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## Advisory Committee Discusses Key Inspection Topics

USDA's Grain Inspection Advisory Committee discussed a variety of timely industry topics during its June 24/25 meeting in St. Louis. The new Administrator of the Grain Inspection, Packers and Stockyards Administration, J. Dudley Butler, was on hand for opening remarks and stayed throughout the session. Agenda topics included: program initiatives and strategic plan, review of revised sorghum standards, sorghum odor, container regulations, international trade and outreach issues, 2009 program update, fee review for commodity inspection program, and cost containment steps. (To access presentations, click here: <http://www.aagiwa.org/June-2009-Advisory-Meeting.aspx>.)

- Program Initiatives and Strategic Plan. FGIS Deputy Administrator Randall Jones touched on a wide variety of agency initiatives and its strategic plan. Those included wheat functionality, operational efficiencies, and unified grain moisture algorithm. He mentioned (1) the farm gate assessments are now underway for sorghum and soybeans; (2) the standards for mixed rice and wheat are in various stages of review; (3) the Quality Management Program providing for audit-based review programs of official agencies is now being implemented; (4) FGIS is continuing its program reviewing export shipments for compliance with contract terms; (5) FGIS is developing a new training program for official personnel that will be available with the completion of the new National Grain Center in Kansas City, (6) the new building is scheduled for completion in October 2009 and renovation of the existing building is scheduled for completion by April 2010; and (7) *FGISonline* is moving closer to implementation with official licensing and Quality Assurance and Control programs scheduled to be online on July 20, 2009.
- Revised Sorghum Standards. Eric Jobs with the Market and Program Analysis Staff at FGIS reviewed the changes made to the sorghum standards in 2007 and the effects of those changes. Several changes were made to the standards; most notably the limits for BNFM and FM were tightened. Producers generally favored the changes, believing it would result in a higher quality of sorghum being marketed. Handlers generally opposed the change, saying it increased their costs and in a market with tight margins, those costs have to be passed back to producers. Jobs said in general there has been a reduction in BNFM and FM levels at the farm gate from 2006 to 2008.



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- Sorghum Odor. FGIS Technical Services Director John Sharpe reported on the Agency's effort to improve consistency in determining sorghum odor. In working with end-users, producers, and handlers, FGIS has learned that end-users tend to have a tighter line on musty odors than handlers and producers. No consensus was reached on where a single line should be set. The Advisory Committee approved the following resolution regarding sorghum odor:

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

Committee discussion indicated a preference for maintaining a single line for sorghum, rather than a policy with several gradients of odor (light musty, heavy musty, etc.).

- Container Regulations. Bob Lijewski, FGIS Field Management Division Assistant Director, reviewed changes in the regulations for container shipments that FGIS is drafting. He said by defining and setting procedures for establishing average and composite grades, FGIS would be making the rules more flexible to meet the needs of grain exporters. The changes would address issues concerning uniformity of grade within bookings, weighing of grain in multiple units, average quality on shiplot grain, and certification procedures of container lots. The proposed rules are expected to be published for public comment in the summer of 2009.
- International Trade and Outreach Issues. John Pitchford, FGIS Director of International Affairs, reviewed a number of agency initiatives. Grain shipments to Mexico are facing delayed clearance at the border and ports because SENASICA only accepts original phytosanitary certificates. There will be more strict enforcement ahead. FGIS is meeting with the U.S. Grains Council and APPAMEX (Mexican grain trade) on the issue. Regarding importer complaints, there were 13 complaints from 8 countries in fiscal 2009. Half of the complaints were from Korea over the level of corn BCFM, about one-quarter of the complaints were from China due to treated soybeans, and about 10 percent of the complaints were from Japan because of metal/stones in wheat.
- Program Update. Randall Jones reported with lagging exports for the year, FGIS revenues are also down and the agency is expecting a \$3 million loss in its 520 account for original inspections at export. Domestic shipments are also down, but revenue in the 530 account for supervision of official agencies is expected to be close to the 5-year average with a positive year-end balance of just over \$130,000. Revenues for the rice program have bounced back and the agency expects a positive balance of just under \$390,000 at year-end. Commodity inspections under the Agricultural Marketing Act, though, are expected to show a year-end loss of \$475,000.
- Commodity Fee Analysis. Eric Jobs reported on the agency's review of fees under the AMA and its plans to realign the fee structure with underlying costs. FGIS plans to increase these fees by about 17 percent in fiscal 2011 and 3 percent annually for the each of the four years following. FGIS also plans to increase TSD commodity testing fees for cost recovery.
- Cost Containment. John Sharpe reported in light of declining agency revenues FGIS has taken steps to trim \$2.37 million in spending. Most of that savings will come from salaries and

