



## Board Meets in Kansas City



Larry Kitchen  
AAGIWA President

AAGIWA’s Board of Directors met September 14 in Kansas City to discuss a variety of administrative and policy issues. The group concluded the day-long session with an evening dinner meeting with the FGIS senior management team led by Deputy Administrator Randall Jones.

Among the administrative topics explored by the Board was a suggestion to expand the Board with the addition of a representative from associate members. The Board unanimously approved a motion to present the idea to the AAGIWA membership for consideration at the Annual Meeting in April. The proposal will call for the addition of a non-voting seat for associate members to be elected for a

two-year term. The seat would be filled by the election of associate members during an on-site caucus at the annual meeting. Further information will be provided to the membership in advance of the Annual Meeting, in accordance with the Association’s by-laws.

AAGIWA President Larry Kitchen said the idea of adding a representative from associate members was readily embraced by the Board in recognition of the excellent support and participation that associate members provide to the association. Kitchen noted in particular the associate member sponsorships at the annual meeting, which, he said, allows the group to present an outstanding event for a low registration fee.



### Annual Meeting Planned for April 25-28

AAGIWA’s Annual Meeting will be held in Las Vegas on April 25-28, 2010. The sessions will be held at Harrah’s Paris Casino and Resort property on the famed Las Vegas Strip. The meetings begin with a reception on Sunday evening, April 25 and wrap-up with the annual banquet on Tuesday evening, April 27. The Board of Directors will hold its annual meeting on April 28.



*Accuracy. Integrity. Consistency.*  
Representing Official Grain Inspection Agencies for Over 40 Years.

## Inspection Issues

### Commodity Inspections for FSA under the AMA



On September 15, GIPSA posted a solicitation on the Federal Business Opportunity (FEDBIZOPPS) website seeking companies and individuals to assist in providing processed commodity (i.e., corn soy blend) sampling and weighing services. These activities, conducted under the Agricultural Marketing Act of 1946, as amended, are for USDA's Farm Service Agency food aid program and will be performed at milling facilities in Crete and Lincoln, Nebraska; Champaign-Danville, Illinois; and Cambria, Wisconsin. The duration of the contract will be from date of award through September 2010 with 4 option years (2011-2014) for a maximum contract length of 5 years. Interested parties were to respond to the solicitation by 1:00 pm eastern on September 25, 2009.

### QMP Update

GIPSA has approved the quality manuals for 30 official agencies and is in the final stages of reviewing a number of others for compliance with the Quality Management Program requirements. Compliance Division Director Thomas O'Connor told the AAGIWA Board on September 14 that the Agency is still waiting for draft quality manuals from four state agencies and one designated private agency. While all GIPSA field offices have submitted draft manuals for review, the Agency is adding some additional requirements to its field office's program, which is delaying final approval.



### Aflatoxin Reporting Unchanged by FDA Reporting Portal



As of September 8, the U.S. Food and Drug Administration has activated the Reportable Food Registry Electronic Portal, which food industry officials must now use to alert the FDA quickly if they find that their products might sicken or be fatal to people or animals. Facilities that manufacture, process or hold food for consumption in the United States now must tell the FDA within 24 hours if they find a reasonable probability that the article of food will cause severe health problems or death to a person or an animal. The reporting requirement, a result of legislation, took effect with the launch of the new electronic portal reporting system.

However, this new legislation and new electronic portal has no bearing on the FGIS/FDA Memorandum of Understanding which is the agreement that sets forth the working arrangements between the Federal

Grain Inspection Service and the Food and Drug Administration regarding their respective responsibilities in the inspection and standardization of grain, rice, pulses, and food products.

Links for additional information on the FDA's Reportable Food Registry:

- <http://www.fda.gov/NewsEvents/Newsroom/PressAnnouncements/ucm181531.htm>
- FDA's guidance document "Guidance for Industry Questions and Answers Regarding the Reportable Food Registry as Established by the Food and Drug Administration Amendments Act of 2007" @ <http://www.fda.gov/Food/GuidanceComplianceRegulatoryInformation/GuidanceDocuments/FoodSafety/ucm180761.htm>
- The Appendix to that guidance provides instructions for submitting a report via the Reportable Food electronic portal, "V. Appendix: Instructions for Completing the Reportable Food Registry Report" @ <http://www.fda.gov/Food/GuidanceComplianceRegulatoryInformation/GuidanceDocuments/FoodSafety/ucm180872.htm>
- The Reportable Food electronic portal for submitting reportable food reports may be accessed @ <http://rfr.fda.gov/>

## FDA Develops Method of Detecting Residues in DDGs

The National Grain and Feed Association reported in its September 16 newsletter that the Food and Drug Administration has developed a new method for detecting residues of 13 different antibiotics in distillers grains and may consider a second nationwide sampling program.

