

PORT APPROVAL AND INSPECTIONS PROCEDURE

August 12, 1999

EOD- 51

NOTICE TO THE TRADE
PORT APPROVAL AND INSPECTIONS

This Notice is to advise port facilities that the Commodity Credit Corporation (CCC) will implement a port approval and inspection procedure, effective September 1, 1999, for all port facilities storing P.L. 480, Titles II and III, Food for Progress, and Section 416(b) foreign food assistance program commodities. Port facilities affected by this notice are those facilities in which commodities for these programs are stored, even those currently approved.

The Farm Service Agency (FSA) is committed to ensure that commodities purchased for foreign food assistance programs are stored in adequate, clean, and secure facilities. The primary intent of the port examination procedure is to ensure the protection of commodities from damage or contamination. The procedure is twofold. It involves an initial port facility examination performed by USDA/FSA warehouse examiners. The purpose of the initial examination is to approve port facilities for participation in the foreign food assistance programs. The cost of the initial approval examination will be for the account of CCC. If the initial inspection does not result in a "pass" rating, any additional examinations required to gain a "pass" rating, will be for the account of the port facility. Approval must be renewed every five years.

The second portion of the procedure involves random periodic inspections which will be performed by the USDA Federal Grain Inspection Service (FGIS). The purpose of the periodic inspection is to ensure continued compliance. The cost of the periodic inspection will be for the account of CCC. If the periodic inspection does not result in a "pass" rating, any additional examinations required to gain a "pass" rating, will be for the account of the port facility.

The goal is to have all interested port facilities approved by October 1, 1999. After October 1, 1999, any ports that have not been approved will be removed from our computer bid evaluation system and cargo will be not be allocated to them. Please allow a minimum of three weeks to obtain approval. Landlord ports need to contact all interested terminals and coordinate one inspection for all facilities. Only terminals that operate under the port tariff qualify for usage. "Pass" ratings are granted for each warehouse/terminal separately.

A copy of this notice and all appropriate documentation required to complete the approval process will be mailed to the port facilities. Port facilities interesting in applying for approval should complete the application as quickly as possible, and forward it to the Kansas City Commodity Office (KCCO), Export Operations Division (EOD), Bulk Commodities Branch (BCB). Questions should be addressed to Verna Garrett, KCCO-EOD-BCB, phone 816-926-6198.

Alan King
Director