

Agricultural Marketing Services





Agricultural Marketing Service (AMS)

TH

- Background
- What is Section 8e
- Marketing Orders
- Section 8e & Applicable Products
- Article III of the GATT
- Section 8e Importer Requirements & Penalties
- Section 8e Exemptions
- Our Role as a Broker
- The Entry Process
- Resources



Background

The Agricultural Marketing Service (AMS) administers programs that create domestic and international marketing opportunities for U.S. producers of food, fiber, and specialty crops.

AMS also provides the agriculture industry with valuable services to ensure the quality and availability of wholesome food for consumers across the country and around the world.

TH





Section 8e

What is it?

Section 8e of the [Agricultural Marketing Agreement Act of 1937 \(AMAA\)](#) applies to specific fruit, vegetable, and specialty crop imports into the United States. The law requires imported products to meet the same or comparable grade, size, quality and maturity standards as domestic products covered by [Federal marketing orders](#). The Marketing Order and Agreement Division (MOAD) under USDA's Agricultural Marketing Service (AMS) enforces the Federal marketing orders for fruits, vegetables, and specialty crops, as well as compliance with import regulations.



What are Marketing Orders?

Marketing orders are **producer-driven programs** with government oversight, government compliance & enforcement. Farmers approach the USDA seeking a marketing order. Marketing order proposals are subject to and an administrative hearing process, culminating in a referendum vote of all farmers, domestic farmers, who would be covered under such domestic marketing.

The marketing orders help to stabilize markets by balancing the availability of quality product with the need for adequate returns to produce.

TH





Section 8e Requirements are Intended to:

Section 8e - intentions

✓ Encourage Repeat Business

Develop dependable markets for products by ensuring consumer satisfaction and encouraging repeat purchases,

✓ Promote Buyer Satisfaction

Promote buyer satisfaction & increased sales for these commodities by ensuring that only acceptable quality products are in the U.S. marketplace.

✓ Ensure Quality Products

Help avoid market disruption caused by poor quality of products.

By making a quality product available to U.S. consumers, the agricultural industries in both countries benefit.

Click on each link to learn more about the product:

VII

Section 8e Applies to These Specific Products:



- ◆ Avocados
- ◆ Kiwifruit
- ◆ Pistachios
- ◆ Dates (other than dates for processing)
- ◆ Grapefruit
- ◆ Raisins (including currants)
- ◆ Hazelnuts (filberts)
- ◆ Onions
- ◆ Tomatoes
- ◆ Olives (other than Spanish-style)
- ◆ Oranges
- ◆ Walnuts
- ◆ Table Grape
- ◆ Irish Potatoes



Article III of the (GATT)

Section 8e import regulations

Section 8e import regulations are consistent with Article III of the General Agreement on Tariffs and Trade (GATT), which ensures that imports are not discriminated against by being held to standards higher than those applied to domestic products. Inspection and certification of both imported and domestic commodities regulated by marketing orders is done before the products enter the U.S. commercial market.

VIII

TH





Requirements of Importers of Section 8e Shipments

◆ Importer of Record's Responsibility

It is the responsibility of the importer of record to have each lot (shipment) inspected for grade and quality by AMS. The importer is defined as the party responsible for clearing the goods through customs and could be the shipper, the receiver, or a third party such as a broker or attorney of record.

Since September 1, 2016, all imported commodities subject to AMS Section 8e regulation are required to be presented for inspection to AMS or its Federal-State partners as separate lots that correspond to each individual Customs Entry Number. This requirement aligns the practices in all ports of entry in the United States, and will help AMS expedite its review and release of shipments from a “Hold Intact” status to a “May Proceed” status, allowing product movement to market in a speedy and efficient manner. The final phase of functionality in ACE was achieved in August of 2020.



Penalties for Violating Section 8e:

- ◆ Any person who violates any provision of Section 8e, or any regulation, is subject to one or more of the following penalties:

 - A civil penalty of \$2,750 per violation, each day the violation continues
 - Request by U.S. Customs and Border Protection Service for re-delivery of product and associated fines
 - Denied entry for future shipments
 - Civil forfeiture of the value of the import
 - Notification to other agencies with related regulations
 - A press release of the results of any violation to include the company's name and the incurred penalty

Section 8e Exemptions

Exemptions to Section 8e import requirements only apply to fruits, vegetables and specialty crops brought into the United States for processing, animal feed, charity relief, certified seeds, government agencies, or other exempt outlets.

It is vital that importers review varying requirements of each commodity before attempting to import it under exemption as not all exempt uses apply to all imported commodities. In most cases, processing includes canning, freezing, juice, dehydration, chips, shoestrings, starching, flouring, pickling or the application of heat or cold to such an extent that the natural form or stability of the commodity undergoes a substantial change. **Actions that do NOT constitute processing** include peeling, cooling, slicing, dicing or applying material to prevent oxidation.



