

THE COCOA MERCHANTS' ASSOCIATION
OF AMERICA, INC.



WAREHOUSE INSPECTION PROGRAM

Effective December 1, 1994

INCLUDES ALL AMENDMENTS APPROVED BY THE BOARD OF DIRECTORS
DECEMBER 18, 2015

CMAA WAREHOUSE INSPECTION PROGRAM

EFFECTIVE DECEMBER 1, 1994

Includes all amendments approved by the Board of Directors – December 18, 2015

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THE COCOA MERCHANTS' ASSOCIATION OF AMERICA, INC.

WAREHOUSE INSPECTION PROGRAM

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Includes all amendments approved by the CMAA Board of Directors

December 18, 2015

1. OBJECTIVE OF THE PROGRAM

The Cocoa Merchants' Association of America, Inc. ("The Association") hereby establishes a Cocoa Warehouse Inspection Program ("The Program") to facilitate a participating Warehouse's efforts to maintain appropriate standards of storage within the requirements of the Federal Food, Drug & Cosmetics Act and all other pertinent Federal, State and Local agencies. However, neither the Association nor the member Warehouse make any representation that the program is a substitute for and/or the preemption of the authority vested by law in all pertinent Federal, State and Local regulatory agencies.

2. EXECUTIVE OVERSIGHT

The Warehouse Inspection Committee ("the Committee") shall consist of two representatives with preferably two years of cocoa experience from the Association's Regular Membership that is engaged or involved in the commercialization of physical cocoa beans and/or cocoa products, having a principal place of business within the United States of America; at least two members shall be branded manufacturers, when possible; two representatives with preferably two years of cocoa experience from the Association's Associate Membership that is engaged or involved in the warehouse storage of cocoa beans and/or products, having a principal place of business within the United States of America; one representative with preferably two years of cocoa experience to be nominated by the President of the ICE Futures U.S. ("ICE") upon receiving recommendations from the Board.

All committee members must be participating in the Program. The term of office of a Committee member shall be for two years and they shall be eligible for reelection. Members with overlapping ownership in other member companies will not be eligible for service at the same time. Committee members shall serve without remuneration.

Each year at the organizational meeting of the Association's Board of Directors ("the Board"), the Board shall appoint members for all categories with terms to expire March 31. Except for the representative of ICE, the terms of office shall be for one year (April 1 to March 31) for one Committee member and for two years for the other Committee member of the same category. Thereafter, the member serving for one year shall be replaced with a member serving for two years, and all the members shall serve for two years thereafter, so that their terms overlap.

The Board shall also appoint one alternate member to serve for each category, if a regular Committee member is recused because of conflict of interest or because of other *bona fide* impediments to attend the Committee's meetings. Whenever the regular member of the

respective category is present at the Committee's meetings and is not recused because of conflict of interest, the alternate shall participate in all discussions but shall not be permitted to vote.

The voting presence of any two representatives of the respective groups, and the representative of the Board of Directors, and the ICE representative shall constitute a quorum.

If any vacancies shall occur within the Committee, the Committee shall have the power to recommend to the Board of Directors a person who would ordinarily qualify for Committee duties. Any person to fill such vacancy shall fill the seat corresponding to the category in which the vacancy occurred, and shall not be taken into consideration when determining the re-eligibility of such person to the Committee.

Each year at the April meeting of the Committee, the Committee shall elect its own chairman and vice-chairman, to serve for one year, who may be reelected during his or her term of office as a committee member. Committee members representing warehousing companies shall not be eligible.

At the beginning of each term, each appointed Committee member (including alternates) shall submit to the Association's office the name of a senior representative from their company to attend emergency meetings in the appointed Committee member's absence. It is the sole responsibility of the appointed Committee member to forward all correspondence pertaining the Committee to this selected individual.

Pursuant to the Association's By-Law's, Article VI, Section 1 (A), the Board of Directors shall have final approval of all Committee appointments and amendments to the Program.

3. ADMINISTRATION

The Program shall be administered by the Association's staff resources. Inspections shall be performed and administered as set forth in Section 8 of this document.

4. PARTICIPATION

- a) The Program is established under a contractual agreement between the Association as one party and the participating warehouse operator ("Warehouse") as the other party. The contract between the parties provides for the Warehouse's cocoa premises to be inspected according to a system as set forth under Section 6 of this document, and for the Association to issue to the Warehouse an inspection certification number ("certification number") for the location(s) which has (have) met the appropriate criteria as set forth in Section 5 of this document.
- b) Under an amendment effective August 25, 1994, to the Association's Standard 1-A Contract, which governs cocoa sales ex warehouse ("1-A Cocoa"), only cocoa tendered from a CMAA certified Warehouse with a valid CMAA Certificate shall be a proper tender under said contract.
- c) The participating warehouses may include a clause in their warehouse receipts indicating the fact that they are part of the Association's certification program and shall apply the policies as set forth by the Program as a condition of warehousing the owner's cargo.

- d) ICE Rules 7.08 and 7.13 require that a Warehouse have a valid Association Certification as one of the conditions of obtaining an ICE license to store cocoa for delivery against ICE contracts.
- e) An Executive Committee consisting of the Chairman, Vice-Chairman and the Board Representative of the Committee and the Executive Director of the Association shall review all required documents for new warehousing companies before an inspection can be scheduled.

