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Series

Customer Assisted Inspection Program Manual

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Customer Assisted Inspection Program Manual
Table of Contents

INTRODUCTION	1
GUIDE FOR ELECTRONIC USAGE	1
CUSTOMER ASSISTED INSPECTION PROGRAM	2
STATEMENT OF POLICY AND INTENT OF PROGRAM	3
GENERAL	3
Definitions	4
USDA REQUIREMENTS	5
The Role of USDA	6
Duties of Applicant Staff Approved for Assisting in Inspection Process	6
Back-up Staff	6
GRADES	6
SPECIFICATIONS OR ADDITIONAL REQUIREMENTS	7
INSPECTION	7
Inspection Sampling	8
Multiple Commodities	8
Rejected Lots	8
Inspection Verification	8
Inspection Verification Sampling	9
Lot Identification	10
CERTIFICATION	10
Notesheets	10
Certificates	10
PRODUCT/LOT IDENTIFICATION SYSTEMS	11
PARTICIPATION IDENTIFICATION	11
CLEARANCE FORM/SHIPPING PERMIT	11
MEMORANDUM OF UNDERSTANDING	11
DOCUMENTED TRAINING PROCESS	12
Qualifications for Applicant Staff	12
COMPLIANCE, LEVELS OF NON-CONFORMITIES, AND CRITERIA FOR REVOCATION OF PRIVILEGE TO PARTICIPATE	13
Levels of Non-conformities	13
Major Non-conformity	13
Critical Non-conformity	13
Assessing Non-conformities	13
Categories of Non-conformities	13
Notesheets	14
Inspection Procedures	14
Container Markings	14
Equipment	14
Product Samples	14
General Activities	14
Examples of Non-Conformities	15
Criteria for Potential and Actual Revocation of Privilege to Participate	18
APPENDIX I – CAIP REGISTER OF QUALIFIED APPLICANT STAFF	20

APPENDIX II – CAIP TRAINING FORM	21
APPENDIX III – CAIP INSPECTION ACTIVITY FORM	22
APPENDIX IV – CAIP DOCUMENTED OBSERVATIONS	23
APPENDIX V – CAIP NON-CONFORMITY REPORT	24
APPENDIX VI – MEMORANDUM OF UNDERSTANDING FOR CUSTOMER ASSISTED INSPECTION PROGRAM (CAIP) CERTIFICATION SERVICES.....	25

INTRODUCTION

This document is designed to give guidance to Specialty Crops Inspection Division personnel of the United States Department of Agriculture (USDA). The Customer Assisted Inspection Program (CAIP) has been developed to meet specific needs of the produce industry and to provide an alternative cost-effective inspection program. The Federal-State Inspection Service (FSIS) serves as a local oversight agency which provides technical expertise in the inspection of all fresh products and ensures applicants, suppliers and customers that the product meets grade or specifications requirements through Federal-State supervision and certification.

Compliance with the Agricultural Marketing Service (AMS) guidelines does not excuse failure to comply with the Food, Drug, and Cosmetic Act or any other applicable Federal or State laws or regulations. The SCI Division of AMS's Specialty Crops Programs (SCP), is responsible for grading/inspecting, audits and standardization programs of fresh and/or processed fruits and vegetables and related products. The legal authority for grading, auditing, and standardization activities is the Agricultural Marketing Acts of 1936 and 1946, as amended.

Applicants may obtain inspections of any fresh and/or processed fruit and vegetable and related products for which they have a financial interest. The inspection service is voluntary and self-supporting and is offered on a fee-for-service basis.

GUIDE FOR ELECTRONIC USAGE

The AIM system of instructional manuals is available electronically in Adobe Acrobat Portable Document Format (PDF) at the following intranet address:

<https://usdagcc.sharepoint.com/sites/ams/AMS-SCI/SitePages/Home.aspx>.

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

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CUSTOMER ASSISTED INSPECTION PROGRAM

USDA, Agricultural Marketing Service (AMS), Specialty Crops Program (SCP), Specialty Crops Inspection Division (SCI) provides inspection services at shipping point locations throughout the country. For the purpose of this document, **USDA**, means the United States Department of Agriculture, Specialty Crop Inspection Division (SCI) or any of its authorized cooperators also known as Federal-State Inspection Service (FSIS).

At most shipping point locations, these services are provided by State Cooperators under cooperative agreements with USDA to perform shipping point work on its behalf. The Federal-State Inspection Service (FSIS) has historically provided services in-line as product is packed, or as lot inspections from staged product prior to shipment.

Technical oversight for the FSIS is provided under the authority of SCI's Inspection Branch Internal Quality Management System (BIQMS). The reviewing agents are Federal-State Inspection Management Branch's Federal Program Managers (FPM). Under BIQMS, the State Cooperator's delivery of shipping point inspection services is monitored, and adjustments are made through systematic reviews of documentation and other program indicators.

In states without the BIQMS program, technical oversight is provided under the authority of SCI's traditional Federal Supervisor structure. The reviewing agents are the Federal Supervisors.

The Customer Assisted Inspection Program (CAIP) has been offered as an additional choice for certification. Participation in this alternative inspection program is not required, however any participants not meeting program requirements may result in removal from the program.

CAIP is focused on packed product at end-of-line. The applicant provides trained staff to inspect packed product in place of USDA personnel. On a daily basis, the assigned USDA inspector will verify (or request corrections on) the activity performed by applicant staff by reviewing notesheets, the inspection process, and product. When requirements are met, the inspector will issue certificates based on applicant inspection documentation.

