

Inspection Requirements for Papayas

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I would like to discuss why the Department of Agriculture is involved with grading papayas under the Federal Papaya Marketing Order, what our requirements are, and what other services we provide.

The Hawaii Department of Agriculture has a Cooperative Agreement with the United States Department of Agriculture to conduct Fresh Fruit and Vegetable Certification. Under this cooperative agreement the USDA licenses state inspectors to inspect and certify fresh fruit and vegetables and provides training, certificate forms, and technical backup. The state in turn rebates a percentage of the fees charged to the USDA.

The Papaya Marketing Order specifies that any handler of papayas subject to grade, size, pack, or container requirements for any geographical area or market type shall have the papayas inspected and certified by the federal or federal-state inspection service to certify that they meet the requirements of such regulations. The Department of Agriculture therefore provides this service required by the Papaya Marketing Order when grade and size regulations are in effect. The Papaya Marketing Order currently requires that all papayas marketed in any market area shall meet the requirements of Hawaii No. 1 grade for papayas.

The Hawaii standards for grades of papayas were established by rule by the Hawaii Department of Agriculture in consultation with the papaya industry. These standards for grades may be changed through the Hawaii rule making process. Changes to official grades can take up to a year to complete. The Papaya Administrative Committee can, by regulation, specify different requirements for grade, size, etc., as long as they are not in violation of state laws or rules.

Grade standards for fresh produce emphasize external attributes such as cleanliness, color, surface defects, and shape as well as internal attributes such as maturity and decay. Grade standards pertain to readily observable attributes to enable wholesale and retail buyers to compare offers and enter into transactions without seeing the produce before delivery. Grades give the buyer a basis for seeking redress if the produce is not

specified by contract. Grades provide a convenient way to describe product attributes without having to specify separately each attribute. External attributes covered by grade standards may reveal much about internal quality characteristics, including extent of decay; for example, the tinge of yellow on papaya to indicate maturity.

Consumer preferences and satisfaction are ultimately at stake. A consumer that is not familiar with papayas should be first exposed to good quality fruit. A consumer that is familiar with papayas should be assured that every fruit is as good or better than the first one. Consistency of desirable attributes aids in gaining market share.

The Department provides copies of official grade standards to all interested parties free of charge. The department will teach farmers, packing houses, wholesalers, or retailers how to properly grade papayas, free of charge on a time-available basis.

The marketing specialists employed by the Department of Agriculture are professionals trained to inspect and certify a wide range of agricultural commodities and to enforce state laws and rules. In order to reduce costs to the industry and assure that a flexible supply of labor would be available for marketing orders, the Hawaii Legislature established a marketing order revolving fund and authorized the hiring of inspectors exempt from state civil service. The Marketing Order Inspectors are trained to inspect only one product and do not enforce laws or rules. They are therefore paid a lower hourly wage and allow a lower inspection fee to be charged to the industry. There are currently nine Marketing Order Inspectors and 23 professional inspectors employed by the state. There are currently no licensed inspectors on Molokai or Lanai.

The PAC is authorized to enter into an agreement with the inspection service concerning the costs of inspection and to collect the respective pro rata share from the handlers. The PAC has chosen not to do this and the inspection service charges an hourly rate to *completely cover its costs of providing the service*. The inspection fee is based upon the average salary of the Marketing Order Inspectors plus fringe benefits, vacation and sick

leave accumulation, operating costs, unemployment insurance, and federal rebate. This fee will be \$19.56 per hour effective October 1, 1993. The fee for regular civil service inspectors is based upon the same factors but no charge for operations or unemployment is included. This fee is currently \$24.24 per hour and is set by Hawaii Administrative Rules. Every effort is made to keep the professional time to a minimum. Charges are also made for travel time to and from the inspection site, mileage, overtime, and night differential if applicable.

A request for inspection must be made during normal working hours at least two hours before the time of inspection. The inspection service may refuse to conduct an inspection outside of this time frame. Inspection is conducted in two ways: lot inspection and online inspection.