5. CERTIFICATION

- a) The Association shall issue the Certification Number for each individual warehouse facility as defined by the Warehouse and approved by the Committee, rather than a "global" document covering all of a Warehouse's operating facilities.
- b) If applicable, the Certification Number shall represent that the specific Warehouse facility has met the requirements of the Standards at the specific date when an inspection was performed.
- c) The Certification Number is not transferable from one facility to another facility of the same Warehouse operation or from a cocoa bean facility to a cocoa product facility.
- d) The criteria for the issue of a Certification Number are as follows:

The specific Warehouse location to be certified must

- I) be structurally sound;
- ii) have ready access to adequate equipment for the physical handling of the cargo commensurate with the facility's holding capacity;
- iii) have among its management personnel with authority and responsibility over its cocoa warehousing operations persons with at least two years of experience in the operation of a food product storage operation or six months of experience in storing cocoa;
- iv) have a documented maintenance and sanitation program with a log of the maintenance and sanitation actions taken. The Warehouse Maintenance and Sanitation Log should be completed a minimum of twice a month and should be available to inspectors at the warehouse location;
- v) have an automatic pesticide application system or equivalent outside service, or equipment to provide equivalent pest control with similar efficiency, which should be used. All records should be kept in a clear and concise manner;
- vi) be of a structural integrity to allow for the safe completion of a total warehouse fumigation or be capable of fumigating all stored cocoa beans at the same time;
- vii) have a documented space locator system allowing easy identification of the location of any given parcel of cocoa stored at the facility (See Building Structure, Item 9 and

Guidelines for Floor Plans);

- viii) have a documented program of inspecting all incoming cargo for visible external conditions that could pose a threat to cargo;
- ix) keep a written record of the number of fumigations of each lot in storage;
- x) Submit to the Association's office within 15 calendar days of approval of a facility, and maintain in effect either proof in a form acceptable to the Warehouse Inspection Committee of the following minimum coverage issues by an insurer, or surety, in either case satisfactory to the Committee as follows:
 - Outstanding warehouse operator's legal liability insurance coverage in the amount of at least \$500,000 for each location where one or more buildings containing a certified store are situated and which provides for coverage for each certified store;
 - Renewal documents must be sent to the Association on a regular basis;
 - Meet all applicable local, state, and federal requirements.
- e) The Association shall issue the Certification Number free of charge.

6. DELIVERIES INTO WAREHOUSE

The Warehouse shall visually inspect the external condition of all cocoa being tendered for delivery into a warehouse to ascertain the absence of live insect, rodent or other infestation. All cocoa beans received for storage into any CMAA certified facility shall be fumigated whenever practical, unless they have been fumigated in the U.S. three weeks or less prior to being received into warehouse, in which case the owner shall supply the warehouse with the pertinent fumigation certificate, which the warehouse shall place in its records. If the initial fumigation is not practical at the time of entry into the warehouse, it shall take place as soon as ambient conditions permit.

7. TOTAL FUMIGATION

It is recommended that all CMAA certified cocoa bean storage facilities, undergo a total building fumigation at least once a year. If this total fumigation is not practical, all cocoa beans in each storage location should be fumigated at the same time. All warehouses are required to provide prompt written notification to the Association's office if they have completed an annual total building fumigation and/or total cargo fumigation within a certified location.

8. INSPECTION PROCEDURES

- a) There shall be eleven (11) inspections for bean and six (6) for product warehouses each year, as follows:
 - i) Cocoa Beans: January, February, March, April, May, June, July, August, October, November and December.

- ii) Cocoa Products: February, April, July, August, October and December.
- iii) In-Depth Inspections shall be performed during the month of September.

In the case of cocoa product warehouses in out-port locations, the Committee may allow inspection during the same month the bean warehouses are inspected to contain the inspector's traveling expenses.

- b) The inspection shall be performed under contract by a professional inspection service company with experience in cocoa, retained from time to time for the purpose by the Association.
- c) The inspection shall be performed by (an) individual(s) who has (have) the following minimum qualifications:
 - i) A college degree in entomology or related field is preferred, but not necessary;
 - ii) At least two years experience in inspection of food facilities, of which at least six months of cocoa beans and products under supervision of a qualified inspector;
 - iii) Knowledge of applicable Federal codes, regulations and rules for food storage as set forth in the Food, Drug and Cosmetics Act.
- d) The inspection shall consist of the Inspector comparing the physical conditions of the structures, cargo and environment enumerated on an inspection checklist ("Checklist") and reflect the conditions at the time of the inspection in the following standards, but not limited to:
 - i) Structural integrity of the facility;
 - ii) The existence of a documented housekeeping, fogging records and pest control program for each warehouse location to be kept updated a minimum of every two weeks. All logs should be legible and include a floor plan. Locations of rodent control devices, bait stations and pesticide storage areas should be indicated on the floor plan (*See Building Structure, Item 9 and Guidelines for Floor Plans*). Dates of fogging, the type of pesticide used, pest Control Company and employee responsible for the program should be maintained in the log;
 - iii) Any reoccurrence of a pest infestation, deficiency or situation that poses a threat to cargo;
 - iv) Rodent activity;
 - v) Insect activity;
 - vi) Bird activity and general housekeeping and sanitation;
 - vii) Policy and facilities to implement the requirement of segregating incoming cargo in need

of reconditioning until such reconditioning has been successfully completed.

- e) Each item shall be checked as set forth on the Checklist.
- f) At the end of each inspection, the Inspector shall conduct an exit interview on his/her findings with the Warehouse's management representative and agree on a realistic and timely plan of action, which shall not exceed more than ten calendar days to correct deficiencies encountered, if any. The Warehouse must submit a written notice to the inspector that the correction has indeed been corrected. Repairs which may take longer shall be noted and reviewed by the Committee. Based on the findings noted on the Checklist and the action plan agreements reached, if any, the inspector shall prepare a Checklist Report ("Checklist Report"). This report shall be signed by both the Warehouse's management representative and the Inspector.
- g) Based on the inspection, the Inspector shall prepare a Checklist Report ("Checklist Report"), leave one copy of the completed Checklist Report with the Warehouse, immediately following the inspection forward one copy of the Checklist Report to the Association, and retain one copy for his own records. Upon receipt, the Association shall circulate the Checklist Report to the Committee, the Warehouse and to the participating owners who actively trade in cocoa, and who have signed a confidentiality agreement with the Association to keep the information so obtained confidential within their own organizations. Upon receipt of the Checklist Report, the Warehouse must reply in writing with their action plan to be taken to the Association and to the participating owners if an occurrence is noted on the Checklist Report.
- h) If the inspector finds a any situation that poses a threat to the cargo as defined on the checklist, he/she shall inform the Association office within 24 hours of the existence of such a situation, together with the identification of the parcel or parcels involved, their location in the warehouse and the name of the owner(s). The Association shall notify the owners within 24 hours of this information. The owners so notified shall contact the Warehouse to arrange for appropriate action to be taken. If live insect condition(s) belong to a non-participating owner in the Program, the Association shall report the condition(s) to all participating owners in the Program without the identification of the parcel or parcels involved, their location in the warehouse or the name of the owner.
- i) The Checklist Report shall be reviewed by the Committee. If the review reveals conditions deemed to pose a threat to cargo such as, but not limited to, a live insect condition(s), a live bird in the warehouse, rodent infestation in the warehouse, or a leaking roof (rather than an isolated location), or the absence of a sanitation program and general disrepair of doors and windows, the Committee shall meet to address the situation within five (5) working days from the date of the report.

