



## QAD APPLICATION FOR SERVICE

### 1 PURPOSE

The purpose of this procedure is to provide Quality Assessment Division (QAD) policies and procedures regarding scheduled and unscheduled service requests, work schedules, plant surveys, inauguration, and termination of service.

### 2 SCOPE

The provisions of this procedure apply to all facilities utilizing QAD services. This document outlines how to apply for and obtain QAD services, and the associated fees for service users incur.

### 3 REFERENCES

The following referenced documents are used for the application of this document. The latest edition of the referenced document (including any amendments) applies.

[LP-109: Application for Service](#)

[LP-109A: Accounts Payable Information Request](#)

[LP-110: Work Schedule Request](#)

[LP-74: Pre-Operative Shell Egg Plant Sanitation Report](#)

[LP-240S: Shell Egg Grading Volume Report](#)

[QAD 100A Appendix: How to Complete Application for Service LP-109](#)

[QAD 100B Appendix: How to Complete the Work Schedule Request LP-110](#)

[QAD 100C Form: Plant Survey For Meat Grading](#)

[QAD 100D Form: Plant Survey For Poultry Grading](#)

[QAD 100E Form: Plant Survey For Shell Egg Grading](#)

[QAD 100F Job Aid: Equipment and Supplies Provided by QAD](#)

[QAD 108D Exhibit: Public Law 272](#)

[QAD 421 Procedure: QAD Billing and Collection](#) (Internal document, available to QAD only)

[QAD 1701 Procedure: Safety and Health Program](#)

[QAD 1702 Form: QAD Safety Inspection Worksheet](#)

[Agricultural Marketing Act \(AMA\) of 1946](#)

[Federal Register Notice: 2024/2025 Rates Charged for AMS Services](#)



[7 CFR 50: Rules of Practice Governing Withdrawal of Inspection and Grading Services](#)

[7 CFR 54: Meats, Prepared Meats, and Meat Products \(Grading, Certification, and Standards\)](#)

[7 CFR 56: Voluntary Grading of Shell Eggs](#)

[7 CFR 62: AMS Audit Verification and Accreditation Programs](#)

[7 CFR 70: Voluntary Grading of Poultry Products and Rabbit Products](#)

[FSIS Directive 8010.1: Methodology for Conducting In-Commerce Surveillance Activities](#)

[General Services Administration \(GSA\)](#)

[OSHA Policy on Indoor Air Quality](#)

[Pay.gov](#)

## **4 POLICY**

The QAD operates primarily on user fees in accordance with the *Agricultural Marketing Act (AMA) of 1946* and implementing regulations: 7 CFR 54, 56, 62, and 70. As such, the QAD must collect fees and other costs of doing business such as salaries, benefits, training, travel and per diem costs, office rent, utilities, equipment, etc.

Applicants have the option to establish a scheduled agreement through the submission of the *Work Schedule Request* (LP-110) or an unscheduled agreement.

### **Agricultural Marketing Service (AMS) Customer Service Standards:**

- i. You will be treated with courtesy and respect by a responsive and knowledgeable staff.
- ii. You will be provided accurate, unbiased, and reliable services based on established standards, procedures, and/or specifications.
- iii. All services will be provided in a cost-effective manner within established time frames.
- iv. Your suggestions and comments will be considered to continually improve and tailor the services to meet your needs.
- v. We will respond to your inquiries and strive to resolve your complaints quickly and efficiently.

## **5 APPLICANT RESPONSIBILITIES**

Applicants are responsible for requesting starting times which provide sufficient paid time for QAD employees to prepare for the work assignment, i.e. carrying official equipment to work stations, preparing sampling plans and other official documents, etc. Operational hours must be reasonably uniform day to day.

Applicants must designate primary company representatives to discuss grade placements and verification determinations with QAD employees.



Applicants will make products and related records (Approved labeling, Technical Proposals, Quality Plans, Specifications, End Product Data Schedules, volume information, etc.) easily accessible; provide assistance, all necessary equipment and an office, when applicable, to accomplish the requested services.

Applicants are responsible for providing a safe work environment where QAD employees are not subjected to physical and/or verbal abuse, or other elements which could have a negative effect on providing an unbiased, third-party evaluation.

AMS regulations [7 CFR 50](#) allow services to be denied or withdrawn from any person who, or whose employee or agent has interfered or obstructed any employee or representative of the Department by intimidation, threats, assaults, abuse, or any improper means. The regulation has in place an appeal process for applicants who question the services provided.

## **6 GENERAL PROCEDURES**

### **6.1 Grading Services:**

Any company that operates a federally inspected facility or a facility operating under an inspection system equal to and recognized by the Federal system can receive QAD services. A request for service must be filed on the *Application for Service (LP-109)* and an *Accounts Payable Information Request (LP-109A)*. Requests for immediate service can be provided by oral request, letter, express mail, facsimile, etc., as long as the *Application for Service (LP-109)* and an *Accounts Payable Information Request (LP-109A)* is submitted within 3 working days of the request.

