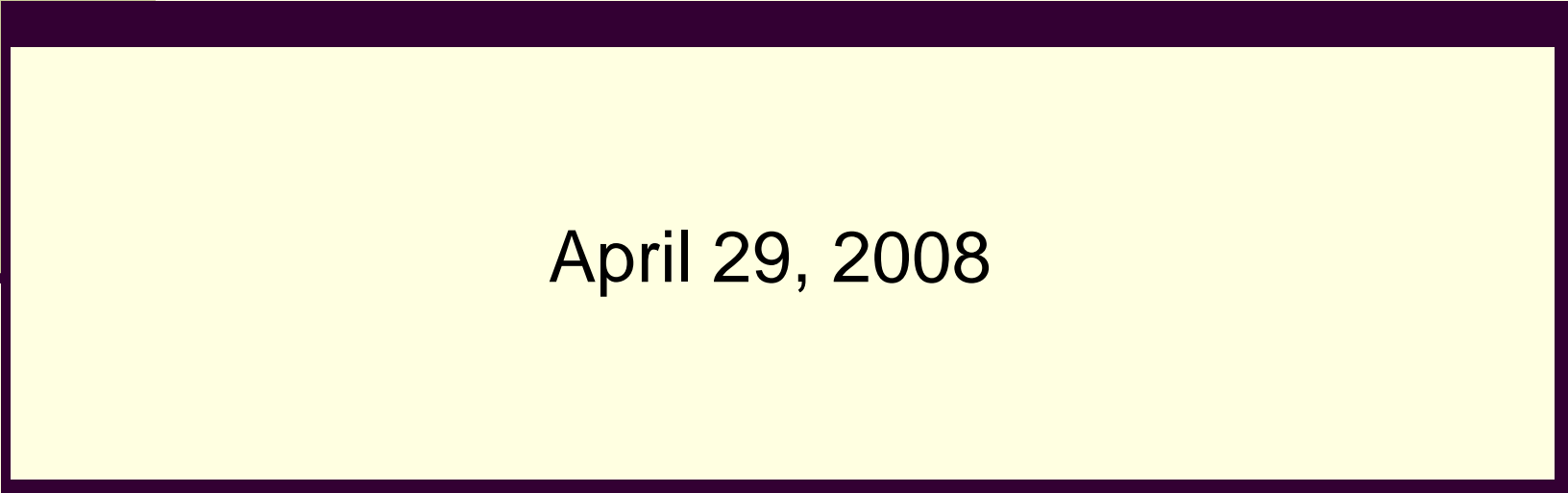




AAGIWA Presentation



April 29, 2008

Items for Discussion

- Program Notice – Requirements for Auxiliary Control Modifications of D/T Mechanical Sampling Systems
- Stowage Examinations with Cameras
- Directive – Phytosanitary Inspection
- Container Activity and Proposed Regulations

AUXILIARY CONTROL MODIFICATIONS

D/T SAMPLING SYSTEMS

- Plug sensors have been installed in sampling systems without the approval of FGIS.
- FGIS is addressing the issue to ensure that official personnel maintain control of the sampling system.

Program Notice 08-05

- outlines the requirements for modifying a D/T sampling system.
 - a. Grain flow into the sampler must stop whenever the sampler is stopped.
 - b. An audible alarm must activate whenever the D/T sampler is stopped by an auxiliary control.
 - c. If already in motion, the D/T pelican must complete the traverse and come to the normal rest position.

Program Notice 08-05 cont.

- d. If the sampler is stopped the timer shall not reset. The timer may continue running with the pelican traverse disabled, or it may halt until the plugged condition is cleared. When the plugged condition has cleared, normal timer operation shall resume with the time that remained when the timer halted.
- e. The plug of grain that caused stoppage of the D/T must be cleared from the sampler before the sampler is restarted. Additionally, the D/T must be restarted **before** grain begins to flow into the sampler.

Program Notice 08-05 cont.

- f. Official personnel must maintain full control of auxiliary controls for D/T samplers.