After having heard the Warehouse, the Committee shall decide at this meeting whether to place the Warehouse on "pending review" status or whether the Warehouse can make satisfactory corrections within a period to be negotiated between the Committee and the Warehouse.

The Committee shall also meet within five (5) working days of the date of the Checklist Report, if the report reveals that the Warehouse has not made satisfactory progress in correcting the

deviations from standards revealed in the immediately preceding inspection as agreed upon either with the inspector or the Committee, at which meeting the Warehouse shall be heard. Unless the Committee finds good and valid reasons for the Warehouse not to have complied with the plan of correction, the Warehouse shall be placed in "pending review" status. If a second repeat is reported, the Warehouse shall automatically be placed in "pending review" status.

- j) A Warehouse with a "pending review" rating cannot be issued a certificate in case of a new application, and, if it stores cocoa, accept new cargo as long as the rating is in effect. The Association shall notify all participating owners in the program when a Warehouse is placed in "pending review" status. Within five working days, a meeting of the Warehouse with representatives of the Committee shall be scheduled.

The written action plan to correct the deviations from standards as shown on the Checklist Report shall be reviewed, confirmed, or further elaborated, if necessary, as soon as practicable, and a deadline for its implementation shall be agreed upon.

- k) Each warehouse company will undergo an in-depth inspection for insect or rodent activity, with particular attention given to cocoa which has been in warehouse for more than 12 months. The criteria for such an inspection shall be set by the Committee. If such in-depth inspections require the handling and movement of cargo, the Warehouse shall provide the necessary labor and equipment.
- l) Any CMAA certified facility holding less than 100 metric tons of cocoa beans or product shall not be inspected, unless the Warehouse and/or at least one cargo owner specifically asks for an inspection. The warehouse shall notify the Association's office when a certified location is holding less than 100 metric tons of cocoa beans or product. A CMAA certified facility will lose certification after a period of three missed inspections. The inspector will notify the Association's office that the certified facility has lost its certification.
- m) Anything detrimental that happens to a CMAA certified facility or cargo stored in a CMAA certified facility resulting from a natural disaster, fire, flood or any "Act of God", shall be reported in writing within 24 hours to the Association by the Warehouse. The Warehouse shall report the date of the incident and any pertinent information regarding the integrity of the structure and cargo stored in the facility. After such notification, the Association shall notify all owners of the situation before the end of the next practical business day. If possible, the Committee shall meet within five (5) working days and decide if an inspection is necessary. If a CMAA inspector cannot gain access to the facility or the facility is deemed to be "unsafe to enter" by a state or governmental entity the facility will automatically be placed under "pending review" status. If the Committee deems an inspection of the facility is necessary, the cost will be borne by the Warehouse, including any follow-up inspections.

9. CORRECTION OF DEVIATIONS FROM THE STANDARDS

- a) If the corrections required as identified in the Checklist Report necessitate the approval of the owners of the cargo, such approval must be given by the owners within ten calendar days, or the Warehouse can take appropriate action at the expense of the cargo owner without further notification to the owners. The Warehouse may so state in its general conditions of storage. The

warehouse shall also notify the Association of the owner's lack of response.

- b) After the next scheduled inspection or after a specially agreed upon re-inspection if a Warehouse rated "pending review," the Committee shall review the new Checklist Report within five (5) business days. If progress has been satisfactory, the "pending review" status shall be lifted within one (1) business day and the Warehouse and the participating owners shall be so notified within two (2) business days.
- c) If progress is not satisfactory, the Committee shall meet in emergency session, at which session the Warehouse shall be heard, and request a Special Meeting of the Association's Board of Directors and inform the Board that the Warehouse has been rated "unacceptable."

Unless there is a clear case of physical emergency, the Board shall advise the Warehouse that the Certificate Number has been withdrawn.

10. REVOCATION OF CERTIFICATE

- a) If a CMAA certified facility is rated "unacceptable," all cargo covered under Standard Contract 1-A conditions must be removed from the offending facility according to criteria set forth by the Committee, which is approved by the Board of Directors as set forth in the Executive Oversight, on a case-by-case basis.
- b) The cost of moving shall be borne by the Warehouse and the cargo owner. If the Warehouse is unable to cover this cost, the cargo owner shall pay for it and lodge a claim against the Warehouse.
- c) If the facility covered by the Certification Number has not been inspected for a period of three inspection periods because of absence of cargo, the Warehouse shall voluntarily surrender the Certification Number unless the facility has passed a CMAA structural inspection. The Association's office will notify the Warehouse on the second inspection period pending loss of the Certification.

The Association requires a written notification after the second missed inspection from the inspector when a CMAA certified facility is in jeopardy of losing their certification number because of absence of minimum cargo needed, so that the Association's office can notify all participating owners. The inspector will notify the Association's office that the certified facility has lost its certification.