In a lot inspection a discrete lot is offered for inspection. A random sample is selected from the lot, with the size of the sample dependent on the size of the lot, and the fruit in the sample is graded. The whole lot is graded based upon the sample unless the inspector can clearly determine that the lot can be further broken down into smaller lots by some distinguishing characteristic. If a subplot can be identified it may be graded separately if required. The lot must be made available to the inspector so that all cartons are available for sampling and the inspector may request that the handler move cartons so that the selected cartons can be inspected. All overwraps, ties, tapes, etc., should be removed to facilitate inspection. Lots will not be retied, retaped, etc., by the inspection service. The inspector will not inspect fruit in a dangerous or hazardous location. The handler shall not interfere with the inspection. The inspector stamps or supervises the stamping of all cartons passing the inspection.

Online inspection is conducted in the packing plant. The inspector takes samples at randomly selected time intervals. The fruit so inspected is considered to be representative of the subgroup immediately preceding the inspected fruit. If the sample fails the subgroup is rejected and must be reworked. Stamping of cartons is usually done automatically on line. The inspector must be on the premises at all times when the inspection stamp is not secured.

Some of the packing plants have lot inspections on local or Canadian shipments. Although lot inspections might be cheaper on a time basis, inspections of U.S. mainland- or Japan-bound fruit on a lot basis may not be feasible since

a rejection would mean that all boxes must be opened, reworked, and resealed. It should also be remembered that lot inspection of sealed cartons outside of the packing house will require that those cartons opened for inspection cannot be exported since the quarantine was broken.

As a service to the handlers, the inspection service submits copies of the certificates to the PAC to meet the requirements of the marketing order.

The handler may request an appeal inspection if he disagrees with the results of the inspection. The reinspection will be conducted by another inspector. The handler will be charged for the second inspection if the results are substantially the same as the first inspection; no charge will be made for the second inspection if the results of the first inspection are overturned.

The inspection service requires payment of charges in thirty days from the billing date. Failure to remain current will result in the establishment of a payment schedule and cash payment for any further inspections. Failure to meet the established payment schedule will result in refusal to conduct inspection.

The marketing order allows a handler to handle uninspected fruit if they request inspection for a lot, within normal working hours, and the inspection service advises the handler that it is not practicable to provide inspection at the time and place designated by the handler. The inspection service gives the handler a waiver number for the lot of fruit for which the inspection was requested. The handler shall conspicuously mark one end of each container with the waiver number given by the inspection service in letters at least ½ inch high. Each lot requires a separate request and separate waiver number. Although uninspected, the fruit must meet the marketing order grade and size requirements.

The Department of Agriculture will also provide dumping certificates, on a fee-for-service basis, as evidence that fruit delivered to a handler for sale for the account of a grower (in other words, consignment sales) was not sold and thus not subject to assessment. The department also enforces minimum export requirements for papayas, which currently is Hawaii No. 1. The department will assist the grower in recovering delinquent payment from a dealer. These services are state requirements and outside of the Papaya Marketing Order.

The PAC is charged with establishing rules and regulations to assure compliance with grade,

size, pack, and container requirements and to identify inspected containers of papayas. The inspection service stamps all containers that pass inspection as an aid for the PAC in identifying the lot. The inspection service does not conduct compliance work for the PAC, it does not inspect fruit for which no request for inspection is received, nor does it actively seek out handlers who are not having their fruit inspected. The inspection service does report any uninspected fruit or other suspected violations of the marketing order if it observes these violations during its normal course of business so that the PAC can take compliance action against the handler.

The following are some suggestions on how to cut inspection costs: Grade your fruit correctly. Don't push the tolerances. Handle, store, and treat fruit properly prior to inspection. Reduce the use of overtime and night differential. Make lots accessible; remove tape, string, etc., before inspection. Locate inspections so that travel time is reduced. Have fruit ready for inspection at the time agreed upon. Request lot inspections when feasible. Assist the inspector in supervised stamping. Improve the efficiency of the packing line.

I hope that this gives you a better idea of why the department is involved in the Papaya Marketing Order and why we do what we do.