CAIP provides the produce industry with an authorized inspection program that is especially suited to those applicants desiring USDA inspection oversight but not necessarily needing full-time in-line inspection. CAIP also serves applicants that normally would need more than one inspector and allows applicants to share inspectors with other applicant facilities when feasible.

Applicants benefit from USDA participation by leveraging assurance of third-party technical oversight; officially recognized lot identification; and the authority to advertise the service and official certification on documents designed for this program.

These instructions are intended to be used by SCI and Federal-State inspection personnel and the industry members who choose to apply for certification services through CAIP. The purpose of these instructions is to explain the general policy and procedures of CAIP.

STATEMENT OF POLICY AND INTENT OF PROGRAM

The Customer Assisted Inspection Program (CAIP) has been developed to meet specific needs of the produce industry and to provide an alternative cost-effective inspection program. This inspection program is offered for continuous quality control, quality determination, grading and certification of fresh fruits, vegetables, nuts and other specialty products.

In this program, the local inspection office will train industry employees in the interpretation and application of contract specifications, U.S. or State grade standards, or USDA Foods specifications for fresh products. The trained industry employees (applicant staff) then perform inspections with daily oversight from USDA. Oversight is achieved by reviewing completed work, observing sampling by applicant staff and performing independent verification samples and comparing results to applicant staff samples. Any deviations from the program will be noted with significant deviations requiring a non-conformity report and documented and completed corrective action from the program participant. Technical oversight is provided by Federal-State Inspection Management Branch's Federal Program Managers (FPM) or Federal Supervisors. This program requires a participant to adhere to approved training requirements, grading procedures, sampling plans, and inspection instructions. Participants should include all produced marketable product in the program (full time inspection) of the commodity specified in the MOU. E.g. producer packs apples, cherries, peaches and onions, but only wants onions included in the program.

GENERAL

The USDA, Agricultural Marketing Service (AMS), Specialty Crops Program (SCP), Specialty Crops Inspection Division (SCI) is authorized under the Agricultural Marketing Act of 1946, as amended. This handbook covers CAIP, an alternative inspection program authorized by the Specialty Crop Inspection Division (SCI) of USDA. This is one of several inspection options offered by USDA and its state cooperators for quality control, quality determination, grading and certification of fresh fruits, vegetables, nuts and other special products.

This program requires participants to provide an adequate number of applicant staff to perform inspection work daily as well as at least one additional applicant staff to act as "back-up." USDA Supervisors will train applicant staff in the interpretation and application of the contract specifications and/or U.S. or state grade standards and/or USDA Foods specifications being applied for fresh products; provide technical expertise in the inspection of the applicable products; and ensure suppliers and customers that the product met grade or specification requirements under third party inspection supervision.

The intent of CAIP is to provide the industry with an alternative to traditional "in-line" inspection. The only situation where a "Stationary Lot" may be inspected is in the case where an "Updating" activity takes place and the product was previously certified under CAIP at that specific facility. If product is received from another packing house for certification, the applicant staff must inform the assigned USDA inspector to handle this situation. Applicant staff cannot inspect finished products from other packinghouses. All updating activities will include all aspects of the original inspection. Verifications on updates must take place as in all other activities under the program.

Bulk loads may be certified under CAIP. Each load will constitute a container. More coordination with USDA will be needed to ensure that verification rates are met. The advantage comes when a number of bulk loads are loaded consecutively. Verification of bulk loads must be performed at a minimum ratio of every other load once the company has demonstrated compliance for five consecutive days, with no non-conformities.

USDA Supervisors have the authority and responsibility to interpret grade application, standards, and specifications. Applicants and USDA have both independent and joint responsibilities under CAIP. These responsibilities are discussed throughout this handbook.

Definitions

The following terms shall be used throughout this handbook and have the meanings as specified below in regards to CAIP:

Applicant means a fresh products shipper, grower, and/or their designated representative and other industry entity with a financial interest in the product that would request inspection from USDA or its authorized cooperators.

Applicant Staff means those individuals specifically designated, trained, and approved to perform inspection work for the applicant under CAIP.

Suppliers means growers or other entities supplying raw product that will be graded under USDA supervision.

Customers means purchasers or marketers of an applicant's product. Customers may also be “applicants” when they request a USDA inspection.

USDA means the United States Department of Agriculture, Specialty Crop Inspection Division (SCI) or any of its authorized cooperators.

Federal-State Inspection Service (FSIS) means AMS-SCP-SCI’s state agencies (cooperators).

In-Line Inspection means inspecting product on the packing line after it has been graded/sorted and packaged by company personnel. Following the “in-line” inspection process, packages are usually stacked on pallets and moved into short-term storage or loaded directly on conveyances.

Inspection Certificate means any form of Federal-State certification approved by USDA, either written or printed, used to certify with respect to the inspection, identification, class, grade, quality, size, weight, quantity, or condition of products, including the compliance of products with applicable specifications.

Lot means any number of containers which contain a product of the same kind located in the same conveyance, warehouse, packinghouse, or on the same dock or platform and which are available for inspection at the same time: provided that: (1) products which differ markedly as to quality and/or condition, and such differences are definitely associated with certain brands,

varieties, sizes, or container markings shall be considered to be separate lots; (2) if the applicant requests more than one inspection certificate covering different portions of the same lot, the quantity of the lot covered by each certificate shall be deemed to be a separate lot; and (3) if product is packed in more than one size or type of container, each such size or type may be deemed to be a separate lot.