According to the NGFA report, the FDA on Sept. 15 published a scientific paper in which it announced it has developed a method for screening, determining and confirming the presence of 13 different antibiotics in distillers grains. FDA's Center for Veterinary Medicine (FDA/CVM) has indicated it may consider undertaking a second national sampling plan later this year to detect the presence and prevalence of residues of various antibiotics in distillers grain products that result from their use in fuel-ethanol production. Antibiotics are used as a processing aid by some fuel-ethanol producers during the fermentation process to kill and control bacteria that can negatively affect the amount of alcohol yielded from corn, thereby enhancing fuel-ethanol production.

FDA/CVM in January 2009 announced the results of an initial nationwide sampling of distillers products manufactured from fuel-ethanol production, in which it detected antibiotic residues in more than 50 percent of the samples analyzed, some at elevated levels. FDA/CVM has emphasized that no antibiotic residues currently are allowed in distillers grains intended for use as a feed ingredient.

FDA/CVM, however, has informed Phibro Animal Health Corp., the manufacturer of a virginiamycin-based processing aid known as Lactrol®, that the agency plans to exercise enforcement discretion concerning that product so long as the company is pursuing a food-additive petition in an intentional manner seeking FDA approval of the product. FDA/CVM in November 1993 had issued a "letter-of-no-objection" in which the agency allowed residues of up to 0.5 parts per million of virginiamycin in



distillers grain products. But the agency in early 2008 said it was reconsidering its regulatory stance because of concerns over the degree to which the use of antimicrobials in food-producing animals may contribute to the build-up of resistance to antibiotics in humans that undermine their effectiveness in treating human illness.

## FGIS Notes

### Marianne Plaus to New Post

As reported in the September 2009 issue of **GIPSA News**, Marianne Plaus is the new director of Management and Budget Services for GIPSA, which is comprised of the former Management Support Staff and Budget and Planning Staff. She is responsible for administering GIPSA's budget processes and programs, and provision of agency-wide administrative and support functions. Previously, she served as chief of the FGIS Market and Program Analysis Staff.

### Tech Center Update

The completion date for the initial portion of the work on the new National Grain Center in Kansas City has been pushed back from October 1 to about December 2009. This delay is expected to also push back the progress on other portions of the construction and makes the upstairs existing building renovation completion goal around March 2010, and the downstairs renovation around June 2010.



### Addition of Urea



Rumors have circulated in the Pacific Northwest of instances where some larger wheat producers were adding Urea to wheat prior to harvest with the intent of inflating the crop's protein value. In response to an AAGIWA question on this subject, Robert Lijewski, acting director, FGIS Field Management Division, has offered these comments:

*There has been much research into the use of urea as a fertilizer/nitrogen source for wheat production. Urea has beneficial effects on plant growth, agronomic yield and nitrogen content, when applied up through the boot stage of development. Application of urea to wheat prior to harvest is not a good business decision because after the leaves have gone through senescence, the collapsed vascular system of the plant will not allow the urea to be assimilated into the grain protein. If the objective of spraying wheat pre-harvest is to hope urea adsorbs through the glumes and deposits on the grain, this would represent an expensive and potentially deceptive practice.*

*It is unknown whether urea treated wheat would register a higher protein content as determined by the Artificial Neural Network method used in the official system for determining protein content. If a reference method (Kjeldahl or Combustion Nitrogen Analysis) were used to measure nitrogen concentration, urea would likely would render a false, and high protein concentration. Urea has FDA- GRAS (generally recognized as safe) certification. So, while it is allowed as a food additive, adding it to wheat to artificially raise the apparent protein content has been found to be a deceptive practice. GIPSA's prohibited practices are germane when the wheat is in storage.*

### Advisory Committee to Meet Nov. 17/18 in Kansas City

FGIS is planning the next meeting of the Grain Inspection Advisory Committee for November 17 (all day) and November 18 (one-half day) in Kansas City at the Embassy Suites Hotel-Plaza. AAGIWA members serving on the Committee include: Tom Dahl, Sioux City Inspection and Weighing Service (member) and Randall Deike, Washington State Grain Inspection Program (alternate member).

### Agency Designation Activity

GIPSA has designated Idaho Grain Inspection Service, Inc.; Lewiston Grain Inspection Service, Inc.; Ohio Valley Grain Inspection, Inc.; and Utah Department of Agriculture and Food to inspect or inspect and weigh grain effective October 1, 2009, through September 30, 2012. AAGIWA congratulates these agencies and their official managers on this re-designation:

Agency	Manager
Idaho Grain Inspection Service	James Simpson
Lewiston Grain Inspection Service	Edythe Matchey
Ohio Valley Grain Inspection	Linda Meny
Utah Dept. of Agriculture	George Wilson

### Accurate Grades Can Mean Greater Elevator Profitability



The easiest way for a grain elevator to increase its profits from receiving and handling grain may be as simple as accurately determining grade and dockage according to an article in the July/August issue of *Grain Journal* (pages 12-13).