Program Notice 08-05

- This policy applies to new installations; to existing sampling systems modified after their approval by FGIS, but prior to the issuance of this notice; and to FGIS-approved systems that a facility intends to modify with an auxiliary control.
- FGIS initially proposed that systems must meet FGIS requirements by July 1, 2008.
- FGIS is working with the grain industry (NGFA) to establish a time frame for modifying existing systems to comply with the requirements. Until that time the sampling systems are approved for continued use.

Program Notice 08-05

- D/T systems not modified to FGIS requirements by the set date will be removed from official service unless the plug sensor is removed or disconnected.

Program Notice 08-05

- Official agencies/field offices are responsible for reviewing and testing D/T sampler systems under their jurisdiction, verifying that any modifications of the system meet the requirements of this notice, and documenting the approval of the systems.

STOWAGE EXAMS WITH CAMERAS

- PPB is drafting a Directive to provide guidance to official agencies and grain elevators for the installation and operation of digital camera systems.
- Official agencies will be responsible for approving the systems on a case-by-case basis.

Areas of consideration:

- Lighting
 - Camera Resolution
 - Positioning of camera
 - Multiple cameras needed (carrier identification)
 - Environment (dust)
 - Weather Conditions
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- Contact Nelson Buck, Policies and Procedures Branch for information/guidance on proposed installations.

PHYTOSANITARY INSPECTION DIRECTIVE

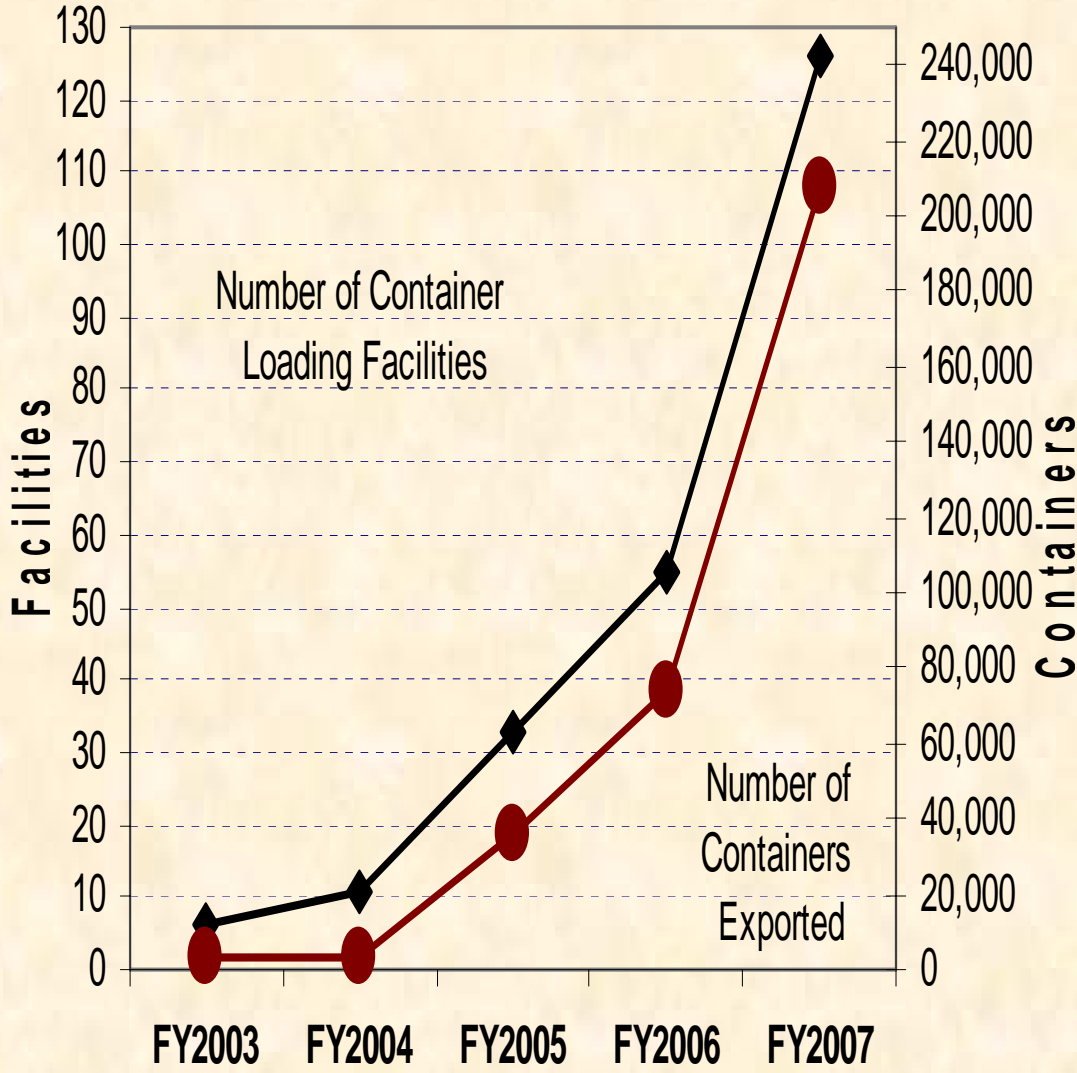
- Combining FGIS Directive 9180.34, “Phytosanitary Inspection of Export Grain Shipped from Interior Locations” and Directive 9180.35, “Phytosanitary Inspection” into a single document.
- Currently using a “working draft”

