United States
Department of
Agriculture

Grain Inspection,
Packers and Stockyards
Administration

Meeting Minutes
Grain Inspection Advisory Committee

June 16-17, 2010
Kansas City, Missouri

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION
GRAIN INSPECTION ADVISORY COMMITTEE MEETING MINUTES

Embassy Suites Kansas City Plaza
June 16-17, 2010

WELCOME

Tom Bressner, Chairperson, Grain Inspection Advisory Committee (Advisory Committee), opened the meeting with a welcome and introductions.

ACCEPTANCE OF NOVEMBER 17-18, 2009, MEETING MINUTES

The Advisory Committee approved the minutes of the November 17-18, 2009, meeting as presented.

REVIEW AND ACCEPTANCE OF JUNE 16-17, 2010, AGENDA

The Advisory Committee approved the agenda of the June 16-17, 2010, meeting as presented.

MEETING ATTENDEES

Committee Members

Tammy Basel, Vice-President, Women Involved in Farm Economics
Tom Bressner, General Manager, Assumption Cooperative Grain Company
Theresa Cogswell, Consultant/President, BakerCogs, Inc.
Jerry Cope, Commodity Manager, South Dakota Wheat Growers
Tom Dahl, Vice-President, Sioux City Inspection and Weighing Service Company
Warren Duffy, Vice-President/Export Operations, ADM Grain
Mark Hodges, Executive Director, Oklahoma Wheat Commission
Marvin Paulsen, Professor Emeritus, University of Illinois
Jon Stoner, President, Stoner and Sons, Inc.

Alternate Members

Randall R. Deike, Grain Inspection Program Manager, Washington State Department of Agriculture, Grain Inspection Program
Cassie Eigenmann, Marketing Product Manager, DICKEY-john Corporation
Brian King, Manager, Ritter Grain Service
Paul Lautenschlager, General Manager, Beach Coop. Grain Company

GIPSA

David Funk, Associate Director, Technical Services Division (TSD), Federal Grain Inspection Service (FGIS), Grain Inspection, Packers and Stockyards Administration (GIPSA)

Randall Jones, Deputy Administrator, FGIS, GIPSA
Donald Kendall, Deputy Director, TSD, FGIS, GIPSA
Sharon Lathrop, Program Analyst, Office of the Director, TSD, FGIS, GIPSA
Bob Lijewski, Director, Field Management Division (FMD), FGIS, GIPSA
David Lowe, Chairman, Board of Appeals and Review, TSD, FGIS, GIPSA
Pat McCluskey, Agricultural Marketing Specialist, Policies, Procedures and Market Analysis Branch (PPMAB), FMD, FGIS, GIPSA
Rick Millerd, Agricultural Commodity Grader, TSD, FGIS, GIPSA
Tom O'Connor, Director, Compliance Division, FGIS, GIPSA
Diane Palecek, Assistant Director, Field Operations and Support Staff (FOSS), FMD, FGIS, GIPSA
John Pitchford, Director, Departmental Initiatives and International Affairs, FGIS, GIPSA
Idelisse Rodriguez, Program Analyst, Office of the Deputy Administrator, FGIS, GIPSA
Beverly Whalen, PPMAB, FMD, FGIS, GIPSA
Mark Wooden, Compliance Division, FGIS, GIPSA

Other Attendees

Vikash Anand, California Agricultural
David Ayers, Champaign Danville Grain
Marty Clements, Steinlite
Rich Flaugh, GSF, Inc.
Mark Fulmer, Lincoln Inspection Service
Carl Hoff, Butte County Rice Growers Association
Mike Johnson, California Agricultural
Jess McCluer, National Grain and Feed Association
Bo Nieters, VICAM
Tom Runyon, Seedboro Equipment Company
Kevin Schnieder, Lincoln Inspection
Jim Stewart, Land by Family Farmer
Roger Vanderkock, DICKEY-john Corporation

STATUS OF NEW MEMBERS SELECTION

Randall Jones, Deputy Administrator, FGIS, GIPSA, briefed the Advisory Committee on the status of selection of new members and the role and importance of the Advisory Committee. The timeframe for applying to become a member of the Advisory Committee was extended until June 24, 2010, to encourage additional ethnic diversity on the Advisory Committee. While the current membership is diverse in terms of the marketplace, the Secretary has asked for additional efforts to increase the ethnic diversity. It was further stated that the Advisory Committee plays a strategic and vital role in FGIS operations and policies and the Secretary of Agriculture's office considers their advice in decision-making.