### **6.2 Audit Services:**

Companies requesting audit services must submit an *Application for Service (LP-109)*, an *Accounts Payable Information Request (LP-109A)*, a cover letter explaining the type of service requested, and a copy of their applicable program documentation.

Applicants requesting audit services will be charged for all requested services and travel related expenses.

## **7 APPLICATION PROCEDURE**

### **7.1 Guidance:**

The QAD Business Operations Branch (BOB) office provides general information on QAD services, hourly fees, the *Application for Service (LP-109)* and the *Work Schedule Request (LP-110)*.

Guidance for how to complete the *Application for Service* is contained in QAD 100A Appendix: *How to Complete the Application for Service (LP-109)*.

Information provided on the *Application for Service*, e.g. company name and address is used when providing service. Discrepancies can affect exporting of commodities, audits, and eligibility to bid on commodities.

To establish a scheduled agreement, applicants must submit the *Work Schedule Request (LP-110)*. Guidance for how to complete the *Work Schedule Request (LP-110)* is contained in QAD 100B Appendix: *How to Complete the Work Schedule Request (LP-110)*.



Multiple applicants/one facility – When more than one applicant operating in the same facility requests service, each applicant must complete an *Application for Service* (LP-109) and an *Accounts Payable Information Request* (LP-109A).

Single applicant/multiple facilities – When one applicant operates multiple facilities, each facility requesting service must complete an *Application for Service* (LP-109) and an *Accounts Payable Information Request* (LP-109A).

## 7.2 Processing Procedure:

The applicant completes, signs, and returns the *Application for Service* (LP-109), an *Accounts Payable Information Request* (LP-109A), and if applicable, the *Work Schedule Request* (LP-110). Applications may be submitted by mail, fax, or scanned and emailed to [QAD.BusinessOps@usda.gov](mailto:QAD.BusinessOps@usda.gov).

USDA, AMS, L&P, QAD, Business Operations Branch  
10809 Executive Center Drive, Suite 318  
Little Rock, AR 72211-6022  
Phone: 501-312-2962  
Fax: 1-844-345-3575

Upon receipt of the completed *Application for Service* (LP-109):

- a. The BOB will notify the servicing office.
- b. The application will be reviewed by the servicing office and BOB for completeness and accuracy.
- c. The applicant may be contacted to ensure the type of service requested and to verify the information provided.
- d. The application will be signed by the BOB Chief or designee and approved for processing.
- e. The BOB will forward approved applications to the serving office.
- f. The applicant will be assigned a National Finance Center (NFC) account number and, if applicable, an official plant number.
- g. The application will be posted to the applicant folder.
- h. The applicant will be notified by email that the application has been processed and will be provided with the account number and, if applicable, their plant number.

Approved applications remain valid until:

- a. Voided in writing by the applicant or QAD;
- b. A change in name, ownership, and/or location of applicant occurs.



### 7.3 Replacement Application

All applicants must submit a replacement *Application for Service* (LP-109) when significant changes occur such as a name change and/or ownership, address, plant number, or type of service has occurred. There will be no charge for a replacement type application unless a new survey is needed due to a change in the type of service provided. For changes in ownership, the replacement application must be dated by the applicant on the day the billing to the new owner will be effective. Complete Form LP-109 and submit the form with a cover memorandum/email explaining the change through the Regional Office to the BOB.

When applicable, a new LP-110 must be completed showing a related statement, such as “Name Change Only” and submitted to the BOB.

### 7.4 Scheduled Agreement

Companies interested in having services provided under a scheduled agreement must complete and submit the *Work Schedule Request (LP-110)*. The clock hours of daily operations need not be specified.

The date of the application is the date the applicant signs the form. Scheduled agreements always begin on a Sunday. The QAD BOB will determine the actual Sunday date on which the agreement becomes effective.

Once the application is processed and the facility approved, services will be provided when employees are available. Employee transfers required to fulfill new agreements may take several months. The applicant may incur travel and per diem expenses until personnel reassignments are accomplished to provide agreement services.

Scheduled applicants that have an approved work schedule agreement are charged at the applicable scheduled regular rate for the approved duty hours. Hours worked in excess of the approved duty hours will be charged the applicable scheduled overtime rate.

When scheduled applicants request an additional grader(s) to provide service over and above the work schedule agreement hours, applicants will be charged at the applicable unscheduled rate for up to 8 hours and the applicable unscheduled overtime rate for hours in excess of 8 hours plus all expenses incurred by the additional grader(s). For example:

- The scheduled applicant has production issues and requests an additional grader for 4 hours. The applicant will be charged 4 hours at the applicable unscheduled rate plus all travel expenses incurred by the additional grader.
- The scheduled applicant increases production and requests an additional grader for 9 hours. The applicant will be charged 8 hours at the applicable unscheduled rate and 1 hour at the applicable unscheduled overtime rate plus all travel expenses incurred by the additional grader.

All hours worked on observed legal holidays will be charged at the applicable holiday rate. Applicants will not be charged if they do not utilize the grader on observed legal holidays.

Scheduled plants that are inactive remain contractually bound to pay grader costs if the grader is not reassigned, otherwise utilized, or in leave status.