- d) If the Warehouse is in arrears for more than 60 calendar days in the payment of the inspection fee as set forth in Section 12 hereafter, it shall not be inspected. If it has not been inspected for two consecutive scheduled inspections (one scheduled inspection in the case of cocoa product warehouses), the Certification Number shall be revoked, except that the warehouse shall be given 30 calendar days to remedy the situation. If the Warehouse is in arrears for over 30 calendar days and is in danger of not being inspected, the participating owners shall be so informed immediately.

11. REINSTATEMENT OF CERTIFICATION

A Warehouse may apply for re-certification, in which case the same criteria and conditions shall apply as those for a new facility.

12. FUNDING

The inspection company shall bill each Warehouse for each inspection, according to a fee established by the inspection company based on actual out-of-pocket costs and approved and published by the Association's Board of Directors. The Warehouse shall collect the funds from the cargo owners in form of a surcharge on the regular monthly warehouse bills. The inspection company shall pay the Association a commission commensurate with the Association's cost of administering the program, which is to be reviewed from season to season.

13. REGULATORY AGENCIES

Although this program is meant to facilitate the Warehouse's efforts to maintain appropriate standards of storage within the requirements of the Federal Food, Drug & Cosmetics Act and all other pertinent Federal, State and Local requirements, neither the Association nor the Warehouse are making any representation that the agreement is a substitute for or preempts the authorities vested by law in the Federal, State and Local regulatory agencies.

If a CMAA certified facility is inspected by a governmental regulatory agency, the Warehouse shall provide access to the facilities and cargo to the agency's representative(s) ("Government Inspector") and provide such assistance as is reasonable for the Government Inspector to perform his or her task properly.

Except for routine inspections by local authorities, such as fire and building departments, the Warehouse shall inform the Association within 24 hours of an inspector's arrival and of the time, place, nature and extent of the findings of the inspection, and hold the evidence retained, if any, even if the inspector has indicated that the Warehouse is in compliance. Moreover, copies of the follow-up report, if any, which, in the case of FDA, is normally left with the Warehouse at the end of the inspection, at which time the Warehouse shall forward to the Association by end of said business day. The Association shall forward all documents to all participating owners in the Program.

An Executive Committee consisting of the Chairman, Vice-Chairman and the Board Representative of the Committee and the Executive Director of the Association shall review the documents and if the review reveals conditions deemed to pose a threat to cargo such as, but not limited to a live insect condition(s), a live bird in the warehouse, rodent infestation in the warehouse, or a leaking roof (rather than an isolated location), or the absence of a sanitation program and general disrepair of doors and windows, the Committee shall meet to address the situation within five (5) business days from the date of the report.

14. TRANSITIONAL PROVISIONS

To accommodate the inception of this Program, the Committee may, in cases of clearly demonstrated hardship, where there is no imminent risk to the integrity of the cargo, grant existing Warehouses such relief and waivers of the above terms and conditions as is fair and reasonable.

15. RESOLUTION OF DISPUTES

- a) All disputes arising out of this Program, including but not limited to a protest against de-certification, shall be settled by Arbitration under the rules of the American Arbitration Association, except that the members of the panel selected to hear and decide such a controversy shall be chosen as follows:
- I) Each party shall designate one panel member, who need not be a member of the Association, and the two panel members so chosen shall appoint a chairman who, in their mutual agreement, is familiar with the cocoa business.
 - ii) If the two panelists cannot agree on a chairman, the American Arbitration Association shall, at its sole discretion, appoint the chairman.
- b) Unless the panel rules otherwise, the cost of the proceedings shall be borne by the party who initiates the arbitration, and the decisions of the Arbitration Panel shall be final and binding on all parties.

16. CONFIDENTIALITY

All information and correspondence generated by the administration of this Program is confidential and will only be available to participating members when applicable.

17. APPLICABLE LAW

This agreement is covered by the laws of the State of New York.

THE COCOA MERCHANTS' ASSOCIATION OF AMERICA, INC.
STANDARDS FOR PROPER STORAGE OF COCOA
WAREHOUSE INSPECTION PROGRAM

A. BUILDING STRUCTURE

1. A CMAA certified facility must be in compliance with the requirements of the Federal Food, Drug and Cosmetics Act and the appropriate regulations.
2. A CMAA certified facility must be weather-tight as to roof, wall, doors and windows. Holes in walls, roofs, windows, etc. must be sealed to prevent rodent and other pest entry.
3. A CMAA certified facility must comply with pertinent local fire regulations and have sufficient floor load limits.
4. If a CMAA certified facility is used to store cocoa beans, it must be equipped with automated pesticide dispensing units or other equipment of similar efficiency capable of properly controlling insect infestation.
5. Where permissible by local authorities and where practical, the CMAA certified facility must be capable of holding a total building fumigation and proper ventilation to allow for the safe disbursement of the fumigant at the completion of the process.
6.
 - a) A CMAA certified facility must have sufficient light to permit cleaning and service crews to work efficiently, but need not have natural light. Lighting fixtures must be located or constructed so as not to present a hazard to the cargo and must have shatter proof covers and/or shatter resistant bulbs.
 - b) The CMAA certified facility should have ventilation sufficient enough to help reduce potential mold or mildew build-up that may occur.
7. The CMAA certified facility must be equipped with toilet facilities which are kept in good repair and condition and are supplied with proper soaps, towels, toilet paper, etc.
8. Cracks, seep holes, crevices and openings in the floor or in the walls, such as around doorframes, expansion joints, pipes and sills, must be sealed to prevent rodent and other pest entry.
9. A CMAA certified facility must be provided with a locator system, which is clear and concise and will identify the specific location of each parcel of cargo stored in a CMAA certified facility. An updated warehouse floor plan should always be posted at the main entrance of the warehouse. Row numbers should be clearly marked at each row of cocoa beans and should coincide with the posted floor plan. (*See Building Structure, Item 9 and Guidelines for Floor Plans*).

