |
| APPLICANT STATES:   |  |   |
| 21,150 LBS<br>VALENCIA TYPE   | BULK LOT NO.   | OR COUNT OF 439 CONTAINERS  |
| SIZE:   |  |   |
| % SAW Kernels PASSING _____ Inch Screen; _____ % Wh Kernels RIDING _____ Inch Screen<br>% SAW Kernels PASSING _____ Inch Screen; _____ % Wh Kernels RIDING _____ Inch Screen<br>% SAW Kernels & Kernel Portions PASSING _____ Inch Screen<br>% Peanuts With Undamaged Shells PASSING _____ Inch Screen  |  |   |
| COUNT AVERAGES <input type="checkbox"/> PER OUNCE <input type="checkbox"/> PER POUND  |  |   |
| QUALITY:  |  |   |
| SAMPLE OF APPROXIMATELY <u>12,258</u> GRAMS DRAWN, <u>2,000</u> GRAMS ANALYZED CONTAINED THE FOLLOWING:   |  |   |
| PEANUTS IN THE SHELL  |  | SHELLED PEANUTS   |
| GRADE FACTOR  | GRAMS  | PERCENT   |
| CRACKED OR BROKEN SHELLS  | 21.7   | 1.06  |
| DISCOLORED SHELLS   | 190.4  | 9.52  |
| OTHER SHELL DEFECTS   | x x x  | x x x   |
| FOREIGN MATERIAL  | 1.6  | 0.08  |
| TOTAL   | x x x  | x x x   |
| PEANUTS WITH DAMAGED KERNELS  | 6.6  | 0.32  |
| MOISTURE (BY ELECTRIC METER)  |  | 5.55  |
|   |  | OTHER TYPES OF KERNELS  |
|   |  | SPLIT OR BROKEN KERNELS   |
|   |  | DAMAGED OR UNSHELLED  |
|   |  | MINOR DEFECTS   |
|   |  | SOUND WHOLE KERNELS   |
|   |  | FOREIGN MATERIAL (BASED ON _____ GRAMS)   |
|   |  | MOISTURE (BY ELECTRIC METER)  |
| GRADE:  |  |   |
| NO ESTABLISHED U.S. STANDARD. SEE REMARKS   |  |   |
| SAMPLES DELIVERED TO APPLICANT ABOVE<br><input type="checkbox"/> 1-CD <input type="checkbox"/> 1-AB <input type="checkbox"/> APPEAL DRAWN AND SENT TO _____ (NAME OF LAB) _____ (ADDRESS) _____ (DATE)  |  |   |
| ANALYSIS RESULTS TO BE <input type="checkbox"/> PHONED ( ) <input type="checkbox"/> WIFED Collect <input type="checkbox"/> MAILED to Applicant  |  |   |
| REMARKS: <input checked="" type="checkbox"/> MEETS Requirements of Marketing Agreement 7 CFR, Part 99b for Human Consumption <input type="checkbox"/> FAILS to meet Requirements of Marketing Agreement   |  |   |
| CHARGES: Cracked or Broken shells, Foreign Material, & peanuts with damaged kernels based on U.S. Standards for Cleaned Virginia Type Peanuts in the Shell. Cracked and Broken shells and discolored shells reported at applicant's request.  |  |   |
| FEES \$ _____<br>DRAWING & _____<br>HANDLING \$ _____<br>SAMPLING \$ _____<br>EXPENSES \$ _____<br>TOTAL \$ _____   |  |   |
| I, the undersigned, a duly authorized inspector of the United States Department of Agriculture, do hereby certify that at the request of the applicant and on the date indicated, samples of the above described products were inspected and the quality and/or condition as shown by said samples were   |  |   |
| SIGNATURE OF INSPECTOR:    |  |   |

FORM FV-184-9A (11-90)

ORIGINAL



# Exhibit XXVI - Shelled Valencia's Certified Using Shelled Spanish Standard.

|                 |  |                 |
|-----------------|--|-----------------|
| <b>C 280165</b> | UNITED STATES DEPARTMENT OF AGRICULTURE<br>AGRICULTURAL MARKETING SERVICE<br>FEDERAL-STATE INSPECTION SERVICE<br><b>MILLED PEANUT INSPECTION CERTIFICATE</b> | <b>C 280165</b> |
|-----------------|--|-----------------|

*This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et. seq.) and is admissible as prima facie evidence in all courts of the United States. WARNING: Any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both.*

|  |   |                                       |   |  |  |  |
|--|---|---------------------------------------|---|--|--|--|
| <b>SAMPLING BEGAN</b>                  |   | <b>SAMPLE ANALYSIS FINISHED</b>       |   | <b>TYPE OF INSPECTION (Mark One Only)</b>                            |  |  |
| HOUR<br>3:00 PM                        | DATE<br>11-4-03   | HOUR<br>3:00 PM                       | DATE<br>11-6-03   | <input checked="" type="checkbox"/> LOT INSPECTED<br>LOT LOADED INTO |  |  |
| LOCATION CODE                          | WHERE SAMPLE DRAWN<br>Applicants Plant<br>Portales, NM        | WHERE SAMPLE ANALYZED<br>Portales, NM | <input type="checkbox"/> CAR <input type="checkbox"/> TRAILER |  |  |  |
| APPLICANT CODE                         | APPLICANT NAME AND ADDRESS<br>Borden Peanut Co., Portales, NM |                                       | <b>CONVEYANCE IDENTIFICATION</b>                              |  |  |  |
| RECEIVER NAME AND ADDRESS<br>NOT GIVEN | SHIPPER NAME AND ADDRESS<br>SAME AS APPLICANT                 |                                       | PREFIX NUMBER ST  |  |  |  |

**PRODUCT**

|  |  |  |
|--|--|--|
| <input type="checkbox"/> CLEANED IN THE SHELL        | <input type="checkbox"/> FIBERBOARD BINS               | <input type="checkbox"/> WITH NO DISTINGUISHING MARKS              |
| <input checked="" type="checkbox"/> SHELLED PEANUTS  | <input checked="" type="checkbox"/> SUPER BUREAU SACKS | <input checked="" type="checkbox"/> TAGGED WITH WHITE COLORED TAGS |
| <input checked="" type="checkbox"/> BULK PAPER SACKS |  |  |

|  |                   |               |                    |                         |             |
|--|-------------------|---------------|--------------------|-------------------------|-------------|
| <b>TAG DESCRIPTION</b>                           |                   |               |                    | <b>TAG CONTROL</b>      |             |
| 900 - 50 lb paper sacks shelled Valencia peanuts |                   |               |                    | 950 ISSUED              |             |
| 2 - Super Sacks shelled Valencia peanuts         |                   |               |                    | 902 USED                |             |
| HOUSE<br>03                                      | LOT NUMBER<br>451 | CROP YR<br>02 | USDA<br>New Mexico | FEDERAL-STATE INSPECTED | 48 RETURNED |

|                  |            |               |              |             |     |            |
|------------------|------------|---------------|--------------|-------------|-----|------------|
| APPLICANT STATES | 49,000 LBS | VALENCIA TYPE | BULK LOT NO. | OR COUNT OF | 902 | CONTAINERS |
|------------------|------------|---------------|--------------|-------------|-----|------------|

**SIZE**

|  |                     |        |        |
|--|---------------------|--------|--------|
| 0.55 % SW Kernels PASSING 15/16 x 3/4 Inch S Screen:             | % Wh Kernels RIDING | Inch   | Screen |
| 0.02 % SW Kernels & Kernel Portions PASSING 16/16 Inch R Screen: | % Wh Kernels RIDING | Inch   | Screen |
| % Peanuts With Undamaged Shells PASSING                          | Inch                | Screen |        |

COUNT AVERAGES  PER OUNCE  PER POUND

**QUALITY**

SAMPLE OF APPROXIMATELY 160 LBS GRAMS DRAWN, 2000 GRAMS ANALYZED CONTAINED THE FOLLOWING:

| PEANUTS IN THE SHELL         |       |         | SHELLED PEANUTS                        |       |         |
|------------------------------|-------|---------|--|-------|---------|
| GRADE FACTOR                 | GRAMS | PERCENT | GRADE FACTOR                           | GRAMS | PERCENT |
| CRACKED OR BROKEN SHELLS     |       |         | OTHER TYPES OF KERNELS                 | 0.00  | 0.00    |
| DISCOLORED SHELLS            |       |         | SPLIT OR BROKEN KERNELS                | 20.0  | 1.00    |
| OTHER SHELL DEFECTS          |       |         | DAMAGED OR UNSHELLED                   | 6.3   | 0.32    |
| FOREIGN MATERIAL             |       |         | MINOR DEFECTS                          | 3.3   | 0.17    |
| <b>TOTAL</b>                 |       |         | SOUND WHOLE KERNELS                    | XXX   | XXX     |
| PEANUTS WITH DAMAGED KERNELS |       |         | FOREIGN MATERIAL (BASED ON 4000 GRAMS) | 0.6   | 0.02    |
| MOISTURE (BY ELECTRIC METER) |       |         | MOISTURE (BY ELECTRIC METER)           |       | 7.90    |

**GRADE**

NO ESTABLISHED U.S. STANDARDS - SEE REMARKS

SAMPLES BILLED TO APPLICANT ABOVE

|  |  |                                 |                   |                      |                         |                   |
|--|--|---------------------------------|-------------------|----------------------|-------------------------|-------------------|
| <input checked="" type="checkbox"/> 1-CO | <input checked="" type="checkbox"/> 1-AB | <input type="checkbox"/> APPEAL | DRAWN AND SENT TO | (NAME OF LAB)<br>AMS | (ADDRESS)<br>MADILL, OK | (DATE)<br>11-6-03 |
|--|--|---------------------------------|-------------------|----------------------|-------------------------|-------------------|

ANALYSIS RESULTS TO BE  PHONED ( )  WIRED Collect  MAILED to Applicant

REMARKS  MEETS Requirements of Marketing Agreement  
7CFR, Part 996 for Human Consumption  FAILS to meet Requirements of Marketing Agreement

Meets requirements of US No 1 grade based on U.S. Standards for Shelled Spanish Type Peanuts at applicant's request.

**CHARGES**

FEES \$

DRAWING \$

HANDLING \$

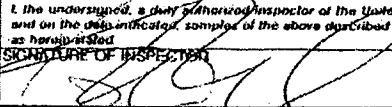
SAMPLING \$

EXPENSES \$

TOTAL \$

I, the undersigned, a duly authorized inspector of the United States Department of Agriculture, do hereby certify that at the request of the applicant and on the date indicated, samples of the above described products were inspected and the quality and/or condition as shown by said samples were as hereon stated.

SIGNATURE OF INSPECTOR



**Exhibit XXVII – Meets 7CFR, Part 996 for Blanched Peanuts.**

**FV-184-9A-CG**

UNITED STATES DEPARTMENT OF AGRICULTURE  
 AGRICULTURAL MARKETING SERVICE  
 FEDERAL-STATE INSPECTION SERVICE  
**MILLED PEANUT INSPECTION CERTIFICATE**

**G9603614**

*This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et seq.) and is admissible as prima facie evidence in all courts of the United States. WARNING: any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both.*

Sampling Started: 07:04 AM 09/18/2003      Sample Analysis Completed: 09:29 AM 09/18/2003

Applicant: UNIVERSAL BLANCHERS, LLC      Sampled at: UNIVERSAL BLANCHERS, LLC  
 131 SYLVESTER, GA      131 SYLVESTER, GA

Analyzed at: UNIVERSAL BLANCHERS, LLC SYLVESTER, GA

Receiver: Not given      Shipper: Same as Applicant

Applicant States: 39,414 Lbs. Blanched Runner Type Peanuts in 20 Nylon Tote Sacks

Tagged Lot: Lot tagged with Gray tags inscribed:      35 Tags Issued  
 USDA - GEORGIA Federal-State Inspected      20 Tags Used  
 House 96 Lot 16575 Crop 02      15 Tags Returned  
 Shelled Peanuts Universal Blanchers, LLC Sylvester, GA

Sample of Approximately 75,000 Grams Drawn, 1006.4 Grams Analyzed contained the following:

|       |         |  |
|-------|---------|--|
| Grams | Percent |  |
| 0.0   | 0.00    | Foreign Material Based on 2011.1 grams |
|       | 4.80    | Moisture                               |

Grade: SEE REMARKS.

1-AB Sample PLI and Returned to Applicant. 09/18/2003

Remarks: Meets Requirements of 7CFR part 996 for Blanched Peanuts Appl. states above lot previously identified as FSIS lot# 8378, House# 93 Federal and State of Ga. cert.# G9306315, dated 06/10/03 and reference# CB537089 Pt.1

|                |            |
|----------------|------------|
| <i>Charges</i> |            |
| 42.00          | Shell Fees |
| .00            | 1-AB N/C   |
| 42.00          | Total      |

SIGNATURE OF INSPECTOR:

*Daryl Doyin*

I, the above, a duly authorized inspector of the United States Department of Agriculture, do hereby certify that at the request of the applicant and on the date indicated, samples of the above described products were inspected and the quality and/or condition as shown by said samples were as herein stated.

**Exhibit XXVIII – Runner Type Peanuts. Meets 7CFR, Part 996 for Human Consumption.**

UNITED STATES DEPARTMENT OF AGRICULTURE  
 AGRICULTURAL MARKETING SERVICE  
 FEDERAL-STATE INSPECTION SERVICE  
**MILLED PEANUT INSPECTION CERTIFICATE**

FV-184-9A-CG G3109009

*This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et seq.) and is admissible as prima facie evidence in all courts of the United States. WARNING: any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both.*

Sampling Started: 01:35 PM 11/18/2003 Sample Analysis Completed: 01:08 PM 11/19/2003

Applicant: BIRDSONG PEANUTS Sampled at: BIRDSONG PEANUTS  
 13001 BLAKELY, GA 13612 SYLVESTER, GA

Analyzed at: BIRDSONG PEANUTS SYLVESTER, GA

Receiver: NOT GIVEN Shipper: BIRDSONG PEANUTS  
SYLVESTER, GA

Applicant States: 49,940 Lbs. Shelled Runner Type Peanuts in 22 Nylon Tote Sacks

Tagged Lot: Lot tagged with Yellow tags inscribed:  
 USDA - GEORGIA Federal-State Inspected  
 House 31 Lot 42181 Crop 03  
 Product of USA  
 Shelled Peanuts (Runner Type) Birdsong Peanuts Sylvester, GA

37 Tags Issued  
 22 Tags Used  
 15 Tags Returned

Sample of Approximately 75,000 Grams Drawn, 1000.1 Grams Analyzed contained the following:

- 7.29% S/W Kernels Passing 16/64 x 3/4 inch Slot
- 17.39% Whole Kernels Riding 18/64 x 3/4 inch Slot
- 0.21% S/W Kernels and/or Sound Split & Broken Kernels Passing 17/64 inch Round  
 Count 70 Per Ounce

| Grams | Percent |  |
|-------|---------|--|
| 0.0   | 0.00    | Other Types of Kernels                 |
| 59.2  | 5.92    | Split or Broken Kernels                |
| 6.1   | 0.61    | Damaged or Unshelled                   |
| 11.7  | 1.17    | Minor Defects                          |
| 0.0   | 0.00    | Foreign Material Based on 2000.5 grams |
|       | 7.70    | Moisture                               |

Grade: SEE REMARKS.