There may be circumstances when it is mutually advantageous to QAD and the applicant(s) to temporarily suspend an agreement. Examples are: Emergencies such as fire, flood, strikes, etc., which affect plant operations and the assigned QAD employee can be utilized elsewhere.

Applicants must submit a new Work Schedule Request (LP-110) when significant changes occur such as number of commitments, name change, ownership, location change, etc.

#### **7.4.1 Livestock Industry:**

Livestock industry scheduled agreements may be for a single applicant, or they may be shared between two or more applicants.

A single scheduled agreement guarantees each QAD employee assigned to the plant is available for 8 hours per day (excluding, not to exceed 1 hour for meal break) Monday through Friday, excluding observed Federal legal holidays.

A shared scheduled agreement is where two or more applicants collectively guarantee the QAD employee assigned to the plants is available for 8 hours per day, Monday through Friday, excluding observed Federal legal holidays. The hours of service, starting times, prorated driving time and mileage, etc., must be approved by all parties involved prior to processing the agreement.

The scheduled agreement will not be charged for hours when service is not needed at the agreement plant and the assigned QAD employee can be utilized in another revenue generating assignment. The scheduled agreement will be charged when the QAD employee is utilized in a non-revenue capacity such as Public Law 272 reviews, training, leave, etc.

When a livestock industry applicant terminates a schedule agreement and within two years is granted a new scheduled agreement; the applicant must pay for the QAD employee's relocation costs. Any relocation costs involving multiple applicants that were involved in the cancellation and reapplication will be prorated in the same proportions as the scheduled agreement hours.

#### **7.4.2 Poultry and Shell Egg Industry:**

Poultry and shell egg industry applicants may request full time scheduled agreements or request agreements for less than 40 hours per week. In plants where more than one QAD employee is utilized, list the total number of shift hours per day. For example, two 8 hour shifts on Monday, the total hours would be listed as 16 for that day.

A scheduled agreement guarantees each QAD employee assigned to the plant is available for 1) 8 hours per day (excluding, not to exceed 1 hour for meal break) 5 days per week Sunday through Saturday, 2) 10 hours per day (excluding, not to exceed 1 hour for meal break) 4 days per week Sunday through Saturday. Schedules of less than 8 hours per day must be approved by the respective Regional Director prior to implementation.

Applicants requesting less than 40 hours per week must identify the number of hours per day and the day(s) of the week they require service.

Management may share employees between plants that have a part time scheduled agreement. Expenses incurred under these situations will be prorated among the applicable part time agreements. The method to prorate the expenses will be determined by QAD management.



Applicants may terminate the scheduled agreement by giving 30 days written notice. A termination notice may be submitted by mail, fax, or email to the QAD, Business Operations Branch, see address and information listed above. There will be a termination charge of \$300 if service is terminated at the request of the applicant within 12 months from the date of the inauguration of service. The \$300 termination charge remains applicable even if they convert to temporary status.

## **7.5      Unscheduled Agreement**

Unscheduled plants are to be billed for all hours worked by QAD personnel and for all travel time and expenses incurred in providing QAD services.

Applicants requesting meat grading services on an unscheduled basis will be charged a minimum of 1/2 hour revenue time plus, unless otherwise specified, any applicable round-trip mileage, travel time, per diem, and other related expenses from the QAD employee's regular duty point. Requests for service are to be made through the QAD office and are to be made by 12:00 noon Central Time on Tuesday of the week prior to service and will be scheduled on a first come first serve basis. Applicants will be charged for all requested services and travel expenses, if applicable, that have not been cancelled by 12:00 noon Central Time on Friday of the week prior to service unless the scheduled QAD employee can be utilized elsewhere.

At the discretion of the supervisor, LP-240: *Grading Volume Report* will be prepared either daily or weekly to capture the volume of product graded or certified, including both accepted and rejected product. Volume is to be reported using the categories and types as defined in the applicable sections of each product procedures.

Maintenance of grader's files are at the discretion of the supervisor depending on the amount of grading service provided, the type of grading and certifications provided, and the specific needs of QAD graders involved.

When grading service is not used (including the official grading and identification of shell eggs, not quality control work) at an unscheduled plant for a period of 6 months, plant management is to be contacted concerning their expected future use of the service. If they anticipate no future use of the grading service, the supervisor will recommend that management cancel the service immediately. The Regional Director is to be notified in writing whenever a plant requests termination of unscheduled grading service. If the plant subsequently fails to request termination and does not use grading service for an additional 3 months (9 months total), the supervisor will notify the Regional Director and request termination of service.

## **7.6      State Trust Fund Applications and Surveys- Scheduled and Unscheduled**

An *Application for Service* (LP-109) or a corresponding State application form is to be prepared and forwarded to the regional office through the servicing office. The time involved for completing the plant survey or re-surveys will be charged at the applicable unscheduled rate. When the survey is performed by a State Supervisor, travel expenses including lodging and mileage will be charged according to the applicable State per diem and mileage rates. The supervisor is to report the time and expenses on the *Work Report* (LP-101) and Form LP - 101 E respectively or approved equivalent State form.