NOVEMBER 2009
RESOLUTIONS RECAP

Randall Jones, Deputy Administrator, FGIS, GIPSA, provided an update on the status of the resolutions from the November 2009 meeting held in Kansas City.

1. The Advisory Committee recommends that GIPSA put together a multi-regional work group to explore market-driven standardization requirements for the rice industry.

   GIPSA established a regional workgroup to address requests to approve an additional rice sheller for use in California on medium and short-grain rice. Details will be provided in the Yamamoto Sheller Study Update presentation.

2. The Advisory Committee recommends to GIPSA that in order to protect the integrity of U.S. grains and related markets, GIPSA should continue to provide world-wide leadership through financial and institutional support to its Laboratory Biotechnology Proficiency Program with the on-going objective to improve the consistency and reliability of testing for the presence of genetically engineered traits. In addition, GIPSA should investigate the means of implementing a fee structure related to participation in its Laboratory Biotechnology Proficiency Program.

   GIPSA continued its worldwide leadership in the biotechnology area by expanding the work group staff and participation in the Biotechnology Proficiency Program. There are a number of labs around the world that participate in the free program.

3. The Advisory Committee recommends that GIPSA evaluate the current moisture calibration for high moisture rough rice for accuracy when compared to the air oven reference.

   GIPSA evaluated the moisture calibration for high moisture rough rice to determine what, if any, alternatives were available for long-term accuracy. Details will be provided in the Future Direction of Moisture Measurement Technology presentation.

4. The Advisory Committee commends GIPSA for their work with rail scale testing; and recommends that GIPSA work with the Association of American Railroads (AAR) and their member companies to obtain financial assistance with rail scale test car replacement costs; and to provide a summary document describing the work that GIPSA does as the only governmental agency providing rail scale weighing traceable to National Institute of Standards and Technology (NIST) standards.

   GIPSA met with the Association of American Railroads (AAR) regarding the financial issues related to the official calibration scale testing services provided. Discussions were held regarding both the annual fee and the need for assistance in replacing one railcar. The current annual fee of $80,000, which dates back to the early 1980s, does not recover GIPSA's costs, which are about $160,000 per year. GIPSA was able to reach an agreement with AAR regarding the donation of a railcar and to address cost recovery for

the next decade. Details will be provided in the Funding for AAR Program, FGIS Lab Requirements-New Directive, and Average Quality Lots presentation.

5. The Advisory Committee recognizes that market dynamics are affecting GIPSA's ability to fairly and equitably allocate costs. Therefore, the Advisory Committee recommends that GIPSA provide a more complete explanation of how overhead costs (e.g., Washington, DC costs) are allocated to the 520 Program vs. the 530 Program across all field offices.

   GIPSA will provide an explanation on how overhead costs are allocated to the 520 program in the Application of Export Tonnage Fee presentation.

For additional details, please see the attached presentation, ***Recap of November 2009 Resolutions***.

FGIS 2010 OPERATIONS

Randall Jones, Deputy Administrator, FGIS, GIPSA, gave a general overview of FGIS operations for the last few months focusing on services in Canada, corn-soy blend testing, and a market overview.

FGIS operations in Canada are unique. The Grain Standards Act (GSA) allows FGIS inspections on U.S. grains moving along the St. Lawrence Seaway, provided the grain is not comingled with non-U.S. grain. This service is voluntary, FGIS only provides weighing, inspection, and shiphold inspections upon request. In 1978 FGIS entered into a Memorandum of Understanding with the Canadian Grain Commission (CGC) that established the terms and conditions for FGIS to enter Canada to provide services. At this time FGIS stationed staff in Canada. In 2006 FGIS closed its Canadian office and the CGC provided service for us. However, in 2009 the CGC determined it was no longer able to provide services for FGIS. Beginning January 1, 2010, FGIS began providing services from our Toledo field office. As there is little traffic on the St. Lawrence Seaway at that time, it allowed FGIS time to position operations to accomplish the services. FGIS officials met with various Canadian stakeholders and industry to explain the changes. Cost-wise, FGIS does not expect much difference for customers as the travel expenses are offset by FGIS' lower than CGC hourly rate. However, the space at the export facilities that was used by CGC does not meet FGIS policy and must be addressed. Most services are provided October through December.