At the beginning of each inspection, Warehouses shall present to the inspector an inventory report for all participating owners. The inspector shall choose one lot randomly, return the list to the warehouse and use the locator system to find the lot selected during his normal inspection of the facility. This will be the test of the locator system, which will be reported on the checklist if it is a deficiency and the inspector shall inform the Association office within 24 hours of the deficiency, together with the identification of the parcel or parcels involved, their location in the warehouse and the name of the owner. The Association shall notify the owners within 24 hours of this information. The owners so notified shall contact the Warehouse to arrange for appropriate action to be taken. If the condition(s) belong to a non-participating owner in the Program, the Association shall report the condition(s) to all participating owners in the Program without the identification of the parcel or parcels involved, their location in the warehouse or the name of the owner.

B. STORAGE AND HANDLING

1. Cocoa must not be stored in rooms in which other cargo is stored, unless such cargo is totally inoffensive to cocoa (e.g., certain metals).
2. Cocoa must be stored on pallets. The pallets must provide a minimum of four inches distance from the floor.
3. Pallets and dunnage must be kept clean, free of evidence of rodent and bird presence, free of infestation and in good repair. They should be cleaned of all foreign matter including, but not limited to residual presence of previous cargo, dirt, bird droppings, dead insects, pupal cases, webbing, etc. This requirement also applies to pallets and dunnage stored for future use.
4. Cocoa must not be stored nearer than two feet from the ceiling nor closer than 18 inches below any sprinkler head.
5. Cocoa must not be stored less than 24 inches from any wall.
6. Piles of cocoa beans --
 - a) Must not be wider than 22 feet.
 - b) Must not be higher than five pallets for cocoa beans and four pallets for cocoa products. Notwithstanding, piles must be stored in tiers stacked, blocked, interlocked and limited in height so that they are stable and secure against sliding or collapse.
 - c) Must have a minimum aisle width of 24 inches around piles.
 - d) Must have a minimum of six feet wide work aisle along one face or at least sufficient space for equipment to operate without contacting the cargo.
7. Stored bags of cocoa should also be kept free of dirt, dead insects, cocoons, webbing and evidence or rodents. If such a condition is the result of an infestation, which was subsequently corrected by fumigation, the warehouse must notify the owner in writing of the existence of such an exterior condition.

8. Torn bags or bags from which beans are sifting, whether from sampling or otherwise, must be promptly repaired and the floor must be kept free of spilled beans. If excessive spillage results from sampling, the warehouse must notify the sampler, and if no corrective action is taken by the sampler, the warehouse must notify the owner, and in the case of cocoa being sampled for ICE Futures U.S. ("ICE"), the Warehouse shall submit a documented complaint (e.g. by including photographs) to ICE.
9. Under no circumstances must cocoa with visible signs of live infestation be stored in the same area as visibly non-infested lots of cocoa. If such a condition develops during storage, the owner must be notified immediately, and prompt remedial action must be taken.
10. Incoming shipments must be inspected visually for damage, insect and rodent infestation or contamination by bird presence or otherwise. If such cocoa is accepted into the warehouse, it must be kept separate from other stored cocoa or other food material, until it is either refused storage or reconditioned. All cocoa beans must be fumigated prior to movement into storage except when temperatures render fumigation ineffective.
11. Cocoa beans cannot be stored with cocoa products.

C. PEST CONTROL

1. Rodent control services must be rendered a minimum of twice a month. Any rodent control program must take into consideration the exterior as well as the interior conditions of the warehouse.
2. Rodent control equipment must be maintained along the inside perimeter wall in intervals of 25 feet apart or less, and placed on both sides of exterior entryways inside of the building and not to exceed five feet from the entryway. (Rodent control equipment can be glue boards, snap traps, rodent stations, or other mechanical multi catch traps).
3. Where rodent bait is used, it must be placed in tamper resistant bait stations and used according to label directions and state laws. All rodent bait stations must be secured and anchored. No bait shall be used inside the warehouses.
4. No rodent tracking dust is to be used.
5. There must be no birds, rodents or other animals, including dogs and cats, present in the warehouse. Except for operational doors, all windows, ventilators or other openings used for ventilation must be screened. Doors must fit tightly and must be kept closed except when in actual use.
6. Pesticides (insecticides, rodenticides, avicides, etc.) used in the warehouse's pest control program must be registered with appropriate governmental agencies and must be used in the appropriate manner in accordance with approved label directions. If required by law, applicators must be certified. Application must be performed in accordance with the label directions.

7. One full-time warehouse employee must be assigned as a key contact on pest control issues and procedures.
8. All pest control programs must be documented to track frequency of service, name of service provider, name of pesticide used along with EPA registration number, quantity of pesticide used, pesticide application method, area treated and any comments and conditions noted. It is recommended if Bar Coding pest control equipment is being implemented then the bar code should be placed on the inside of the rodent control device and a site inspection report needs to be left at the warehouse after each service and placed in the rodent control log book.
9. Fumigation records must be maintained which reflect dates of fumigation for each lot, listed by warehouse receipt, and must be readily accessible to the inspector.
10. It is recommended that all CMAA certified cocoa bean storage facilities, undergo a total building fumigation once a year. If a total building fumigation is not practical, all cocoa beans in each storage facility should be fumigated at the same time once a year.

D. HOUSEKEEPING

1. The floor must be maintained broom clean at all times, **except** when cargo is working.
2. Peeling paint and damaged pipe insulation situations must be corrected immediately.
3. The walls, ceiling, overhead pipes and beams must [be cleaned regularly, so as to] be reasonably free of cobwebs, accumulated dirt, dust, and insect, rodent and bird evidence.
4. Rubbish must be stored and disposed of in a manner which will minimize the development of odor, or prevent waste from becoming an attractant, harborage or breeding place for vermin.

