



Issue 2009.03

March 10, 2009

AAGIWA Plans Annual Meeting

AAGIWA's 2009 Annual Meeting in Memphis will offer the latest updates on grain inspection issues from industry and FGIS experts. The meeting will begin with a reception Sunday evening, May 3 and wrap-up with the annual banquet on Tuesday evening, May 5. The Board of Directors will meet on Wednesday morning, May 6.

Confirmed guest speakers for the meeting include the following:

- Chuck Elsea, senior vice president, The Scoular Company. Elsea will share his perspective as a senior executive on the challenges facing the domestic grain industry. Expect to hear his candid comments on the ethanol industry, container shipments and other timely topics and industry trends.
- Jay O'Neil, principal, O'Neil Commodity Consulting, and senior agricultural economist for the International Grains Program at Kansas State University. His topic is "How Grain Supply and Demand Factors Will Affect Inspection Volumes in 2009."
- Elwin Hermanson, chief commissioner, Canadian Grain Commission. Hermanson will provide an update on key issues facing the Canadian trade.



Other program highlights will include the panel discussion of AAGIWA members addressing current issues, plus presentations from key members of the FGIS senior management team.

Register for the meeting before April 3 and save \$50. You can register electronically by clicking [here](#).

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OMP Update

Incremental progress continues to be made toward developing a new Quality Management Program manual. Bob Krouse, FGIS Compliance Division, said the agency has now received all of the draft manuals from those participating in the pilot program - six agencies and the Portland Field Office.

FGIS is now in the process of reviewing the manuals - two have already been approved. The Agency is in the process of preparing a question and answer sheet to accompany release of the new Directive. The OMP directive is undergoing internal review and is expected to be finalized in the near future. FGIS is also making plans for a series of conference calls where they will be available to answer questions from official agencies.

Krouse said the new directive now in clearance envisions that agencies will submit their OMP Plans in phases depending on when their designation comes up for renewal. Agencies will have a



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WANTED: Board Member Candidates

Two seats on the AAGIWA Board of Directors will be up for election at the annual meeting May 3-5 in Memphis. The Board of Directors is composed of six members plus the immediate past chairman. The seats currently held by Randy Deike, Washington State Department of Agriculture, and Randy McCormick, Kansas Grain Inspection, are up for election. Both individuals are eligible for re-election.

Current Board members, in addition to Deike and McCormick, are Larry Kitchen (president), Mark Fulmer (vice president), Joseph Cupples, Tom Dahl

(immediate past president), and Barry Hibbits. The terms of the president and vice president are two-year terms and are up for election as well.

Nominations and suggestions should be forwarded to the Nominations Committee which is chaired by Dave Ayers, Champaign-Danville Grain Inspection Departments, and includes Tom Meyer, Kansas Grain Inspection Service and Tom Dahl, Sioux City Inspection and Weighing Services. All are



three-month time frame to complete and submit their OMP. Further details will be available later.

AAGIWA President Larry Kitchen reports that key FGIS officials will be in attendance at the Association's annual meeting May 3-5, 2009 in Memphis. He said there will be ample opportunity as part of the meeting to learn more about the OMP process and what agencies will be expected to prepare.

FGIS Plans to Survey Inspection Users

FGIS is asking for public comment on its plan to survey users for their views on the quality of services they receive as well as information on new services they would like to receive. The notice was published in the March 6 issue of the *Federal Register*. Comments on the plan are due by May 5, 2009.

FGIS estimates there are 9,000 current users of the official inspection system. FGIS plans to survey a representative sample of these users to evaluate the timeliness, cost-effectiveness, accuracy, consistency and usefulness of services and results, and the professionalism of employees. FGIS said it needs a more formal means of determining customer's expectations of the quality of service delivered. To do so, the Agency plans to survey about 1,100 users each year for the next three years.

past chairmen of AAGIWA. Ayers may be reached at: CDGID@aol.com or by telephone at (217) 398-0723.

Ayers says first-timers should not be bashful -- new ideas and fresh thinking are always valued on the AAGIWA Board. The time commitment, he added, is not huge, but there are occasional conference calls for which a Board member needs to make time.