Next, recent work on sampling and inspecting corn-soy blend for the Farm Service Agency (FSA) of USAID shipments was explained. FSA, with USAID, buys a large number of commodities to donate to countries around the world. Until the late 1990s, FGIS provided extensive testing on these products. In the late 1990s, FSA decided it no longer required governmental sampling and testing. However, in the last 2 to 3 years some poor quality products were received by other countries so FSA and USAID have brought FGIS back into testing and sampling for corn-soy blend products. The corn-soy blend products are produced by three companies, official agencies provide the sampling service, and plans and samples are analyzed for various tests according to the FSA contact in Kansas City. A critical issue for FSA was the

turnaround time on test results; FSA and GIPSA agreed to 5 business days as an acceptable turnaround time. In terms of test results, one issue observed has been bacteria testing, where several lots were rejected due to exceeding the threshold allowed. There is a lot of discussion within USDA on whether or not to continue government testing at this time. FGIS' expectation is that there will be more testing in the future.

Last, market overview data was presented that showed all export services are up 12 percent from last year. In addition, this year's exports are up from the 5-year average. FGIS currently projects 2010 to be the third highest export inspection volume since 1996. The increase at FGIS is primarily driven by an increase in soybean shipments, mostly through FGIS' League City field office. U.S. competitors, Argentina and Brazil, had a bad crop year, so China is buying more from the United States. Graphs depicting the various aspects of export grain inspections and historical overview of export inspections were presented.

It was also noted that domestic grain inspections increased about 12 percent, mostly driven by corn production and use in the United States. As these inspections are voluntary, it is a good indicator of industry's perceived value of FGIS services and the official inspection system. An additional point was stated that the future pulsed commodities market appears positive, with the industry requesting FGIS to open another office.

For additional details, please see the attached presentation, ***FGIS 2010 Operations***.

QUALITY MANAGEMENT PROGRAM UPDATE AND CONTRACT REVIEW PROGRAM STATUS

Tom O'Connor, Director, Compliance Division, FGIS, GIPSA, provided an update on the Compliance Division's Quality Management Program, Contract Review Program, and Exception Programs.

Mr. O'Connor provided background information on the strategic drivers guiding the development and implementation of the Quality Management Program (QMP). He reported that the program is now fully operational and the Compliance Division will begin its first audits under the QMP in July. Mr. O'Connor also talked about efforts underway within the Compliance Division to update internal policies and procedures in light of implementation of the QMP, including the development of a standardized audit checklist.

Mr. O'Connor briefed the Advisory Committee on the background and status of the so-called Contract Review program. He explained that 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. Mr. O'Connor summarized the results to date and noted that the program is scheduled to run through September 2010. He stated that GIPSA will evaluate the data at the end of the program to determine if it should be continued in its current form or modified in some fashion.

Mr. O'Connor also stated that the Compliance Division is undertaking a comprehensive review of its policies governing implementation of the so-called Exceptions Program, which provides

for the use of another agency from the one designated to provide service under certain conditions. He provided a brief history of the program and explained the three types of exceptions that GIPSA may grant. While the review is not yet complete, Mr. O'Connor discussed several changes to the Exception Program that have so far been identified. He said that GIPSA expects to complete its review in the near future. At that time, the Compliance Division will inform stakeholders regarding the changes.

For additional details, please see the attached presentation, ***Quality Management Program Update and Contract Review Program Status***.

INTERNATIONAL PROGRAMS

John Pitchford, Director, Departmental Initiatives and International Affairs, FGIS, GIPSA, provided an update on discrepancies (complaints), the China Soybean Memorandum of Understanding (MOU), the Korean Corn Sampling Project, long-term assignments to Asia, and two new government initiatives – the Civilian Response Corps and the National Export Initiative.

FGIS has received a higher than normal number of complaints in the past 2 years. Last year the major issue was due to corn quality, this year the complaints are higher due to alleged treated soybeans in shipments to China, which accounts for 52 percent of this year's complaints. In 2009 a large number of corn complaints were from Korea, Japan, and Taiwan. While there are no formal complaints from these countries this year, they are still dissatisfied and complaining informally. Korea continued to express concerns about broken corn and foreign material (BCFM), corn damage, and moisture in U.S. corn shipments. A joint monitoring project between the Korean Feed Association and the North American Export Grain Association (NAEGA) agreement was reached. FGIS will assist in this project with sampling at loading and destination and monitoring moisture, test weight, and BCFM.

In the last few years China has complained about treated soybeans in their shipments, however, FGIS has not been able to document. About a year ago, China's Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) met with FGIS to discuss soybean quality issues. China requested an MOU to address their quality concerns; however, the draft they provided was broader than treated soybeans or FGIS purview. FGIS revised the draft and offered a cargo monitoring program. Unfortunately, China insisted they could not agree to a cargo sampling study without the more overreaching MOU. China presented FGIS a new draft MOU in May. At a meeting with the U.S. Undersecretary for Farm and Foreign Agriculture Services, China agreed to further discussion on technical issues and will meet in late July to continue dialog.