E. OUTSIDE GROUNDS AND SURROUNDINGS

1. The ground around the CMAA certified facility must be kept free from conditions, which may result in the build-up of pest problems. These conditions include, but are not limited to improperly stored equipment, litter, waste, uncut vegetation, or weeds within the vicinity and under the control of the Warehouse.
2. Where possible, there shall be a clear strip three feet wide along the walls of the warehouse covered with concrete, asphalt, gravel or similar materials. If grass, it must be kept short.
3. Outside loading and unloading areas must be kept clean of all items, which attract infestation and rodents.

THE COCOA MERCHANTS' ASSOCIATION OF AMERICA, INC.
CRITERIA FOR IN-DEPTH INSPECTIONS
WAREHOUSE INSPECTION PROGRAM

1. SELECTION AND NOTICE

- a) All warehouse companies shall undergo an in-depth inspection in September of each year. If a warehouse company has more than one location, the Cocoa Merchants' Association of America, Inc. ("the Association"), shall randomly select a location which will undergo an in-depth inspection, which the inspector will reveal the day of the inspection.
- b) Each certificate number is considered a location. Any CMAA certified facility holding less than 100 metric tons of cocoa beans or products shall not be considered for an in-depth inspection.

2. INSPECTORS

- a) The inspection company retained by the Program shall perform the surprise in-depth inspection.
- b) The inspector may be accompanied by members of the Committee, if possible, who have no direct conflict of interest with the warehouse being inspected. In addition, participating owners who store cocoa in the location selected may also accompany the inspection team.
- c) The Warehouse shall be represented by a senior representative of its management who will accompany the inspection team.

3. REVIEW OF THE WAREHOUSE'S RECORD KEEPING

- a) Documentation of the maintenance and sanitation program, particularly the log of scheduled activities (fogging, pest control, etc.)
- b) Policy on inspecting incoming cargo for visible external conditions.
- c) Records on fumigation and fogging of cocoa while in storage.
- d) Test Locator system for accuracy by spot checking four specific lots and comparing the actual location with the location shown in the system.

4. PHYSICAL WAREHOUSE INSPECTION

- a) Perform a regular inspection using the approved checklist for these inspections.
- b) If the inspection reveals evidence of rodent activity, a minimum of six and a maximum of twelve pallet loads in the affected area shall be broken down to identify the source of the activity.
- c) If the inspection reveals evidence of live insect infestation, a minimum of six and a maximum of twelve pallet loads in the affected area shall be broken down to identify the source of the activity.

- d) The Warehouse shall have the option to have a cleaning crew working alongside the inspector at the warehouse's expense. This cleaning crew may undertake whatever appropriate on the spot measures in an attempt to correct the deficiencies, if any, identified by the inspector. If such deficiencies are properly corrected, they will not be reported by the inspector.

5. EXIT INTERVIEW

- a) After completion of the inspection, the inspection team shall discuss its findings with a senior member of the management team and the warehouse's pest control representative.
- b) If corrective actions are required, they shall be discussed also and be agreed upon by all concerned.

6. REPORTING

- a) The inspector shall promptly file a Report as outlined in *Inspection Procedures, Rules D-J*.
- b) The Warehouse must respond in writing within 24 hours of the inspection to the Association of the corrective measures being taken in writing, if any.

7. MISCELLANEOUS

- a) The total time required for the surprise in-depth inspection should not exceed five hours.
- b) A warehouse undergoing surprise in-depth inspection shall not be inspected in the next inspection month unless "Present conditions may adversely affect cargo at this location" is checked "YES" for any reason on the inspection checklist. The warehouse location will be inspected on the next scheduled inspection month and the warehouse company will bear the cost of the inspection and any follow up the Committee may deem necessary.
- c) The inspection company shall bill each warehouse for their surprise-in-depth inspection, according to a fee established by the inspection company based on actual out-of-pocket costs and approved and published by the Association's Board of Directors upon recommendation from the Warehouse Inspection Committee. The warehouse shall collect the funds from the cargo owners in form of a surcharge on the regular monthly warehouse bills. The inspection company shall pay the Association a commission commensurate with the Association's cost of administering the Program, which is to be reviewed from season to season.

**THE COCOA MERCHANTS' ASSOCIATION OF AMERICA, INC.
PARTICIPATING OWNER'S AGREEMENT
WAREHOUSE INSPECTION PROGRAM**

1. INTRODUCTION

This agreement establishes the conditions under which owners of cocoa beans and cocoa products shall participate in the Warehouse Inspection Program ("The Program") of The Cocoa Merchants' Association of America, Inc. ("The Association").

2. THE PROGRAM

The description of the program and the standards as contracted with the participating warehouses is enclosed and made part of this agreement.

3. CONFIDENTIALITY

The information generated in the administration of this program is confidential. The signatories to this agreement engage themselves to honor this confidentiality and shall not disclose this information, such as the contents of the monthly summary reports, to anyone outside the signatories' firms or organizations.

4. GENERATION OF FUNDS

After every inspection, the inspection company shall bill the warehouses an inspection fee based on a list submitted to the Association prior to the season and approved by the Warehouse Inspection Committee ("The Committee"). This fee may be prorated by the warehouse over the cargo stored in the pertinent facility and billed as a specific surcharge to the monthly storage fee to the participating owner. The participating owner hereby agrees to pay this surcharge, if billed.

5. LOCATIONS TO BE INSPECTED

The locations which shall be inspected under the Program are listed hereafter. Participating owners may at any time suggest additional facilities to be included, at which time the Association shall enter into contract with the warehouse in question and arrange the facility to be included if the warehouse agrees to it.

6. DURATION AND TERMINATION OF THIS AGREEMENT

Unless either party notifies the other party in writing 90 calendar days prior to the intended termination date, this Agreement shall be valid from the date of its execution and shall automatically extend itself for another twelve months' period on April 1 of each year.