1-AB Sample PLI and Returned to Applicant's Agent. 11/19/2003

Remarks: Meets Requirements of 7CFR part 996 for Human Consumption

| Charges |            |
|---------|------------|
| 42.00   | Shell Fees |
| 17.20   | Handling   |
| 10.00   | 1-AB       |
| 69.20   | Total      |

SIGNATURE OF INSPECTOR:

*Torrea P. Cox*

I, the above, a duly authorized inspector of the United States Department of Agriculture, do hereby certify that at the request of the applicant and on the date indicated, samples of the above described products were inspected and the quality and/or condition as shown by said samples were as herein stated.

**Exhibit XXIX – U.S. No. 1 Runner. Meets APSA "Medium Runner."**

FV-184-9A-CG

UNITED STATES DEPARTMENT OF AGRICULTURE  
 AGRICULTURAL MARKETING SERVICE  
 FEDERAL-STATE INSPECTION SERVICE  
**MILLED PEANUT INSPECTION CERTIFICATE**

G9307108

*This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et seq.) and is admissible as prima facie evidence in all courts of the United States. WARNING: any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both.*

Sampling Started: 07:49 PM 11/03/2003

Sample Analysis Completed: 08:35 AM 11/04/2003

Applicant: MCCLESKEY PEANUTS L.P.  
 13070 SMITHVILLE, GA

Sampled at: MCCLESKEY PEANUTS, L.P.  
 736 SMITHVILLE, GA

Analyzed at: MCCLESKEY PEANUTS, L.P. SMITHVILLE, GA

Receiver: NOT GIVEN

Shipper: MCCLESKEY PEANUTS, L.P.  
 SMITHVILLE, GA

Applicant States: 44,092 Lbs. Shelled Runner Type Peanuts in 400 Burlap Sacks

Tagged Lot: Lot tagged with Orange tags inscribed:  
 USDA - GEORGIA Federal-State Inspected  
 House 93 Lot 2006 Crop 03  
 Product of USA  
 U.S. No. 1 "Medium Runner" McCleskey Peanuts, L.P. Smithville, GA

415 Tags Issued  
 400 Tags Used  
 15 Tags Returned

Sample of Approximately 75,000 Grams Drawn, 1004.9 Grams Analyzed contained the following:

- 1.08% S/W Kernels Passing 18/64 x 3/4 inch Slot
- 7.84% Whole Kernels Riding 21/64 x 3/4 inch Slot
- 0.02% S/W Kernels and/or Sound Split & Broken Kernels Passing 17/64 inch Round  
 Count 53 Per Ounce

| Grams | Percent |  |
|-------|---------|--|
| 0.0   | 0.00    | Other Types of Kernels                 |
| 6.8   | 0.68    | Split or Broken Kernels                |
| 2.9   | 0.29    | Damaged or Unshelled                   |
| 2.6   | 0.26    | Minor Defects                          |
| 0.0   | 0.00    | Foreign Material Based on 2009.2 grams |
|       | 7.50    | Moisture                               |

Grade: U.S. NO. 1 RUNNER MEETS APSA "MEDIUM RUNNER".

1-AB Sample PLI and Returned to Applicant's Agent. 11/04/2003

Remarks: Meets Requirements of 7CFR part 996 for Human Consumption

| Charges |            |
|---------|------------|
| 42.00   | Shell Fees |
| 17.20   | Handling   |
| 10.00   | 1-AB       |
| 69.20   | Total      |

SIGNATURE OF INSPECTOR:

*Daryl Pozis*

I, the above, a duly authorized inspector of the United States Department of Agriculture, do hereby certify that at the request of the applicant and on the date indicated, samples of the above described products were inspected and the quality and/or condition as shown by said samples were as herein stated.

**Exhibit XXX – Blanched U.S. Runner Splits. Meets APSA “Runner Splits.”**

UNITED STATES DEPARTMENT OF AGRICULTURE  
 AGRICULTURAL MARKETING SERVICE  
 FEDERAL-STATE INSPECTION SERVICE

**FV-184-9A-CG**

**G9307520**

**MILLED PEANUT INSPECTION CERTIFICATE**

*This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et seq.) and is admissible as prima facie evidence in all courts of the United States. WARNING: any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both.*

Sampling Started: 07:18 AM 05/20/2004      Sample Analysis Completed: 11:17 AM 05/20/2004

Applicant: UNIVERSAL BLANCHERS, LLC      Sampled at: UNIVERSAL BLANCHERS, LLC  
 131 SYLVESTER, GA      131 SYLVESTER, GA

Analyzed at: UNIVERSAL BLANCHERS, LLC SYLVESTER, GA

Receiver: NOT GIVEN      Shipper: Same as Applicant

Applicant States: 37,448 Lbs. Blanched Runner Type Peanuts in 19 Nylon Tote Sacks

Tagged Lot: Lot tagged with Gray tags inscribed:      40 Tags Issued  
 USDA - GEORGIA Federal-State Inspected      19 Tags Used  
 House 96 Lot 16004 Crop 03      21 Tags Returned  
 Shelled Peanuts Universal Blanchers, LLC., GA

Sample of Approximately 75,000 Grams Drawn, 1002.3 Grams Analyzed contained the following:

1.53% Sound Kernel Portions Passing 17/64 inch Round

| Grams | Percent |  |
|-------|---------|--|
| 0.0   | 0.00    | Other Types of Kernels                 |
| 2.6   | 0.26    | Damaged or Unshelled                   |
| 1.5   | 0.15    | Minor Defects                          |
| 29.9  | 2.98    | Sound Whole Kernels                    |
| 0.0   | 0.00    | Foreign Material Based on 2002.3 grams |
|       | 4.60    | Moisture                               |

Grade: U.S. RUNNER SPLITS MEETS APSA "RUNNER SPLITS"

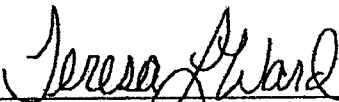
NO.1 Sample PLI and Returned to Applicant's Agent. 05/20/2004

Remarks: Meets Requirements of 7CFR part 996 for Human Consumption.

| Charges |            |
|---------|------------|
| 42.00   | Shell Fees |
| 10.00   | No.1       |
| 52.00   | Total      |

Teresa L. Ward

SIGNATURE OF INSPECTOR:



I, the above, a duly authorized inspector of the United States Department of Agriculture, do hereby certify that at the request of the applicant and on the date indicated, samples of the above described products were inspected and the quality and/or condition as shown by said samples were as herein stated.

**Exhibit XXXI – FV-184-12-CG Transfer Clearance Certificate.**

**FV-184-12-CG**

UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL MARKETING SERVICE  
FEDERAL-STATE INSPECTION SERVICE

**G9300010**

**TRANSFER CLEARANCE CERTIFICATE (PEANUTS)**

*This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et seq.) and is admissible as prima facie evidence in all courts of the United States. WARNING: any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both.*

Transfer Started: 11:00 AM 11/07/2003

Transfer Completed: 04:24 PM 11/10/2003

Applicant: MCCLESKEY PEANUTS L.P.  
13070 SMITHVILLE, GA

Location: MCCLESKEY PEANUTS, L.P.  
736 SMITHVILLE, GA

Receiver: NOT GIVEN

Shipper: MCCLESKEY PEANUTS, L.P.  
SMITHVILLE, GA

Applicant States: 47,670 Lbs. Shelled Runner Type Peanuts in 22 Fiberboard Bins

Tagged Lot: Lot tagged with Orange tags inscribed:  
USDA - GEORGIA Federal-State Inspected  
House 93 Lot 2158 Crop 03  
Product of USA  
U.S. No. 1 "Medium Runner" McCleskey Peanuts, L.P. Smithville, GA

36 Tags Issued  
22 Tags Used  
14 Tags Returned

Certificate: G9307127 11/05/2003 GA House: 93 Lot: B-248  
47,670 Lbs. Equivalent Weight

- 1.57% S/W Kernels Passing 18/64 x 3/4 inch Slot
- 11.25% Whole Kernels Riding 21/64 x 3/4 inch Slot
- 0.00% S/W Kernels and/or Sound Split & Broken Kernels Passing 17/64 Inch Round
- 0.00% Other Types of Kernels
- 0.54% Split or Broken Kernels
- 0.12% Damaged or Unshelled
- 0.16% Minor Defects
- 0.00% Foreign Material
- 7.80% Moisture
- Count 51 Per Ounce

Grade: U.S. NO. 1 RUNNER MEETS APSA "MEDIUM RUNNER".

Remarks: FSIS personnel maintained positive lot identification and observed the transfer process of the above lot from Bulk into 22 Fiberboard Bins now being lot number 2158, GA House 93, Crop Year 2003. Meets Requirements of 7CFR part 996 for Human Consumption

|                       |
|-----------------------|
| <i>Charges</i>        |
| 16.00 TRANSFER LOT(S) |
| <br>                  |
| 16.00 Total           |

SIGNATURE OF INSPECTOR:

*Paul Dozier*

This is to certify that the peanuts covered by this Transfer Clearance Certificate are part of a lot bearing inspection certificate and that satisfactory proof has been offered to show that said peanuts have been inspected and certified at the point of origin.

**Exhibit XXXII – FV-187-CG “Notice of Sampling. No. 2 Aflatoxin Sample.**

**FV-187-CG**

UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL MARKETING SERVICE  
FRUIT AND VEGETABLE PROGRAMS  
**NOTICE OF SAMPLING**  
(FOR GRADE OR CHEMICAL ANALYSIS)

**G9301600**

*THIS IS TO CERTIFY That, in compliance with the regulations of the Secretary of Agriculture governing the inspection of fruits, vegetables, and nuts pursuant to the Agricultural Marketing Act of 1946, as amended, (7 U.S.C. 1621 etseq.) I, the undersigned, a duly authorized inspector of the United States Department of Agriculture, do hereby certify that, on the date indicated, samples drawn believed by me to be representative of the lot were as described below:*

Sampling Started: 05/20/2004

Sampling for: Chemical Analysis

Applicant: UNIVERSAL BLANCHERS, LLC  
131 SYLVESTER, GA

Sampled at: UNIVERSAL BLANCHERS, LLC  
131 SYLVESTER, GA

Receiver: NOT GIVEN

Shipper: Same as Applicant

Applicant States: 37,448 Lbs. Blanched Runner Type Peanuts in 19 Nylon Tote Sacks

Tagged Lot: Lot tagged with Gray tags inscribed:  
USDA - GEORGIA Federal-State Inspected  
House 96 Lot 16004 Crop 03  
Shelled Peanuts, Universal Blanchers, LLC., Sylvester, GA

Quality Designated by Shipper: HUMAN CONSUMPTION Certificate: G9307517 Meets Quality Designated

Highest Quality Determined: U.S. Splits

Sample Designated as: NO.2 Sample

Results from Previous Samples:  
12 ppb 1-AB

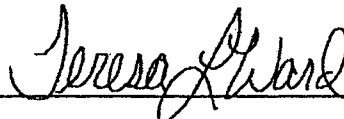
PLI and Returned to Applicant's Agent. 05/20/2004

Remarks:

|                     |
|---------------------|
| <i>Charges</i>      |
| <b>Hourly Basis</b> |
| Total               |

Teresa L. Ward

SIGNATURE OF INSPECTOR:



**Exhibit XXXIII – Meets 7CFR, Part 996 for Non-Edible Quality.**

**FV-184-9A-CG**

UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL MARKETING SERVICE  
FEDERAL-STATE INSPECTION SERVICE  
**MILLED PEANUT INSPECTION CERTIFICATE**

**G9307518**

*This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et seq.) and is admissible as prima facie evidence in all courts of the United States. WARNING: any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both.*

Sampling Started: 07:47 AM 05/20/2004

Sample Analysis Completed: 09:52 AM 05/20/2004

Applicant: UNIVERSAL BLANCHERS, LLC  
131 SYLVESTER, GA

Sampled at: UNIVERSAL BLANCHERS, LLC  
131 SYLVESTER, GA

Analyzed at: UNIVERSAL BLANCHERS, LLC SYLVESTER, GA

Receiver: NOT GIVEN

Shipper: Same as Applicant

Applicant States: 42,000 Lbs. Shelled Runner Type Peanuts in 21 Fiberboard Bins

Tagged Lot: Lot tagged with Red tags inscribed:  
USDA - GEORGIA Federal-State Inspected  
House 96 Lot 102 Crop 03  
Oilstock Universal Blanchers, LLC., Sylvester, GA

37 Tags Issued  
21 Tags Used  
16 Tags Returned

Sample of Approximately 75,000 Grams Drawn, 1000.5 Grams Analyzed contained the following:

| Grams | Percent  |
|-------|--|
| 0.7   | 0.07 Foreign Material Based on 1000.5 grams (See "Note" Below) |
| 5.50  | Moisture   |

Grade: SEE REMARKS.

1-AB & Oil Samples PLI and Returned to Applicant's Agent. 05/20/2004

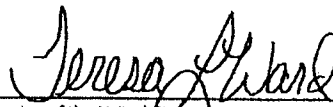
Remarks: Meets Requirements of 7CFR part 996 for Non-Edible Quality.

**(NOTE: LETTER ON FILE REQUESTING FOREIGN MATERIAL AND MOISTURE BE DETERMINED.)**

| Charges          |
|------------------|
| 42.00 Shell Fees |
| 10.00 1-AB       |
| 7.50 Oil Sample  |
| 59.50 Total      |

Teresa L. Ward

SIGNATURE OF INSPECTOR:



I, the above, a duly authorized inspector of the United States Department of Agriculture, do hereby certify that at the request of the applicant and on the date indicated, samples of the above described products were inspected and the quality and/or condition as shown by said samples were as herein stated.



**Exhibit XXXIV – FV-184-12CG Transfer Clearance Certificate on a Non-Edible Quality Lot.**

UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL MARKETING SERVICE  
FEDERAL-STATE INSPECTION SERVICE

G9600165

FV-184-12-CG

**TRANSFER CLEARANCE CERTIFICATE (PEANUTS)**

*This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et seq.) and is admissible as prima facie evidence in all courts of the United States. WARNING: any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both.*

Transfer Started: 08:00 AM 11/14/2003

Transfer Completed: 09:39 AM 11/14/2003

Applicant: UNIVERSAL BLANCHERS, LLC  
131 SYLVESTER, GA

Location: UNIVERSAL BLANCHERS, LLC  
131 SYLVESTER, GA

Receiver: Not given

Shipper: Same as Applicant

Applicant States: 42,000 Lbs. Shelled Runner Type Peanuts in Trailer(s) identified as LE 61909 GA  
House: 96 Crop Year: 2003 App Lot: 102

Certificate: G9603676 11/12/2003 GA House: 96 Lot: 102  
42,000 Lbs. Equivalent Weight

0.07% Foreign Material  
5.50% Moisture

Grade: SEE REMARKS.