## **8           FACILITY AND EQUIPMENT REQUIREMENTS**

Applicants are required to provide an office and applicable equipment prior to providing scheduled service. Deviations on any of these requirements must be approved by the Regional Director.





The requirements include the following:

#### 8.1 Office and Parking

- a. Appropriate environmentally controlled office space with ventilation, heating, and cooling with temperature control within the range of 68-76° F, per OSHA recommendations. Office will be at a minimum, 10' x 6'.
- b. Office must have locking capabilities and located in close proximity to the processing area and free from any recognized safety hazards.
- c. Office will be cleaned regularly or provide cleaning supplies.
- d. Telephone service and internet connectivity (hard wired or wireless) with consistent speeds capable of supporting stable VPN connections (or wired router connections, when requested). USDA IT states that a minimum internet download speed of 5Mbps per computer is required to maintain consistent VPN connections.
- e. Desk(s) and chair(s)
- f. Storage:

- i. Poultry and Shell Egg Services

A separate four drawer filing cabinet that meets the following requirements:

- 1) Constructed of heavy-gauge metal.
- 2) Equipped with a tamper-resistant locking device to accept a lock with a 2-inch diameter shackle to ensure access only by graders and supervisors.

- ii. Meat Services

Storage lockers/cabinets that meet the following requirements:

- 1) Constructed of heavy-gauge metal with sides, back, top, and bottom securely fastened by either (or a combination of) rivets, pan-head bolts, or spot welds to prevent unauthorized entry.
- 2) The door hinges must be recessed or welded to prevent hinge post removal.
- 3) The locker/cabinet door must be equipped with a clasp to accept a lock with a 2-inch diameter shackle and a 1-inch shackle clearance and/or capable of being secured with a USDA plastic serial numbered seal.
- 4) The interior must be large enough to accommodate carrying cases, chassis, handles, and other related items.





- 5) Must be in a readily accessible location within the plant that is reasonably secure and free from excessive moisture.
  - 6) Must be securely fastened to the floor, attached to the wall, or placed in a locked office.
- g. Applicants will reserve adequately lighted parking spaces near the plant for USDA personnel on official business to facilitate carrying equipment and to prevent adverse effects of inclement weather on USDA personnel.

## 8.2 Equipment and Official Grading Stations

Some equipment may only be necessary to provide specific service requests and additional equipment may be necessary to provide specific service requests.

### a. Meat Services

- i. Weight tags and/or display monitors.
- ii. Branding ink.
- iii. Video equipment for monitoring live animal specifications.

### b. Meat and Poultry Services (as applicable)

#### i. Grading Station Requirements

- 1) Sufficient linear space for each authorized grader. For each grader (authorized graders or USDA), a minimum of 36 inches of linear space is required.
- 2) Line shackles, grading belts, tables, and bins are to be at proper heights to facilitate accurate and efficient grading. Proper height is defined to mean grader or authorized grader may:
  - a) Grade products without bending, stooping, stretching, etc., to reach products.
  - b) See each carcass, part, or further processed product.
  - c) Perform duties in a grading area free of obstructions.
- 3) Grading is not to be performed on curves, inclines, declines, etc., and must be located in areas that provide unbiased sampling.
- 4) Line shackles are to be marked for easy identification. The markings are to be located so graders or authorized graders may identify without losing eye contact with products they are grading.
- 5) Stands, if used, must be of sturdy and safe construction. If over 12 inches high, guard rails must be provided. The stands must be a minimum of 2 feet wide and the area must completely cover the full length of the grading station.
- 6) Bunching and piling up of product must be prevented by providing facilities with belts and tables of adequate size to handle the maximum volume of product to be graded.



7) Lighting

- a) Lighting equipment must provide a minimum of 100 foot-candles at the actual level where products are examined by authorized graders and USDA.
- b) Areas devoted specifically to official test weighing require only a minimum of 50 foot-candles of light.
- c) Corrective action must be taken whenever lighting is obviously inadequate; for example, burned out bulbs or lights that flicker or are obviously deficient in illumination.
- d) Lighting should be generally diffused with enough direction to allow depth perception and be uniform over all working areas with no glare and no cross lighting.

ii. Equipment

- 1) An adequately sized cart or transport method of samples from the sample selection area to the grading table.
- 2) An accurate metal stem digital thermometer for checking chilled, frozen, or cooked product. The stem must be long enough to reach the center of the largest ready-to-cook carcass or poultry product being examined. Tip sensitive thermocouple thermometers are required for checking cooked products.
- 3) Test weights of adequate number and sizes to check the accuracy of the scale at the weight level being test weighed.
- 4) Digital scales graduated in tenths of pounds, or less, for weighing individual birds or portions when required for specification certification.
- 5) Digital scales graduated in tenths of pounds, or less, for use in weighing bulk containers weighing up to 100 pounds. Bulk scales for larger weight packages may be graduated in 1-pound, or less, increments.
- 6) A drill with a steel bit of the size to accommodate the thermometer stem being used for determining frozen product temperature.
- 7) Applicable supplies for sanitizing drill bits.
- 8) A light meter to insure the minimum lighting requirements at each grading station. Access to a light meter maintained by local FSIS inspectors will be acceptable.

c. Shell Egg Services

Applicants completing facility renovations must consider new candling booth designs and discuss options with the supervisor. If the facility utilizes multiple processing machines or additional grading personnel, expanded or additional candling booths may be necessary.