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- Provides procedures for sampling and inspecting grain, rice, pulses, and processed products for phyto certification.
 - Directive is currently in clearance and will be released in May, 2008.
 - Provided AAGIWA with an opportunity to comment on draft before final version was completed.

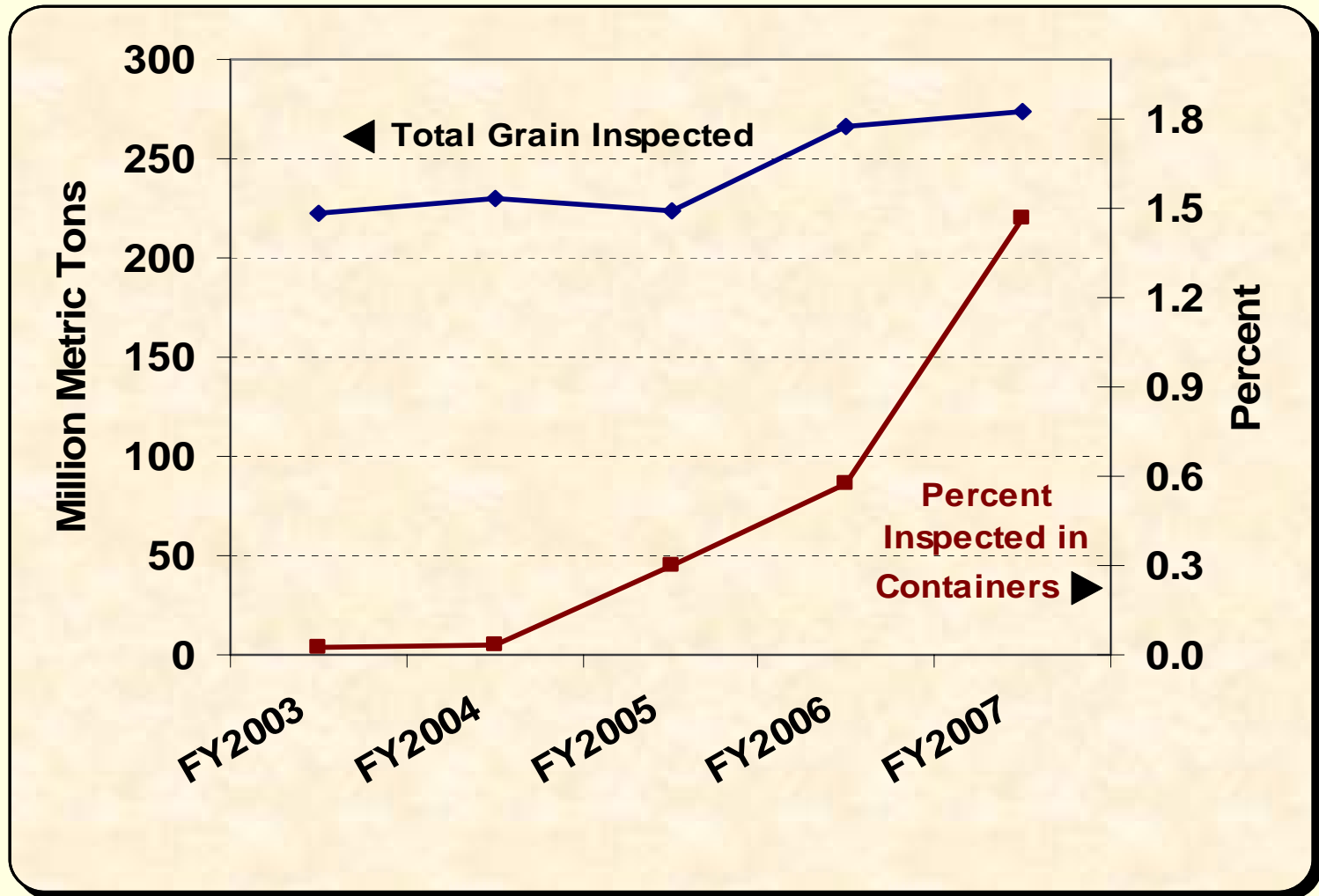
CONTAINERS

- Container loading facilities have increased yearly. In 2002, eight (8) facilities exported grain by container.
- Currently there are over 130 loading facilities with the majority in proximity to the railroad hub in Chicago.

