



Issue 2011.06

June 13, 2011

AAGIWA Enjoys Another Successful Annual Meeting

Another excellent turn-out of members heard an outstanding group of speakers at the Association's 63rd annual meeting, held May 1-3, 2011, in Las Vegas. AAGIWA President Larry Kitchen welcomed the group and said the attendance of over 100 people would rank as one of the strongest ever.



In his President's Report, Kitchen noted it has been a year of change. For many agencies, the frustration with the Quality Management Program has eased and that program has become a more useful management tool. Today, the implementation of **FGISonline** has sparked concerns and questions which hopefully will work out as the applications become more fully implemented and as users become more familiar with the applications.

AAGIWA Secretary-Treasurer Dave Reeder briefed members on membership and financial matters. He said the membership consists of 25 private agency members, 9 state agency members, and 10 associate members for a total of 44. AAGIWA members represent about 59 percent of the total number of inspection agencies and account for about 75 percent of the inspections performed by agencies. Regarding finances, Dave Reeder reported the Association began the current fiscal year with a strong reserve that equals over 67 percent of the expected expenses for the year. AAGIWA's largest expense is for staffing services and that amount ebbs and flows from year-to-year. He said the Association expects to run a modest deficit for the current fiscal year, but is expecting to run a small profit next fiscal year.

Meeting attendees were very positive in their comments about the meeting and meeting speakers. A sampling of comments received from the meeting critique sheets included these:

- "Was a wonderful meeting packed with information that answered many questions across the board in grain inspection."
- "Very informative and educational."
- "Well done overall, took some good information from discussions and presentations from our guest speakers."
- "Very well run."



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Meeting Speakers Cover Timely Issues

Dr. Dirk Maier, Professor and Head of the Grain Science and Industry Department, Kansas State University, addressed the topic of “Sustainability of Human Capital for the Global Grain Industry.” His remarks touched on many issues facing the grain industry today. KSU’s grain science department has just celebrated its centennial and sees itself as the global leader in grain science education. With that role, there comes a responsibility to the industry. Dr. Maier discussed KSU’s focus on growing a strategic partnership with the grain industry, developing a recruitment plan for future students, offering scholarships and faculty support to current students, and continuing to tout a 100% placement among its graduates. Part of Dr. Maier’s plan to serve all these goals is the opening of the International Grain Center, part of the Grain Science Innovation Campus in Manhattan. Dr. Maier and the faculty of the Grain Science and Industry Department at KSU are hoping the new center will provide insight into the future of the grain industry, as well as a chance to help bring forward the next generation of industry leaders.

Scott Anderson, Vice President of Risk Management Services for Kansas Farmers Service Association, spoke on the important and timely issue of “Safety and Compliance Issues for Grain Inspection Services.” Anderson’s presentation focused on current OSHA regulations now up for review, common workplace dangers, and workplace tested fall protection equipment. Anderson explained that OSHA Inspections happen for just a few reasons: accidents, special emphasis programs (varies by state), drive-by OSHA Inspections, or by a complaint from an employee or concerned citizen. After showing a video produced by Cargill regarding the testing of several harnesses and preventative fall protection measures, Anderson emphasized the current standards, and how to best work with OSHA.

Jim Smolik, Assistant Chief Commissioner, Canadian Grain Commission, provided an update on grain inspection issues in Canada, including an update on how the CGC handles US/foreign grain, dealing with moisture shrinkage, and falling number technology.

- Handling of US/foreign grain: An order to formalize foreign grain policy was made on February 16, 2011. Before all procedures were inconsistent. Now inbound grain will have no segregation or official weighing and inspection. Outbound grain (if co-mingled) will be officially inspected and weighed, and will be certified as “Mixed Canadian and Foreign Grain.”
- Moisture Shrinkage: Revisions to moisture shrinkage deductions to address perceived inconsistencies have been made, and process and transfer elevators can no longer deduct for comprehensive shrinkage. CGC will regulate moisture shrinkage allowances.
- Falling Number Technology: Study of the rapid visco-analyzer concluded the instrument provided inconsistent results and was prone to failure; ReadRite technology study began April 2011, 15 sites on ELISA-based system, results so far seem promising.

Smolik promised more changes to come as recent elections have been held in Canada, and a new direction may be taken with newly elected government.

GIPSA Regional Meetings a Possibility?

Recently, GIPSA/FGIS reached out to AAGIWA member agencies on whether they would be interested in holding regional meetings with FGIS Management to address current issues.

Twelve member agencies replied to AAGIWA’s poll on this matter, and the overwhelming response was positive toward holding the meetings, with a preference of holding them at field office locations. AAGIWA has forwarded this information to Bob Lijewski, Director, Field Management Division, for his review.