- 1) A candling booth reasonably close to the processing area, can be included within the office, and meets the following requirements:
  - i. Located in a safe, low traffic area.
  - ii. At a minimum, 10' x 6' size to accommodate two individuals, two candling lights, and other grading equipment.
  - iii. Adequately darkened to avoid light reflection.
  - iv. Sufficient outlets to power two candling lights and three scales.
  - v. Noise level will be minimized. When possible, enclosed is optimal to minimize noise level.
  - vi. Adequate ventilation, heating, and cooling providing temperature controlled within the range of 68-76° F.
- 2) At a minimum, two (LED) candling light(s) designed to provide high intensity light through both the aperture and downward through the bottom to facilitate accurate interior and exterior quality determinations. The manufacturer or brand of candling light will not be specified. All candling lights must be maintained in accordance with the manufacturer's instructions including use of the proper replacement parts.
- 3) A digital individual egg scale capable of being balanced and checked for accuracy at the time of grading. Scales must be graduated in 1/10 -ounce increments or less. Plants packing product based on metric weights must provide individual egg scales graduated in 1-gram or less increments.
- 4) A digital scale graduated in ¼ -ounce or less increments, capable of weighing the lightest and heaviest consumer packages packed in the plant.
- 5) A digital scale graduated in ¼ -pound or less increments for weighing shipping containers.
- 6) Test weights sufficient in size to verify the accuracy of the lightest and heaviest unit of measurement weighed on any given scale located in the plant.
- 7) An accurate metal stem digital thermometer.
- 8) An adjustable height cart for transportation of samples to and from the candling booth.
- 9) Ergonomically designed antifatigue mats with a 3/8-inch minimum thickness.
- 10) Plastic-coated paper plates or other similar type plates to correlate the candled and broken out appearance of eggs. The plates must be clear or plain and without background designs.
- 11) Test kits for checking the concentration level of the solution used for sanitizing eggs and monitoring the concentration level of potable water treatment compounds in plants having chlorinators. The kit must be designed for testing the compound being used.



**For example:** Several quaternary ammonium compounds are approved for use as a sanitizing agent. Instructions to convert titration kit results to the equivalent concentration of active chlorine in the solution must be provided. The manufacturer of the test kit is usually the best source of the equivalency table.

- 12) Protective equipment including general purpose gloves and safety glasses for use in monitoring the strength of potable water treatment compounds and shell egg sanitizing solutions.

## 9 PLANT SURVEY

Applicants requesting QAD grading services are required to undergo a plant survey to determine the acceptability of all facilities and equipment requirements.

When a signed *Application for Service* (LP-109) has been received, the respective supervisor or designee must perform a survey of the plant and grading facilities, conduct a preliminary safety inspection, and obtain a satisfactory water potability report, if applicable.

Applicants will be charged the applicable unscheduled rate for time and expenses necessary to perform the initial plant survey, safety inspection, and any subsequent surveys needed to gain final approval. Travel expenses including lodging and mileage will be charged according to the applicable per diem and mileage rates.

The survey must be reviewed and signed by the respective Regional Director or designee prior to implementing service. Surveys, safety inspections, and water potability reports are maintained by the respective Regional and/or supervisor's office.

Products must not be officially graded or certified until all facility, grade station, and equipment requirements are met and final approval is received from the respective Regional Office. Following final approval, official grading stations or grading areas are not to be changed without prior concurrence from the supervisor.

### 9.1 SHELL EGG FACILITY RODENT AND PEST CONTROL

A key component of the *Plant Survey for Shell Egg Grading* focuses upon verification that plant management has an established company rodent and pest control program or a service contractor. Recognizing that rodent and pest control is also pertinent to maintaining compliance with the Federal Food, Drug and Cosmetics Act (Title 21 Chapter 9 of the United States Code), supervisors or their designee, must review and document on a quarterly basis, the effectiveness of a company's rodent and pest control program. Records or observation of an increase in the frequency of dead pests in the traps; increased evidence of feces or other rodent activity; or no corrective action documented are evidence that a company's pest control program (either, in-house or by a 3<sup>rd</sup> party) is not being performed and implemented as schedule.

If a deficiency is recorded regarding application of the program in the immediate processing plant by company personnel or the service contractor and the corrective action with assessment of that action are not recorded, the program is failing to demonstrate compliance on a continuing basis.

When the program fails to demonstrate compliance, plant management will be notified in writing requesting a detailed response to the deficiencies and the actions to be implemented to prevent recurrence. The implementation and its effectiveness will be assessed during a subsequent visit to the plant. When the proposed corrective actions presented by plant management do not provide comprehensive measures or the program is not



effective as witnessed by rodent activity or pest infestation in the immediate processing area, the supervisor will contact the Regional Office for guidance to address compliance.

