

**Grain Inspection Advisory Committee**  
**Meeting Summary**  
**June 24-25, 2009**  
**St. Louis, MO**

**Background Information**

The Grain Inspection Advisory Committee (Committee) is comprised of 15 members appointed by the Secretary of Agriculture who represent all segments of the grain industry. They include grain producers, processors, merchandisers, handlers, exporters, consumers, grain inspection agencies, and scientists. The Committee meets twice annually to advise the Grain Inspection, Packers and Stockyards Administration (GIPSA) on the programs and services it delivers under the U.S. Grain Standards Act and the Agricultural Marketing Act of 1946. Recommendations by the Committee help GIPSA to better meet the needs of its customers who operate in a dynamic and changing marketplace.

**Summary of Meeting**

J. Dudley Butler, Administrator, GIPSA, welcomed everyone to the meeting and introductions were made.

Randall Jones, Deputy Administrator, Federal Grain Inspection Service (FGIS), presented GIPSA's Strategic Plan and Program Initiatives which included FGIS' Core Business Practices: Provide the Market with Terms, Standards and Methods; Protect the Integrity of the U.S. Grain and Related Markets; Provide Official Grain Inspection and Weighing Services; and Optimize Operational Efficiency.

FGIS presented a review and overview of the revised sorghum standards that took effect June 1, 2008. In 2008, at the request of certain segments within the industry, the limits for FGIS broken kernels and foreign material and foreign material factor limits were lowered. The sorghum farm gate assessment data collected by FGIS was reviewed.

**Sorghum Odor**

FGIS briefed the Committee on the actions and measures taken to date. Based on industry concerns and advice provided by the Committee, FGIS has been reviewing the official storage musty odor line and its consistent application in sorghum. After an initial review of end-users needs, FGIS convened a taskforce composed of producers, handlers, and end-users to reach consensus on where the line for storage odor should be set. The taskforce was unable to reach such consensus in its initial meeting. However, good information was obtained and another meeting is being planned to attempt to provide clear direction to FGIS. FGIS is partnering with Dr. Edgar Chambers IV, Kansas State University, a recognized sensory expert with extensive background in grain and other products, to attempt production of a reproducible odor standard that can be used by GIPSA and the grain industry to assist those tasked with making odor determinations.

## **Container Regulations and Need for Changes**

Grain exported in containers has grown exponentially in the past 5 years to levels that far exceeded grain industry forecasts. To accommodate the containerized grain trade, FGIS has remained flexible with regard to sampling, combining samples for composite purposes, and certification procedures. While FGIS has worked to accommodate these requests, the increase in container shipments prompted FGIS to review current policies and procedures pertaining to containerized cargoes, and also the regulations for the inspection and weighing of grain in single lots and combined lots. In 2007, FGIS performed a comprehensive evaluation of the container inspection and weighing program and is proposing changes to the USGSA regulations to harmonize export policies across diverse carriers, to better control quality uniformity between containers, and to ensure that the regulations effectively address market conditions. Consequently, based on the findings of the review, FGIS concluded that the regulations need to be amended to ensure that containerized shipments are uniform in overall quality; containerized lots are loaded in a reasonably continuous operation; weighing in combined lots is performed in accordance with regulations; and certificates reflect the range of dates for loading and the method of grading when performed on an alternate basis (e.g., composite or average grade analysis). FGIS also reviewed regulations that are specific to the CuSum loading plan and is proposing that regulations applicable to inspections of shiplots, unit trains, and lash barges be amended to address situations where load orders specify “Average Grade” or “No subplot to exceed” analysis.