Official Notesheet means any record of findings made by an authorized person in the process of grading, inspecting, or sampling product or records.

Official Mark means the grade mark, inspection mark, and/or combined form of grade and inspection mark, including Positive Lot Identification (PLI), or any traceable numbering system that ensures lot identification.

Official Device means (1) a stamping appliance, branding device, stencil, pre-printed label or tape, jet dot printer, or any other mechanically or manually operated tool that is used for the purpose of applying any official mark or identification to any product or the packaging material thereof; or (2) any device approved, under the control of, and designated by USDA as an official device for use, such as a color standard, defect guide, or other similar aid to interpret USDA grade standards and to facilitate conduct of the Federal-State Inspection Service.

Representative Sampling means choosing samples of product which represent all portions of the total lot being inspected (all layers of pallets, entire production time, all sizes, brands, container types, etc.). In addition, portions of the lot are sampled proportionately to their size in relation to the total lot size.

Stationary Lot or Stationary Lot Inspection means product that is offered for inspection that has been packed. Stationary lots are usually located on the warehouse or packinghouse floor, on a truck or rail car, or any other location presented for inspection. Except for updating activities, “Stationary lots” cannot be inspected under CAIP.

USDA REQUIREMENTS

Inspectors may be assigned to one or more packing facilities in order to provide technical oversight of the inspection process, the application of the grade standards and/or specifications and complete the certification.

The inspector will perform physical verifications of samples examined by each applicant staff and monitor their activity, as needed, to ensure that the integrity of the program is maintained. The USDA inspector will review inspection results and records completed by applicant staff.

When assigning inspectors, USDA Supervisors will consider: the proximity of inspection sites to each other; the frequency of oversight required at each site; and the grading complexity of the products being inspected. USDA has primary responsibility for determining the appropriate level of personnel assigned to each applicant based upon their ability to maintain CAIP requirements.

The Role of USDA

USDA's role is to ensure that the applicant staff follow sampling and inspection procedures according to established regulations, policies, instructions and guidance. USDA will verify that lots meet the requested or designated grade or specification requirements and issue official certificates as necessary. USDA will accomplish these duties through verification of sampling and inspection procedures performed by applicant staff, as well as physical verification of inspection results from product packed in-line or in storage.

USDA will train, authorize, and provide technical oversight to applicant staff. The local inspection office will maintain training programs, training records and provide refresher training each season (or more frequently, as necessary). USDA must sufficiently review the inspection methods and results of all applicant staff and advise applicants regarding the need for additional training or if personnel cannot properly perform inspection duties. Applicant staff requiring additional training will be provided with additional instruction and be closely monitored by USDA.

USDA will issue and maintain a current register, by applicant, of all personnel trained and approved to assist with the inspection process. Only those persons listed on the register will be authorized to assist with the inspection process. USDA will notify applicants when employees do not qualify (i.e., when they are not properly performing inspection duties) and will be removed from the register. See [Appendix I](#) for an example of the Register of Qualified Applicant Staff form. In no case shall applicant staff be USDA-licensed or authorized to conduct supervision on behalf of USDA.

Duties of Applicant Staff Approved for Assisting in Inspection Process

It is impractical to specify in detail all of the duties of the applicant staff approved for assisting in the inspection process because of the many different commodities inspected and types of packing operations. Therefore, the duties outlined herein are not to be considered as a complete listing, but merely as a description of principal duties.

Back-up Staff

If a situation arises where a “back-up” is not available (e.g., personnel quitting, injury, etc.), the company runs the risk of not being able to continue to operate on CAIP and should be subject to additional verification. However, the company may continue to operate with the full understanding of the risk of returning to traditional certification methods (i.e., by USDA personnel). The “back-up” personnel may be shared with another packinghouse if this is specifically written into the Memorandum of Understanding for each company.

GRADES

USDA and the States have developed more than 156 grade standards covering over 96 commodities. Applicants under CAIP may use these grades or a combination of these grades as the basis of inspection, provided any products covered by Federal Marketing Orders or Export Acts meet their specific requirements.

All grades or specifications used must be in written or printed form, readily available for reference and approved by USDA.

SPECIFICATIONS OR ADDITIONAL REQUIREMENTS

Along with applying grade requirements, any unique industry specification or a USDA Foods specification, may also be the basis for inspection.

Industry specifications used must be in written or printed form, readily available for reference and approved by USDA. USDA shall maintain a file of industry specifications used by applicants in their local office. USDA Foods specifications may be found at <https://www.ams.usda.gov/selling-food/product-specs>. Be sure to verify if any additional requirements are listed within a particular USDA Foods solicitation as those additional requirements would also be applied.

Upon request, SCI can also arrange to assist individual applicants, suppliers and customers with establishing comprehensive written specifications that may be used as a basis for product analysis and certification.

If additional determinations are required during the inspection process by company staff and recorded on official documents, USDA must verify this activity as well as requirements of the grade. Examples may be count per container, temperature or specific size ranges.

INSPECTION

Applicant staff must be fully trained in interpreting and applying the established grade standards, relevant industry specifications and/or USDA Foods specification. Applicant staff must be competent and sufficiently trained to properly sample, inspect, and interpret grades for the commodity/commodities they are inspecting. Unless otherwise specified, inspections will follow the guidance provided in the commodity's Shipping Point and Market Inspection Instructions (i.e., inspection manual). See <https://www.ams.usda.gov/grades-standards>.