FGIS Plans Sorghum Odor Committee

FGIS Deputy Administrator Randall Jones, in a February 18 letter to AAGIWA President Larry Kitchen, said GIPSA will convene a meeting in March 2009 of key industry stakeholders to assess and reach consensus on the official line for musty odor in sorghum. Jones invited AAGIWA to name a representative to serve on the Committee. The letter stated:



Randall Jones

In May 2008, the Agency heard concerns from producers and industry about official determinations of "musty" odors in export grain sorghum shipments. In fall 2008, GIPSA conducted a study to assess end-users' opinions about the acceptability of sorghum samples with varying levels and types of odor. Study participants represented all of the major end uses of sorghum. In response to study findings, the USDA Grain Inspection Advisory Committee resolved that GIPSA embark on a review of how the sour/musty odor is determined for official grades of grain sorghum. The Advisory Committee suggested that GIPSA gain input from all stakeholders in the form of an industry group that has as its members a cross section of users, producers, and handlers.

At the March 2009 meeting, we will convene such a cross-cutting industry group to seek consensus on the official odor line for musty sorghum (note: while the advisory committee resolution addresses both musty and sour, subsequent discussions and information have revealed that musty is the real odor of concern). We would like to invite a representative of your organization who has knowledge of end-users' needs and experience with determining the acceptability of sorghum regarding odor. Our focus will be on end-use needs, as the United States Grain Standards Act declares that the official United States standards for grain shall reflect the economic value-based characteristics in the end-uses of the grain for both domestic and foreign buyers.

FGIS officials now say it appears likely the meeting will take place in April 2009.

Grain Inspection Advisory Committee Reauthorized

GIPSA announced in a **Federal Register** notice published on March 2, 2009, that USDA is re-establishing and continuing the Department's Grain Inspection Advisory Committee. The notice said the Department has determined that the Committee is necessary and in the public interest.

Distillers Council Plans Meeting

The 13th Annual Distillers Grains Symposium will be held April 22 and 23 in Des Moines, hosted by the Distillers Grains Technology Council (DGTC). The event will provide the latest on information and issues for distillers grains marketing/ merchandising, animal nutrition, processing technologies, and government regulations. For further information visit their [website](#).

Group to Develop Standards for DDGS

The American Society of Agricultural and Biological Engineers has initiated a project to develop a standard for distillers dried grains with solubles (DDGS). DDGS is a co-product of the fuel ethanol and distillery industries. Most of the DDGS in North America come from manufacturing plants that convert corn into ethanol for oxygenated fuels.

The proposed standard will focus on the material properties necessary for equipment design, including ranges of specific properties. The proposal is expected to summarize the current state of knowledge regarding physical and chemical property data for DDGS, which is needed to design bio-refinery facilities, structures and unit processing



FGIS Asks for Informal Feedback on Wheat Standards

FGIS in a February 19 letter to grain industry trade associations said it plans to begin a review of the wheat standards this year. FGIS said advancements in wheat variety development, agronomic practices, grain handling, and milling technology are prompting the Agency to ask producers, end-users, and other stakeholders whether the wheat standards are effective and relevant in today's market, and if any specific

amendments are warranted.

At this time, GIPSA said it welcomes informal feedback on all facets of the standards such as definitions, grade and non-grade determining factors, grade limits, damages, as well as on grading procedures and new services that may be desirable. All aspects of the wheat standards are subject to this review. FGIS anticipates initiating the formal process by publishing an Advance Notice of Proposed Rulemaking in the **Federal Register** in the future. Questions and feedback should be addressed to Patrick McCluskey at patrick.j.mccluskey@usda.gov or at (816) 823-4639.

USDA Outlook Conference Outlines Crop Forecasts



The USDA won't make any official supply and use projection for grain and oilseed crops until May 12, but the projections issued February 27 at USDA's Outlook Conference provides a ballpark estimate.

USDA's forecast for corn is steady acreage from the current year due to less profitability, despite increased ethanol use. Feed and export demand will both be lower, as will the average price based on higher stocks.