Remarks: FSIS personnel maintained positive lot identification and observed the transfer process of the above lot from 21 Fiberboard Bins into Trailer(s) now being lot number 102, GA House 96, Crop Year 2003, and sealed with seal numbers FSIS J 174837 thru J174840. Meets Requirements of 7CFR part 996 for Non-Edible Quality

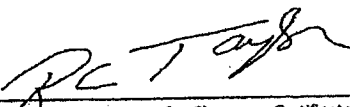
**Charges**

84.00 Hourly

16.00 Mileage

100.00 Total

SIGNATURE OF INSPECTOR:



This is to certify that the peanuts covered by this Transfer Clearance Certificate are part of a lot bearing inspection certificate and that satisfactory proof has been offered to show that said peanuts have been inspected and certified at the point of origin.

## Part V

# Guidelines for Lots Processed by USDA-Approved Blanchers and Remillers

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### Overview

Under the following provisions, blanching, remilling, and roasting may only be performed by those firms who agree to procedures acceptable to USDA (or their agent) and who are approved by USDA to do such blanching or remilling.

#### I. Peanuts Failing Human Consumption Requirements Account Quality, Size, and/or Aflatoxin. (To be blanched).

A. Sampling is at the same rate as other inspections for human consumption quality.

B. All grade factors must be determined after blanching with the following exceptions:

Size and/or damage and minor defects will not have to be determined after blanching if the lot met these requirements before blanching. If not, size, damage, and minor defects must be determined and meet these requirements after blanching.

When a lot meets these requirements before blanching, they are omitted on the certificate. However, if size, damage, or minor defects are requested to be shown on the certificate after blanching, a statement must be included in the "Remarks" section stating that they have been "determined and reported at applicant's request."

C. PLI is required after blanching.

D. All costs are for the account of the blancher.

E. Residuals (excluding hearts and skins) must be placed in containers suitable to USDA Regulations and may be:

1. PLI'd using red tags and returned to the handler for further disposition; or
2. PLI'd and disposed of to handlers who are crushers or to USDA-approved crushers provided that they agree to comply will all requirements of the USDA Regulations.

F. Show under "Remarks" on the certificate:

1. Meets (or fails) Requirements of 7CFR, Part 996 for blanched peanuts.
2. Applicant states previous Lot No. \_\_\_\_\_ and Certificate No. \_\_\_\_\_.

**II. Peanuts Failing Human Consumption Requirements Account Quality, Size, and/or Aflatoxin. (To be remilled).**

- A. Sampling is at the same rate as other inspections for human consumption quality.
- B. Must meet all requirements of 7CFR, Part 996, para. 31(a) after remilling.
- C. All costs are for the account of the remiller.
- D. Residuals – Same options as on blanched lots.
- E. Show under “Remarks” on the certificate:
  - 1. Compliance or non-compliance with 7CFR, Part 996 for Human Consumption.
  - 2. Applicant states previous Lot No. \_\_\_\_\_ and Certificate No. \_\_\_\_\_.

**III. Peanuts Meeting Quality and Size Requirements, but Failing on Aflatoxin, that are Roasted Immediately After Blanching.**

- A. Lots must be certified as meeting all quality requirements of 7CFR, Part 996, para. 31(a) before blanching and are positive for aflatoxin.
- B. PLI must be maintained by the Inspection Service throughout the blanching and roasting process.
- C. All costs are for the account of the blancher/remiller.
- D. Residuals – Same options as on blanched lots.
- E. Grade and/or size determination must not be performed on roasted peanuts.
- F. A transfer certificate must be issued to maintain PLI of the original red skin lot.
- G. An aflatoxin-only sample (Samples 1, 2, and 3) must be drawn and sent to the lab with an accompanying 187, stating under “Remarks:” “Above lot blanched and roasted under 7CFR, Part 996.50, para. (e)”

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**Blanching Out-of-Grade Lots – Memorandum of Understanding**

**Memorandum of Understanding  
Between The  
Fruit and Vegetable Programs,  
Agricultural Marketing Service,  
United States Department of Agriculture and:**

---

**(Blancher)**

**NAME OF PROJECT:** Blancher Approval

**OBJECTIVE:** The purpose of this memorandum of understanding (Memorandum) is to authorize the United States Department of Agriculture (USDA) approved blanching facilities the opportunity to carry out blanching under the provisions of the Peanut Quality and Handling Standards.

**LEGAL AUTHORITY:** Section 1308 of the Farm Bill Security and Rural Investment Act of 2002 (Farm Bill) terminated the Peanut Administrative Committee (PAC), which locally administered the peanut marketing agreement and required the USDA to appoint a new Peanut Standards Board to consult with USDA on the development of peanut standards. Also, the Farm Bill required that all peanuts marketed in the United States must be officially inspected and graded by federal inspectors of federally licensed produced peanuts. The USDA has a Cooperative Agreement with Russ Tabb and Associates providing them the authority to serve as USDA Agents/Representatives with the ability to act on behalf of the USDA for purposes of peanut compliance. The terms of the program are specified in 7 CFR Part 996 Peanut Quality and Handling Standards for Domestic and Imported Peanuts Marketed in the United States (Standards), as published in the March 10, 2003, issue of the Federal Register.

**REVISION:** July 19, 2004

**EFFECTIVE DATE:** August 2, 2004

**ORGANIZATION:** USDA/AMS/Fruit and Vegetable Programs/ Marketing Order Administration Branch/DC Marketing Field Office

**LOCATION:** Washington, DC / Riverdale, MD / Albany, GA

**RESPONSIBILITIES:**

**A. Blanching Facility:**

1. Blancher will, on an individual lot basis, custom blanch lots of shelled peanuts which fail to meet Section 996.31 (a) of the Standards for disposition to human consumption outlets.

For the purposes of this Memorandum, custom blanching means the process of removing the skins from peanut kernels and the subsequent removal of damaged kernels, kernels suspect of aflatoxin contamination, and foreign material.

2. Blancher agrees to blanch each lot of peanuts as a separate unit; or alternatively, lots of peanuts, owned by the same handler, may be combined with compatible lots of peanuts of similar type and grade category and similar aflatoxin content, in a composite blanching operation.
3. Blancher agrees to maintain complete records on each lot to be blanched, including the number of containers and weight of the lot, the positive lot identification, covering grade certificate, and any other information as required by the USDA Agent/Representative.
4. Blancher agrees to maintain complete records on the blanching process, whether each lot is blanched as a separate unit or is combined in composite with other lots. The records shall consist of the identification of all peanuts included in the blanching process and all blanching information including: the number of containers and weight of each blanched lot, the positive lot identification, covering grade and aflatoxin certificates, reject peanuts and other material, and any other information as required by the USDA Agent/Representative.
5. Blancher agrees that records applicable to the lot, before and after blanching, shall be retained by Blancher for at least two (2) years from the date of blanching of the lot and shall be available for examination by representatives of the USDA.
6. Blancher agrees that the blanched product shall be positive lot identified and placed in suitable containers acceptable to the USDA Agent/Representative and the handler who owns the peanuts.
7. Blancher agrees to cause each lot of blanched peanuts to be sampled by an in-line automatic sampler operating in a manner acceptable to the USDA Agent/Representative and an inspector of the Federal or Federal- State Inspection Service or, in the alternative, to cause samples to be drawn by the inspector. The sample shall be representative of the lot and the gross amount of the sample shall be large enough to provide for a grade analysis, for grading check-sample, and the prescribed samples for aflatoxin assay.
8. Blancher agrees that no lot of blanched peanuts shall be manufactured into finished product or shipped to a manufacturer, until the results of the grade and aflatoxin analysis on the blanched lot are known and the covering certificates have been received and examined. Furthermore, to be eligible for disposal into human consumption outlets, the peanuts after blanching, must be certified as meeting the requirements for disposition to human consumption outlets specified in the table in Section 996.31 (a) of the Standards and must be accompanied by an aflatoxin certificate determined, by USDA criteria, to be negative.

9. Blancher agrees that the residual peanuts, excluding skins and hearts, resulting from blanching under these provisions, shall be placed in suitable containers acceptable to the USDA Agent/Representative and red-tagged and disposition shall be that the peanuts are returned to the handler for further disposition; or in the alternative, the residuals shall be positive lot identified by a Federal or Federal-State Inspection Service, and shall be disposed of by Blancher to handlers who are crushers or to crushers who are not handlers under the Standards only on the condition that they agree to comply with the terms of paragraph (b) of Section 996.50 and all other applicable requirements of the Standards.

10. Blancher agrees to maintain compliance with the provisions of Section 996.74 of the Standards.

11. Except as provided herein, Blancher agrees not to blanch any lot of peanuts unless the peanuts meet the grade and size requirements for human consumption as defined in the Standards.

12. Nothing contained herein shall obligate either the USDA Agent/Representative or Blancher to any specific lot or any number of lots.

13. Blancher may terminate this Memorandum by written notice to the USDA Agent/Representative, but such termination shall not apply as to any peanuts to which the Memorandum was applicable prior to the effective time of termination, which shall be thirty (30) days after written notice.

14. USDA Agent/Representative may amend, suspend or terminate this Memorandum by written notice to Blancher and the effective time shall be as specified in the written notice, after the date of the written notice. Specifically, the USDA Agent/Representative may terminate, or suspend for a specified period of time, this Memorandum upon USDA's determination of Blancher's failure to comply with the provisions stated or referred to herein.

## **B. USDA**

1. USDA Agent/Representative will supervise the blanching of the first five (5) lots under the applicable Standards.

2. USDA Agent/Representative will examine each lot and appropriate certificates and other documents and determine whether the lot has been satisfactorily handled and has been "Successfully Blanched".

3. USDA Agent/Representative will instruct the blanching facility management regarding the Standards as to blanching, record keeping, etc.

4. In carrying out its responsibilities, the USDA Agent/Representative reserves the right to take any corrective actions necessary to ensure that the blanching operations are properly administered in accordance with the Standards.

**BASIS OF COOPERATION:**

This Memorandum defines in general terms the basis on which the parties concerned will cooperate, and does not constitute a financial obligation to serve as a basis for expenditures. Each party will handle and expend its own funds. Any and all expenditures from Federal funds in the USDA made in conformity with the plans outlined in the Memorandum must be in accord with USDA rules and regulations and in each instance based upon appropriate finance papers. Expenditures made by any other cooperator will be in accord with its rules and regulations.

The responsibilities assumed by the cooperating parties under this Memorandum are contingent upon funds being available from which expenditures legally may be met.

**DURATION:**

This Memorandum shall be in force until terminated by either party upon thirty (30) days written notice or amended by mutual agreement of the undersigned.

We, the undersigned, agree to the terms of this agreement and understand the responsibilities outlined herein. It is further agreed that all parties can revise this agreement at any time upon mutual consent.

\_\_\_\_\_  
**USDA Agent/Representative**  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Sworn and subscribed before me this  
the \_\_\_\_ day of \_\_\_\_\_,  
**(For the USDA Agent/Representative)**

\_\_\_\_\_  
**Blancher**  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Sworn and subscribed before me this  
the \_\_\_\_ day of \_\_\_\_\_,  
**(For the Blancher)**

