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American Association of
Grain Inspection and Weighing
Agencies

President's Report

Larry Kitchen

May 4, 2008

Greetings to all. It is especially great to look out and see such a wonderful attendance.

Welcome to AAGIWA's 61st Annual Meeting. When AAGIWA first met as the re-organized National Chief Inspectors Association in 1948 in Chicago, I don't think Ted Hoelck and Bob Fronabarger were in attendance. But, I don't think they have missed many meetings in between either. It is great to see both of you here.

In this age of electronic information, the internet, e-mail, and cell phones, I sometimes think we lose sight of relationships – knowing people personally, talking to them, sharing a drink or a joke together.

Relationships, I think, are still what make the world go around. I have been coming to AAGIWA annual meetings for many years, but I am still a pup compared to Ted and Bob. But, I have made a lot of friends here over the years and solved a lot of problems with the help of these friends over the years. The AAGIWA Annual Meeting has always been a highlight of my professional career and I have always looked forward to the chance to see my good friends and colleagues.

We think we have an excellent program for you again this year. We thank Joseph Cupples and the Midsouth Grain Inspection Service for their hospitality and, in particular, for co-hosting our Banquet on Tuesday night. You need to be sure and stay for the banquet because it is going to be special – we have a lot of raffle prizes and other events you won't want to miss.

Speaking of sponsors – and I will speak of them again later and more specifically – our associate members do so much to help us. I hope you all realize the reason we are able to keep registration fees relatively low, but still provide a nice event is because of our associate members who step forward to help out. We very much appreciate that and value their support.

I have greatly appreciated the honor and privilege of serving as your president for the last two years. I am very pleased with the changes we have seen unfold in AAGIWA over that time and I thank the Board of Directors for their excellent participation. We have two Board members rotating off this year and they will be missed. Randy McCormick, thank you for your participation – you will be missed. Randy Deike could not be with us because of travel restrictions at the Washington Department of Agriculture so he decided not to run for the Board this year, but we expect to have him back on in another year down the road.

AAGIWA's primary role is to be a more effective voice for official grain inspection agencies. A large part of our time and effort comes in our work with FGIS. This is an important relationship for AAGIWA

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member agencies. We need to maintain a positive, constructive relationship with FGIS. They are responsible for overseeing what we do and making sure the United States Grain Standards Act is implemented appropriately.

I know too often that we as agencies tend to find fault with FGIS rules, guidelines, and processes. It is easy to blame everything that doesn't work quite the way it should on FGIS. Let's not fall into that mind step or that trap. There are areas where reasonable people can disagree and I have always found FGIS to be willing to talk through issues I have raised with them.

But, we need to realize (and most do) that there is usually a pretty good reason behind what FGIS is doing. Official agencies need to be accountable, too. AAGIWA has not hesitated to raise difficult and challenging issues with FGIS, but we intend to do it in a professional and constructive manner.

We are pleased that there will be a good delegation from FGIS here for this meeting. I am very pleased with the outlines of the QMP workshop that will be held this afternoon and FGIS will play a key role in our meetings tomorrow. We appreciate that.

I really believe FGIS looks at AAGIWA as more of a partner today than they have in the past. We appreciate being asked for our opinions and try hard to respond to the requests in a substantive and meaningful way that fairly represents the views of our entire membership.

One of the key issues for AAGIWA this year and last year has been the new Quality Management Program (QMP) that FGIS is putting in place. It was a pretty difficult meeting we had with Dave Shipman in 2007 to say this isn't going to accomplish what you want. Dave wasn't very happy with us, but to his credit he went back, dug into it, and said "let's try this again." Several of us from AAGIWA have been active members of the QMP Review Program. I am not here to say the revised version is perfect, it is not. And it is going to take a lot of your time and a lot of work on your part. AAGIWA did not make it go away as perhaps many of us might have hoped, but I think we have made it more workable.

There will be plenty more said about the QMP later today in the workshop session. We think this session can be very helpful to you in preparing your manual.

