

# **FGIS Fee Discussion**

## **AAGIWA 2010 Annual Meeting**

### **May 2010**

#### **Randall Jones**

#### **FGIS Deputy Administrator**



United States Department of Agriculture  
Grain Inspection, Packers and Stockyards Administration  
Federal Grain Inspection Service

## **History of Tonnage Fee**


- Implemented October 1, 1996 with three components
  - Hourly rate to recover direct labor costs
  - Unit test or service rate
  - Metric ton administrative charge to recover indirect costs in the field offices and headquarters
- Administrative tonnage fee based on tiered tonnage rate
  - October 1, 1996 to June 13, 2004
- Administrative regional tonnage fee based on region incorporating tonnage history
  - June 14, 2004 to Current



United States Department of Agriculture  
Grain Inspection, Packers and Stockyards Administration  
Federal Grain Inspection Service


## Administrative Tonnage Fee October 1, 1996 - June 13, 2004

<b>All Field Offices</b>							
<b>(\$/MT)</b>	<b>10/96-9/97</b>	<b>10/97-1/99</b>	<b>2/99-4/00</b>	<b>5/00-7/01</b>	<b>8/01-3/02</b>	<b>4/02-6/03</b>	<b>7/03-5/04</b>
< 1.0 MMT	\$0.0900	\$0.1013	\$0.1014	\$0.1038	\$0.1101	\$0.1152	\$0.1199
1.0-1.5 MMT	\$0.0820	\$0.0923	\$0.0925	\$0.0947	\$0.1005	\$0.1051	\$0.1094
1.5-2.0 MMT	\$0.0420	\$0.0473	\$0.0500	\$0.0512	\$0.0543	\$0.0568	\$0.0591
2.0-5.0 MMT	\$0.0320	\$0.0360	\$0.0370	\$0.0379	\$0.0402	\$0.0420	\$0.0437
5.0-7.0 MMT	\$0.0170	\$0.0192	\$0.0200	\$0.0205	\$0.0220	\$0.0230	\$0.0239
7.0 MMT +	\$0.0020	\$0.0023	\$0.0090	\$0.0092	\$0.0100	\$0.0105	\$0.0109

 United States Department of Agriculture  
Grain Inspection, Packers and Stockyards Administration  
Federal Grain Inspection Service

## Administrative Regional Tonnage Fee June 13, 2004 - Current

<b>(\$/MT)</b>	<b>League City</b>	<b>New Orleans</b>	<b>Portland</b>	<b>Toledo</b>
Field Office	\$0.115	\$0.015	\$0.084	\$0.132
Headquarters	\$0.052	\$0.052	\$0.052	\$0.052
Total	\$0.167	\$0.067	\$0.136	\$0.184

 United States Department of Agriculture  
Grain Inspection, Packers and Stockyards Administration  
Federal Grain Inspection Service

### Tonnage Projections/Actual

<b>MT</b>	<b>FY 1997-04</b>	<b>FY 2005-09</b>
<b>Baseline</b>	85,000,000	80,000,000
<b>Projection</b>	78,987,445	76,128,244
<b>Difference</b>	(6,012,555)	(3,871,756)



United States Department of Agriculture  
Grain Inspection, Packers and Stockyards Administration  
Federal Grain Inspection Service

### Tonnage Revenue & Cost

	<b>League City</b>	<b>New Orleans</b>	<b>Portland</b>	<b>Toledo</b>	<b>Total</b>
<b>Tonnage/Fee (FY 2005-09)</b>					
<b>Metric Tons</b>	11,919,104	55,751,519	6,078,908	2,378,713	76,128,244
<b>Total Fee/MT</b>	\$0.167	\$0.067	\$0.136	\$0.184	
<b>Total Revenue (FY 2005-09)</b>					
\$6,990,257					
<b>Total Cost (FY 2009)</b>					
\$10,665,456					
<b>Total Margin</b>					
(\$3,675,199)					



United States Department of Agriculture  
Grain Inspection, Packers and Stockyards Administration  
Federal Grain Inspection Service

## Tonnage Revenue & Cost FY 2011 Projections

FY 2011 Tonnage Revenue & Cost					
	League City	New Orleans	Portland	Toledo	Total
<b>Tonnage (FY 2005-09 Average)</b>					
Metric Tons	11,919,104	55,751,519	6,078,908	2,378,713	76,128,244
<b>Current/Proposed Fee</b>					
Current Fee/MT	\$0.167	\$0.067	\$0.136	\$0.184	
Proposed Field Office/MT	\$0.114	\$0.032	\$0.123	\$0.229	
Proposed HQ/MT	\$0.060	\$0.060	\$0.060	\$0.060	
Proposed Fee/MT	\$0.174	\$0.092	\$0.183	\$0.289	
<b>Revenue<sup>1</sup></b>					
\$9,203,053					
<b>Cost</b>					
\$11,314,982					
<b>Margin</b>					
(\$2,111,929)					

<sup>1</sup>Includes tonnage fee applied to export inspections in Canada.



United States Department of Agriculture  
Grain Inspection, Packers and Stockyards Administration  
Federal Grain Inspection Service

## Unassessed Export Tonnage

	Inspections in Canada <sup>1</sup>	State of Washington <sup>2</sup>	Other Delegated States <sup>3</sup>	Containers <sup>4</sup>	Total
<b>Tonnage</b>					
Metric Tons	1,221,421	23,005,167	4,104,014	2,600,982	30,931,584

<sup>1</sup>Based on average all export tonnage for FY 2005-09 inspected in Canada.

<sup>2</sup>Based on average all export tonnage for FY 2005-09 inspected by the State of Washington.

<sup>3</sup>Based on average all export tonnage for FY 2005-09 inspected by Alabama, California, Georgia, Idaho, Maryland, Minnesota, Missouri, North Carolina, South Carolina, Virginia, and Wisconsin.

<sup>4</sup>Based on average container export tonnage for FY 2005-09 inspected by official agencies.

Note: All exclude land-based shipments to Canada and Mexico



United States Department of Agriculture  
Grain Inspection, Packers and Stockyards Administration  
Federal Grain Inspection Service

## Unassessed Export Revenue

	Inspections in Canada <sup>1</sup>	State of Washington <sup>2</sup>	Other Delegated States <sup>3</sup>	Containers <sup>4</sup>	Total
<b>Revenue</b>					
<b>Metric Tons</b>	1,221,421	23,005,167	4,104,014	2,600,982	30,931,584
<b>Headquarters Fee</b>	\$0.052	\$0.052	\$0.052	\$0.052	
<b>Tonnage Fee</b>	\$0.132	-	-	-	
<b>Total Revenue</b>	\$224,742	\$1,196,269	\$213,409	\$135,251	\$1,769,670

<sup>1</sup>Based on average all export tonnage for FY 2005-09 inspected in Canada.

<sup>2</sup>Based on average all export tonnage for FY 2005-09 inspected by the State of Washington.

<sup>3</sup>Based on average all export tonnage for FY 2005-09 inspected by Alabama, California, Georgia, Idaho, Maryland, Minnesota, Missouri, North Carolina, South Carolina, Virginia, and Wisconsin.

<sup>4</sup>Based on average container export tonnage for FY 2005-09 inspected by official agencies.

Note: All exclude land-based shipments to Canada and Mexico



United States Department of Agriculture  
Grain Inspection, Packers and Stockyards Administration  
Federal Grain Inspection Service