**Example A - Blanched Lot, Out on Grade**

| <b>C 280165</b>  | UNITED STATES DEPARTMENT OF AGRICULTURE<br>AGRICULTURAL MARKETING SERVICE<br>FEDERAL-STATE INSPECTION SERVICE<br><b>MILLED PEANUT INSPECTION CERTIFICATE</b>  | <b>C 280165</b>  |  |              |              |
|--|---|--|--|--------------|--------------|
| This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et. seq.) and is admissible as prima facie evidence in all courts of the United States. WARNING: Any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both. |   |  |  |              |              |
| SAMPLING BEGAN<br>HOUR: <u>230 PM</u> DATE: <u>4/30/03</u><br>LOCATION CODE: _____ WHERE SAMPLE DRAWN: <u>DOOLEY, GA</u>   | SAMPLE ANALYSIS FINISHED<br>HOUR: <u>815 AM</u> DATE: <u>5/1/03</u><br>WHERE SAMPLE ANALYZED: <u>ALBANY, GA</u>   | TYPE OF INSPECTION (Mark One Only)<br><input checked="" type="checkbox"/> LOT INSPECTED<br><input type="checkbox"/> LOT LOADED INTO<br><input type="checkbox"/> CAR <input type="checkbox"/> TRAILER |  |              |              |
| APPLICANT CODE: _____ APPLICANT NAME AND ADDRESS: <u>HARRIS BLANCHERS, DOOLEY, GA</u>  |   | CONVEYANCE IDENTIFICATION<br>PREFIX: _____ NUMBER: _____ ST: _____   |  |              |              |
| RECEIVER NAME AND ADDRESS: <u>NOT GIVEN</u>  |   | SHIPPER NAME AND ADDRESS: <u>SAME AS APPLICANT</u>   |  |              |              |
| PRODUCT: _____   |   |  |  |              |              |
| <input type="checkbox"/> CLEANED IN THE SHELL <input type="checkbox"/> FIBERBOARD BINS <input type="checkbox"/> WITH NO DISTINGUISHING MARKS<br><input checked="" type="checkbox"/> SHELLED PEANUTS <input checked="" type="checkbox"/> BURLAP SACKS <input checked="" type="checkbox"/> TAGGED WITH <u>IVORY</u> COLORED TAGS<br>IN <input type="checkbox"/> BULK   |   |  |  |              |              |
| TAG INSCRIPTION: <u>Shelled Peanuts, Harris Blanchers, Dooley, GA</u>  |   | TAG CONTROL<br><u>350</u> ISSUED<br><u>320</u> USED<br><u>30</u> RETURNED  |  |              |              |
| HOUSE: <u>91</u> LOT NUMBER: <u>10</u> CROP YR: <u>02</u>  | USDA: <u>GEORGIA</u>  | FEDERAL-STATE INSPECTED: _____   |  |              |              |
| APPLICANT STATES: _____  |   |  |  |              |              |
| SIZE: <u>40,000</u> LBS  | BULK LOT NO.: _____   | OR COUNT OF: <u>320</u> CONTAINERS   |  |              |              |
| * <u>1.36</u> % S/W Kernels PASSING <u>14/64 x 3/4</u> Inch <u>S</u> Screen; <u>0.22</u> % Wh Kernels RIDING <u>16/64 x 3/4</u> Inch <u>S</u> Screen<br>% S/W Kernels PASSING _____ Inch _____ Screen; % Wh Kernels RIDING _____ Inch _____ Screen<br>* <u>3.32</u> % S/W Kernels & Kernel Portions PASSING <u>17/64</u> Inch <u>R</u> Screen<br>% Peanuts With Undamaged Shells PASSING _____ Inch _____ Screen   |   |  |  |              |              |
| COUNT AVERAGES <input type="checkbox"/> PER OUNCE <input type="checkbox"/> PER POUND   |   |  |  |              |              |
| QUALITY<br>SAMPLE OF APPROXIMATELY <u>25,000</u> GRAMS DRAWN, <u>1,000</u> GRAMS ANALYZED, CONTAINED THE FOLLOWING:  |   |  |  |              |              |
| PEANUTS IN THE SHELL   |   |  |  |              |              |
| GRADE FACTOR   | GRAMS   | PERCENT  | GRADE FACTOR                                   | GRAMS        | PERCENT      |
| CRACKED OR BROKEN SHELLS   |   |  | OTHER TYPES OF KERNELS                         | <u>XXX</u>   | <u>XXX</u>   |
| DISCOLORED SHELLS  |   |  | * SPLIT OR BROKEN KERNELS                      | <u>864.3</u> | <u>86.43</u> |
| OTHER SHELL DEFECTS  |   |  | DAMAGED OR UNSHELLED                           | <u>11.8</u>  | <u>1.18</u>  |
| FOREIGN MATERIAL   |   |  | MINOR DEFECTS                                  | <u>5.6</u>   | <u>0.56</u>  |
| TOTAL  |   |  | SOUND WHOLE KERNELS                            | <u>XXX</u>   | <u>XXX</u>   |
| PEANUTS WITH DAMAGED KERNELS   |   |  | FOREIGN MATERIAL (BASED ON <u>1,000</u> GRAMS) | <u>0.0</u>   | <u>0.00</u>  |
| MOISTURE (BY ELECTRIC METER)   |   |  | MOISTURE (BY ELECTRIC METER)                   |              | <u>3.49</u>  |
| GRADE: <u>SEE REMARKS</u>  |   |  |  |              |              |
| SAMPLES DILLED TO APPLICANT ABOVE<br><input checked="" type="checkbox"/> I-CD <input checked="" type="checkbox"/> I-AB <input type="checkbox"/> APPEAL   |   |  |  |              |              |
| DRAWN AND SENT TO: <u>AMS LAB</u> (NAME OF LAB) <u>Blakely, GA</u> (ADDRESS) <u>5/1/03</u> (DATE)  |   |  |  |              |              |
| ANALYSIS RESULTS TO BE: <input type="checkbox"/> PHONED ( ) <input type="checkbox"/> W/FED Collect <input type="checkbox"/> MAILED to Applicant  |   |  |  |              |              |
| REMARKS: <input checked="" type="checkbox"/> MEETS Requirements of Marketing Agreement <u>7CFR Part 916 for Blanched Peanuts</u> <input type="checkbox"/> FAILS to meet Requirements of Marketing Agreement  |   |  |  |              |              |
| APPLICANT states lot previously certified on Georgia FSIS Cert. C12747, Horse #83, Lot #12 Dated 4/28/03   |   |  |  |              |              |
| CHARGES<br>FEES \$ _____<br>DRAWING \$ _____<br>HANDLING \$ _____<br>SAMPLING \$ _____<br>EXPENSES \$ _____<br>TOTAL \$ _____  | * SIZE and SPLITS Determined and reported at applicant's request.<br>I, the undersigned, authorized inspector of the United States Department of Agriculture, do hereby certify that at the request of the applicant and as therein indicated, samples of the above described products were inspected and the quality and/or condition as shown by said samples were as herein stated.<br>SIGNATURE OF INSPECTOR: _____ |  |  |              |              |



**Example B - Blanched Lot, Out on Grade and Size**

|                 |  |                 |
|-----------------|--|-----------------|
| <b>C 280165</b> | UNITED STATES DEPARTMENT OF AGRICULTURE<br>AGRICULTURAL MARKETING SERVICE<br>FEDERAL-STATE INSPECTION SERVICE<br><b>MILLED PEANUT INSPECTION CERTIFICATE</b> | <b>C 280165</b> |
|-----------------|--|-----------------|

This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et. seq.) and is admissible as prima facie evidence in all courts of the United States. WARNING: Any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both.

|   |  |   |  |   |    |
|---|--|---|--|---|----|
| <b>SAMPLING BEGAN</b><br>HOUR: <u>230 PM</u> DATE: <u>4/28/03</u> |  | <b>SAMPLE ANALYSIS FINISHED</b><br>HOUR: <u>945 AM</u> DATE: <u>4/29/03</u> |  | <b>TYPE OF INSPECTION (Mark One Only)</b><br><input checked="" type="checkbox"/> LOT INSPECTED<br><input type="checkbox"/> LOT LOADED IN: <input type="checkbox"/> CAR <input type="checkbox"/> TRAILER |    |
| LOCATION CODE   | WHERE SAMPLE DRAWN<br><u>PLANT #6 ALBANY, GA</u>                     | WHERE SAMPLE ANALYZED<br><u>ALBANY, GA</u>                                  | CONVEYANCE IDENTIFICATION                            |   |    |
| APPLICANT CODE  | APPLICANT NAME AND ADDRESS<br><u>Georgia Peanuts, Inc, Dixie, GA</u> |   | PREFIX   | NUMBER  | ST |
| RECEIVER NAME AND ADDRESS<br><u>NOT GIVEN</u>                     |  |   | SHIPPER NAME AND ADDRESS<br><u>SAME AS APPLICANT</u> |   |    |

**PRODUCT**

CLEANED IN THE SHELL       FIBERBOARD BINS       WITH NO DISTINGUISHING MARKS  
 SHELLED PEANUTS BLANCHED IN  BURLAP SACKS       TAGGED WITH IVORY COLORED TAGS  
 BULK

TAG DESCRIPTION: Shelled Peanuts, Georgia Peanuts, Inc, Dixie, GA

|                  |                       |                    |                      |                         |
|------------------|-----------------------|--------------------|----------------------|-------------------------|
| HOUSE: <u>71</u> | LOT NUMBER: <u>24</u> | CROP YR: <u>02</u> | USDA: <u>Georgia</u> | FEDERAL-STATE INSPECTED |
|------------------|-----------------------|--------------------|----------------------|-------------------------|

TAG CONTROL: 320 ISSUED, 320 USED, 0 RETURNED

APPLICANT STATES: 40,000 LBS Based on Runner TYPE BULK LOT NO. OR COUNT OF 320 CONTAINERS

**SIZE**

% S/W Kernels PASSING \_\_\_\_\_ Inch \_\_\_\_\_ Screen;      % Wh Kernels RIDING \_\_\_\_\_ Inch \_\_\_\_\_ Screen  
 % S/W Kernels PASSING \_\_\_\_\_ Inch \_\_\_\_\_ Screen;      % Wh Kernels RIDING \_\_\_\_\_ Inch \_\_\_\_\_ Screen  
0.48 % S/W Kernels & Kernel Portions PASSING 17/64 Inch R Screen  
 % Peanuts With Undamaged Shells PASSING \_\_\_\_\_ Inch \_\_\_\_\_ Screen  
 COUNT AVERAGES       PER OUNCE       PER POUND

**QUALITY**

SAMPLE OF APPROXIMATELY 75000 GRAMS DRAWN, 1000 GRAMS ANALYZED CONTAINED THE FOLLOWING:

| PEANUTS IN THE SHELL         |       |         | SHELLED PEANUTS                               |             |             |
|------------------------------|-------|---------|---|-------------|-------------|
| GRADE FACTOR                 | GRAMS | PERCENT | GRADE FACTOR                                  | GRAMS       | PERCENT     |
| CRACKED OR BROKEN SHELLS     |       |         | OTHER TYPES OF KERNELS                        | <u>0.0</u>  | <u>0.00</u> |
| DISCOLORED SHELLS            |       |         | SPLIT OR BROKEN KERNELS                       | <u>XXX</u>  | <u>XXX</u>  |
| OTHER SHELL DEFECTS          |       |         | DAMAGED OR UNSHELLED                          | <u>7.0</u>  | <u>0.70</u> |
| FOREIGN MATERIAL             |       |         | MINOR DEFECTS                                 | <u>8.3</u>  | <u>0.83</u> |
| TOTAL                        |       |         | SOUND WHOLE KERNELS                           | <u>15.7</u> | <u>1.53</u> |
| PEANUTS WITH DAMAGED KERNELS |       |         | FOREIGN MATERIAL (BASED ON <u>1000</u> GRAMS) | <u>0.0</u>  | <u>0.00</u> |
| MOISTURE (BY ELECTRIC METER) |       |         | MOISTURE (BY ELECTRIC METER)                  |             | <u>4.90</u> |

**GRADE**

U.S. Runner Splits

SAMPLES BILLED TO APPLICANT ABOVE

I-CO     I-AB     APPEAL    DRAWN AND SENT TO PLI and returned to applicant (NAME OF LAB)      (ADDRESS)      (DATE) 4/29/03  
 ANALYSIS RESULTS TO BE  PHONED ( )       WIRELESS Collect       MAILED to Applicant

REMARKS:  MEETS Requirements of Marketing Agreement 7CFR, Part 996 for Blanched Peanuts       FAILS to meet Requirements of Marketing Agreement

*Applicant states above lot previously identified as lot # 8386, House # 76, Applicants lot # 603-1942 and reported in Georgia F&S Cert. # C993991, dated 8/24/02*

CHARGES

FEES \$ \_\_\_\_\_  
 DRAWING \$ \_\_\_\_\_  
 HANDLING \$ \_\_\_\_\_  
 SAMPLING \$ \_\_\_\_\_  
 EXPENSES \$ \_\_\_\_\_  
 TOTAL \$ \_\_\_\_\_

I, the undersigned, a duly authorized inspector of the United States Department of Agriculture, do hereby certify that at the request of the applicant and on the date indicated, samples of the above described products were inspected and the quality and/or condition as shown by said samples were

SIGNATURE OF INSPECTOR: *[Signature]*

**Example C – Blanched Lot, Out on Aflatoxin Only**

|                 |  |                 |
|-----------------|--|-----------------|
| <b>C 280165</b> | UNITED STATES DEPARTMENT OF AGRICULTURE<br>AGRICULTURAL MARKETING SERVICE<br>FEDERAL-STATE INSPECTION SERVICE<br><b>MILLED PEANUT INSPECTION CERTIFICATE</b> | <b>C 280165</b> |
|-----------------|--|-----------------|

This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et. seq.) and is admissible as prima facie evidence in all courts of the United States. WARNING: Any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both.

|   |  |  |   |   |  |
|---|--|--|---|---|--|
| <b>SAMPLING BEGAN</b><br>HOUR: 230 PM DATE: 4/28/03 |  | <b>SAMPLE ANALYSIS FINISHED</b><br>HOUR: 1000 AM DATE: 4/29/03 |   | <b>TYPE OF INSPECTION (Mark One Only)</b><br><input checked="" type="checkbox"/> LOT INSPECTED<br><input type="checkbox"/> LOT LOADED into<br><input type="checkbox"/> CAR <input type="checkbox"/> TRAILER |  |
| LOCATION CODE                                       | WHERE SAMPLE DRAWN<br>Dawson, GA                             | WHERE SAMPLE ANALYZED<br>Albany GA                             | <b>CONVEYANCE IDENTIFICATION</b><br>PREFIX: NUMBER: ST: |   |  |
| APPLICANT CODE                                      | APPLICANT NAME AND ADDRESS<br>Georgia Peanut, Inc. Dawson GA |  | RECEIVER NAME AND ADDRESS<br>NOT GIVEN                  |   |  |
|   |  |  | SHIPPER NAME AND ADDRESS<br>SAME AS APPLICANT           |   |  |

**PRODUCT**

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> CLEANED IN THE SHELL                   | <input type="checkbox"/> FIBERBOARD BINS            | <input type="checkbox"/> WITH NO DISTINGUISHING MARKS                     |
| <input checked="" type="checkbox"/> SHELLED PEANUTS<br>BLANCHED | IN <input checked="" type="checkbox"/> BURLAP SACKS | <input checked="" type="checkbox"/> TAGGED WITH <u>IVORY</u> COLORED TAGS |
|   | <input type="checkbox"/> BULK                       |   |

|  |                |             |      |                         |              |
|--|----------------|-------------|------|-------------------------|--------------|
| TAG INSCRIPTION: Shelled Peanuts, Georgia Peanut, Inc., Dawson, GA |                |             |      | TAG CONTROL             |              |
| HOUSE: 62  | LOT NUMBER: 37 | CROP YR: 02 | USDA | FEDERAL-STATE INSPECTED | ISSUED: 330  |
|  |                |             |      |                         | USED: 320    |
|  |                |             |      |                         | RETURNED: 10 |

|                  |              |             |            |
|------------------|--------------|-------------|------------|
| APPLICANT STATES | BULK LOT NO. | OR COUNT OF | CONTAINERS |
| 40,000 LBS       | Runner TYPE  | 320         |            |

**SIZE**

|   |   |
|---|---|
| % SW Kernels PASSING _____ Inch _____ Screen;                   | % Wh Kernels RIDING _____ Inch _____ Screen |
| % SW Kernels PASSING _____ Inch _____ Screen;                   | % Wh Kernels RIDING _____ Inch _____ Screen |
| % SAW Kernels & Kernel Portions PASSING _____ Inch _____ Screen |   |
| % Peanuts With Undamaged Shells PASSING _____ Inch _____ Screen |   |

**QUALITY**

SAMPLE OF APPROXIMATELY 75000 GRAMS DRAWN, 1000 GRAMS ANALYZED CONTAINED THE FOLLOWING:

| PEANUTS IN THE SHELL         |       |         | SHELLED PEANUTS                               |       |         |
|------------------------------|-------|---------|---|-------|---------|
| GRADE FACTOR                 | GRAMS | PERCENT | GRADE FACTOR                                  | GRAMS | PERCENT |
| CRACKED OR BROKEN SHELLS     |       |         | OTHER TYPES OF KERNELS                        |       |         |
| DISCOLORED SHELLS            |       |         | SPLIT OR BROKEN KERNELS                       |       |         |
| OTHER SHELL DEFECTS          |       |         | DAMAGED OR UNSHELLED                          |       |         |
| FOREIGN MATERIAL             |       |         | MINOR DEFECTS                                 |       |         |
| TOTAL                        |       |         | SOUND WHOLE KERNELS                           |       |         |
| PEANUTS WITH DAMAGED KERNELS |       |         | FOREIGN MATERIAL (BASED ON <u>1000</u> GRAMS) | 0.0   | 0.00    |
| MOISTURE (BY ELECTRIC METER) |       |         | MOISTURE (BY ELECTRIC METER)                  |       | 4.70    |

**GRADE**

SAMPLES FILED TO APPLICANT ABOVE

1-CO  1-AB  APPEAL

DRAWN AND SENT TO PLI and returned to Applicant (NAME OF LAB) 4/29/03 (DATE)

ANALYSIS RESULTS TO BE  PHONED ( )  WIPED Collect  MAILED to Applicant

REMARKS  MEETS Requirements of Marketing Agreement  FAILS to meet Requirements of Marketing Agreement

7 CFR Part 996 for Blanched Peanuts

Applicant states lot previously certified on Georgia FSIS  
 Cert C260122, House 60, Lot #14, dated 4/26/03

I, the undersigned, a duly authorized inspector of the United States Department of Agriculture, do hereby certify that at the request of the applicant and on the date indicated, samples of the above described products were inspected and the quality and/or condition as shown by said samples were as herein stated.