All factors pertinent to the certification of the lot shall be recorded on approved notesheets. This may include factors considered as defects under the grade or specification, color, firmness, package damage, etc. The notesheets substantiate the inspection and are required for issuance of an official certification document. All samples analyzed shall be recorded, including the time of sampling, and initialed on approved notesheets. These records will become part of the inspection documentation of that lot.

Applicants are required to abide by all applicable Federal and State laws, rules and regulations governing inspection procedures. Applicant staff performing inspections under CAIP shall abide by the general instructions in the [USDA General Shipping Point Inspection Instructions](#) handbook, specific commodity inspection instructions, contract specifications, U.S. or state grade standards, and/or USDA Foods specifications.

Inspection Sampling

All samples examined shall be representative of the lot being inspected. The minimum number and size of samples must be in accordance with established inspection instructions for the commodity being inspected and/or the General Shipping Point Inspection Instructions. A proper sampling ratio will always be maintained. When approved, increased numbers or sizes of samples may be utilized, provided that the manner in which the samples are taken will ensure they are representative of the lot being inspected. Additionally, lot requirements for sampling shall include: no more than two (2) consecutive samples may exceed lot tolerances; and the average of all samples must be within lot tolerances at all times. If any of the above conditions are not met, the lot in question must be brought back into compliance with a corrective action.

Inspections by applicant staff that USDA finds to be based on non-representative sampling will not be certified as meeting CAIP requirements. In addition, the applicant staff involved may be removed from the “Register of Qualified Applicant Staff.”

Multiple Commodities

When more than one commodity is packed and shipped from a CAIP packinghouse, sampling rates by CAIP personnel and USDA must be met for each commodity.

Rejected Lots

Lots not meeting required grade or quality requirements must be immediately identified (by segregation, taped off, hold labels, marked pallets, etc.) and documented as to why the lot was rejected; and the disposition of the lot identified and documented. Once identified, the applicant staff must take appropriate action to prevent the lot from being shipped. This may include reconditioning, reworking, and/or dumping the lot. Lots that have been reconditioned or reworked, had their grade markings removed, or marked to reflect a lower grade are eligible for re-inspection.

Inspection Verification

In order to determine that CAIP is functioning properly, USDA will randomly perform verification inspections on a daily basis. The level of verification activity necessary (i.e., full-time presence or periodic visits throughout the packing day) will be determined by USDA and be based on a number of factors. These factors will vary from one packinghouse to another and include: USDA activity/presence necessary for traditional inspection; daily hours of operation; lines in operation; commodities being packed; and volume packed. Initially, USDA verification will be at a higher frequency to ensure company compliance with the program. However, as the company is able to demonstrate compliance with program requirements, USDA frequency may be reduced to periodic verification checks throughout the packing day. As a starting point in CAIP, for formerly multi-USDA inspector packinghouses, at least one (1) USDA inspector will remain on site whenever product is being packed. When assigned to multiple packinghouses, USDA inspectors shall randomly visit each applicant's inspection site at least twice daily (full operating day/shift). For packinghouses operating less than a full day, a minimum of one (1) visit by USDA is required.

The total number of daily visits by USDA will vary depending on the packing house hours of operation, pack volume and inspection workload. Additionally, packinghouses may ship product only after at least one (1) verification visit has been conducted by USDA which substantiated the applicant's compliance with program requirements.

In packinghouses that do not utilize full time USDA presence for verification, the company may ship prior to the first verification check by USDA after five consecutive days of packing in which no non-conformities (including observations) are noted. Loads intended for USDA Commodity Procurement orders will be certified daily.

Verification procedures shall include the USDA inspector observing applicant staff: selecting samples; inspecting samples; recording results; and taking corrective actions, etc. The sampling rates and lot verification procedures are minimum criteria. USDA will determine whether sample ratios are in compliance with the existing commodity and/or General Shipping Point Inspection Instructions.

In addition, USDA will examine independent samples on various lots and document the results. Verification sample results shall be documented by initialing recorded results on notesheets.

Inspection Verification Sampling

The reliability of inspection verification in a facility will be based upon sampling verification and lot identification to determine if there are significant differences between the results of USDA verification sampling and those inspections performed by applicant staff on the same lot(s). The definition of “significant differences” can vary depending on the circumstances (i.e., a significant difference may be as little as one percent (1%) if it causes the product to be improperly certified). This will be handled on a case-by-case basis.

As a minimum guide, USDA will take verification samples at a ten percent (10%) rate of the “customary” sampling rate. Applicant staff may examine product samples at a higher rate than is customary (and document the samples on the notesheet); however, USDA will sample for verification purposes based on the “customary” rate. USDA will note the type of sample (from storage, off packing line or observation samples) being used for verification. USDA will also record the time that the verification samples were examined.

If the Applicant staff are inspecting to industry or USDA Foods specifications that differ from the U.S. Standards or Marketing Order requirements, the verification activities must reflect the same specifications. This includes specific defects, sizes and tolerances.