The author of the article, Oklahoma State University Extension Economist, Dr. Kim Anderson, says with \$5 wheat, \$3 corn, and \$10 soybeans, not accounting for 1 percent dockage/foreign material (FM) alone is 5 cents per bushel for wheat, 3 cents for corn and 10 cents from soybeans. If elevators hope to make a 10 or 15 cent per bushel profit on handling grain, reducing losses from inaccurate grading can increase profit by a relatively large percentage.

Anderson pointed out that if grain is not graded accurately, producers will deliver grain that will cause problems in storage and elevators will pay them more than the grain is worth. He recounted the situation in Oklahoma in the mid-1990s when few elevators owned dockage machines and grading equipment was generally lacking. The State's 1996 wheat crop, he said, was a disaster with constant rains during the harvest season. According to his surveys, local elevators underestimated dockage, overestimated test weight, and underestimated FM, damage, SBK, and total defects. According to his calculations, over a two year period local elevators paid out over \$7 million more than the wheat was worth.

Today, Anderson said, most all Oklahoma elevators use dockage machines and good grading equipment.

## Great Plains Elevators Full of Unsold Grain



WICHITA, KS - Amid a global glut of wheat stockpiles, grain elevators across parts of the Great Plains are still crammed with unsold winter wheat as facilities brace for expected bumper fall harvests of corn, sorghum and soybeans.

"This is going to be putting a lot of pressure on storage facilities and the transportation system. Overseas buyers are sitting on their hands seeing these prices continue to fall," said Mike Woolverton, a grain marketing economist at Kansas State University.

The lackluster demand for wheat has clogged the nation's grain-handling pipeline, particularly in major wheat-producing states like Kansas where a good winter wheat crop this summer will be followed by anticipated record harvests of other crops this fall.

"From a physical handling perspective, we are fully expecting grain to be placed on the ground in some areas," said Tom Tunnell, executive director of the Kansas Grain and Feed Association, the industry group for the state's elevators.

Most of that grain will likely be sorghum, which has the lowest value and is easiest to store on the ground, he said.

Elevator operators will have to decide whether they want to handle the excess crops because spoilage losses are higher for crops stored on the ground - typically a 3 percent loss as compared to 0.5 percent for crops stored inside, Tunnell said.

"While it is a challenge, we would rather have too many bushels than not enough bushels," Tunnell said.  
*-- Topeka Capital Journal, Sept. 22, 2009*

## There's a New Sheriff in Town – Get Ready for More Aggressive OSHA

Determining how your company measures up in key areas will put you in a much better position to effectively anticipate, minimize and deal with the aggressive enforcement promised by the new OSHA.



The Obama administration's "new OSHA" has a simple message for U.S. industry. This message has been delivered loudly and clearly by both Secretary of Labor Hilda Solis and Acting Assistant Secretary for Occupational Safety and Health Jordan Barab. Their message: "There is a new Sheriff in town." And we all know what sheriffs do. They aggressively enforce the law. That is exactly what the new Occupational Safety and Health Administration (OSHA) intends to do.

President Barack Obama was elected with the strong backing of organized labor. In return, the new president of the AFL-CIO, Richard Trumka, and other union officials have emphatically promised that organized labor will hold the Obama administration's feet to the fire to make sure that the pro-labor commitments made during his campaign are delivered. One of these commitments is a quick reversal of what the Obama campaign and its union supporters claimed was eight years of the Bush administration OSHA "selling out to big business" to the detriment of worker safety and health, allegedly accomplished through an agenda of lax enforcement, cozy partnerships and cessation of any meaningful standards-setting activities. Through its OSHA appointments, the Obama administration has established that it will, in fact, be delivering on its commitments to labor.

-- McDermott Will & Emery, Sept. 8, 2009

## Neogen's Veratox for DON2/3 Receives AOAC Approval

In response to proposed regulation in the European Union, Neogen has improved its Veratox<sup>®</sup> for T-2 Toxin test kit to simultaneously detect the closely related HT-2 mycotoxin.



Using the same simple protocol as Neogen's Veratox for T-2, the new Veratox for T-2/HT-2 test provides the same exceptional accuracy and reproducibility as the previous version, and also returns results in the range of 0-250 parts per billion (ppb). T-2 and HT-2 toxins are trichothecene mycotoxins produced by several species of *Fusarium* molds. As T-2 toxin is readily metabolized to HT-2 toxin, and the toxins have been shown to produce numerous adverse effects on many animals, these two mycotoxins are frequently evaluated together.