SIGNATURE OF INSPECTOR: *[Signature]*

CHARGES: FEES \$, DRAWING \$, HANDLING \$, SAMPLING \$, EXPENSES \$, TOTAL \$

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**Custom Remilling – Memorandum of Understanding**

**Memorandum of Understanding  
Between The  
Fruit and Vegetable Programs,  
Agricultural Marketing Service,  
United States Department of Agriculture and:**

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**(Remiller)**

**NAME OF PROJECT:** Remiller Approval

**OBJECTIVE:** The purpose of this memorandum of understanding (Memorandum) is to authorize United States Department of Agriculture (USDA) approved remilling facilities the opportunity to carry out remilling under the provisions of the Peanut Quality and Handling Standards.

**LEGAL AUTHORITY:** Section 1308 of the Farm Bill Security and Rural Investment Act of 2002 (Farm Bill) terminated the Peanut Administrative Committee (PAC), which locally administered the peanut marketing agreement and required the USDA to appoint a new Peanut Standards Board to consult with USDA on the development of peanut standards. Also, the Farm Bill required that all peanuts marketed in the United States must be officially inspected and graded by federal inspectors of federally licensed produced peanuts. The USDA has a Cooperative Agreement with Russ Tabb and Associates providing them the authority to serve as USDA Agents/Representatives with the ability to act on behalf of the USDA for purposes of peanut compliance. The terms of the program are specified in 7 CFR Part 996 Peanut Quality and Handling Standards for Domestic and Imported Peanuts Marketed in the United States, as published in the March 10, 2003, issue of the Federal Register.

**REVISION:** July 19, 2004

**EFFECTIVE DATE:** August 2, 2004

**ORGANIZATION:** USDA/AMS/Fruit and Vegetable Programs/ Marketing Order Administration Branch/DC Marketing Field Office

**LOCATION:** Washington, DC / Riverdale, MD / Albany, GA

**RESPONSIBILITIES:**

**A. Remilling Facility:**

1. Remiller will, on an individual lot basis, custom remill lots of shelled peanuts which fail to meet Section 996.31 (a) of the Standards for disposition to human consumption outlets. For the purposes of this Memorandum, custom remilling means a mechanical process

whereby lots of shelled raw peanuts are sized, sorted and otherwise processed for removal of undersize or broken or damaged kernels, kernels suspect of aflatoxin contamination and foreign material.

2. Remiller agrees to hold and remill peanuts owned by one handler separate and apart from all other peanuts. However, a single remilling operation may include a composite of more than one lot of peanuts owned by the same handler, provided that the integrity of the peanuts involved in the composite remilling is maintained throughout the remilling process.
3. Remiller agrees to maintain complete records on each lot to be remilled, including the number of containers and weight of the lot, the positive lot identification, covering grade certificate, and any other information as required by the USDA Agent/Representative.
4. Remiller agrees to maintain complete records on the remilling process, and the new lot (or lots) resulting from the remilling and peanuts removed in the remilling process, including: the number of containers and weights on each resulting lot, covering grade and aflatoxin certificates and any other information as required by the USDA Agent/Representative.
5. Remiller agrees that records applicable to the lot, before and after remilling, shall be retained by Remiller for at least two (2) years from the date of remilling of the lot and shall be available for examination by representatives of the USDA.
6. Remiller agrees that after remilling, each new lot of peanuts shall be positive lot identified and placed in commercial peanut burlap bags, or in other suitable containers acceptable to the USDA Agent/Representative and the handler who owns the peanuts.
7. Remiller agrees to cause each remilled lot of peanuts to be sampled by an in-line automatic sampler operating in a manner acceptable to the USDA Agent/Representative and an inspector of the Federal or Federal-State Inspection Service or, in the alternative, to cause samples to be drawn by the inspector. The sample shall be representative of the lot and the gross amount of the sample shall be large enough to provide for a grade analysis, for grading check-sample, and the prescribed samples for aflatoxin assay.
8. Remiller agrees that no lot of peanuts remilled under these provisions shall be blanched or roasted or further processed, or manufactured into finished product or shipped to a manufacturer, until the results of the grade analysis and all aflatoxin certificates on the remilled lot are known and the covering certificates have been received and examined. Furthermore, to be eligible for disposal into human consumption outlets, the peanuts after remilling, must be certified as meeting the requirements for disposition to human consumption outlets specified in the table in Section 996.31 (a) of the Standards and must be accompanied by an aflatoxin certificate determined, by USDA criteria, to be negative. Remiller further agrees that any lot not eligible for disposal to human consumption outlets after remilling, shall be returned to the handler; or in the alternative, the lot shall be held by remiller until further disposition, as requested by the handler, and is directed by the USDA

Agent/Representative. Any further disposition shall also be reported to the USDA Agent/Representative as specified.

9. Remiller agrees that the residual peanuts removed in remilling under these provisions, shall be bagged and red-tagged and disposition shall be that the peanuts are returned to the handler for further disposition; Or, in the alternative, the residuals shall be positive lot identified by a Federal or Federal-State Inspection Service, and shall be disposed of by the remiller to handlers who are crushers or to crushers who are not handlers under the Standards only on the condition that they agree to comply with the terms of paragraph (b) of Section 996.50 and all other applicable requirements of the Standards.

10. Except as provided herein, Remiller agrees not to remill any lot of peanuts unless the peanuts meet the grade and size requirements for human consumption as defined in the Standards.

11. Nothing contained herein shall obligate either USDA Agent/Representative or Remiller to any specific lot or any number of lots.

12. Remiller may terminate this Memorandum by written notice to the USDA Agent/Representative, but such termination shall not apply as to any peanuts to which the Memorandum was applicable prior to the effective time of termination, which shall be thirty (30) days after written notice.

13. USDA Agent/Representative may amend, suspend or terminate this Memorandum by written notice to Remiller and the effective time shall be as specified in the written notice, after the date of the written notice. Specifically, the USDA Agent/Representative may terminate, or suspend for a specified period of time, this Memorandum upon USDA's determination of Remiller's failure to comply with the provisions stated or referred to herein.

## **B. USDA**

1. USDA Agent/Representative will supervise the remilling of the first five (5) lots under the applicable Standards.

2. USDA Agent/Representative will examine each lot and appropriate certificates and other documents and determine whether the lot has been satisfactorily handled and has been "Successfully Remilled".

3. USDA Agent/Representative will instruct the remilling facility management regarding the Standards as to remilling, record keeping, etc.

4. In carrying out its responsibilities, the USDA Agent/Representative reserves the right to take any corrective actions necessary to ensure that the remilling operations are properly administered in accordance with the Standards.

**BASIS OF COOPERATION:**

This Memorandum defines in general terms the basis on which the parties concerned will cooperate, and does not constitute a financial obligation to serve as a basis for expenditures. Each party will handle and expend its own funds. Any and all expenditures from Federal funds in the USDA made in conformity with the plans outlined in the Memorandum must be in accord with USDA rules and regulations and in each instance based upon appropriate finance papers. Expenditures made by any other cooperator will be in accord with its rules and regulations.

The responsibilities assumed by the cooperating parties under this Memorandum are contingent upon funds being available from which expenditures legally may be met.

**DURATION:**

This Memorandum shall be in force until terminated by either party upon thirty (30) days written notice or amended by mutual agreement of the undersigned.

We, the undersigned, agree to the terms of this agreement and understand the responsibilities outlined herein. It is further agreed that all parties can revise this agreement at any time upon mutual consent.

\_\_\_\_\_  
**USDA Agent/Representative**

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Sworn and subscribed before me this  
the \_\_\_\_ day of \_\_\_\_\_,  
**(For the USDA Agent/Representative)**

\_\_\_\_\_  
**Remiller**

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Sworn and subscribed before me this  
the \_\_\_\_ day of \_\_\_\_\_,  
**(For the Remiller)**

**Example - Custom Remilled Lot**

|                 |  |                 |
|-----------------|--|-----------------|
| <b>C 280165</b> | UNITED STATES DEPARTMENT OF AGRICULTURE<br>AGRICULTURAL MARKETING SERVICE<br>FEDERAL STATE INSPECTION SERVICE<br><b>MILLED PEANUT INSPECTION CERTIFICATE</b> | <b>C 280165</b> |
|-----------------|--|-----------------|

This certificate is issued in compliance with the regulations of the Secretary of Agriculture governing the inspection of various products pursuant to the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 et. seq.) and is admissible as prima facie evidence in all courts of the United States. WARNING: Any person who knowingly shall falsely make, issue, alter, forge or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both.

|   |  |   |   |   |  |
|---|--|---|---|---|--|
| <b>SAMPLING BEGAN</b><br>HOUR: <u>1:00 PM</u> DATE: <u>12/31/02</u> |  | <b>SAMPLE ANALYSIS FINISHED</b><br>HOUR: <u>3:00 PM</u> DATE: <u>12/31/02</u> |   | <b>TYPE OF INSPECTION (Mark One Only)</b><br><input checked="" type="checkbox"/> LOT INSPECTED<br><input type="checkbox"/> LOT LOADED into<br><input type="checkbox"/> CAR <input type="checkbox"/> TRAILER |  |
| LOCATION CODE   | WHERE SAMPLE DRAWN<br><u>GRIFFIN GA</u>                                    | WHERE SAMPLE ANALYZED<br><u>ALBANY, GA</u>                                    | <b>CONVEYANCE IDENTIFICATION</b><br>PREFIX: _____ NUMBER: _____ ST: _____ |   |  |
| APPLICANT CODE  | APPLICANT NAME AND ADDRESS<br><u>DIXIELAND BLANCHERS, INC, GRIFFIN, GA</u> |   |   | RECEIVER NAME AND ADDRESS<br><u>NOT GIVEN</u>   | SHIPPER NAME AND ADDRESS<br><u>SAME AS APPLICANT</u> |

**PRODUCT**

|   |  |  |
|---|--|--|
| <input type="checkbox"/> CLEANED IN THE SHELL       | <input type="checkbox"/> FIBERBOARD BINS         | <input type="checkbox"/> WITH NO DISTINGUISHING MARKS                      |
| <input checked="" type="checkbox"/> SHELLED PEANUTS | <input checked="" type="checkbox"/> BURLAP SACKS | <input checked="" type="checkbox"/> TAGGED WITH <u>TRUCKY</u> COLORED TAGS |
| <input type="checkbox"/> BULK                       |  |  |

|  |                      |                   |                     |                         |                   |
|--|----------------------|-------------------|---------------------|-------------------------|-------------------|
| TAG INSCRIPTION <u>Shelled Peanuts, Dixieland Blanchers, Inc., Griffin, GA</u> |                      |                   |                     | TAG CONTROL             |                   |
| HOUSE <u>76</u>  | LOT NUMBER <u>10</u> | CROP YR <u>02</u> | USDA <u>GEORGIA</u> | FEDERAL STATE INSPECTED | <u>350</u> ISSUED |
|  |                      |                   |                     |                         | <u>341</u> USED   |
|  |                      |                   |                     |                         | <u>9</u> RETURNED |

APPLICANT STATES: 37,792 LBS Based on TYPE: RUNNER BULK LOT NO. \_\_\_\_\_ OR COUNT OF: 341 CONTAINERS

**SIZE**

|   |   |
|---|---|
| % S/W Kernels PASSING _____ Inch _____ Screen;                  | % Wh Kernels RIDING _____ Inch _____ Screen           |
| % S/W Kernels PASSING <u>0.16</u> Inch _____ Screen;            | % Wh Kernels RIDING <u>17.64</u> Inch <u>R</u> Screen |
| % Peanuts With Undamaged Shells PASSING _____ Inch _____ Screen |   |

COUNT AVERAGES  PER OUNCE  PER POUND

**QUALITY**  
 SAMPLE OF APPROXIMATELY 75000 GRAMS DRAWN, 1000 GRAMS ANALYZED CONTAINED THE FOLLOWING:

| PEANUTS IN THE SHELL         |       |         | SHELLED PEANUTS                               |             |             |
|------------------------------|-------|---------|---|-------------|-------------|
| GRADE FACTOR                 | GRAMS | PERCENT | GRADE FACTOR                                  | GRAMS       | PERCENT     |
| CRACKED OR BROKEN SHELLS     |       |         | OTHER TYPES OF KERNELS                        | <u>0.0</u>  | <u>0.00</u> |
| DISCOLORED SHELLS            |       |         | SPLIT OR BROKEN KERNELS                       | <u>XX</u>   | <u>XX</u>   |
| OTHER SHELL DEFECTS          |       |         | DAMAGED OR UNSHELLED                          | <u>13.5</u> | <u>1.35</u> |
| FOREIGN MATERIAL             |       |         | MINOR DEFECTS                                 | <u>5.0</u>  | <u>0.50</u> |
| TOTAL                        |       |         | SOUND WHOLE KERNELS                           | <u>3.7</u>  | <u>0.37</u> |
| PEANUTS WITH DAMAGED KERNELS |       |         | FOREIGN MATERIAL (BASED ON <u>2000</u> GRAMS) | <u>0.0</u>  | <u>0.00</u> |
| MOISTURE (BY ELECTRIC METER) |       |         | MOISTURE (BY ELECTRIC METER)                  |             | <u>6.15</u> |

**GRADE**  
US Runner Splits

SAMPLES BILLED TO APPLICANT ABOVE:  1-CD  1-AB  APPEAL

DRAWN AND SENT TO: AMS (NAME OF LAB) Big Lake, GA (ADDRESS) 12/31/02 (DATE)

ANALYSIS RESULTS TO BE:  PHONED ( )  WRAP Collect  MAILED to Applicant

REMARKS:  MEETS Requirements of Marketing Agreement  
7 CER, Part 996 for Human Consumption.

FAILS to meet Requirements of Marketing Agreement

CHARGES:

|             |  |
|-------------|--|
| FEES \$     |  |
| DRAWING \$  |  |
| HANDLING \$ |  |
| SAMPLING \$ |  |
| EXPENSES \$ |  |
| TOTAL \$    |  |

*Applicant states lot previously identified as FSIS lot # 826, House # 72 Georgia FSIS Cert # C 280100, dated 12/16/02, and Applicant's lot # CAM-1510*

I, the undersigned, a duly authorized inspector of the United States Department of Agriculture, do hereby certify that at the request of the applicant and on the date indicated, samples of the above described products were inspected and the quality and/or condition as shown by said samples were as herein stated.