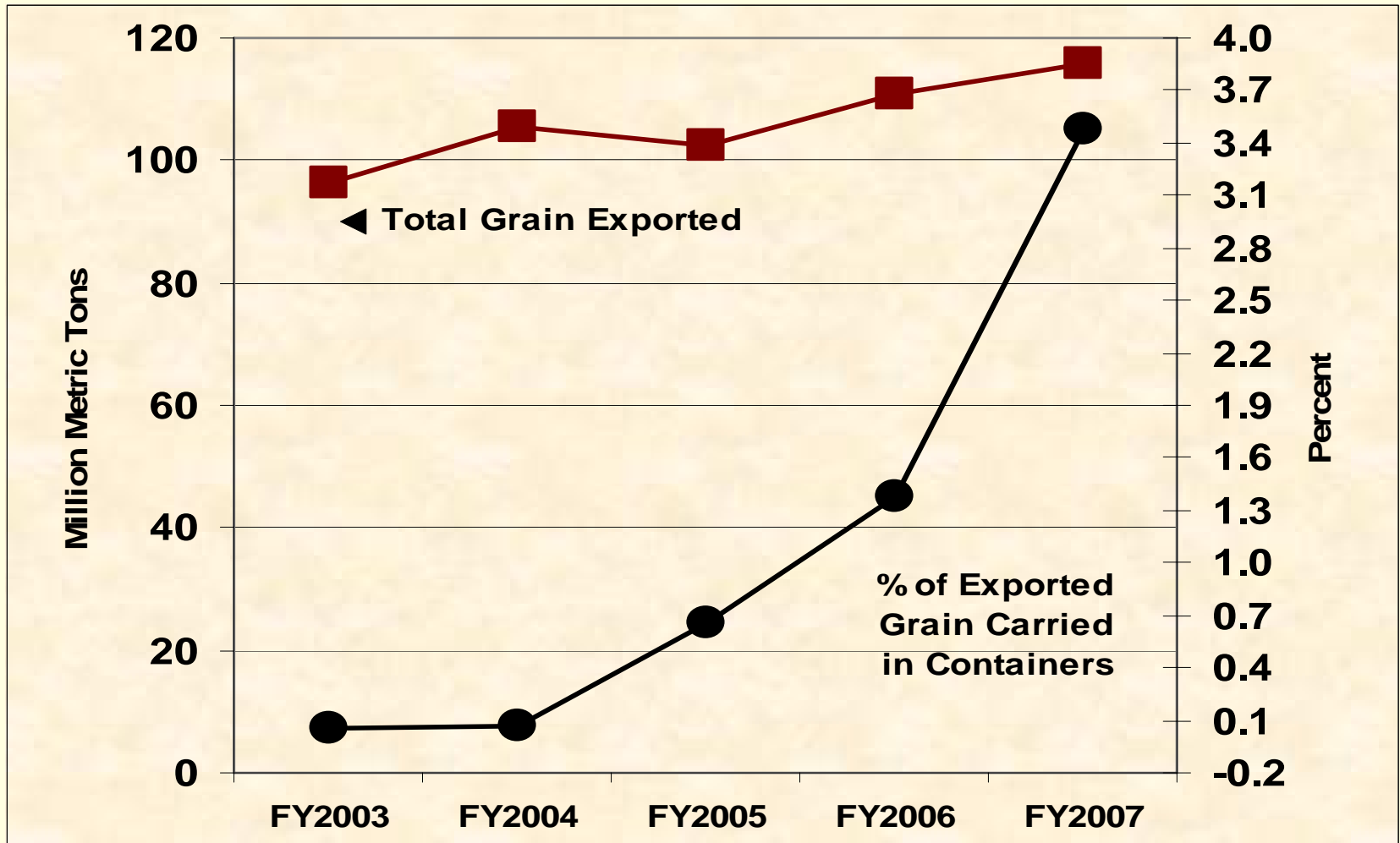
Growth



- Inspection of containerized cargo has increased from 0.3% of total grain inspected (metric tons) in 2005 to 1.5% of total grain inspected (metric tons) in 2007.



- Inspection of containerized cargo has increased from 0.7% of total grain exported (metric tons) in 2005 to 3.2% of total grain inspected (metric tons) in 2007.



Container Survey

- In FY 2007 PPB collected data from the locations that load containers on a routine basis.
- This data represented bookings loaded at shipping points over a 2 month period.

| Destinations | %of containers | Booking Size (Average) |
|---------------------|-----------------------|-----------------------------------|
| Taiwan | 77.2 | 20.0 |
| Indonesia | 15.6 | 25.0 |
| Phillipines | 2.0 | 16.0 |
| Malaysia | 1.5 | 14.0 |
| Hong Kong | 1.2 | 6.0 |
| S. Korea | 0.9 | 13.0 |
| China | 0.8 | 43.0 |
| Vietnam | 0.7 | 9.0 |
| Japan | 0.1 | 2.0 |
| Mexico | 0.1 | 2.0 |

Survey Results

- Total containers loaded 26,668
- Average booking size 19.18
- Average # days from loading start to finish = 3.89
- Average number of days from loading complete to certification = 4.56 days
- Average number of days from loading start to completion of certificate = 8.42 days

Concerns

- Composite or “Average Composite” grade - Most bookings are based on a composite grade of multiple containers.
- Number of days to load a booking - Average number of days to load a booking is approximately 4. There have been some extremes (44 days).
- Booking Size - The average size is approximately 19 containers. The largest booking consisted of 340 containers. Averages vary by shipper, with a high of 85.43 containers per booking.

Concerns