Lot Identification

Selection of proper verification samples requires sufficient information to identify the lots. Such information includes, but is not limited to:

- Lot size;
- Type and size of containers;
- Official Positive Lot Identification (PU) marks or packer code or other identification marks and the number of containers represented by each mark. Packer code or other identification marks can include: growers codes or lot numbers, packing dates, packing times codes (e.g., “a” meaning product packed from 8:00 a.m. to 10:00 a.m.; “b” meaning product packed from 10:00 a.m. to 12:00 p.m.; etc.), state lot stamps, etc.;
- History of the lot(s) regarding previous inspections;
- Inspection status (i.e., inspections accepted, rejected, or “in grade” lots, but with a significant number of samples exceeding lot tolerances); and,
- Production in the absence of USDA. Documented sample results (on notesheets) by the applicant staff shall be reviewed to determine if any lot(s) segments or portions are abnormal with respect to defect(s) classification. If such segments or portions noted are of any consequence, verification samples from those areas should be examined.

CERTIFICATION

USDA will issue daily certification and, upon request, USDA will issue certificates on individual lots which “meet” the requirements on which certification was based (i.e., subplot or truck certificates). USDA will issue “fails to meet” certificates on lots which fail to meet the requirements on which certification was based (including CAIP requirements) when the lot is not brought back into compliance by the applicant.

Notesheets

All notesheets used in this program by the applicant must be approved by USDA prior to use. They shall be paid for by the applicant unless the state agency agrees to pay for them. When serialized notesheets or certificates are used, these documents will be controlled by USDA. The security of these documents and the information contained therein must be ensured. USDA will maintain the original of all completed notesheets and a copy of all certificates.

Certificates

All official certificates and serialized notesheets shall be printed, issued, and controlled by USDA. Each certificate shall be serially numbered and accountable to USDA. For USDA Purchases, a certificate is required for each line item.

The state agency shall reimburse USDA for the cost of printing and distributing certificates and serially numbered notesheets furnished by USDA. In lieu of reimbursing USDA, the state agency may print and distribute the standard federal certificates and serially numbered notesheets, provided that USDA approves the forms and accountability procedures for them.

PRODUCT/LOT IDENTIFICATION SYSTEMS

A product/lot identification system provides a controlled and accountable method of traceability from packed product back to the day (or time of day), via records, that the product was graded and packed. Some systems also provide traceability back to the location in the field and time when harvested. If a certificate was issued, the product can be tied to the certificate.

Applicants in CAIP will be required to use a USDA approved traceable system of lot identification which will tie packed product to a particular day of production. Any approved system must have, at a minimum, the ability to track the production date. The USDA PLI program will meet this requirement.

As a more finite traceability method, additional identifying marks may be included with the approved system. This may include pallet tags, sequentially numbering containers, time imprints, codes for date and time, etc. Any additional mark indicating a narrower time frame of production would enhance the traceability of the product and narrow the scope of corrective actions, when necessary.

PARTICIPATION IDENTIFICATION

It is the option of each applicant to identify whether or not they are participating in CAIP, either through container markings or advertising. If desired, approved imprints may be used to identify lots inspected under the program. This may be used independently or in connection with the product/lot identification systems.

CLEARANCE FORM/SHIPPING PERMIT

Some states require a clearance form or shipping permit to accompany each load as it leaves a designated area. In some cases, a copy of the daily certificate will meet this requirement. If not, the designated applicant representative shall complete an approved clearance form/shipping permit for each load. A clearance form/shipping permit can only be issued on product that has been previously certified and needs no further inspection to meet time limits on the original certification. With proper training, designated applicant shipping office staff may complete the clearance form/shipping permit.

MEMORANDUM OF UNDERSTANDING

Each applicant is required to sign a Memorandum of Understanding (MOU) in order to participate in CAIP. The MOU outlines the responsibilities of the participant and USDA. See [Appendix VI](#) for an electronic version of the MOU.

DOCUMENTED TRAINING PROCESS

The various state cooperators shall develop the training program for applicant staff. USDA shall approve the training and provide oversight. In order to maintain uniformity of training by USDA a standardized curriculum shall be developed. The curriculum shall include, at a minimum, the following subject matter: applicable sections of the General Shipping Point Inspection Instructions, (pertaining to fundamental principles of inspection, authority for the inspection service, relationships, and rules of conduct as they relate to applicant staff); notesheet completion; defect identification and scoring; representative sampling; the role of SCI and the states in the USDA program; the role of applicant staff; additional training needs; maintenance on the program, compliance, non-conformities and criteria for revocation of privilege to participate, etc.

The training of applicant staff is an important element of CAIP. It will be necessary to document training activity as training is performed. The USDA instructor will complete the form at the time of training. The form shall be maintained by USDA. See [Appendix II](#) for an example of a training form.

Qualifications for Applicant Staff

The applicant staff designated to assist with the inspection process must have the following qualifications:

- Employed by the company/participating industry (i.e., if back-up staff are shared among packinghouses, they need only be employed by one of the packinghouses where they perform CAIP activities);
- 18 years of age or older (must meet the age requirements to be legally employed in the State);
- Ability to distinguish colors (when applicable for product certification);
- Successfully completed at least 40 hours of USDA-approved training;
- Understand and be able to communicate in English;
- Attend USDA-approved refresher training (minimum of 4 hours per commodity per season); and
- Maintain a minimum of 24 hours of inspection activity per month or fifty percent (50%) of operational hours, whichever is less.

COMPLIANCE, LEVELS OF NON-CONFORMITIES, AND CRITERIA FOR REVOCATION OF PRIVILEGE TO PARTICIPATE

Compliance with the requirements of CAIP is essential for continued participation. Non-compliance will result in the assessment of non-conformities when they are found during the course of verifying the applicant staff's activities (examining samples, verifying notesheets and product, etc.) and may jeopardize the privilege to participate in CAIP.