SIGNATURE OF INSPECTOR: [Signature]

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## **Further Processing of Lots Previously Certified as Meeting Human Consumption Requirements**

### **Lots Previously Certified as Meeting 7 CFR, Part 996 Human Consumption Requirements and Processed at the Handler's Own Processing Facility**

Usually, these lots are being further processed for the account of an end-user (manufacturer) to meet their unique specifications. Because these lots are being commingled and/or reconstituted at the receiver's request, inspection and PLI are not required by the Regulations. The applicant may, however, request the Inspection Service to inspect and certify these lots and/or draw aflatoxin samples. Certification of such lots differs from lots that are required to be certified as meeting 7 CFR, Part 996 regulations and must be certified under the following guidelines:

Lots may be certified as to compliance or non-compliance of any U.S. grade or APSA grade. Lots may also be certified as to compliance or non-compliance with 7 CFR, Part 996 with the certification statement immediately followed by ".....and reported at applicant's request." This "applicant's request" statement need not be shown on certificates for lots that fail to meet 7 CFR, Part 996 human consumption requirements.

\*\* If an applicant requests an appeal for aflatoxin, samples for these lots are to be designated "Appeal Sample 1-6." If an applicant is not requesting an appeal, however, is requesting an official quality control sample, those samples are to be designated "8" (unground) or "8C" (ground) or "8-CD" (ground). Only aflatoxin samples for lots handled under USDA Regulation 7 CFR, Part 996 can be designated as "Sample 1" or "1-AB." \*\*\*\*

If the residue from these in-grade lots is commingled into a new lot and retained in the name of the Handler instead of being shipped with the good lot back to the receiver, then these new commingled lots **MUST BE** inspected and certified for compliance or non-compliance with USDA Regulations for either human consumption or non-edible quality.

### **Lots Previously Certified as Meeting 7 CFR, Part 996 Human Consumption Requirements and Further Processed at a Custom Blancher/Remiller**

Usually, these lots are further processed to meet a customer's unique specifications. Since the "USDA Memorandum of Understanding" with a Custom Blancher/Remiller only covers lots that fail to meet MOAB outgoing quality and aflatoxin requirements, these lots are not covered under USDA Regulations and must be certified as follows:

Lots may be certified as to compliance or non-compliance of any U.S. grade or APSA grade. These lots may also be certified as to compliance or non-compliance with edible quality and size requirements of the USDA Regulations with the certification statement immediately followed by ".....and reported at applicant's request" in the 'Remarks' section of the certificate. If a blancher requests an inspection to determine quality factors, except size and/or damage and minor defects, on a lot that previously met the requirements of the USDA



Regulations, then the certification statement must be followed by "...for blanching, and reported at applicant's request."

The residue from these lots is usually retained by the blancher and commingled into new lots. These commingled lots are not covered by the USDA Memorandum of Understanding and inspection is not required. However, the blancher may request a grade and aflatoxin certification on these lots. Such lots of commingled residue culled from in-grade lots may be certified as outlined above or may be certified to non-edible quality for the USDA Regulations with the certification statement showing that it is being reported at applicant's request.

NOTE: In the above situation, always cross out the "Meets Requirements of ..." and "Fail Requirements of ..." on the 184-9A. This will help to prevent someone from interpreting the certificate as being a certification required under the USDA Regulations.

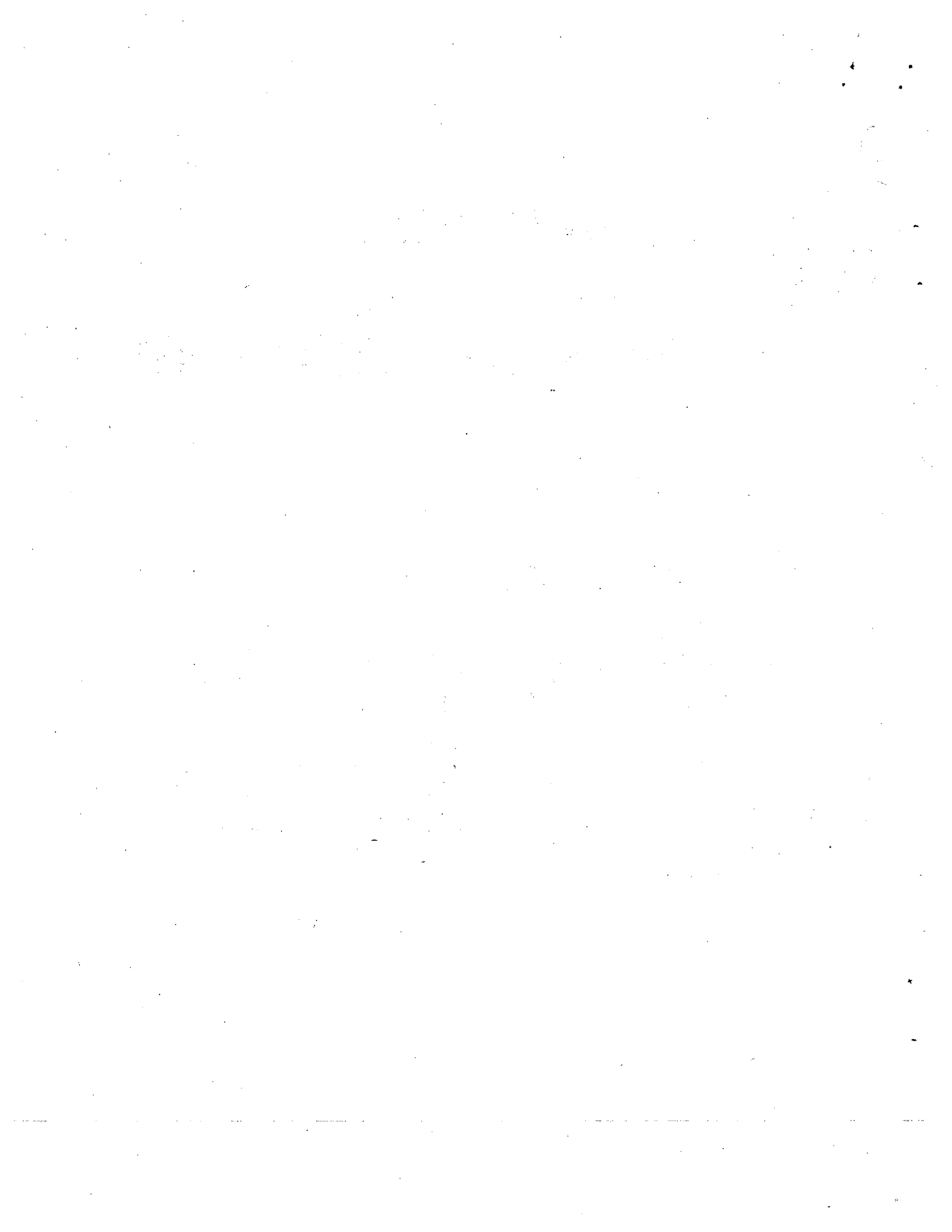
If an applicant requests an aflatoxin sample on any of these lots, the sample will be designated as follows:

If the lot is being certified for compliance or non-compliance with the USDA Regulations, then the aflatoxin sample may be designated as "Appeal 1-6" or an officially drawn "8" or "8-CD" sample. The designations "Sample No. 1" or "1-AB," etc., cannot be used for these lots.

# APPENDIX I

## U.S. GRADE STANDARDS







United States  
Department of  
Agriculture

Agricultural  
Marketing  
Service

Fruit and  
Vegetable  
Division

Fresh  
Products  
Branch

# United States Standards for Grades of Shelled Runner Type Peanuts

Effective July 31, 1956  
*(Reprinted - January 1997)*

# United States Standards for Grades of Shelled Runner Type Peanuts<sup>1</sup>

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## Grades

51.2710 U.S. No. 1 Runner.

51.2711 U.S. Runner Splits.

51.2712 U.S. No. 2 Runner.

## Application of Tolerances

51.2713 Application of tolerances.

## Definitions

51.2714 Similar varietal characteristics.

51.2715 Whole.

51.2716 Split.

51.2717 Broken.

51.2718 Foreign material.

51.2719 Unshelled.

51.2720 Minor defects.

51.2721 Damage.

## Grades

### §51.2710 U.S. No. 1 Runner.

"U.S. No. 1 Runner" consists of shelled Runner type peanut kernels of similar varietal characteristics which are whole and free from foreign material, damage and minor defects, and which will not pass through a screen having 16/64 X 3/4 inch openings.

(a) In order to allow for variations incident to proper grading and handling, the following tolerances, by weight, shall be permitted:

(1) 1 percent for other varieties of peanuts;

(2) 3 percent for sound peanuts which are split or broken;

(3) 1.5 percent for damaged or unshelled peanuts;

(4) 0.5 percent for minor defects: **Provided**, That in addition, any unused part of the tolerance for damaged or unshelled peanuts shall be allowed for minor defects;

(5) 0.1 percent for foreign material; and,

(6) 3 percent for sound whole peanuts which will pass through the prescribed screen.

### §51.2711 U.S. Runner Splits.

"U.S. Runner Splits" consists of shelled Runner type peanut kernels of similar varietal characteristics which are split or broken, but which are free from foreign material, damage and minor defects, and which will not pass through a screen having 17/64 inch round openings.

(a) In order to allow for variations incident to proper grading and handling, the following tolerances, by weight, shall be permitted:

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<sup>1</sup>Compliance with the provisions of these standards shall not excuse failure to comply with the provisions of the Federal Food, Drug, and Cosmetic Act, or with applicable State laws and regulations.

- (1) 2 percent for other varieties of peanuts;
- (2) 2 percent for damaged or unshelled peanuts and minor defects;
- (3) 0.2 percent for foreign material;
- (4) 2 percent for sound portions of peanuts which will pass through the prescribed screen; and,
- (5) 4 percent for sound whole peanuts.

**§51.2712 U.S. No. 2 Runner.**

"U.S. No. 2 Runner" consists of shelled Runner type peanut kernels of similar varietal characteristics which may be split or broken, but which are free from foreign material, damage and minor defects, and which will not pass through a screen having 17/64 inch round openings.

(a) In order to allow for variations incident to proper grading and handling, the following tolerances, by weight, shall be permitted:

- (1) 2 percent for other varieties of peanuts;
- (2) 2.5 percent for damaged or unshelled peanuts and minor defects;
- (3) 0.2 percent for foreign material; and,
- (4) 6 percent for sound peanuts and portions of peanuts which will pass through the prescribed screen.

**Application of Tolerances**

**§51.2713 Application of tolerances.**

The tolerances provided in these standards are on a lot basis and shall be applied to a composite sample representative of the lot. However, any container or group of containers in which the peanuts are obviously of a quality materially different from that in the majority of containers shall be considered a separate lot, and shall be sampled separately.

**Definitions**

**§51.2714 Similar varietal characteristics.**

"Similar varietal characteristics" means that the peanut kernels in the lot are not of distinctly different varieties. For example, Spanish type shall not be mixed with Runners.

**§51.2715 Whole.**

"Whole" means that the peanut kernel is not split or broken.

**§51.2716 Split.**

"Split" means the separated half of a peanut kernel.

**§51.2717 Broken.**

"Broken" means that more than one-fourth of the peanut kernel is broken off.

**§51.2718 Foreign material.**

"Foreign material" means pieces or loose particles of any substance other than peanut kernels or skins.

**§51.2719 Unshelled.**

"Unshelled" means a peanut kernel with part or all of the hull (shell) attached.

**§51.2720 Minor defects.**

"Minor defects" means that the peanut kernel is not damaged but is affected by one or more of the following:

- (a) Skin discoloration which is dark brown, dark gray, dark blue or black and covers more than one-fourth of the surface;
- (b) Flesh discoloration which is darker than a light yellow color or consists of more than a slight

yellow pitting of the flesh;

(c) Sprout extending more than one-eighth of an inch from the tip of the kernel; and,

(d) Dirt when the surface of the kernel is distinctly dirty, and its appearance is materially affected.

**§51.2721 Damage.**

"Damage" means that the peanut kernel is affected by one or more of the following:

(a) Rancidity or decay;

(b) Mold;

(c) Insects, worm cuts, web or frass;

(d) Freezing injury causing hard, translucent or discolored flesh; and

(e) Dirt when the surface of the kernel is heavily smeared, thickly flecked or coated with dirt, seriously affecting its appearance.

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**Shelled Spanish Type**



**United States  
Department of  
Agriculture**

**Agricultural  
Marketing  
Service**

**Fruit and  
Vegetable  
Division**

**Fresh  
Products  
Branch**

**United States Standards  
for Grades of  
Shelled Spanish Type  
Peanuts**

**Effective July 15, 1965**  
*(Reprinted - January 1997)*



# United States Standards for Grades of Shelled Spanish Type Peanuts <sup>1</sup>

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## Grades

51.2730 U.S. No. 1 Spanish.

51.2731 U.S. Spanish Splits.

51.2732 U.S. No. 2 Spanish.

## Application of Tolerances

51.2733 Application of tolerances.

## Definitions

51.2734 Spanish type.

51.2735 Whole.

51.2736 Split.

51.2737 Broken.

51.2738 Foreign material.

51.2739 Damage.

51.2740 Minor defects.

51.2741 Unshelled.

## Grades

### §51.2730 U.S. No. 1 Spanish.

"U.S. No. 1 Spanish" consists of shelled Spanish type peanut kernels which are whole and free from foreign material, damage and minor defects, and which will not pass through a screen having 15/64 x 3/4 inch openings.

(a) In order to allow for variations incident to proper grading and handling, the following tolerances, by weight, shall be permitted:

(1) 1 percent for other types of peanuts;

(2) 3 percent for sound peanuts which are split or broken;

(3) 1.5 percent for damaged or unshelled peanuts;

(4) 0.5 percent for minor defects: **Provided**, That in addition, any unused part of the tolerance for damaged or unshelled peanuts shall be allowed for minor defects;

(5) 0.1 percent for foreign material; and,

(6) 2 percent for sound whole peanuts which will pass through the prescribed screen.

### §51.2731 U.S. Spanish Splits.

"U.S. Spanish Splits" consists of shelled Spanish type peanut kernels which are split or broken, but which are free from foreign material, damage and minor defects, and which will not pass through a screen having 16/64 inch round openings.

(a) In order to allow for variations incident to proper grading and handling, the following tolerances, by weight, shall be permitted:

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<sup>1</sup>Packing of the product in conformity with the requirements of these standards shall not excuse failure to comply with the provisions of the Federal Food, Drug, and Cosmetic Act, or with applicable State laws and regulations.

- (1) 2 percent for other types of peanuts;
- (2) 2 percent for damaged or unshelled peanuts and minor defects;
- (3) 0.2 percent for foreign material;
- (4) 2 percent for sound portions of peanuts which will pass through the prescribed screen; and,
- (5) 4 percent for sound whole kernels.