## 9.2 RE-SURVEY

A re-survey must be performed when changes are made to the plant and/or the processing operation that affects grading and certification functions. Additional items that require a re-survey include, but are not limited to:

- Replacement of egg grading machine(s) or other processing equipment. (It is not necessary to perform a re-survey if only portions of an existing machine are replaced or added; e.g., check detectors, packerheads, automated loaders or stackers).
- Relocation of structural walls, rest rooms, conveyor systems, or chemical storage.
- Replacement of water supply systems (new well, conversion to municipal utilities, installation of permanent chlorinators, etc.).
- Physical deterioration of the plant or plant premises such that it may no longer meet acceptable survey criteria.
- Installation or renovation of lighting systems throughout the plant.
- Evidence of rodent or pest infestation.
- Repair of damage to structural systems (roof, wall, etc.) of the processing plant or premises (coolers, loading docks, etc.).
- Significant modification of drainage and sewer systems in the processing area(s) of the plant.

Upon concurrence from the Regional Director, the supervisor or designee may perform a re-survey to assess compliance with program requirements. Scheduled plants with current agreements are not to be charged for re-surveys, provided there is no change in type of service provided.

Before an inactive scheduled plant is placed in active plant status, a re-survey will be necessary to assure that the plant is in compliance with program requirements. If changes are made to the plant, a re-survey must be completed prior to renewing active plant status. If no changes are made to the plant prior to renewing active status, a re-survey may be made on the next supervisory visit to that location.

When a plant with full or part-time scheduled service converts to unscheduled plant service, no additional survey is required. Likewise, when an unscheduled plant converts to full or part-time service, no additional survey is required.

## 10 GENERAL REQUIREMENTS

All processing, grading, packing, and labeling of products officially identified with the grademark must be completed under the supervision of a USDA, QAD grader. By regulation, meat, poultry, and shell eggs which are officially identified with a grademark must be graded by a licensed grader or by authorized plant employees with subsequent sample grading by a licensed grader. Training of authorized graders must be completed before they are utilized to grade officially identified product. Plant management must provide the grader or supervisor



a letter certifying that all personnel performing authorized grading activities have received adequate training and understand the duties and responsibilities associated with these activities as outlined in the applicable grader's procedures and regulation. The certification is to be placed in the grader's file as designated in the respective procedure.

## **11 PUBLIC LAW 272**

At the time surveys are made, supervisors are to provide a copy of Public Law 272 ([QAD 108D Exhibit](#)), to each applicant and review the requirements of the law and the penalties for failure to comply.

## **12 SHELL EGG LABELING**

All shell egg packaging materials bearing official grademarks must be approved through normal channels or submit to: [selabelreview@usda.gov](mailto:selabelreview@usda.gov). At the time surveys are made, supervisors are to discuss with plant management the use and approval process for all labeling material bearing official identification that the company intends to use.

For shell egg plants, this discussion must also include a review of Agricultural Marketing Service (AMS) and the Food Safety Inspection Service (FSIS) policies pertaining to the application of lot and expiration coding; and product handling requirements for officially identified shell egg cartons. [FSIS Directive 8010.1: Methodology for Conducting In-Commerce Surveillance Activities](#) must be used as a reference regarding labeling requirements for refrigeration.

Only eggs processed in a plant with a current USDA Shell Egg grading agreement (scheduled or unscheduled) may use an official plant number preceded by the letter "P" on packaging materials.

## **13 DELAYS IN INAUGURATING SERVICE**

When there is an undue delay inaugurating service (more than 6 months), the supervisor must notify the applicant by letter at least 30 days before the 6-month period has expired stating that the application will be void at the end of 6 months due to inaction on their part. If the plant gives a valid reason in writing for not starting service, the supervisor may extend the time. If service still has not been inaugurated at the end of the extended time, the supervisor must notify the applicant by letter that the application will be void at the end of the extension period due to inaction on their part. Whenever an application is voided, the Regional Office and the BOB must be advised.

## **14 SEASONAL PLANT OPERATIONS**

When a plant anticipates being inactive for a period of time and requests the removal of the grader, the following requirements are applicable:

- a. Thirty days prior to the anticipated removal date, plant management is to write the supervisor requesting that the grader be removed for a stated period of time, due to plant inactivity.
- b. Plant management must agree that any grading work performed during the period in which the grader is removed will be on an unscheduled basis with time and expenses charged to the plant.