Warren Duffy, Vice President of Export Operations for Archer Daniels Midland, gave his official system overview of “Deliverable Quality” during the Tuesday, May 3, morning session. Duffy, a nearly 30 year veteran in the grain industry, stated that the industry has become highly competitive and technologically advanced. Managing the uncertainties of the flow of grain through the supply chain is a critical logistics component, as well as consistency within the official system is used as a determining factor in managing a smooth logistics flow. “The right product, at the right time, to the correct location, in the desired condition is the ULTIMATE goal,” Duffy stated. Duffy strongly endorsed the official system, and its unbiased third-party look at grain inspection contributing to a smooth process. However, with recent issues regarding damage and odor characteristics, we must continually re-evaluate what is best for all parties and create a comprehensive monitoring system to ensure deliverable quality. Duffy also encouraged the official system to compile and use relevant data for its quality control program to identify any consistency related issues before market disruption occurs.

Copies of available presentations can be found on the AAGIWA website: www.aagiwa.org

Randall Jones, FGIS Deputy Administrator, provided a general overview including a market overview and report on FGIS structure and priorities. Jones stated that they are projecting exports at the end of 2011 to be about 10 percent ahead of last year. Key initiatives FGIS is working on include sorghum odor and quality assurance. A new initiative on sorghum odor is expected to be in place by March 2012, the industry task force reconvened the week of June 3. With regards to quality assurance, Jones stated that as long as the official agency system is delivering quality services that are consistent, the official agency system will thrive. He stated that the Quality Management Program is a key part of ensuring that processes are in place so there will be high quality results.

Tom O’Connor, Director, FGIS Compliance Division, reported on several key initiatives within the Compliance Division, including the integration of QAQC staff, QMP implementation, the Contract Review Program, and the Exception Program.

- QAQC Staff: The QAQC has a new name: Quality Assurance and Compliance Division. It is divided into two components and overseen by the Director of the Compliance Division. The two components are the Investigation and Enforcement Branch – Greg Tomas, Chief, and the Quality Assurance and Designation Branch. The position of Chief for this branch remains open and will oversee the QAQC and Designation staff.
- QMP Implementation: All agencies and field offices have written manuals and have completed the three month or are conducting one year audits. Nine QMP agency audits have been completed, eleven more are scheduled for FY 2011. The QMP audits are scheduled after the one year internal audit and to coincide with the designation renewal. Changes to the QMP manuals can be submitted at any time. Changes have been made to the QMP review process and as a result the reviews should be shorter and more focused.
- Contract Review Program: The program is designed specifically to compare loading instructions provided to FGIS to the actual contract to ensure consistency, similar to a program FGIS had in the early 1980s. During FYs 2009 and 2010, FGIS reviewed 890 grain shipments, approximately 2% of grain export shipments. The program will continue but will be limited to review of a single quarter during the fiscal year.
- Exception Program: Since program inception, FGIS has received 384 requests. Of those, 28 were not approved, 108 were cancelled, and 284 were on the books prior to January 10, 2011. Since January, 47 were cancelled due to no volume since 2008, 82 were cancelled as services were no

longer needed, a facility was closed, or they were using the incumbent OA. Currently there are 119 active exceptions.

Karen Guagliardo, Assistant Director, FGIS Field Management Division, provided an update on *FGISonline*. She reported that in October 2010 the FGIS IT team took ownership of the *FGISonline* system. They have recently hired two of the IT people that wrote several of the modules. This has allowed FGIS to continue to maintain and enhance the system.

- Inspection Data Warehouse (IDW) – they are working on redesigning the system to improve searches, provide enhanced reporting, and improve validation of data. IDW depends on interaction with third party certificate providers. It is important to review confirmation e-mails from IDW to ensure the data was properly received. Official Agencies can report problems that cannot be resolved to Janine Goodson or Judy Johnston.
- Delegation, Designation and Exporter Registration (DDR) – they have increased the e-mail field to allow for multiple addresses (separate with a semicolon and space) and improved Appendix B.
- Organization & Personnel (OPA) – notify Vicky Lacefield of any additions or changes to SSP's. Records will be rejected in IDW if SSP is not in OPA.
- Quality Assurance and Control (QAC) – official agencies except for those under Toledo, Stuttgart, and New Orleans. They are working on reports.

FGISonline Help: 866-275-8915
Janine Goodson: 816-659-8401
(new direct phone number)

David Lowe, Chair, FGIS Board of Appeals and Review, provided an update on the National Grain Center and information on the test kit evaluation program and training.

- The design for the renovation of the existing building was completely redone to create laboratory space for the Commodity Testing Lab work. Construction of the new addition was completed on March 18, 2011. The renovation of the upper level is scheduled to be complete in November 2011. The lower level will then be demolished and renovated, with a projected completion date in April 2012.
- The mycotoxin test kit evaluation program was restarted on March 1, 2011. Currently the program is only testing DON test kits, both quantitative and qualitative kits. Additional mycotoxins are being certified and aflatoxin should be the next mycotoxin to be certified. At the time of the meeting, the program had evaluated three quantitative DON kits and there were three qualitative kits entering the evaluation stage.