**§51.2732 U.S. No. 2 Spanish.**

"U.S. No. 2 Spanish" consists of shelled Spanish type peanut kernels which may be split or broken, but which are free from foreign material, damage, and minor defects, and which will not pass through a screen having 16/64 inch round openings.

(a) In order to allow for variations incident to proper grading and handling, the following tolerances, by weight, shall be permitted:

- (1) 2 percent for other types of peanuts;
- (2) 2.5 percent for damaged or unshelled peanuts and minor defects;
- (3) 0.2 percent for foreign material; and,
- (4) 6 percent for sound peanuts and portions of peanuts which will pass through the prescribed screen.

**Application of Tolerances**

**§51.2733 Application of tolerances.**

The tolerances provided in these standards are on a lot basis and shall be applied to a composite sample representative of the lot. However, any container or group of containers in which the peanuts are obviously of a quality materially different from that in the majority of containers shall be considered a separate lot, and shall be sampled and graded separately.

**Definitions**

**§51.2734 Spanish type.**

"Spanish type" means peanuts of varieties which belong to the Spanish classification group and which are free from kernels of Runner, Virginia, or other types.

**§51.2735 Whole.**

"Whole means" that the peanut kernel is not split or broken.

**§51.2736 Split.**

"Split" means the separated half of a peanut kernel.

**§51.2737 Broken.**

"Broken" means that more than one-fourth of the peanut kernel is broken off.

**§51.2738 Foreign material.**

"Foreign material" means pieces or loose particles of any substance other than peanut kernels or skins.

**§51.2739 Damage.**

"Damage" means any specific defect described in this section; or any other defect, or any combination of defects which materially detracts from the edible quality of the peanut. The following specific defects shall be considered as damage:

- (a) Rancidity or decay;
- (b) Mold;
- (c) Insects, worm cuts, web or frass;
- (d) Freezing injury causing hard, translucent, or discolored flesh; and,

(e) Dirt when the surface of the kernel is heavily smeared, thickly flecked or coated with dirt, seriously affecting its appearance.

**§51.2740 Minor defects.**

"Minor defects" means that the peanut kernel is not damaged but is affected by one or more of the following:

(a) Skin discoloration which is dark brown, dark gray, dark blue or black and covers more than one-fourth of the surface;

(b) Flesh discoloration which is darker than a light yellow color or consists of more than a slight yellow pitting of the flesh;

(c) Sprout extending more than one-eighth of an inch from the tip of the kernel; and,

(d) Dirt when the surface of the kernel is distinctly dirty, and its appearance is materially affected.

**§51.2741 Unshelled.**

"Unshelled" means a peanut kernel with part or all of the hull (shell) attached.

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**Shelled Virginia Type**



**United States  
Department of  
Agriculture**

**Agricultural  
Marketing  
Service**

**Fruit and  
Vegetable  
Division**

**Fresh  
Products  
Branch**

**United States Standards  
for Grades of  
Shelled Virginia Type  
Peanuts**

**Effective August 31, 1959**  
*(Reprinted - January 1997)*

# United States Standards for Grades of Shelled Virginia Type Peanuts<sup>1</sup>

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## Grades

51.2750 U.S. Extra Large Virginia.

51.2751 U.S. Medium Virginia.

51.2752 U.S. No. 1 Virginia.

51.2753 U.S. Virginia Splits.

51.2754 U.S. No. 2 Virginia.

## Application of Tolerances

51.2755 Application of tolerances.

## Definitions

51.2756 Similar varietal characteristics.

51.2757 Whole.

51.2758 Split.

51.2759 Broken.

51.2760 Foreign material.

51.2761 Unshelled.

51.2762 Minor defects.

51.2763 Damage.

## Grades

### §51.2750 U.S. Extra Large Virginia.

"U.S. Extra Large Virginia" consists of shelled Virginia type peanut kernels of similar varietal characteristics which are whole and free from foreign material, damage and minor defects, and which will not pass through a screen having 20/64 x 1 inch openings. Unless otherwise specified, the peanuts in any lot shall average not more than 512 per pound.

(a) In order to allow for variations incident to proper grading and handling, the following tolerances, by weight, shall be permitted:

- (1) 0.75 percent for other varieties of peanuts;
- (2) 3 percent for sound peanuts which are split or broken;
- (3) 1 percent for damaged or unshelled peanuts;
- (4) 0.75 percent for minor defects: **Provided**, That in addition, any unused part of the tolerance for damaged or unshelled peanuts shall be allowed for minor defects;
- (5) 0.1 percent for foreign material; and,
- (6) 3 percent for sound, whole peanuts which will pass through the prescribed screen.

### §51.2751 U.S. Medium Virginia.

"U.S. Medium Virginia" consists of shelled Virginia type peanut kernels of similar varietal characteristics which are whole and free from foreign material, damage and minor defects, and

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<sup>1</sup>Compliance with the provisions of these standards shall not excuse failure to comply with the provisions of the Federal Food, Drug and Cosmetic Act, or with applicable State laws and regulations.

which will not pass through a screen having 18/64 x 1 inch openings. Unless otherwise specified, the peanuts in any lot shall average not more than 640 per pound.

(a) In order to allow for variations incident to proper grading and handling, the following tolerances, by weight, shall be permitted:

- (1) 1 percent for other varieties of peanuts;
- (2) 3 percent for sound peanuts which are split or broken;
- (3) 1.25 percent for damaged or unshelled peanuts;
- (4) 0.75 percent for minor defects: **Provided**, That in addition, any unused part of the tolerance for damaged or unshelled peanuts shall be allowed for minor defects;
- (5) 0.1 percent for foreign material; and,
- (6) 3 percent for sound, whole peanuts which will pass through the prescribed screen.

**§51.2752 U.S. No. 1 Virginia.**

"U.S. No. 1 Virginia" consists of shelled Virginia type peanut kernels of similar varietal characteristics which are whole and free from foreign material, damage and minor defects, and which will not pass through a screen having 15/64 x 1 inch openings. Unless otherwise specified, the peanuts in any lot shall average not more than 864 per pound.

(a) In order to allow for variations incident to proper grading and handling, the following tolerances by weight, shall be permitted:

- (1) 1 percent for other varieties of peanuts;
- (2) 3 percent for sound peanuts which are split or broken;
- (3) 1.25 percent for damaged or unshelled peanuts;
- (4) 0.75 percent for minor defects: **Provided**, That in addition, any unused part of the tolerance for damaged or unshelled peanuts shall be allowed for minor defects;
- (5) 0.1 percent for foreign material; and,
- (6) 3 percent for sound, whole peanuts which will pass through the prescribed screen.

**§51.2753 U.S. Virginia Splits.**

"U.S. Virginia Splits" consists of shelled Virginia type peanut kernels of similar varietal characteristics which are free from foreign material, damage and minor defects, and which will not pass through a screen having 20/64 inch round openings. Not less than 90 percent, by weight, shall be splits.

(a) In order to allow for variations incident to proper grading and handling, the following tolerances, by weight, shall be permitted:

- (1) 2 percent for other varieties of peanuts;
- (2) 2 percent for damaged or unshelled peanuts and minor defects;
- (3) 0.2 percent for foreign materials; and,
- (4) 3 percent for sound peanuts and portions of peanuts which will pass through the prescribed screen.

**§51.2754 U.S. No. 2 Virginia.**

"U.S. No. 2 Virginia" consists of shelled Virginia type peanut kernels of similar varietal characteristics which may be split or broken, but which are free from foreign material, damage and minor defects, and which will not pass through a screen having 17/64 inch round openings.

(a) In order to allow for variations incident to proper grading and handling, the following tolerances, by weight, shall be permitted:

- (1) 2 percent for other varieties of peanuts;
- (2) 2.5 percent for damaged or unshelled peanuts and minor defects;
- (3) 0.2 percent for foreign material; and,
- (4) 6 percent for sound peanuts and portions of peanuts which will pass through the prescribed screen.

#### **Application of Tolerances**

##### **§51.2755 Application of tolerances.**

The tolerances provided in these standards are on a lot basis and shall be applied to a composite sample representative of the lot. However, any container or group of containers in which the peanuts are obviously of a quality materially different from that in the majority of containers shall be considered a separate lot, and shall be sampled separately.

#### **Definitions**

##### **§51.2756 Similar varietal characteristics.**

"Similar varietal characteristics" means that the peanut kernels in the lot are not of distinctly different varieties. For example, Spanish type shall not be mixed with Virginia type.

##### **§51.2757 Whole.**

"Whole" means that the peanut kernel is not split or broken.

##### **§51.2758 Split.**

"Split" means the separated half of a peanut kernel.

##### **§51.2759 Broken.**

"Broken" means that more than one-fourth of the peanut kernel is broken off.

##### **§51.2760 Foreign material.**

"Foreign material" means pieces or loose particles of any substance other than peanut kernels or skins.

##### **§51.2761 Unshelled.**

"Unshelled" means a peanut kernel with part or all of the hull (shell) attached.

##### **§51.2762 Minor defects.**

"Minor defects" means that the peanut kernel is not damaged but is affected by one or more of the following:

- (a) Skin discoloration which is dark brown, dark gray, dark blue or black and covers more than one-fourth of the surface;
- (b) Flesh discoloration which is darker than a light yellow color or consists of more than a slight yellow pitting of the flesh;
- (c) Sprout extending more than one-eighth of an inch from the tip of the kernel; and,
- (d) Dirt when the surface of the kernel is distinctly dirty, and its appearance is materially affected.

##### **§51.2763 Damage.**

"Damage" means that the peanut kernel is affected by one or more of the following:

- (a) Rancidity or decay;
- (b) Mold;
- (c) Insects, worm cuts, web or frass;
- (d) Freezing injury causing hard, translucent or discolored flesh; and,
- (e) Dirt when the surface of the kernel is heavily smeared, thickly flecked or coated with dirt, seriously affecting its appearance.

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**Cleaned Virginia Type in the Shell**



**United States  
Department of  
Agriculture**

**Agricultural  
Marketing  
Service**

**Fruit and  
Vegetable  
Division**

**Fresh  
Products  
Branch**

**United States Standards  
for Grades of  
Cleaned Virginia Type in the  
Shell Peanuts**

**Effective September 18, 1948**  
*(Reprinted - January 1997)*



# United States Standards for Grades of Cleaned Virginia Type Peanuts in the Shell<sup>1</sup>

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## Grades

51.1235 U.S. Jumbo Hand Picked.

51.1236 U.S. Fancy Hand Picked.

## Unclassified

51.1237 Unclassified.

## Definitions

51.1238 Mature.

51.1239 Pops.

51.1240 Paper ends.

51.1241 Damage.

51.1242 Count per pound.

## Grades

### §51.1235 U.S. Jumbo Hand Picked.

U.S. Jumbo Hand Picked shall consist of cleaned Virginia type peanuts in the shell which are mature, dry, and free from loose peanut kernels, dirt or other foreign material, pops, paper ends, and from damage caused by cracked or broken shells, discoloration or other means. The kernels shall be free from damage from any cause. In addition, the peanuts shall not pass through a screen having 37/64 x 3 inch perforations. Unless otherwise specified, the unshelled peanuts in any lot shall not average more than 176 count per pound.

(a) In order to allow for variations incident to proper grading and handling, the following tolerances, by weight, shall be permitted:

(1) 10.0 percent total for pops, peanuts having paper ends or damaged shells, loose undamaged peanut kernels, and dirt or other foreign material, but not more than one-twentieth of this amount, or 0.5 percent, shall be allowed for dirt or other foreign material.

(2) 5.0 percent for peanuts which will pass through the prescribed screen, but which are free from pops and from peanuts having paper ends or damaged shells.

(3) 3.5 percent for peanuts with damaged kernels, and damaged loose kernels.

### §51.1236 U.S. Fancy Hand Picked.

U.S. Fancy Hand Picked shall consist of cleaned Virginia type peanuts in the shell which are mature, dry, and free from loose peanut kernels, dirt or other foreign material, pops, paper ends, and from damage caused by cracked or broken shells, discoloration or other means. The kernels shall be free from damage from any cause. In addition, the peanuts shall not pass through a screen having 32/64 x 3 inch perforations. Unless otherwise specified, the unshelled peanuts in any lot

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<sup>1</sup>Packing of the product in conformity with the requirements of these standards shall not excuse failure to comply with the provisions of the Federal Food, Drug, and Cosmetic Act.

shall not average more than 225 count per pound.

(a) In order to allow for variations incident to proper grading and handling, the following tolerances, by weight, shall be permitted:

(1) 11.0 percent total for pops, peanuts having paper ends or damaged shells, loose undamaged peanut kernels, and dirt or other foreign material, but not more than one twenty-second of this amount, or 0.5 percent, shall be allowed for dirt or other foreign material.

(2) 5.0 percent for peanuts which will pass through the prescribed screen, but which are free from pops and from peanuts having paper ends or damaged shells.

(3) 4.5 percent for peanuts with damaged kernels, and damaged loose kernels.

#### **Unclassified**

##### **§51.1237 Unclassified.**

Unclassified shall consist of cleaned Virginia type peanuts in the shell which fail to meet the requirements of either of the foregoing grades. The term "unclassified" is not a grade within the meaning of these standards but is provided as a designation to show that no definite grade has been applied to the lot.

#### **Definitions**

##### **§51.1238 Mature.**

"Mature" means that the shells are firm and well developed.

##### **§51.1239 Pops.**

"Pops" means fully developed shells which contain practically no kernels.

##### **§51.1240 Paper ends.**

"Paper ends" means peanuts which have very soft and/or very thin ends.

##### **§51.1241 Damage.**

"Damage" means any injury or defect which materially affects the appearance edible or shipping quality of the individual peanut or the lot as a whole. The following shall be considered as damage:

(a) Cracked or broken shells which have been broken to the extent that the kernel within is plainly visible without minute examination and with no application of pressure, or the appearance of the individual peanut is materially affected.

(b) Discolored shells which have dark discoloration caused by mildew, staining or other means affecting one-half or more of the shell surface. Talc powder or other similar material which may have been applied to the shells during the cleaning process shall not be removed to determine the amount of discoloration beneath, but the peanut shall be judged as it appears with the talc.

(c) Kernels which are rancid or decayed.

(d) Moldy kernels.

(e) Kernels showing sprouts extending more than one-eighth inch from the end of the kernel.

(f) Distinctly dirty kernels.

(g) Kernels which are wormy, or have worm frass adhering, or have worm cuts which are more than superficial.

(h) Kernels which have dark yellow color penetrating the flesh, or yellow pitting extending deep into the kernel.

##### **§51.1242 Count per pound.**

"Count per pound" means the number of peanuts in a pound. When determining the count per pound, one single kernel peanut shall be counted as one-half peanut.