7. RESOLUTION OF DISPUTES

This Agreement shall be covered by the laws of the State of New York, and any dispute arising out of this agreement shall be settled amicably, failing which by Arbitration under the rules of the American Arbitration Association, except that the members of an Arbitration Panel so selected shall be chosen as set forth in the Program.

Company: _____ **Name/Title:** _____

Signature: _____ **Date:** _____

THE COCOA MERCHANTS' ASSOCIATION OF AMERICA, INC.

Signature: _____
CMAA Officer

THE COCOA MERCHANTS' ASSOCIATION OF AMERICA, INC.
WAREHOUSE CERTIFICATION AGREEMENT
WAREHOUSE INSPECTION PROGRAM

1. INTRODUCTION

This agreement, entered into between The Cocoa Merchants' Association of America, Inc., ("The Association"), and ("The Warehouse"), establishes the conditions under which the Warehouse will participate in the Association's Cocoa Warehouse Inspection Program as set forth in the attached document "Cocoa Warehouse Inspection Program" ("The Program"), identified as Annex I, as approved by the Association's Board of Directors on November 9, 1994.

Certain aspects of these conditions may be modified from time to time to reflect changes in requirements set by Federal, State and Local regulatory agencies ("Government") and advances in cocoa storage technology. If such changes are made, unless the Government mandates otherwise, the Warehouse shall be given not less than 90-calendar days' notice of the date at which these changes become effective.

The Program (Annex I) WHICH INCLUDE the Standards is made an integral part of this agreement.

2. OBSERVANCE OF THE STANDARDS

The Warehouse shall at all times observe the approved "Standards For The Proper Storage Of Cocoa" (The Standards"), as published from time to time by the Association's Board of Directors after consultation with The Warehouses, and comply with their requirements. The Standards appear as part of the Program.

3. INSPECTION

The Warehouse shall be inspected in the manner and at the intervals set forth in the Program.

4. CERTIFICATION

If the inspection reveals that there are no critical deficiencies as defined in the Standards, a certificate number attesting to this fact shall be issued to the Warehouse, which may display the document to the public and use it in the marketing of its facilities for as long as it is in effect.

The Association shall not be responsible for any claim other than that the Warehouse met the Standards at the time the inspection was made.

The Warehouse shall complete the attached list of locations of the facilities to be certified individually (Annex III) and return one copy to the Association, to be kept on file. This list is made an integral part of this agreement, but the warehouse may, at any time, request that additional facilities be certified or removed from certification according to the pertinent criteria set forth in the Program.

5. WITHDRAWAL OF THE CERTIFICATION

The Warehouse shall surrender the Certification in accordance with the provisions set forth in the Program.

6. PAYMENT OF FEES AND COSTS

There shall be no fee for the issue of the Certification. The inspection entity retained by the Association, currently Western Industries, Inc., shall invoice the Warehouse for each inspection or re-inspection as set forth in the Program.

7. DURATION AND TERMINATION OF THE AGREEMENT

Unless either party notifies the other party in writing 90 calendar days prior to the intended termination date, this Agreement shall be valid from the date of its execution and shall automatically extend itself for another twelve months' period on April 1 of each year.

8. RESOLUTION OF DISPUTES

This agreement shall be covered by the laws of the State of New York, and any dispute arising out of this agreement shall be settled amicably, failing which by Arbitration under the Rules of the American Arbitration Association (AAA), except that the members of an Arbitration Panel shall be chosen as set forth in the Program.

NAME: _____
(Owner of Warehouse Operating Company)

COMPANY: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____

PHONE: _____ FAX: _____ EMAIL: _____

Are you a current member of the CMAA? YES _____ NO _____

NAME OF DESIGNATED EMPLOYEE: _____

(Management personnel with authority and responsibility over its cocoa warehousing operations persons with at least 2 years of experience in the operation of a food product storage operation or six months of experience in storing cocoa). **A description and references must be provided if experience is not in cocoa.**

ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____

PHONE: _____ FAX: _____ EMAIL: _____

Two references from current CMAA members are required (at least one reference must be from a current CMAA Regular member and a CMAA WIP Participant). Please use the enclosed Reference Statement Form. References will be verified.

The undersigned certifies that the information contained in this Application is true, complete and accurate.

SIGNATURE: _____ DATE: _____
(Owner of Warehouse)

THE COCOA MERCHANTS' ASSOCIATION OF AMERICA, INC.
REFERENCE STATEMENT FORM FOR WAREHOUSE
WAREHOUSE INSPECTION PROGRAM

NAME OF WAREHOUSE COMPANY: _____

Reference must be a current Regular Member of the Association and a current Participating Owner in the CMAA Warehouse Inspection Program.

REFERENCE STATEMENT:

How long have you known the Warehouse Company? _____

In what capacity have you known the Warehouse Company? _____

Have you or your firm had any business transactions with the Warehouse Company? _____

Describe

Is the Warehouse Company a business whom you would recommend to others? _____

What do you know of the Warehouse Company's business transactions with others?

Have you or your firm ever used the Warehouse Company to store cocoa? _____

If so, for how long? _____

Please furnish any additional information you may have regarding the Warehouse Company

REFERENCE CERTIFICATE

I, _____, of _____
Reference Name Reference Company

am currently informed regarding the character, integrity, financial standing, business and personal history of the Warehouse Company, and based upon past/present business transaction(s) with the Warehouse Company, recommend the Warehouse Company for the CMAA Warehouse Inspection Program.