MYCOTOXIN QUESTIONS

Program Issues:

Dave Funk 816-891-0473

Tim Norden 816-891-0470

Technical Issues:

Greg Giese 816-891-0460

Bob Lijewski, Director, FGIS Field Management Division, provided an update that included organizational changes, unit train inspection options, odor determination, insect damaged kernels, rulemaking, pulse inspection laboratory for Western North Dakota, and the approval process for diverter type mechanical samplers. Organizational changes within the FMD include the movement of the *FGISonline* group to be under the supervision of the Field Management Division Director, FOSS and Cedar Rapids have been merged together to create the Domestic Inspection Operations Office (DIOO), and Olympia has become a Portland suboffice. Lijewski stated that they hope to be able to name the new DIOO director shortly, who will be based in Kansas City.

New policy bulletins are expected to be issued shortly regarding a standardized process for determining odor and to establish a policy for determining the inspection method and sample portion size for IDK. FGIS continues to work on proposed rulemaking for wheat. Once the Notice of Proposed Rulemaking is published in the Federal Register, GIPSA will notify stakeholder groups to make sure they are aware of the start of the comment period. GIPSA anticipates final rule publication in January 2012, with an effective date in May 2013. Rulemaking for containers is also underway to address the need of harmonizing regulations pertaining to grain exported in ships, trains, barges, and containers. It is currently in departmental clearance with an estimated timeline to publish the proposed rule this coming summer, publish the final rule in Fall 2011, and implement changes to the program in Winter 2012. Finally, as requested by the industry, Lijewski reported that there is a new pulse inspection laboratory. GIPSA intends to open new duty points in Western North Dakota.

Ayers, Dahl, Elected to Lead AAGIWA

AAGIWA members voted to elect David Ayers, Champaign-Danville Grain Inspection Departments, as President and Tom Dahl, Sioux City Inspection & Weighing Service, as Vice President of the Association during the Annual Meeting held May 1-3 in Las Vegas. Also elected are newcomers to the AAGIWA Board, Brent Hibbets, Enid Grain Inspection Company, and Keith Fronabarger, Cairo Grain Inspection Agency.

The Association thanks Larry Kitchen, Missouri Department of Agriculture, and Mark Fulmer, Lincoln Inspection Service, who served as President and Vice President for the past four years. Kitchen will continue to serve on the Board of Directors as the immediate past president. In addition, Greg Hoelck served as Board Member for the past two years, and decided not to seek re-election to provide an opportunity for others to have a chance to serve on the Board.

QMP Implementation Focus of Panel Discussion

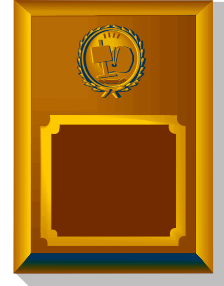
After a morning of speakers at the Annual Meeting, Board Member Tom Dahl moderated a panel discussion on current industry issues. The panel's main focus became QMP Implementation and what it means for member agencies. Tyrone Robichaux, Gulf County Grain Inspection, began the discussion with his own recent experience with the QMP process.

"With fewer and fewer field offices, agencies are now responsible for your own processes, which is why QMP is necessary," Robichaux stated. Yet although Robichaux understands the purpose, he still finds flaws in the process. "Trust", he stated, to write and implement the QMP is essential from GIPSA. With the many changes in FGIS staff, it is quickly becoming necessary to form cohesive relationships with GIPSA. Robichaux also is a proponent of regular audits, as long as GIPSA uses common sense and keeps in mind what is feasible for member agencies to correct.

AAGIWA Secretary/Treasurer Dave Reeder agreed with Robichaux stating QMP is meant to help agencies, but the audit process seems to be slowing things down instead. Moderator Tom Dahl and other members of the panel also agreed with Robichaux's view that trust is essential in the QMP process and for member agencies and GIPSA to work cohesively.

Deike, Gore, and Giler Honored with Distinguished Service Award

AAGIWA members honored Randall Deike, Robert Gore, and John Giler with the Association's 2011 Distinguished Service Award. Of those being honored, John Giler was in attendance and was presented with the plaque at the meeting.



In presenting the award, President Larry Kitchen made these comments:

John retired as Field Management Division Director after 31 years with FGIS in July 2009. As a veteran of many AAGIWA meetings John always found a way to make the meetings – and especially our extracurricular activities, more than enjoyable. John has earned widespread respect from both within and outside the agency for his knowledge and leadership. His retirement marked the end of an era for many of us.