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# **APPENDIX II**

## **7 CFR, PART 996**

**Affective January 13, 2003**

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7 CFR  
Agriculture  
CHAPTER IX

AGRICULTURAL MARKETING SERVICE (Marketing Agreements and Orders; Fruits,  
Vegetables, Nuts), DEPARTMENT OF AGRICULTURE

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

DEFINITIONS

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| <u>996.2</u>  | Conditionally released      |
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QUALITY AND HANDLING STANDARDS

|               |   |
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## REPORTS AND RECORDS

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

**Authority:** Sec. 1308, Pub.L. 107-171, 116 Stat. 178 (7 U.S.C. 7958).

**Source:** 67 FR 57140, Sept. 9, 2002, and, 68 FR 1145, January 9, 2003, unless otherwise noted.

## DEFINITIONS

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

**§ 996.2 Conditional release.** *Conditional release* means release from U.S. Customs Service custody to the importer for purposes of handling and USDA required sampling, inspection and chemical analysis. [68 FR 1157, Jan. 9, 2003]

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

**§ 996.4 Handle.** *Handle* means to engage in the receiving or acquiring, cleaning and shelling, cleaning in-shell, or crushing of domestic or imported peanuts and in the shipment (except as a common or contract carrier of peanuts owned by another) or sale of cleaned in-shell or shelled peanuts or other activity causing peanuts to enter into human consumption channels of commerce: *Provided*, That this term does not include sales or deliveries of peanuts by a producer to a handler or to an intermediary person engaged in delivering peanuts to handler(s): *And provided further*, That this term does not include sales or deliveries of peanuts by such intermediary person(s) to a handler.

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

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

**§ 996.7 Importer.** *Importer* means a person who engages in the importation of foreign produced peanuts into the United States. [68 FR 1157, Jan. 9, 2003]

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

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

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

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

**§ 996.12 Outgoing inspection.** *Outgoing inspection* means the sampling, inspection, and certification of either: shelled peanuts which have been cleaned, sorted, sized and otherwise prepared for human consumption markets; or in-shell peanuts which have been cleaned, sorted, and otherwise prepared for in-shell human consumption markets.

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

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

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

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

(d) *Segregation 3.* "Segregation 3 peanuts" means farmers' stock peanuts with visible *Aspergillus flavus*.

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



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

**§ 996.16 Producer.** *Producer* means any person in the United States engaged in a proprietary capacity in the production of peanuts for market.

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

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

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

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

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

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

## QUALITY AND HANDLING STANDARDS

### **§ 996.30 Incoming quality standards.**

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

(b) *Moisture.* No handler or importer shall receive or acquire farmers' stock peanuts for subsequent disposition to human consumption outlets containing more than 10.49 percent moisture: *Provided*, That peanuts of a higher moisture content may be received and dried to not more than 10.49 percent moisture prior to storing or milling; and *Provided further*, That Virginia-type peanuts used for seed may be received or acquired containing up to 11.49 percent moisture.

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

(d) A handler may receive or acquire any peanuts from other persons for edible and non-edible use: *Provided*, That such peanuts intended for human consumption are inspected and certified pursuant to §996.31 prior to such disposition. Non-edible uses may include, but are not limited to, seed, oil stock, animal feed, bird seed, or for export. [67 FR 57140, Sept. 9, 2002, as amended at 68 FR 1157, Jan. 9, 2003]

**§ 996.31 Outgoing quality standards.**

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

**Minimum Quality Standards: Peanuts for Human Consumption**

**Whole Kernels or Whole Kernels with Splits – Maximum Limitations**

| Type and Grade Category   | Unshelled peanuts & damaged kernels | Unshelled peanuts, damaged kernels, & minor defects | Total Fall Through Sound Whole Kernels and/or Sound Split & Broken Kernels | Foreign Material | Moisture |
|---|-------------------------------------|---|--|------------------|----------|
| Runner  | 1.50%                               | 2.50%   | 6.00%; 17/64 inch round screen   | 0.20%            | 9.00%    |
| Virginia (Except No. 2)   | 1.50%                               | 2.50%   | 6.00%; 17/64 inch round screen   | 0.20%            | 9.00%    |
| Spanish & Valencia  | 1.50%                               | 2.50%   | 6.00%; 16/64 inch round screen   | 0.20%            | 9.00%    |
| No. 2 Virginia  | 1.50%                               | 3.00%   | 6.00%; 17/64 inch round screen   | 0.20%            | 9.00%    |
| Runner with Splits (Not more than 15% sound splits)             | 1.50%                               | 2.50%   | 6.00%; 17/64 inch round screen   | 0.20%            | 9.00%    |
| Virginia with Splits (Not more than 15% sound splits)           | 1.50%                               | 2.50%   | 6.00%; 17/64 inch round screen   | 0.20%            | 9.00%    |
| Spanish & Valencia with Splits (Not more than 15% sound splits) | 1.50%                               | 2.50%   | 6.00%; 16/64 inch round screen   | 0.20%            | 9.00%    |

**Lots of "Splits" – Maximum Limitations**

| <b>Type and Grade Category</b>                   | <b>Unshelled peanuts &amp; damaged kernels</b> | <b>Unshelled peanuts, damaged kernels, &amp; minor defects</b> | <b>Total Fall Through Sound Whole Kernels and/or Sound Split &amp; Broken Kernels</b> | <b>Foreign Material</b> | <b>Moisture</b> |
|--|--|--|---|-------------------------|-----------------|
| Runner<br>(Not more than 90% splits)             | 2.00%  | 2.50%  | 6.00%; 17/64 inch round screen  | 0.20%                   | 9.00%           |
| Virginia<br>(Not more than 90% splits)           | 2.00%  | 2.50%  | 6.00%; 17/64 inch round screen  | 0.20%                   | 9.00%           |
| Spanish & Valencia<br>(Not more than 90% splits) | 2.00%  | 2.50%  | 6.00%; 16/64 inch round screen  | 0.20%                   | 9.00%           |

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

- (1) Not more than 1.00 percent kernels with mold unless a sample of such peanuts, drawn by an inspector of the Inspection Service, is analyzed chemically by a USDA laboratory or a USDA-approved laboratory and certified "negative" as to aflatoxin;
- (2) Not more than 2.00 percent peanuts with damaged kernels;
- (3) Not more than 10.00 percent moisture; or
- (4) Not more than 0.50 percent foreign material. [67 FR 57140, Sept. 9, 2002; 67 FR 63503, Oct. 11, 2002]

**§ 996.40 Handling standards.**

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

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

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

- (1) Each handler or importer shall cause appropriate samples, based on a sampling plan approved by the Inspection Service, of each lot of shelled peanuts intended for human consumption to be drawn by the Inspection Service. The gross amount of peanuts drawn shall be large enough to provide for a grade analysis, for a grading check sample, and for three 48-pound samples for aflatoxin chemical analysis. The three 48-pound samples shall be designated by the Inspection Service as "Sample 1," "Sample 2," and "Sample 3" and each sample shall be placed in a suitable container and positive lot identified by means acceptable to the Inspection Service. Sample 1 may be prepared for immediate testing or Sample 1, Sample 2, and Sample 3 may be returned to the handler or importer for testing at a later date. Imported peanuts shall be labeled "Sample 1IMP," "Sample 2IMP," and "Sample 3IMP" and handled accordingly.
- (2) Before shipment of a lot of shelled peanuts to a buyer, the handler or importer shall cause Sample 1 to be ground by the Inspection Service, a USDA laboratory or a USDA-approved laboratory, in a "subsampling mill." The resultant ground subsample from Sample 1 shall be of a size specified by the Inspection Service and shall be designated as "Subsample 1-AB" and at the handler's, importer's or buyer's option, a second subsample may also be extracted from Sample 1. It shall be designated as "Subsample 1-CD." Subsample 1-CD may be sent as requested by the handler or buyer, for aflatoxin assay, to a USDA laboratory or USDA-approved laboratory that can provide analyses results on such samples in 36 hours. The cost of sampling and testing Subsample 1-CD shall be for the account of the applicant. Subsample 1-AB shall be analyzed only in a USDA laboratory or USDA-approved laboratory. Both Subsamples 1-AB and 1-CD shall be accompanied by a notice of sampling or grade certificate, signed by the inspector, containing, at least, identifying information as to the handler or importer, the buyer, if known, and the positive lot identification of the shelled peanuts.
- (3) The samples designated as Sample 2 and Sample 3 shall be held as aflatoxin check samples by the Inspection Service or the handler or importer and shall not be included in the shipment to the buyer until the analyses results from Sample 1 are known.
- (4) Upon call from the laboratory, the handler or importer shall cause Sample 2 to be ground by the Inspection Service, USDA or USDA-approved laboratory in a "subsampling mill." The resultant ground subsample from Sample 2 shall be of a size specified by the Inspection Service and it shall be designated as "Subsample 2-AB." Upon call from the laboratory, the handler shall cause Sample 3 to be ground by the Inspection Service, USDA or USDA-approved laboratory in a "subsampling mill." The resultant ground subsample from Sample 3 shall be of a size specified by Inspection Service and shall be

designated as "Subsample 3-AB." "Subsamples 2-AB and 3-AB" shall be analyzed only in a USDA laboratory or a USDA-approved laboratory and each shall be accompanied by a notice of sampling. The results of each assay shall be reported by the laboratory to the handler and to USDA.

- (5) Handlers and importers may make arrangements for required inspection and certification by contacting the Inspection Service office closest to where the peanuts will be made available for sampling. For questions regarding inspection services, a list of Federal or Federal-State Inspection Service offices, or for further assistance, handlers and importers may contact: Fresh Products Branch, Fruit and Vegetable Programs, AMS, USDA, 1400 Independence Avenue SW., Room 2049-S, (STOP 0240), Washington, DC, 20250-0240; Telephone: (202) 720-5870; Fax: (202) 720-0393.
- (6) Handlers and importers may make arrangements for required chemical analysis for aflatoxin content at the nearest USDA or USDA-approved laboratory. For further information concerning chemical analysis and a list of laboratories authorized to conduct such analysis contact: Deputy Administrator, Science and Technology Programs, AMS, USDA, 1400 Independence Avenue, SW. STOP 0270, Washington, DC 20250-0270; Telephone (202) 720-5231; Fax (202) 720-6496. [67 FR 57140, Sept. 9, 2002, as amended at 68 FR 1157, Jan. 9, 2003]

**§ 996.50 Reconditioning failing quality peanuts.**

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

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

- (1) If such peanuts are not tested and certified as to aflatoxin content, pursuant to paragraph (a) of this section, the handler or importer shall cause the following statement to be shown on the shipping papers: "The peanuts covered by this bill of lading (or invoice, etc.) are limited to crushing only and may contain aflatoxin."
- (2) If the peanuts are certified as 301 ppb or more aflatoxin content, disposition shall be limited to crushing or export.

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

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

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

(f) Lots of shelled peanuts moved for remilling, blanching or roasting shall be positive lot identified and accompanied by valid grade inspection certificate, *Except* That, a handler's shelled peanuts may be moved without PLI and grade inspection to the handler's blanching facility that blanches only the handler's peanuts. The title of such peanuts shall be retained by the handler or importer until the peanuts have been certified by the Inspection Service as meeting the outgoing quality standards specified in the table in §996.31(a). Remilling, blanching, and roasting under the provisions of this paragraph shall be performed only by those remillers and blanchers approved by USDA. Such approved entities must agree to comply with the handling standards in this part and to report dispositions of all failing peanuts and residual peanuts to USDA.

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

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

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

**§ 996.60 Safeguard procedures for imported peanuts.**

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

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

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

(d) *Additional standards.*

- (1) Nothing contained in this section shall preclude any importer from milling or reconditioning, prior to importation, any shipment of peanuts for the purpose of making such lot eligible for importation into the United States. However, all peanuts entered for human consumption use must be certified as meeting the quality standards specified in §996.31(a) prior to such disposition. Failure to fully comply with quality and handling standards as required under this section, will result enforcement action by USDA.
- (2) Imported peanut lots sampled and inspected at the port-of-entry, or at other locations, shall meet the quality standards of this part in effect on the date of inspection.
- (3) A foreign-produced peanut lot entered for consumption or for warehouse may be transferred or sold to another person: *Provided*, That the original importer shall be the importer of record unless the new owner applies for bond and files Customs Service documents pursuant to 19 CFR 141.113 and 141.20: *And provided further*, That such peanuts must be certified and reported to USDA pursuant to §996.71 of this part.
- (4) The provisions of this section do not supersede any restrictions or prohibitions on peanuts under the Federal Plant Quarantine Act of 1912, the Federal Food, Drug and Cosmetic Act, any other applicable laws, or regulations of other Federal agencies, including import regulations and procedures of the Customs Service. [67 FR 57140, Sept. 9, 2002, as amended at 68 FR 1158, Jan. 9, 2003]

## REPORTS AND RECORDS

### § 996.71 Reports and recordkeeping.

- (a) Each handler and importer shall report acquisitions of all farmers' stock peanuts, by Segregation, on a form "Monthly Report of Acquisitions" and such other reports or information as may be necessary to enable USDA to carry out the provisions of this part.
- (b) Each handler and importer shall maintain records of all receipts and acquisitions of farmers' stock peanuts, and all grade and aflatoxin certificates showing the results of milling, remilling, blanching and roasting of peanuts for human consumption and the records of the disposition of peanuts not certified as meeting Outgoing quality standards, specified in §996.31(a) of this part. Such records shall be maintained for at least 2 years after the crop year of their applicability. Such recordkeeping shall be sufficient to document and substantiate the handler or importer's compliance with this part.
- (c) USDA shall maintain copies of grade and aflatoxin certificates on all peanut lots inspected and chemically tested. USDA and USDA-approved laboratories shall file copies of all aflatoxin certificates completed by such laboratories with the DC Marketing Field Office, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, 4700 River Road, Suite 2A04, Unit 155, Riverdale, Maryland 20737; Telephone (301) 734-5243, Fax: (301) 734-5275, or other address as determined by USDA.



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

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

**§ 996.74 Compliance.**

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

- (1) Acquires farmers' stock peanuts without official incoming inspection, pursuant to §996.30;
- (2) Fails to obtain outgoing inspection on shelled or cleaned in-shell peanuts, pursuant to §996.31, and ships such peanuts for human consumption use;
- (3) Ships failing quality peanuts, pursuant to §996.31, for human consumption use;
- (4) Commingles failing quality peanuts with certified edible quality peanuts and ships the commingled lot for human consumption use;
- (5) Fails to maintain positive lot identification, pursuant to §996.40(a), on peanut lots certified for human consumption use;
- (6) Fails to maintain and provide access to records, pursuant to §996.71, on the reconditioning or disposition of peanuts acquired by such handler or importer; or
- (7) Otherwise violates any provision of section 1308 of the Act or any provision of this part.

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

**§ 996.75 Effective time.** The provisions of this part, as well as any amendments, shall apply to the remainder of the 2002 crop year peanuts and subsequent crop year peanuts, to 2001 crop year peanuts not yet inspected, and to 2001 crop year failing peanuts that have not met disposition standards, and shall continue in force and effect until modified, suspended, or terminated. Indemnification payments for the 2001 crop peanuts will continue through December 31, 2002, under the terms and conditions of 7 CFR, Part 998.