benefits for positions not being filled. FGIS is also: 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 guaranteed home purchase as a part 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.

- Other. The Committee elected Tom Bressner as it's vice chair; he will move up to chair in 2010. The next committee meeting is planned for November 18 and 19 in either Kansas City or Chicago.
- Resolutions. In addition to the sorghum odor resolution, the Committee approved the following resolutions.
  - The Committee applauds GIPSA on being a leader of governmental agencies by developing a Quality Management Program, conducting strategic planning, and developing *FGISonline*. 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 report the future 520 Program accounting information to the Committee in a manner that reflects revenue and direct costs by field office location.

## Giler Retires from FGIS; Lijewski Named Acting Director of FMD



John Giler

John Giler retired from FGIS on July 3 after 31 years with the agency where he began as an agricultural commodity grader. In 1985, he came to Washington, DC, with the Policies and Procedures Branch and was named Branch Chief in 1992. In 2004, Giler was named deputy director of the Field Management Division and in 2007 he joined the ranks of the Senior Executive Service when he was named director of the Field Management Division.

Giler had earned widespread respect from both within and outside the agency for his knowledge and leadership. Several AAGIWA members travelled to Washington, DC, for his June 30 retirement party. Those included Dave Ayers, Champaign-Danville Grain Inspection; Tom Dahl, Sioux City Grain Inspection and Weighing; Ted Hoelck, Hastings Grain inspection; and Tom Meyer, Kansas Grain Inspection Service.

AAGIWA President Larry Kitchen reflected on Giler's retirement, saying it really marks the end of an era and brings into a sharper focus the challenge FGIS faces with what could be a wave of retirements that

could hit the senior echelon as those who joined the agency in its formative period in the mid-1970s begin to reach retirement age.

The director of the Field Management Division is a very important role within the agency and also for AAGIWA members. AAGIWA Board Member Tom Dahl who serves on the Agency's Grain Inspection Advisory Committee commented that, "I think it's important in filling these senior level jobs that the Agency take into account the importance of the depth of knowledge that can really only be gained by moving up through the ranks," Dahl said. "This is especially true for a key position such as the director of the Field Management Division." That was the reason, Dahl said, he introduced the motion at the Advisory Committee meeting urging FGIS to look within current staffing in filling these key roles.

Robert Lijewski has been named acting director of the Field Management Division while a search is conducted for a permanent replacement. The position carries the rank of Senior Executive Service which means the process is lengthier than might typically be the case.

## Canadian Grain Shipments to US Eligible for Inspection Exemption



The Canadian Grain Commission (CGC) has announced that it is beginning to remove the requirements for official inspection and weighing of Canadian grain exported to the United States. The CGC says the move comes after extensive consultations with the grain industry stakeholders.

The CGC anticipates proposing regulatory amendments to finalize this change. Upon completion of this regulatory change, the CGC will remain an optional service provider (inspection and/or weighing) at licensed terminal elevators, at the request of the shipper and subject to CGC operational capacity. The CGC will consider exemptions for shipments to the United States occurring post July 1, 2009 in the Eastern Division and post August 1, 2009 in the Western Division.