FGIS has received good feedback on the long-term assignments in Asia program. Having an FGIS employee stationed in the area to work with customers in responding to emerging issues on-the-spot is an advantage of the program. The most recent assignment lasted 7 weeks, ending in June 2010. During this assignment, FGIS visited seven countries, participated in conferences, and presented a corn grading seminar. FGIS hopes to continue this program later this year and next. The ability to do so largely depends on funding. Issues raised during assignments in Asia

include an increased demand for Distillers Dried Grains with Solubles (DDGS) standards, mycotoxins, corn containers out of condition and not uniform, and soybean quality.

There are two new governmental programs. The first, the Civilian Response Corp, is one with which FGIS is not directly involved. This program was authorized by Congress in 2009 and is a plan to provide U.S. government personnel, for stabilization and reconstruction efforts, a more proactive and structured approach. Under this program, a Board made up of representatives from several agencies will try to recruit a cadre of USDA employees that could be deployed as needed. This approach is a whole government approach to tap into expertise for this kind of initiative.

The second new governmental program is the National Export Initiative. The President announced last January a goal to double U.S. exports in the next 5 years to support new jobs. This is an export promotion strategy not limited to agricultural exports. This initiative created an export promotion cabinet focusing on expanding trade advocacy, educating companies on opportunities, enhancing access to credit, and removing trade barriers.

FGIS is planning on discontinuing offering StarLink testing in corn by sending a letter of notice to the industry. FGIS believes this is the time to discontinue offering StarLink testing as an official service. Official agencies will be able to offer on an unofficial basis. There are no longer any countries that require this testing, nor are there any U.S. regulatory guidelines that require it.

Finally, late last week, Europe removed the emergency measure on testing U.S. rice exports for the Liberty Link trait. European member states were still urged to monitor as they deem appropriate, but it is not a requirement. This removes the stigma from U.S. rice.

For additional details, please see the attached presentations, ***International Programs***.

SORGHUM ODOR STUDY UPDATE

Don Kendall, Acting Director, TSD, FGIS, GIPSA, provided an overview of the Sorghum Odor Study. Consistent interpretation and application of the sorghum odor line has been a recurring problem within the official inspection system for many years. One issue is that what is acceptable to one industry is not acceptable to another. The goal of the project is to find a reproducible standardized process that can be used to calibrate inspectors.

The high price of corn and soybeans in 2008 grains resulted in an increased demand for sorghum, particularly in the export markets. In November 2008 GIPSA surveyed 62 individuals from 26 companies across 5 States with respect to sorghum odor. Following a report of this survey, in December 2008, the Advisory Committee recommended GIPSA conduct a review of the determination of odors in sorghum and create a taskforce, including representatives from a cross section of the industry. In April 2009 GIPSA convened the taskforce and reported the results at the next Advisory Committee meeting. In June 2009 the Advisory Committee recommended GIPSA reconvene the taskforce and continue to explore establishing appropriate odor thresholds for sorghum. In July 2009 GIPSA initiated an agreement with Dr. Chambers, an

internationally recognized expert in sensory determinations and professor at the Kansas State University, to develop reproducible standards for odor determination.

Dr. Chambers has conducted studies and identified a number of chemical constituents that may be uniquely associated with odors such as sour and musty, and even further definitions of musty such as earth musty, storage musty, etc. This project will continue into 2012 with the following expected outcomes:

- Chemicals will be identified that are associated with specific odors.
- Chemical "cocktails" will be developed for each of the odors.
- Stability studies will be conducted to determine appropriate storage conditions to maintain the integrity of the chemical cocktails.
- Procedures for preparing standard samples will be developed.
- Procedures will be developed for training inspectors such that the official inspection system can provide more consistent and reliable assessment of odors in sorghum.

One issue with a chemical "cocktail" as a standard is potential safety concerns. Preliminary results received from Dr. Chambers indicated some hazardous chemicals related to mustiness. Another issue is FGIS would need to determine how to produce, handle, store, and maintain the chemical "cocktail". Another issue to be addressed is the desensitization of inspectors to odor over time and due to environmental conditions.

For additional details, please see the attached presentation, ***Sorghum Odor Study Update***.