SIGNATURE & DATE: _____ **NAME & TITLE:** _____

ADDRESS: _____

CITY: _____ **STATE:** _____ **ZIP:** _____

PHONE: _____ **EMAIL:** _____

**THE COCOA MERCHANTS' ASSOCIATION OF AMERICA, INC.
WAREHOUSE CERTIFICATION FORM
WAREHOUSE INSPECTION PROGRAM**

NAME & ADDRESS OF WAREHOUSING COMPANY HEADQUARTERS

COMPANY: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____

PHONE: _____ FAX: _____

EMAIL ADDRESS: _____

NAME OF DESIGNATED EMPLOYEE: _____

WE HEREBY APPLY FOR CERTIFICATION OF THE FOLLOWING WAREHOUSE LOCATION

NAME OF FACILITY: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____

SQUARE FOOTAGE TO BE CERTIFIED: _____ BEANS: _____ PRODUCT: _____

The following documents are enclosed with this form for this location:

- Floor plan
- Proof of Insurance Coverage (Rule 5(d), ix)

**CERTIFICATION REQUEST WILL NOT BE PROCESSED
WITHOUT THE ABOVE INFORMATION**

THE COCOA MERCHANTS' ASSOCIATION OF AMERICA, INC.
GUIDELINES FOR FLOOR PLANS
FOR COCOA STORAGE FACILITIES
WAREHOUSE INSPECTION PROGRAM

The purpose of maintaining a floor plan for cocoa bean storage is to provide cargo owners and individuals including warehouse personal with the ability to find specific cargo lots and to ensure an appropriated location system is in place.

A standard floor plan for each storage building should be developed, maintained and posted at each warehouse facility pursuant to The Cocoa Merchants' Association of America, Inc., Warehouse Inspection Program, Certification and the Standards for Proper Storage of Cocoa, Building Structure.

1. A floor plan or drawing for cocoa bean storage should illustrate the lay of the building, the circumference of the room being the base of the diagram.
2. The diagram should reference the specific building and address of the facility.
3. Square footage and bag capacity should be recorded.
4. The location of the main entrance and all doors and dock doors should be identified and numbered on the diagram.
5. Isle and bay locations should be identified on the diagram.
6. Storage rooms, offices, restrooms, pesticide storage, electrical rooms, etc. should be identified. The following abbreviations should be used:

-	Rail doors	RD
-	Overheard dock doors	DD
-	Pedestrian doors	PD
-	Doors they pan to have active	AD
-	Doors they plan to have inactive	IAD
-	Location of the office	OFF
-	Location of restrooms	RST
-	Firewalls	FW
-	Fogging System	FS
-	Bait Stations	BS
-	Toxic Pesticides	TP
7. Section and row numbers/letters coinciding with storage records should be clearly displayed at each designated section/row.
8. Rows should conform to all CMAA standards.
9. Railroad tracks and other pertinent references may be included on the diagram.
10. If more than one tenant and other commodities occupy the building.

THE COCOA MERCHANTS' ASSOCIATION OF AMERICA, INC.
WAREHOUSE MAINTENANCE & SANITATION LOG
WAREHOUSE INSPECTION PROGRAM

Company: _____ Date: _____
 Building: _____ Location: _____

Maintenance Inspection:

Alarm Working Properly	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Comments: _____ _____ _____ _____ _____
Overhead & Manual Doors Working Properly	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Roof Leaks	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Forklift Check (fluids etc.)	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Approximate # of Spare Pallets	_____		
# of Propane Cylinders in Storage	_____ Full	_____ Empty	

Sanitation Inspection:

Loading Dock Area Clean & Orderly	<input type="checkbox"/> Yes	<input type="checkbox"/> No	_____ _____ _____ _____ _____ _____ _____ _____ _____ _____
Super Sack Area Clean & Orderly	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Bulking Area Clean & Orderly	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Used Burlap Baled & Stored on Pallets	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Rail Siding Clean & Orderly	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Walls & Floors in Good Repair	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Trash Receptacles Empty	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Dumpster Area Clean & Orderly	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Exterior Surroundings Clean & Orderly	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Spare Pallets Clean & Orderly	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Stored Bags/Cartons in Good Condition	<input type="checkbox"/> Yes	<input type="checkbox"/> No	

Additional comments: _____

By signing below, I agree that I have inspected the premises and reported my findings on the date noted above.

Inspected by (Please Print Name)	Signature	Date
----------------------------------	-----------	------

The following signature confirms that I have reviewed the Inspectors findings and that a copy of this signed report will be placed in the Maintenance & Sanitation Log Book, which must be available at the warehouse location for the inspector's review.

Name of Supervisor/Manager (Please Print Name)	Signature	Date
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CMAA-WAREHOUSE INSPECTION PROGRAM REPORT

Company Name:
Company Address:
Warehouse Location:
Warehouse Cert. #
Sq. footage for certified location:

Inspection Date:
Date of last inspection:
CMAA Count:
Warehouse Count:
In Storage: Bean Product
Date of last global fumigation:
Product Temp. Reading:
Inspection Fee:

A. BIRDS OR OTHER ANIMALS
Table with 4 rows and 4 columns: Question, Desired Answer (N/Y), Action Rec., Repeat.

B. WATER
Table with 3 rows and 4 columns: Question, Desired Answer (N/Y), Action Rec., Repeat.

C. RODENT CONTROL
Table with 4 rows and 4 columns: Question, Desired Answer (N/Y), Action Rec., Repeat.

D. HOUSEKEEPING
Table with 7 rows and 4 columns: Question, Desired Answer (N/Y), Action Rec., Repeat.

D. HOUSEKEEPING (continued)
Table with 24 rows and 4 columns: Question, Desired Answer (Y/N), Action Rec., Repeat.

INSECT INFESTATION: L = LIVE D = DEAD

Table with columns for MOTH, LARVAE, COCOON, and OTHER. Sub-columns for Lgt., Med., Hvy. counts. Rows for Bags, Floor, Walls.

1. If infestation is localized, notes & specific identified areas are noted below (see "Conditions" & "Action to be Taken").
Conditions:
Actions to Be Taken:
2. Fogging program used:
3. Check List Item #, Comments & Notes:
4. Special Notes:

A careful visual inspection was made of the readily accessible faces of the stacks and those areas of the stacks which could be seen from readily accessible faces.
Certified Inspector
Inspector Accompanied By:
Signature of Warehouse Representative