Section 8e Exemptions

No person may import any lot of an exempt commodity for processing or other exempt use unless the lot is accompanied by the electronic filing of a properly executed **Importers Exempt Commodity Form (SC-6 certificate)**. This should be filed in advance of a shipment's expected arrival to a U.S. port. However, importers also have the option to file for an SC-6 certificate if the shipment failed its Section 8e inspection.

Both the shipper and receiver are required to register in the Compliance and Enforcement Management System (CEMS) to file an SC-6 certificate to notify AMS of the exemption activity.





Our Role as a Broker

◆ Our role as broker

As U.S. Customs broker personnel, we assist with filing and transmitting PGA data for AMS, and guiding importers through the inspection process including help with filing the SC-356 Request for Inspection form and monitoring PGA release.

For Section 8e exemptions, we can advise the importer to reach out to Agricultural Marketing Service directly for further assistance.





The Entry Process

XIV

◆ AMS reporting and inspection

Once you've determined that one or more products on your entry are subject to AMS reporting and inspection, complete the customs entry with the appropriate data. The steps for entering AMS data for program code MO1 (Request for Inspection) are noted below.

◆ Steps for entering AMS data

Once the customs entry is transmitted with the appropriate PGA data, AMS will automatically receive the email notification when the product has cleared.

- o Alternatively, a copy of the CBP 3461 can be faxed to the AMS office at the port of entry region. AMS inspectors will stamp the form and return it to you. It will need to be uploaded to the entry and transmitted to US Customs via DIS for their review prior to release.



The Entry Process Cont'd

◆ Steps for entering AMS data

The SC-356 is the form to use to request inspection. This form should be provided to the importer to complete.

When the product has arrived at the importer's/consignee's warehouse, the completed SC-356 Application Request must be sent either by fax or email it along with all the shipment documents to all local AMS contacts to get the inspection scheduled. Also, per AMS it is fine to move the full container to the importer's warehouse to schedule the inspection.

◆ Steps for entering AMS data

As with FDA, the product must be kept intact and cannot be opened, distributed or otherwise entered into U.S. commerce. Product must be put in a separate area for inspectors to easily access.



Filing AMS PGA Data in Your CargoWise Entry (From the Invoice Lines Screen)

◆ AMS Summary tab:

Program Code = MO1 (Request for Inspection)

The majority of entries subject to AMS reporting will be under this Program Code

In the event that the shipment contains a minimum quantity of the regulated product, you can select MO8 to report the minimum weight exempt product

Intended Use Code = 230.000 (For Consumer Use as Human Food)

Then complete the Commercial Description field.

◆ MO1 Details box example:

Here, you will enter line items just like you would for FDA, if there are different weights, package sizes, etc.

After all of the info on the following page is entered, there should be no error messages related to the AMS tab.

Please note that you will NOT receive an 'AMS MAY PROCEED' until the product is inspected and AMS signs off on the release.

Cargo Wise Entry

MO1 Details box (Zante currant grapes example):

- **Product Number** = EXAMPLE - 50303496 (Zante currant grapes)
·You can search product numbers in Cargowise by 'Description contains'.
- **Applicant** = Importer organization code. The next field, Address, will auto populate.
- **Goods Location** = enter organization code of goods location. The next field, Address, will auto-populate.
- **No of Packages, Weight per Package, UQ, Net Weight, UQ**
- **Date/Time of Inspection** = You will need to estimate a reasonable date/time based on estimated freight arrival, discharge and availability.
- **Remarks** = Note Inspection Date/Time TBD. AMS will receive the inspection application form and will contact the customer directly to make final inspection arrangements

Resources

Click on each link to learn more:

✓ Related materials in CargoWise:

- 13 July 2018 Update Note: Agricultural Marketing (AMNS) PGA Reporting
- 25 August 2020 Update Note: USDA Agricultural Marketing Service Enforcement
- 25 November 2020 Update Note: Agricultural Marketing Services (AMS) PGA changes per CSMS 4411570

Information about options for failed shipments is available in the [Notice and Instructions for Lots Failing to Meet 8e Import Requirements \(pdf\)](#).

View the full regulations for importing [Fruits, Vegetables, and Specialty Crops](#).

✓ Forms

[SC356 Application for Inspection and Certification of Sampling form \(pdf\)](#).

[SC356 Form Instructions \(pdf\)](#).

✓ Webinars

Agricultural Marketing Services: Importing Fruits, Vegetables, and Specialty Crops

[View the first webinar \(June 16, 2020\)](#).

[View the second webinar \(September 2, 2020\)](#).

✓ Contacts

Please contact your local USDA inspection office for further information about requesting an inspection ([Inspection Services](#)).

For questions about meeting Section 8e import regulations or the electronic filing process please contact the AMS Compliance and Enforcement Branch at (888) 551-3523.