All observations and non-conformities will be documented by USDA, including corrective measures taken (see [Appendix IV](#) for Documented Observations form and [Appendix V](#) for Non-Conformity Report). All non-conformities must be corrected in a timely manner under USDA supervision. Some non-conformities may be corrected immediately while others may require additional time to correct. Some non-conformities may result in the loss of the privilege to participate, termination of the MOU, and the return to some other type of certification.

Minor deviations from program requirements observed by USDA (observations) will be brought to the attention of applicant staff. Corrective actions may be necessary (by applicant). Observations are not "non-conformities;" however, they are potentially hazardous occurrences that may become non-conformities if not corrected.

Levels of Non-conformities

The following definitions will be used regarding levels of non-conformities:

Major Non-conformity

Defined as a major deviation from program requirements which, if allowed to continue, may result in product not meeting either grade requirements or other CAIP requirements.

Critical Non-conformity

Defined as a critical deviation from program requirements which has resulted in product not meeting grade requirements or other CAIP requirements.

Assessing Non-conformities

Non-conformities are assessed according to the severity of the deviation from program requirements. A single non-conformity will be assessed for each type of deviation found in a lot. However, more than one non-conformity may be assessed per lot for different types of deviations. If you have questions contact the Federal Program Manager or Field Operations Section to determine the severity of the non-conformity.

Categories of Non-conformities

The following narrative provides an explanation for compliance in the various categories that non-conformities may be assessed. The tables in the [Examples of Non-Conformities](#) section provides some examples of non-conformities in these categories and the assigned severity. This

is not a complete listing. For those issues that may arise but are not listed, contact either the Federal Program Manager/Supervisor or State Program Manager.

Notesheets

Notesheets are the written evidence pertaining to the inspection of product. Non-compliance in completing notesheets will make it difficult to prove that product was inspected and met requirements for certification.

Inspection Procedures

The inspection procedures must be followed. Not following a specific inspection procedure will affect the certification of the product and will jeopardize the applicant's participation in the program.

Container Markings

Container markings identify the product. They must be complete, accurate and legible. Non-compliance in container markings makes it difficult to demonstrate identity of the product. Container markings must meet various requirements. Marks include lot traceability markings, protocol markings, size, count, and brand.

Equipment

Various equipment is used in the inspection process. All equipment must be used in the intended manner. Some equipment must be calibrated or certified prior to use.

Product Samples

This category is for comparing samples examined by USDA with product examined by the applicant staff. Samples examined by USDA may vary slightly from applicant staff samples with no impact on inspection results and certification.

However, significant differences from the results found by applicant staff are unacceptable. USDA inspectors should make every attempt to choose samples as near to applicant staff samples as possible. Occasionally, they should use the same product for samples. (See also: [Notesheets inaccurate.](#))

General Activities

This category is for non-conformities of general activities (notesheets, inspection procedures, container markings, product samples) that do not fit in any other specific category, including state (non-USDA) requirements. Be as specific as possible and submit the information to the Federal Program Manager/Supervisor and State Program Manager for inclusion in a subsequent update of this manual.

In any situation that the company is found to be in a non-conformity situation, prior to the issuance of the non-conformity it is necessary to notify the area Federal Program Manager prior

to the issuance. If the Federal Program Manager is not available immediately, contact Field Operations Section for immediate assistance.

Examples of Non-Conformities

Example Non-conformity	Major Non-conformities (Examples)	Critical Non-conformities (Examples)
Notesheets		
Notesheets not up-to-date. All notesheets must be kept up-to-date. Entries must be made as they are measured. All sampling frequency schedules must be maintained.	- Measurements observed but not recorded - Partial entry of information from inspection procedures - Initials of sample takers not recorded	Corrective actions not recorded
Notesheets inaccurate. All entries must be accurate and legible or the record is meaningless. Calculations and figures must be accurate. Results of packed product examination by USDA must reflect results on associated product by applicant's staff. Figures kept by applicant staff on samples examined should not be significantly different from the figures found by USDA inspectors when examining the same product.	- Verification samples not consistent with applicant staff samples (depends on seriousness) - USDA samples of packed product examined showing that lot tolerances exceeded but within container tolerances without this reflected on applicant staff notesheets (see also: Product Samples) - Defects incorrectly recorded	- Verification samples not consistent with applicant staff samples (depends on seriousness) - Any notesheet showing product meeting requirements when inspector samples show otherwise - USDA samples of packed product examined showing that container tolerances exceeded without this reflected on packing house notesheets
Notesheets falsified. Any entry on a notesheet which has been changed by any means to reflect a value that was not measured or observed is falsification. Intent to falsify on the part of applicant staff must be demonstrated. In the absence of clear intent, this will be considered an inaccurate entry (see "Notesheets inaccurate," above). NOTE: Non-conformities in this category will result in the immediate return to some other type of certification or to the denial of all inspection services.	N/A	- Changing notesheets to show compliance "Writing in" inspection scores when samples were not examined
Notesheets not maintained. Entries missing from notesheets, notesheets not being kept as the inspection procedures are being performed, supporting notesheets, records and documents not available are examples of non-compliance. Types of notesheets include: product notesheets, manifests, phytosanitary declarations, etc.	Notesheets not maintained in accordance with program guidelines (depending on seriousness)	Notesheets not maintained in accordance with program guidelines (depending on seriousness)

