

reach the people who participate. At the same time, we took definitive steps to insure that foods purchased by the Department do not reenter commercial channels in a manner that might be deceptive or in any other way harmful for ultimate consumer use.

Generally speaking, most rejections by the Department of proffered products result from the product not meeting the relatively high specification standards set for our own food programs. Normally, rejection for these programs does not render the product unwholesome or in any other way unfit for human consumption. USDA specifications for the food products it purchases are generally considerably higher than minimum commercial standards. This difference in specifications is entirely reasonable in the light of differences in purposes and in handling conditions. There are many instances where the distribution of USDA donated food at the local level is—and necessarily must be—made with inadequate equipment and under difficult conditions not prevalent, necessary, or generally permissible in commercial trade. In order to insure the wholesomeness and the acceptability of these food products distributed in our programs, it is necessary to establish and to maintain higher standards than are needed for regular commercial distribution. For example, our maximum temperature specification at the time of unloading at destination of 0° F. for frozen orange juice and 15° F. for frozen meat and poultry is tighter than required by good commercial practices when these products are moving in regular wholesale-retail distribution channels.

RELABELING OF REJECTED PRODUCTS

The Department makes every possible effort to insure compliance with its regulations concerning the reentry of rejected food into commercial channels. Department of Agriculture personnel in the course of routine field reviews for their respective programs, as well as personnel from the Office of the Inspector General, take continuing steps to insure that products with USDA markings on the container are not available after rejection, or under any other circumstances, for commercial use.

Because our procedures are quite effective, I would like to explain them in detail. The Department routinely sets out its terms and conditions for procurement. These notices to the trade explicitly include reference to the Department's prohibitions affecting disposition of excess or rejected products, containers, and cases. Each of the commodity divisions procuring the various food items states the following in its purchase terms and conditions:

Containers, which bear markings required under the contract, shall be used only for the product to be delivered to USDA under the contract. Any such markings on any containers, whether empty or containing rejected products which are not so delivered and accepted by USDA, shall be completely and permanently obliterated or destroyed. The release or use of any containers, bearing markings required under the contract, to outlets other than USDA, will result in damage to USDA in increased expenses in answering inquiries or complaints, the cost of which would be difficult to prove. Contractor agrees to pay, as compensation and not as a penalty, liquidated damages of \$100 for the first inquiry or complaint received by USDA arising from any actual breach of this provision and \$24 for each additional inquiry or complaint arising from the same breach. It is mutually agreed that such amounts are a reasonable estimate of the actual damages which may result from the breach.