## 15 SPECIFIC REQUIREMENTS, UNSCHEDULED SHELL EGG PLANTS

After unscheduled grading service is inaugurated, it is management's responsibility to assure that plants and operating procedures are maintained as approved. It is the supervisor's and grader's responsibility to determine that the plant is maintaining the plant and operating according to the provisions of the regulations. The following guidelines are being provided to assure this requirement:

- a. Water analysis reports are to be kept current according to the procedures outlined in the QAD 700 Shell Egg graders procedures. Travel time and expenses incurred must be billed if it is necessary for QAD personnel to visit the unscheduled plant for the sole purpose of sampling water.
- b. Pre-operational inspections of unscheduled shell egg plants are to be conducted each scheduled day of official grading regardless of the type of grading performed. Graders are to use Form LP-74, Pre-Operative Shell Egg Plant Sanitation Report to determine compliance with sanitation requirements. Grading service is to be scheduled so that the pre-operational inspection can be conducted prior to startup of operations. If scheduling cannot be adjusted accordingly, the plant may opt to proceed with processing and, prior to or upon the grader's arrival, cease processing, change the wash water, and complete a thorough cleaning of all items listed in Section 1 of the Pre-operative Shell Egg Plant Sanitation Report. After cleaning, the grader will conduct a pre-operative inspection and determine if the equipment meets sanitation requirements.
- c. If unscheduled grading service is not utilized for more than 30 days, the following instructions apply and are to remain in effect during these periods of inactivity.
  - i. Supervisors or their designee are to conduct unannounced re-surveys to assure that the requirements for official plant status are maintained. This re-survey will include a pre-operational inspection of equipment; facilities, and premises documented on Form LP-74. Additionally, supervisors are to conduct a review of operating procedures (i.e., wash water temperature, sanitizing spray concentration cooler temperature, etc.).
  - ii. The re-surveys are to continue on a monthly basis until a satisfactory history of compliance is established. A satisfactory history of compliance is when no critical or no more than two non-critical sanitation operating deficiencies are noted on the LP-74 and all facility requirements are satisfactory for two consecutive re-surveys. Once a satisfactory history is established, the frequency of the re-surveys will be reduced to quarterly.
  - iii. The criteria listed on [QAD 100E Form: Plant Survey for Shell Egg Grading](#) and the LP-74 will be used to assess a plant's compliance with program requirements. In the remarks section, clearly indicate that the survey is an unscheduled plant re-survey by stating, "This is a re-survey to verify facility and operational requirements for unscheduled grading service." Each item on QAD 100E Form must be marked "Yes," indicating satisfactory compliance. Additionally, all critical items on the LP-74 must be satisfactory and no more than two non-critical areas found unsatisfactory prior to official grade identification of product. When sanitation or facilities are found unsatisfactory, the deficiencies and the corrective action taken are to be documented in the remarks section. When corrective action is not completed during the visit, time frames and follow-up surveys are to be scheduled accordingly.





- iv. Grading service will be refused and unscheduled status may be terminated whenever management fails to bring plant facilities, sanitation, and operating procedures into compliance within a reasonable period of time. When a plant fails three consecutive re-surveys, the Regional Director must be notified. The Regional Director will provide plant management a written notice concerning the noncompliances and alerting them that temporary plant status may be terminated unless corrections are made. The written notice is to include established time frames for correcting facility and/or sanitation noncompliances. When facility noncompliances and/or sanitation deficiencies warrant termination, the Regional Director is to provide written notice, along with copies of supporting documents, requesting that temporary grading service be terminated to the Chief, BOB. If temporary status is terminated, the plant may reapply for service when noncompliances have been corrected and a satisfactory survey has been completed.

## **16 DEBT COLLECTION**

Applicants with scheduled services will receive a bill each billing period. Applicants with unscheduled or audit service will receive a bill each billing period with unscheduled and audit activity. Full payment is due by the 25th day of the month in which the bill is received. Delinquent accounts may be subject to a 15% annual interest charge for all amounts not received by the due date.

QAD reserves the right to place an applicant in a pre-pay status. Accounts that demonstrate a history of late payments will be converted to a pre-payment status. Once accounts are converted to a pre-payment status, written approval is required from the BOB Chief to resume a normal billing cycle.

Pre-payment applicants will be provided with a cost estimate which identifies the charges for hours worked, travel time, mileage, lodging and per diem, and other charges as applicable. Applicants in a pre-payment status are expected to make payment prior to service. Requests for service will be denied if payment has not been processed.

Accounts determined to be in arrears will be referred to claims for collection of monies due.

## **17 PAYMENT OPTIONS**

All applicants are encouraged to make payment for services rendered by electronic means. There are three types of payment methods that will be accepted by the QAD. It is the applicant's responsibility to assure payment is processed to meet the billing due date.

### **17.1 Pay.Gov:**

Applicants may choose to make payments using [www.pay.gov](http://www.pay.gov). This system allows payment via a debit or credit card, a bank account (Automated Clearing House (ACH)), or an Amazon or PayPal account.

### **17.2 Electronic Funds Transfer (EFT):**

Applicants may choose to make payment using EFT. The QAD will provide the information necessary for setting up an EFT account upon request.



### **17.3 Check:**

Applicants may choose to make payments using paper check. When using checks as the method of payment, sufficient time must be allowed for mailing and subsequent processing of the check. The time lapse between mailing and application of payment to the account is 7 to 10 working days. Ensure your NFC account number is included on the memo portion of the check and include the Account Statement stub with the payment.

## **18 SCHEDULED WORKDAY**

Management personnel are instructed not to permit QAD employees to work such long hours as will endanger their health or cause unsatisfactory work performance. Applicants must not schedule more than a 10-hour regularly scheduled workday per QAD employee.