Example Non-conformity	Major Non-conformities (Examples)	Critical Non-conformities (Examples)
Notesheets		
Associated notesheets, records or documents not available. An associated notesheet, record or document is one that is not completed by applicant staff at packed product, but is necessary for certification. This includes notesheets, records or documents, such as: load or trip tickets, protocol cards, insect trapping reports, pallet tags, and any other notesheets or documents necessary for certification.	An associated notesheet, record or document not maintained	More than two types of associated notesheets, records, or documents not maintained
Validation samples not performed. If “Validation Samples” are not performed for any reason a non-conformity will be issued.		
Corrective actions not documented. Corrective actions taken, but not documented are the same as no action being taken. Documenting corrective actions demonstrates that while the quality of product is not within tolerances, it is being brought into compliance.	N/A	Corrective actions not documented
Notesheet entries made by unauthorized personnel. Only the applicant staff authorized to examine product shall enter information on notesheets. Applicant staff in “training” may assist the authorized staff in the inspection process; however, they may not enter information on the “official” notesheets.	N/A	Entry of information by anyone other than those authorized

Example Non-conformity	Major Non-conformities (Examples)	Critical Non-conformities (Examples)
Inspection Procedures		
Inspection procedures not followed. Inspection procedures must be followed to demonstrate product is in compliance with regulations. The following shall be considered non-conformities: maturity tests not performed, protocol procedures not performed, examination of product not performed, etc.	An attempt is made to follow an inspection procedure, but only a portion of it is complete	- If the preceding results in a failure of CAIP product requirements - Sampling ratios or time intervals not meeting CAIP requirements - Any inspection procedure not performed - Procedures necessary to demonstrate compliance with other organizations’ requirements not performed (e.g., MDD, APHIS, etc.)

Example Non-conformity	Major Non-conformities (Examples)	Critical Non-conformities (Examples)
Inspection Procedures		
Corrective actions taken, but not complete or not effective. It is recognized that all samples will not be within lot or container tolerances. However, when samples indicate product is not meeting requirements, corrective actions must be taken.	Corrective action taken, but not complete or not effective in controlling the problem	A repeat of the same corrective action without modification and without correcting the root cause
Corrective actions not taken. Applicant staff are provided room for error in the grading and inspection process through a system of corrective actions. If an error or problem arises in the sampling, grading and inspection process, applicant staff must take corrective action and document it on the notesheet.	N/A	Corrective actions not taken when notesheet shows a non-conformity exists
Lot traceability procedures not followed. Lot traceability procedures must be followed in order for the lot to be identified and tied to a certificate. Applicant staff must adhere to proper use and control procedures of lot traceability devices and marks. In addition, marks must be legible and complete. There are various ways to identify a lot, including marks on individual containers and pallets and stickers and seals on conveyances. SCI's PLI program can be implemented to satisfy part of this requirement. The Federal Program Manager/Supervisor can explain the various methods available.	Lot traceability devices not properly used (depending on seriousness)	- Lot traceability devices not properly used (depending on seriousness) - Lot traceability devices not properly controlled
Trained personnel not available. Only the applicant staff that have been trained in inspection procedures by USDA and are identified on the official register shall assist in the inspection process. While the packing house is operating, a trained person must be present.	N/A	Trained personnel not available

Example Non-conformity	Major Non-conformities (Examples)	Critical Non-conformities (Examples)
Container Markings		
Marks inaccurate. All marks and brands must be accurate. Protocol numbers printed on container lids must be complete. Product that is misrepresented by markings must not be shipped until it is brought into compliance either by reconditioning or remarking. A USDA inspector may be assigned to the packing house (for an additional charge) until whatever actions necessary to correct the situation have taken place.	- Grade or protocol designations incorrect - Lot traceability marks inaccurate (depending on seriousness)	- Grade or protocol designations incorrect - Lot traceability marks inaccurate, (depending on seriousness) - Misrepresentation of product for any reason
Marks illegible or incomplete. All marks must be legible and complete within the requirements of the various programs.	Marks not legible or complete (depending on seriousness)	Marks not legible or complete (depending on seriousness)

Example Non-conformity	Major Non-conformities (Examples)	Critical Non-conformities (Examples)
Equipment		
Improper use of equipment. All equipment must be used in the manner intended by the manufacturer and USDA. Improper use of equipment could jeopardize the accuracy of tests. All required seals must be present and intact. Equipment must be kept in a clean and useable condition. Equipment must be calibrated and certified annually, as required.	- Improper use of equipment - Calibration records not maintained as required.	- Improper use that results in inaccurate grading and inspection of product - Equipment not certified

Example Non-conformity	Major Non-conformities (Examples)	Critical Non-conformities (Examples)
Product Samples		
Product samples by FSIS not confirmed by results of applicant staff. Samples examined by USDA may vary slightly from the results of applicant staff samples. However, significant differences are unacceptable.	N/A	Significant differences in sampling results. See also "Notesheets inaccurate."