-- Neogen, Sept. 14, 2009

## New Head of USDA Organic Program from Washington State



Miles McEvoy

AAGIWA member Randy Deike, manager of Washington State's Grain Inspection Program, reports that the newly appointed head of USDA's organic program previously was the long-time head of Washington's organic program.

Agriculture Secretary Tom Vilsack announced on Sept. 17 that Miles McEvoy has been hired to serve as Deputy Administrator of the National Organic Program (NOP). McEvoy assumes his position on Oct. 1. Vilsack also announced that the NOP will become an independent program area within AMS because of the increased visibility and emphasis on organic agriculture throughout the farming community, evolving consumer preferences, and the enhanced need for governmental oversight of this widely expanded program. Organically grown and marketed agricultural products are of

key interest to the Obama Administration, and the NOP will be receiving increased funding and staffing in the new fiscal year.

## ADM Names Taets to Head ADM Grain Company



The Archer Daniels Midland Company has announced the appointment of Joseph Taets as corporate vice president where he will be responsible for ADM Grain Company with the Agricultural Services business unit.

Taets will be relocating from Europe to the corporate headquarters in Decatur. Since joining the company in 1988, Taets has held various trading and management positions in both North America and Europe. He most recently served as managing director, European Oilseeds.

## Bunge Announces that Gallagher to Return to St. Louis in Key Post



Tim Gallagher is returning to Bunge North America as executive vice president

managing Bunge North America's agribusiness activities and the transportation group. For the past two years, Gallagher has served as director, global operations for a sister company, Bunge Global Agribusiness. In this role he helped ensure Bunge optimized its assets around the world. He returned to Bunge North America in his current role in July 2009.

## Cargill Names Langholz to Head AgHorizons



Chris Langholz has been named as the new president of Cargill's AgHorizons-U.S. unit, succeeding Dan Dye. Dye is slated to be the

new president of Horizon Milling, succeeding Guy Shoemaker, who is retiring. For the last 18 months, Langholz has been serving in a corporate capacity and prior to that was a veteran of Cargill's animal nutrition business.

Cargill AgHorizons operates a network of grain elevator and crop input facilities that purchase grain from farmers and deliver agronomic services. The business



### Editor

Bob Petersen, AAGIWA

### Assistant Editor

Erica Venancio, AAGIWA

### Officers

#### President

Larry Kitchen  
Missouri Dept. of Agriculture  
[Larry\\_kitchen@mda.mo.gov](mailto:Larry_kitchen@mda.mo.gov)

#### Vice President

Mark Fulmer  
Lincoln Inspection Service, Inc.  
[lincolninspectionmf@neb.rr.com](mailto:lincolninspectionmf@neb.rr.com)

#### Secretary-Treasurer

Dave J. Reeder  
Fremont Grain Inspection Dept, Inc.  
[fgid@neb.rr.com](mailto:fgid@neb.rr.com)

### Board of Directors

(in addition to the president and vice president)

Dave Ayers  
Champaign-Danville Grain Inspection  
[cdgid@aol.com](mailto:cdgid@aol.com)

Joseph Cupples  
Midsouth Grain Inspection Service  
[mphsgrain@aol.com](mailto:mphsgrain@aol.com)

Tom Dahl  
Sioux City Insp. and Weighing Service  
[scinspw@aol.com](mailto:scinspw@aol.com)

Barry Hlbets  
Enid Grain Inspection Company, Inc.  
[barryhibbets@oklanet.net](mailto:barryhibbets@oklanet.net)

Greg Hoelck  
Hastings Grain Inspection, Inc.  
[hgihast@charterinternet.com](mailto:hgihast@charterinternet.com)

Comments, suggestions, submissions:  
Bob Petersen  
[bob.petersen@aagiwa.org](mailto:bob.petersen@aagiwa.org)  
(816) 628-1287

offers unique grain marketing contracts, allowing customers to implement a wide range of marketing strategies with an emphasis on reducing market risk.

### Scoular Names David Faith as President



David Faith has been elected president of The Scoular Company where he will work with CEO Chuck Elsea and COO Robert Ludington to develop and execute the company's strategy and tactics to position Scoular for continued profitability and growth. Faith is a 25-year veteran of the company. He will continue to office out of the company's Omaha headquarters.

### Tourangeau Named Farmway COO



Mark "Buzz" Tourangeau, a well-known grain industry executive, is the new chief operating officer for Farmway Coop based in Beloit, Kansas. The appointment was effective August 1. Tourangeau, a 30-year veteran of the grain business, most recently held a senior operations post at West Central Cooperative. He began his career with Pillsbury River Terminal Operations and later held posts with DeBruce Grain Company and Mid-Kansas Coop. Tourangeau serves as the 2009/10 President of GEAPS.

### 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).

---

### 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 Bob Petersen for further information at [bob.petersen@aagiwa.org](mailto:bob.petersen@aagiwa.org).

---