## AAGIWA Comments on Training Program Topics

In a letter dated June 22, AAGIWA President Larry Kitchen submitted the views of several Association members on training programs to FGIS Technical Services Director John Sharpe. AAGIWA's Board of Directors had previously discussed the training programs in a May 19 conference call with Mr. Sharpe. Some of the suggestions raised by AAGIWA members included the following:

- FGIS should consider including private industry representatives in training programs at an appropriate fee level.
- FGIS grading seminars for official personnel should be offered on a 50-50 cost share.
- FGIS should not charge for licensing personnel.
- Agencies located at some distance (Pacific Northwest) would like some consideration from FGIS in offering training programs in closer proximity.
- A quality assurance training course may be a good addition to the training curriculum.

## Wheat Head Scab a Concern in Eastern Corn Belt



With the soft wheat harvest in the eastern Corn Belt now largely complete, several AAGIWA members are reporting moderate instances of wheat head scab. David Ayers, Champaign-Danville Grain Inspection, says wheat head scab in his territory is about what one would expect given the relatively wet weather and cool temperature preceding harvest. He said wheat head scab in his area was probably light to moderate, nothing over 5 percent although some samples are showing over 5 ppm vomitoxin.

Keith Fronabarger, Cairo Grain Inspection Agency, said wheat head scab there was a little more prevalent, although he characterized it as moderate. He said as you go further south to the Tennessee border, head scab became heavier and then seemed to ease back as you approach Memphis. In his territory of southern Illinois, Fronabarger said wheat probably averaged 4 to 8 percent damage because of head scab and vomitoxin probably averaged 5 ppm. Thus, he said, much of the wheat crop went into storage since buyers typically are not interested in anything over 2 ppm vomitoxin. He said the head scab probably also caused generally lighter test weights in the area of 56 to 58 lbs per bushel compared to a more typical harvest average of 60 to 61 lbs per bushel.

For the leading hard red winter wheat producing state of Kansas, Bill Spiegel with Kansas Wheat said the yield turned out to be better than expected and would likely surpass USDA's estimate of a 40 bushel per acre average. He said there were pockets where hail and weather reduced the harvest, but that was offset by some areas with a much stronger than expected harvest. In northwest Kansas there were a few reports of harvest touching the 98 to 100 bushel per acre yield mark which is extraordinary. Spiegel said protein levels were lower pretty much across-the-board. He estimated protein would average around 11.5 percent compared to a more typical harvest of 12.0 percent protein.

## Gulf Country Awarded Designation in Northeast Texas

FGIS announced on June 23 that it was designating Gulf Country Inspection Service, Inc., to provide official services in the northeast Texas area. That designation had originally been granted to Central Illinois Grain Inspection d/b/a Lone Star Grain Inspection, but Central Illinois on May 18 notified FGIS that the agency wished to amend its designation to remove the northeast Texas area. Gulf Country had originally applied for the designation in the northeast Texas area and FGIS, after reviewing the information available, determined Gulf Country is able to provide inspection services in that geographic area.

## GEAPS/NGFA Plan Grain Quality Seminar for July 28/29

The 2009 GEAPS-NGFA Operations, Management & Technology Grain Quality Management seminar will be held July 28-29 at the Marriott St. Louis Airport Hotel.

GEAPS President Buzz Tourangeau says GEAPS and NGFA have once again assembled an expert faculty to share knowledge about common grain quality management challenges, as well as prevention and recovery techniques. "We choose to focus on grain quality management every other year because as long as there is a grain industry, this topic is going to be important, relevant and timely," said Tourangeau. Further information is available at the GEAPS website, [www.geaps.com](http://www.geaps.com).

## Terrel Castille Retires from Louisiana State Inspection Program

Terrel Castille, who served over 20 years with the Louisiana Department of Agriculture, retires on July 17 as assistant director of the agency's Agricultural Commodity Division and Official Manager of its Grain Inspection Program. Len Sanders has been named acting Official Agency Manager of the Grain Inspection Program with Castille's retirement. Sanders has been with the inspection program for over 28 years. He began as a sampler and has worked his way up the ladder, most recently serving as office manager for the Oak Grove location.

The grain inspection program provides official services at both domestic and export locations. Most of its business is in northern Louisiana where it handles barge and rail shipments. Its business predominantly centers on inspecting corn, soybean and wheat shipments plus some grain sorghum.

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## **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](mailto:bob.petersen@aagiwa.com).

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