In your meeting folder you will find a document titled "AAGIWA Accomplishments" which contains highlights for us from the last year or so. On page three is a list of some of the specific areas where we have been active. Let me highlight just a couple of those.

John Sharpe with FGIS asked for our thoughts for training program priorities as FGIS began its thought process for the new National Grain Center under construction in Kansas City. We surveyed AAGIWA members for your views and were pleased that over 30 people responded. That survey showed the following priority list for training programs.

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| 1. | grading | 7. | container sampling & loading |
| 2. | sampling | 8. | diverter sampler approval |
| 3. | certification | 9. | weighing |
| 4. | licensing | 10. | CuSum loading procedures |
| 5. | equipment checktesting | 11. | protein analysis |
| 6. | mycotoxin testing | | |

AAGIWA has also been engaged with FGIS on the sorghum odor issue. This has been an issue for the industry, agencies, the Advisory Committee and FGIS. I attended the April 8 meeting FGIS held for industry stakeholders to review the official line for odor in sorghum and see if it meets end-user needs. I came away very impressed with the work being done at Kansas State University on this subject by Dr. Edgar Chambers. We were fortunate to secure Dr. Chambers as a meeting speaker and he will be on our program tomorrow. And, I am sure Randall Jones will be touching on the sorghum odor issue in his remarks tomorrow, as will Chuck Elsea the CEO of the Scoular Company, in his presentation tomorrow. Now, while noting the K-State superiority in sensory analysis, I will have to of course acknowledge the much superior football team across the state line – and I am not referring to Nebraska.

We think, as a whole, we have a group of speakers who are going talk about issues that have real meaning to your business. That will begin with Jay O’Neil’s remarks later this morning on “How Grain Supply and Demand Factors Will Affect Inspection Volumes in 2009.” I don’t think you can get much more direct than that.

I think one of the real assets to AAGIWA has again become our monthly newsletter, **CHAFF**. There were 11 issues of the newsletter in 2008 with the months of July and August combined as one. Nearly all of the issues were sponsored, making the newsletter mostly self-supporting. Membership response to the newsletter has been very positive. I think it provides many of us with a link to what is going on with other agencies so we feel a little less isolated in our own geographies.

There are a couple of other items in your meeting folders that I want to point out. Be sure and read over the critique sheet we have included. Then fill it out and bring it up here at some point and put it in this box. We actually look these over pretty closely to help us decide how to organize our program and what to emphasize. Tell us what you liked about this meeting and what you didn’t. We will try not to make the same mistake twice in planning next year’s meeting.

Thinking about next year’s meeting, you will see a question about that on the critique sheet. Let us have your thoughts. You will remember that we went to Las Vegas for many years, then the feeling was we had over done that and a location more central would work better. We had a great turnout last year in Kansas City. We have an ok turnout here in Memphis.

We had originally planned to go back to Kansas City next year, in 2010, especially with the completion of the new FGIS Tech Center Building. BUT, I have been hearing a lot of comments about returning to Las Vegas. So if you have an opinion, put it down on the critique sheet and turn it in so we know what your preference is. Those responses will have a big impact on what we choose for next year’s meeting location.

Also, with your welcome letter in your registration folder is your exhibitor card, similar to what we used last year. Here’s the drill – on Tuesday night we are going to draw completed exhibitor cards from a basket. For those lucky winners, we have a lot of pretty cool stuff that has been donated by our associate members. You don’t have to be present to win, but what you DO have to do is take this exhibitor card around to each vendor table and have it initialed by each vendor. When it is fully completed, put it in this basket and you are eligible for this drawing.

Lastly, let me say thanks to our friends at Petersen Consulting, Bob Petersen and Erica Venancio, who have quickly become part of the AAGIWA family. I think they do a fantastic job in providing us with administrative services – serving as the AAGIWA staff. They have brought a new level of activity and

helped the association again become relevant. They are real professionals. They have good ideas and get stuff done for us. We also think it is a pretty cost-effective approach.

With that, thank you. It has been a good year for AAGIWA and I am pleased to have been a part of it.