Giler joins several other current and past AAGIWA members as a recipient of the Distinguished Service Award. Robert Gore and Randall Deike were not able to attend the Annual Meeting were sent their plaque and a thank you for their service to the grain industry.

ISEMA Holds International Conference in Kansas City

The International Society for Electromagnetic Aquametry (ISEMA) held its 9th International Conference in Kansas City, Missouri, May 31-June 3, 2011. This Conference was sponsored by two USDA Agencies, the Grain Inspection, Packers and Stockyards Administration (GIPSA) and the Agricultural Research Service (ARS). David Funk, Richard Pierce, Zoltan Gillay, and Marsha Schwartz, Technology and Science Division, GIPSA, and Samir Trabelsi, ARS, organized and hosted the Conference with assistance from Petersen Consulting Services. The conference drew over 50 of the world's best-known experts in the field of radiofrequency and microwave moisture measurement from ten countries. Randall Jones, Deputy Administrator, GIPSA, gave the Welcome Address for the Conference. GIPSA scientists contributed five technical presentations dealing with grain moisture measurements.

ISEMA is an informal association of scientists and engineers from academia, industry, and government who are bound together by their common interest in the theory, technology, and practical application of radio-frequency and microwave measurements of water content in a wide range of materials. ISEMA activities have revolved around their biennial conferences on that subject matter. These conferences were created as a forum of theory and practice, where experts can meet, network, and exchange results of research, development, and application. A goal of ISEMA is to support the cooperation of scientists and users of material and moisture measurements by using microwave and dielectric measuring methods over a wide frequency spectrum.

For more information, visit their website: www.isema-online.com.

SAVE THE DATE

BOARD MEETING
September 11-12, 2011
InterContinental Hotel
Kansas City, MO



DeLong will build first export facility at Logistics Park Kansas City

Kansas City Business Journal - by Krista Klaus, Staff Writer, Thursday, June 2, 2011

Grain exporter The DeLong Co. Inc. has bought an 8-acre site at Logistics Park Kansas City for an undisclosed price.

The Clinton, Wis., company will build the logistics park's first export facility to coincide with the 2013 opening of BNSF Railway Co.'s new \$250 million Kansas City Intermodal Facility.

"The DeLong Co. is pleased to partner with local farmers in bringing their agricultural products to global markets," Bo DeLong, vice president of grain for The DeLong Co., said in a release.

The Southern Johnson County intermodal site's interstate access was a factor in DeLong's decision to build a state-of-the-art, cost-efficient facility, he said.

"We will be able to load a container in less than 10 minutes, and our facility will have a cross-dock for the convenience of our future import partners who will help us with additional export capacity," DeLong said.

DeLong will ship more than 100 loads a day to Asia and will offer reloading services to importers that may choose to open facilities within the logistics park.

FGIS Notice and Directive Updates

[FGIS – PN- 11-05](#) "Inspection of Flood Damaged Grain." Notice regarding information of how to inspect flood damaged grains and what is to be considered "actionable" to the FDA.

[FGIS – PN-11-06](#) "Sample Collection Responsibilities for Verifying the Accuracy of Moisture Meter Calibrations Crop Year 2011" Notice regarding collection assignments for samples needed to verify the accuracy of official moisture meter calibrations. Also restates procedure for collecting and submitting samples.

[FGIS Directive 9180.61](#) "Official Calibrations for the Dickey-John 2100 Moisture Meter" was revised on April 1, 2011, to reflect new calibrations for Six-Row Barley and Durum Wheat.

Advisory Committee Meeting

The next Grain Inspection Advisory Committee meeting will be held at the new National Grain Center **Kansas City, MO** on **June 21-22, 2011**.

The Grain Inspection Advisory Committee meets twice annually to advise GIPSA on the programs and services it delivers under the U.S. Grain Standards Act.

Recommendations by the committee help GIPSA to better meet the needs of its customers who operate in a dynamic and changing marketplace.

The committee is comprised of 15 members and 15 alternate 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.



Diverter Sampler Letter to FGIS

During the course of AAGIWA's recent annual meeting, Bob Lijewski asked for AAGIWA's position regarding the checktesting and approval of Diverter-Type Samplers.

With the help and knowledge of several board members and Mark Olson of Gamet Manufacturing, AAGIWA presented Deputy Administrator Randall Jones with a position letter on June 6, 2011. To view AAGIWA's position and complete letter to Mr. Jones, [CLICK HERE](#).

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: abigail.hiles@aagiwa.org.

Interested in Sponsorship Opportunities?

AAGIWA is now booking sponsors for future issues of *Chaff*. *Chaff* can present your company with a unique opportunity to hit a very targeted audience of key executives in a venue that has strong readership in the agriculture industry. It is an excellent marketing opportunity – contact Erica Venancio for further information at erica.venancio@aagiwa.org.



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