## **19 CALLBACK**

Applicants requesting a callback will be charged a minimum of 2-hours overtime. A callback is unscheduled time for work performed when a QAD employee is called back to the worksite after having completed the regular daily tour of duty and has left the worksite, or on a day when no work was scheduled for the QAD employee. Callback requests will include an estimated amount of time to be worked.

## **20 FEDERAL HOLIDAYS**

Both scheduled and unscheduled facilities will be charged the holiday rate for grading or verification services actually performed on Federally observed legal holidays. For example, if Veteran's Day falls on a Saturday but the observed legal holiday is Friday, November 10<sup>th</sup>, the holiday rate will be charged for services provided on Friday and the regular rate for services provided on Saturday.

## **21 FEES FOR SERVICE**

Mileage rates reimbursed to Federal employees are established by the [General Services Administration \(GSA\)](#). QAD bills applicants the current GSA rate for all service areas.



## 21.1 Audit Services

Audit Fee Rate (All commodities):		
Regular	\$ 175.00	Plus all travel expenses incurred.
Overtime	\$ 244.00	Plus all travel expenses incurred.
Holiday	\$ 268.00	Plus all travel expenses incurred.

## 21.2 Grading Services

### 21.2.1 Meat Industry

Scheduled Service:		
Regular:	\$ 92.00	8 hours per day between 0600 - 1800, 40 hours per week.
Overtime:	\$ 115.00	Services rendered in excess of 8 hours per grader between the hours of 0600 – 1800.
Regular Night Differential (ND):	\$ 102.00	All hours worked between 1800 – 0600.
Overtime/ND:	\$ 127.00	Services rendered in excess of 8 hours per grader between the hours of 1800 - 0600.
Holiday:	\$ 139.00	All observed legal holiday hours worked.
* <b>Unscheduled</b> - is defined as not under an approved contracted work schedule.		
Regular:	\$ 123.00	Services rendered Sunday through Saturday up to 8 hours per grader.
Overtime:	\$ 142.00	Services rendered on Sunday through Saturday in excess of 8 hours per grader.
Holiday:	\$ 166.00	Services rendered on observed legal holidays.
*Additionally, Applicants will be billed for travel time and expenses incurred while providing this service.		
Other Services:		
Official Carcass Grade Data		\$0.50 per grade factor, per carcass
Chicago Mercantile Exchange Beef Carcasses		\$350.00/load

### 21.2.2 Poultry and Shell Egg Industry

Scheduled Service:			
Regular:	\$ 74.00	Approved contracted work schedule: Monday through Saturday	All hours scheduled between 0600 – 1800.
Overtime:	\$ 96.00		All hours worked above and beyond the contracted work schedule between 0600 – 1800.
Regular/Night Differential (ND):	\$ 82.00		All hours scheduled between 1800 – 0600.
Overtime/ND:	\$ 107.00		All hours worked above and beyond the work schedule between 1800 – 0600.
Regular/Sunday Differential (SD):	\$ 95.00	Approved contracted work schedule: Sunday	All hours scheduled between 0600 – 1800.
Overtime/SD:	\$ 122.00		All hours worked above and beyond the contracted work schedule between 0600 – 1800.
Regular/SD/ND:	\$ 106.00		All hours scheduled between 1800 – 0600.
Overtime/SD/ND:	\$ 135.00		All hours worked above and beyond the work schedule between 1800 – 0600.
Holiday:	\$ 116.00	Approved contracted work schedule all days	All observed legal holiday hours worked.
Unscheduled (Fee) - is defined as not under an approved contracted work schedule.			
Regular:	\$ 108.00	Services rendered Sunday through Saturday up to 8 hours per grader.	
Overtime:	\$ 133.00	Services rendered on Sunday through Saturday in excess of 8 hours per grader.	
Holiday:	\$ 160.00	Services rendered on observed legal holidays.	
Additionally: Applicants will be billed for travel time and expenses incurred while providing this service.			



## 22 TERMINATION OF SERVICES

Federal regulations require a 30-day written notice when the applicant elects to terminate scheduled service. The servicing office will forward termination requests to BOB through the regional office.

Upon termination of services, the supervisor must retrieve all USDA files and associated property for file retention and disposition. Plant management must be made aware of their responsibilities regarding the use of labeling materials identified with the USDA grademark.

Supervisors will clearly explain to plant management that the use of the federally issued official "P" number may no longer be used on package and packing material. Special approval must be granted by the Division Director to utilize pre-printed label material bearing the official "P" number after services have been terminated.

An application for service may be terminated through mutual consent in less than 30 days. However, this will be done only when it is advantageous to the QAD and is approved by the BOB Chief.

For facilities with scheduled service, there will be a termination fee of \$300 when the applicant requests the termination of service within 12 months from the inauguration of service date. The \$300 termination fee remains applicable should the applicant convert to temporary status.

## 23 CHANGE OF RECORD

- a. Fees for Service updated.

## 24 SUPERSEDES

QAD 100 Procedure: *QAD Application for Service*; October 1, 2023.

Mark Perigen, Director  
Quality Assessment Division  
Livestock and Poultry Program

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