- Delays in Certification - In many instances the shipper does not notify the inspection agency that the booking is complete until several days after the final container has been loaded. This delays the certification process.
- Average number of days from loading completed to certification = 4.56 days. Maximum 29 days

Proposed Changes

- Policies and Procedures Branch performed a comprehensive evaluation of the container inspection and weighing program and is proposing changes to the USGSA regulations.
- PPB reviewed the current policies and procedures pertaining to containerized cargoes, and also the regulations for the inspection and weighing of grain in single lots and combined lots, and proposes to tighten certain areas of the program.

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- FGIS anticipates the process will take approximately 18 months from drafting of the proposed regulations to final implementation. We are targeting September 1, 2008 as the release date of the Federal Register Notice proposing the new/revised regulations.
 - Directive 9180.78, “Procedures for Bulk Grain Exported in Containers” will be revised to reflect changes to the program.

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- The proposed changes will address concerns about:
 - overall size of bookings,
 - uniformity of grain within the lot,
 - length of time to load a booking,
 - grading on the basis of average or composite samples,
 - inspecting and certifying grain at multiple locations,

The proposed changes ensure that :

- bookings are uniform in overall quality,
- lots are loaded in a reasonably continuous operation,
- weighing in combined lots is performed in accordance with regulations,
- certificates reflect the range of dates for loading and the method of grading when is performed on an alternate basis (e.g., composite or average grade analysis).



QUESTIONS