Criteria for Potential and Actual Revocation of Privilege to Participate

- More than one (1) major non-conformity at any inspection site per day; more than two (2) consecutive days with major non-conformities in the same area; or more than four (4) major non-conformities per week will result in a documented consultation between USDA program management (or designee) and packinghouse management.
- One (1) critical non-conformity at any inspection site per day will result in a documented consultation between USDA program management (or designee) and packinghouse management.
- More than two (2) documented consultations between USDA program management (or designee) and packinghouse management in any calendar week or more than four (4) documented consultations in any calendar month will result in a return to continuous inspection. With USDA approval, the applicant may re-enter the program after 30 days. However, another round of "more than four (4) documented consultations in any calendar month" will result in a return to some other type of shipping point inspection and certification for the remainder of the season.
- Suspected falsification of records will result in an immediate documented consultation between USDA program management (or designee) and packinghouse management. Substantiated falsification will result in expulsion from the program for the remainder of the season and may result in disqualification from any inspection services.

- USDA program management (or designee) will periodically review CAIP records to identify areas of concern or non-conformities, which are repeated over a period of time. This review may identify problems that may not be evident during normal USDA inspection visits.

Electronic Version of CAIP Register of Qualified Applicant Staff

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APPENDIX II – CAIP TRAINING FORM[Electronic Version of CAIP Training Form](#)

 United States Department of Agriculture						
SPECIALTY CROPS INSPECTION DIVISION CAIP TRAINING FORM						
Company Name and Address						
Employee Name						
Date	Commodity or Subject Matter	Type: Classroom (CR) or On-the-Job (OJT)	Initial Training (IT) or Refresher Training (RT)	Length: Hours (HR) Minutes (MN)	Instructor Name(s)	Employee Initials (Confirming Training)

This form is to be completed and maintained by USDA.

Customer Assisted Inspection Program (CAIP) – Appendix II

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APPENDIX III – CAIP INSPECTION ACTIVITY FORM[Electronic Version of CAIP Inspection Activity Form](#)

United States
Department of
Agriculture

**SPECIALTY CROPS INSPECTION DIVISION
CAIP INSPECTION ACTIVITY FORM**

Company		Month and Year					
Day	Hours of Operation						
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
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19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00

This form is to be completed and maintained by USDA.

APPENDIX IV – CAIP DOCUMENTED OBSERVATIONS[Electronic Version of CAIP Documented Observations](#)

 United States Department of Agriculture		Page 1 of _		
SPECIALTY CROPS INSPECTION DIVISION CAIP DOCUMENTED OBSERVATIONS				
Company Name and Address				
Date	Observation	Corrective Action	Discussed with	USDA Initials
This form is to be completed and maintained by USDA.				
Customer Assisted Inspection Program (CAIP) – Appendix IV			USDA is an equal opportunity provider, employer, and lender.	

APPENDIX V – CAIP NON-CONFORMITY REPORT[Electronic Version of CAIP Non-conformity Report](#)

 United States Department of Agriculture		SPECIALTY CROPS INSPECTION DIVISION CAIP NON-CONFORMITY REPORT	
Company Name:		Date:	
USDA Inspector/Supervisor:		Rating: ☐ Major ☐ Critical	
Description of Non-Conformity:			
Category Referenced: ☐ Notesheets ☐ Container Markings ☐ Product Samples ☐ Inspection Procedures ☐ Equipment ☐ General Activities			
Company Representative Signature:			
Signature Affirms Facts Concerning Rating are Correct			
Corrective Action Proposed & Time Frame for Implementation:			
USDA Supervisor Signature for Acceptance of Proposed Corrective Action			
Follow-up Action			

Gray fields for USDA USE ONLY. Black headers for Company use.

Customer Assisted Inspection Program (CAIP) – Appendix V

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APPENDIX VI – MEMORANDUM OF UNDERSTANDING FOR CUSTOMER ASSISTED INSPECTION PROGRAM (CAIP) CERTIFICATION SERVICES

[Electronic Version of MOU for Customer Assisted Inspection Program \(CAIP\) Certification Services](#)



MEMORANDUM OF UNDERSTANDING

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
SPECIALTY CROPS PROGRAM
SPECIALTY CROPS INSPECTION DIVISION

Contract of Agreement for Customer Assisted Inspection Program (CAIP) Certification Services

I (We), [Insert name of applicant](#), located at [Insert main office or headquarters](#), hereinafter referred to as the applicant, hereby make this application for CAIP certification service commencing on [Insert date](#) or as soon thereafter as appears practicable to the U.S. Department of Agriculture (USDA) in [Insert State](#), continuing from season to season except as terminated by Section III-F of this contract, and to cover lots of fresh fruits and vegetables as we may designate at:

Location of Facility	Products Covered
Click or tap here to enter text.	Click or tap here to enter text.
Click or tap here to enter text.	Click or tap here to enter text.

I. The Applicant agrees to:

- A. Comply with all applicable regulations governing the services to be conducted under: the Agricultural Marketing Agreement Act of 1937 (AMAA), as amended; the Agricultural Marketing Act of 1929, as amended; and any State Agricultural or Administrative Codes which are applicable to the products intended for shipment;
- B. Comply with the policies, procedures, and specifications set out in this agreement, CAIP instruction manual, and all inspection manuals, guidelines, memos, or visual aids for the product being prepared and inspected;
- C. Provide USDA personnel with timely access to all product and records for the purposes of inspection and/or verification of the applicant's compliance with CAIP;
- D. Pay fees according to the current fee schedule;
- E. Provide adequate staff to support the program, including individuals specifically trained for assisting the inspection process;
- F. Provide adequate inspection facilities and office space (including a lock box) for proper control, care, and completion of inspection documents; and
- G. Accept non-conformities as assessed, including taking corrective actions and the potential loss of the privilege to continue participation.