## **International Trade and Outreach Issues**

- China Soybean Project
- Long-Term Assignments to Asia
- Mexico Update
- Discrepancies
- StarLink Corn Update

There have been significant positive changes regarding StarLink corn, which was first detected in the U.S. food supply in 2000. In April 2008, FDA and EPA rescinded recommendations to test corn going into dry milling. In June 2008, Ministry Health, Labor and Welfare (MHLW) (Japan’s food ministry) ended pre-export testing requirements for U.S. food corn exports, but maintained monitoring at the port of entry. In April 2009, MHLW ended import monitoring for StarLink in food corn. In April 2009, MAFF (Japan’s feed ministry) ended testing requirements for U.S. feed corn exports which means that after 8½ years, no more testing is required for StarLink corn globally.

## **Review of Export Services Requests**

In October 2008, GIPSA initiated a review of the service requests provided to FGIS by shippers for export cargos and associated contractual specifications. The survey was similar to an earlier program initiated in the early 1980's but subsequently discontinued in 2000. This new survey was initiated to take into consideration the increased amount of grain being exported in containers. FGIS intends to continue the program through September 2010 when it may be extended should FGIS determine that additional data would serve the interests of the official inspection system.

## **Status of 2009 FGIS Programs**

The review included the activities under and revenue generated by the Inspection and Weighing Program, Official Agencies, Rice Inspection Program, and the Commodity Inspection Program.

## **Commodity Fee Program**

The commodity fee program, financial history, and the fee development process for hourly, unit, and commodity testing services for graded and processed commodities were reviewed. As a result of recurrent losses for several years, fee changes are needed to stem losses and ensure program viability. Fee increases of approximately 17 percent in fiscal year 2011 and 3 percent per year for fiscal year 2012-15 for hourly and unit fees and fee increases to cover actual costs for commodity testing services was presented. The proposed fees, slated for implementation in fiscal year 2011, for hourly, unit, and commodity testing services are projected to stem program losses and maintain retained earnings at an acceptable level.

## **FGIS Cost Containment Steps Taken**

An overview of cost containment steps taken by FGIS was reviewed. They included: Saving salaries and benefits for positions not being filled; delaying the assignment of a collateral duty officer in Asia; implementing changes to improve the efficiency of the Farm Gate assessment program; discontinuing the use of relocation services, thus saving \$125,000 per move; and expanding the use of certain work schedules for the export facilities in New Orleans, Portland, and League City that will result in fewer overtime hours worked that will lower the cost to exporters.

## **Next Meeting**

The Committee recommends the next meeting be held November 18 and 19 in either Kansas City or Chicago.

## **Vice Chairperson Elected**

The Committee elected Tom Bressner as vice-chair, and he will assume the role of Chairperson at the spring 2010 Committee meeting. Mr. Bressner is the General Manager for Assumption Cooperative Grain Company in Assumption, Illinois.

## **Committee Resolutions**

The following resolutions were introduced and passed by the Committee:

The Committee applauds GIPSA on being a leader of governmental agencies by developing a Quality Management Program, conducting strategic planning, and developing FGIS*online*. Furthermore, we encourage GIPSA to continue setting positive examples and continue to be a leader of governmental agencies and recommends continuing work to develop an updated strategic plan, which focuses on current and future needs of the Agency, industry, and producers.

The Committee recommends to GIPSA, to ensure a smooth transition when replacing FGIS personnel, that GIPSA look within current staffing with the experience to continue the facilitation of new programs being implemented.

The Committee recommends that GIPSA reconvene the Sorghum Odor Task Force. The Task Force would work with Dr. Chambers to establish a definitive odor line, through which proper training would be consistently interpreted and applied system-wide.

The Committee recommends that GIPSA report the future 520 Program accounting information to the Committee in a manner that reflects revenue and direct costs by field office location.

## **Additional Information**

Additional information about the Advisory Committee is available on the GIPSA Internet site at <http://www.gipsa.usda.gov>. Under the section, ‘‘I Want To \* \* \*,’’ select ‘‘Learn about the Grain Inspection Advisory Committee.’’ To request a copy of the final minutes of this meeting, please contact Terri L. Henry by phone at (202) 205-8281 or by e-mail at [Terri.L.Henry@usda.gov](mailto:Terri.L.Henry@usda.gov).