Domestic corn use is forecast at 10.6 billion bushels, up 4% from the current year due to higher ethanol demand. Feed use will be 5.2 billion, down 2% as livestock herd numbers drop and more corn is replaced by DDGS. Industrial use is forecast at 5.2 billion, up slightly, helped by a 14% increase in ethanol demand. While ethanol capacity is up to 12.4 billion gallons, 2009 operating capacity will be only at 10.5 billion gallons. Corn exports will be 1.85 billion bushel, up 100 million bushels from 2008. Corn will face more competition from Argentina and less from Brazil. Ending stocks will be down 4% with a stocks to use ratio at 13.8%. The season average price is forecast at \$3.60, held up by many producers previously benefiting from good prices in forward contracts.

The USDA soybean forecast is for increased acres, more exports, and a higher ending stock projection that will push down the average price. Wheat acres have declined due to more global competition as well as soybeans taking some wheat acreage. Both domestic and foreign use will decline, pushing down the season average price.

Source: University of Illinois Extension Service. The complete article is available [here](#).

operations, according to the engineers group. The property information is also necessary for end-users, such as livestock producers and for developing applications for co-product materials, it says. ASABE establishes standards for food, agricultural, and biological systems, and has more than 225 standards currently in publication.

Source: **INFORMA Policy Report**, March 5, 2009

People & Places

Newhouse Named WSDA Director:

Washington State Governor Chris Gregoire announced on February 13 she was appointing Dan Newhouse as director of the Washington State Department of Agriculture. Newhouse, who is currently serving in the Washington State Legislature, operates a 600-acre farm in the Sunnyside area, where he grows hops, tree fruits, grapes and alfalfa. He is currently serving his fourth term as a State Representative. He is a past county president of the Washington State Farm Bureau and has served as president to the Hop Growers of Washington. Robert Gore, who had served as interim Director of Agriculture, resumes his former position as Deputy Director of the Department of Agriculture.

Eurvin Williams passes away:

Grain inspection colleagues were deeply saddened to learn of the March 3 death of Eurvin US Williams at age 66. Eurv was well-known and respected for his long tenure with the Technical Services Division of the Federal Grain Inspection Service, including his service as chairman of the Board of Appeals and Review (BAR). A native of Moro, Arkansas, Eurv is survived by his wife of 45 years, Cheterra, one daughter, three sons, eight brothers and four sisters. He had held a number of leadership positions with the Mt. Olive Missionary Baptist Church and his family asked that memorials, in lieu of flowers, be



GEAPS/KSU/FGIS Grain Inspection Course Planned for June

A distance-education course focusing on the U.S. grain inspection system is on track for launch June 13. The course is a collaborative project of the Grain Elevator and Processing Society (GEAPS), the Federal Grain Inspection Service (FGIS), and Kansas State University (KSU). This collaboration capitalizes on the grain-inspection expertise of FGIS and GEAPS-Kansas State distance-education program, which will be opening registration in late February.

"This course should be useful to a wide variety of people in the industry - from facility managers to merchandisers to foreign grain buyers," said Jerry Gibson, regional manager of Bunge North America, Destrehan, LA, and a member of the GEAPS-KSU-distance-education oversight committee. "It will be especially beneficial to those in the early stages of their careers and also to people with experience who just want to learn more."

The course, called GEAPS 522, was developed by an FGIS team, with input from GEAPS members and KSU. Course segments will include: grain production and marketing, industry trading rules, overview of grain inspection, the U.S. Grain Standards Act, grain quality factors, sampling, the FGIS weighing program, and a virtual tour of an FGIS grain lab and the technology it uses.

The course will consist of about 10 hours of lecture material on CDs, with a dedicated course web site set up for quizzes and interaction among students and FGIS officials. People completing the course will receive a certificate and one continuing education unit from KSU. For more information contact GEAPS at (952) 928-4640 or visit www.geaps.com.

Source: *Grain Journal*, January/February 2009 issue.

Commodities Certification Association Plans Late-April Meeting



The Agricultural Commodities Certification Association (ACCA) will hold its annual meeting April 27 to May 1, 2009 in Memphis. ACCA President Byron Reilly invites AAGIWA members to travel to Memphis a few days in advance of the AAGIWA annual meeting and attend the ACCA session, as well.

ACCA is comprised of 30 to 50 professionals representing, among others, the Grain Inspection, Packers and Stockyards Administration, Agricultural Marketing Service, U.S. Department of Commerce's Seafood Inspection Program, Ag Canada, Foreign Agricultural Service and various state departments of agriculture. The group meets annually to share information and expertise related to agricultural grading, inspection, certification, and

made to the church at 9220 W. 50th Terrace, Merriam, Kansas 66203. AAGIWA will be sending a memorial in his honor. Funeral services were held at the Church on March 10.

Murphy retires from FGIS/BAR:

Daniel Murphy, FGIS Board of Appeals and Review (BAR) retired on March 1 with more than 37 years of Federal service to the grain industry. He began his GIPSA career in 1971 as an agricultural commodity aid on the BAR, which at that time was a branch in the Agricultural Marketing Service in Beltsville, MD. He had also held positions with the Toledo and Minneapolis Field Offices. Source: GIPSA News, March 2009

Reisinger Named CEO of Iowa Agribusiness Association:

Mark Reisinger, a former agricultural assistant to U.S. Senator Charles Grassley and a former Iowa State Director of USDA's Rural Development Office, has been appointed CEO of the Agribusiness Association of Iowa. He began his new role January 6, 2009. The Association represents over 1,000 ag retail and wholesale locations in Iowa that supply feed, seed, crop protection chemicals, grain, fertilizer, equipment and other agriculture products.

AAGIWA Welcomes Member News

AAGIWA welcomes member information about new products, business changes, personnel changes and other items that may be of interest to AAGIWA members. Please let us know what is new in your business. Send your information to: bob.petersen@aagiwa.com.

other agricultural topics.

Reilly said the Tuesday and Friday lectures will focus on the theme, "Advances in Agricultural Technology" and will include presentations from Monsanto on their research and development of new seed varieties that will grow under adverse weather conditions; the impact of global warming on agriculture, and what is USDA doing. Wednesday will be a day of site visits focusing on cotton inspection and marketing. Thursday will be a full day of lectures on "International Trade and Certification Facilitation." There will be presentations on the industry's view of e-certification and Customs and Border Protection's development of their "International Trade Data System", which will include imports and exported commodities. ACCA's future goal is to focus more on the international sector, learn what USDA and State Departments of Agriculture are doing to promote exports and to invite our international counterparts to come and tell us how other countries develop standards and conduct domestic, import and export inspections of the various commodities.

Reilly says the Friday session may offer presentations from AMS on their weed seed identification program, DNA fingerprinting, electronic databases and hopefully various agricultural vendors. During the session, Reilly will talk about GIPSA's collaboration with Mexican inspectors to facilitate grain shipments entering Mexico and the paper that was prepared on "Logistical Barriers to U. S.-Mexico Grain and Oilseed Trade". For further information visit www.agcca.org.

[org](http://www.agcca.org).



KGFA Dedicates Tom R. Tunnell Building

Over 200 members, legislators, lobbyists, colleagues, friends and family watched as the Tom R. Tunnell Association Building was dedicated on Tuesday, January 13. After months of fundraising, planning and renovations, the new KGFA office is completed.

The evening began with recognizing the generous donors that made this substantial project possible. KGFA Chairman Jerald Kemmerer thanked those members and presented them with recognition plaques in the new building. Kemmerer then paid special tribute to KGFA President Tom Tunnell during the naming ceremony thanking him for the years of service, dedication and foresight he has given to the association.

In closing, special guest U.S. Congressman Jerry Moran gave a few remarks recognizing the value of the grain industry in Kansas. All guests were then invited to stay and enjoy drinks and hors d'oeuvres as they toured the new building during the open house. The new KGFA office provides the additional space, functional layout and technological infrastructure needed to serve our members for decades to come.

Source: GRAINNET.com; February 9, 2009

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Dues Renewal Underway

AAGIWA Secretary-Treasurer Dave Reeder, Fremont Grain Inspection Department, reminds AAGIWA members that their 2009 membership renewals are now due. Reeder reports the response from members has been steady since the renewal notices went out to members on December 19. AAGIWA wishes to thank these members and agency managers for their renewals received since the last newsletter.



- Champaign-Danville Grain Inspection, *David Ayers*
- Charm Sciences, *Gerard Ruth*
- Columbus Grain Inspection, *Ray Anderson*
- Enid Grain Inspection Company, *Barry Hibbits*
- Lewiston Grain Inspection, *Edy Matchey*
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