RAPID TEST PROGRAM FUTURE DIRECTION

Don Kendall, Acting Director, TSD, FGIS, GIPSA, provided information on FGIS' rapid test evaluation program. In the early 1990s GIPSA initiated a program to incorporate new technologies for aflatoxin analyses in the official inspection system. Thin-Layer Chromatography was the method used to determine aflatoxins in grain, but the method was relatively difficult, required the use of dangerous chemicals, and had to be conducted in a laboratory environment. Applications using the Enzyme-Linked Immunosorbant Assay (ELISA) technology for determining aflatoxins in grain were developed, and FGIS quickly recognized the advantages offered by this technology. As a result, performance criteria were developed, and tests that met FGIS criteria received a Certificate of Conformance (COC). At that time, the COC was a lifetime approval and FGIS was only interested in ELISA tests for aflatoxins. In addition, there were three primary manufacturers marketing ELISA tests for aflatoxins. Over the next 20 years this program developed in the following areas:

- The number of mycotoxins of interest expanded from one (aflatoxins) to five (aflatoxins, DON, fumonisins, zearalenone, and ochratoxin A).
- The number of manufacturers of mycotoxin kits expanded from three to thirteen.
- Tests for unique proteins produced as a result of genetic engineering were added to the program, with the establishment of Certificates of Performance (COP).
- The number of manufacturers of protein tests expanded to six.

- A 3 year expiration was established for all COCs and COPs.
- A fee was established, to be paid by the manufacturer, for all rapid tests submitted for evaluation.
- The number of rapid tests submitted for evaluation grew from 3 in 2000 to 48 in 2008.

Due to competing demands and the large number of tests submitted for evaluation, GIPSA suspended the rapid test evaluation program in 2009, pending a review of the program. As it is difficult to market these tests in the U.S. without certification, FGIS either extended COC's and COP's for approved rapid tests or issued temporary COP's for those rapid tests that performed in accordance with manufacturer claims based on the data submitted by the manufacturer. While there is another entity that provides this service, their cost is about $25,000 and takes 6 to 9 months to complete compared to FGIS' $600 to $900 fee for about a 30 day turnaround.

GIPSA plans to revise the program and re-implement the revised program in October 2010 with the following general changes:

- The criteria will be reviewed and/or revised for both the COC and the COP.
- A schedule for submission of rapid tests will be developed such that GIPSA can better manage the workload.
- Fees will be revised to capture all costs associate with the evaluation of rapid tests.
- The check sample program will be replaced with a monitoring program that will enable GIPSA to track the performance of the tests in field use and identify any problems or potential problems more quickly.

For additional details, please see the attached presentation, ***Rapid Test Program Future Direction***.

YAMAMOTO SHELLER STUDY UPDATE

Dave Funk, Associate Director, TSD, FGIS, GIPSA, provided an update on GIPSA's Yamamoto Rice Sheller study, including background, study issues, and results obtained. Historically, Head Rice Yield (HRY) is one of the most important rough rice quality factors because it describes the achievable yield of unbroken milled rice kernels from a lot of rough rice. Determining HRY is difficult because it depends on two steps, shelling and milling, to simulate commercial rice mills. Currently, the GrainMan (also McGill) sheller is the officially approved rice sheller. The California rice industry has been using the Yamamoto rice sheller with good results and has encountered lower maintenance costs with it than with the approved sheller model. The California Rice Commission has requested that GIPSA approve the Yamamoto sheller in place of the GrainMan/McGill sheller for California-production Medium Grain and Short Grain rice.

GIPSA initially resisted pursuing approval of the Yamamoto sheller because previous evaluation tests had demonstrated conclusively that it did not give results that were equivalent to those of the GrainMan sheller—especially for Long Grain rice. Therefore, it did not appear to be suitable for use in the Southern production regions that predominantly grow Long Grain rice. At a meeting subsequent to the 2009 Advisory Committee meeting, rice industry stakeholders confirmed to GIPSA top management that it was acceptable to the rice industry to specify

different inspection processes and equipment for Southern and California production areas. With that assurance, GIPSA proceeded to design and conduct experiments to evaluate the suitability of the Yamamoto sheller for official inspection and to quantify the differences between the Yamamoto and GrainMan shellers for Short Grain and Medium Grain rice.

The first phase of the testing involved reviewing the mechanical characteristics of the Yamamoto sheller, establishing standardization processes, and validating standardization processes by testing the reproducibility of two Yamamoto shellers. GIPSA engineers' review identified several mechanical and electrical design weaknesses, which the manufacturer agreed to rectify. After determining means of standardizing the adjustable settings on the Yamamoto sheller, GIPSA performed multiple tests of two Medium Grain rice samples (one high HRY and one low HRY) on two Yamamoto shellers and one GrainMan sheller. (All shelled portions were subsequently milled with the same GrainMan miller.) All intermediate results (such as hull weight, brown rice brokens, etc.) were recorded for all tests. The results of the tests showed that the mean HRY values for the two Yamamoto shellers were not significantly different, but the Yamamoto results were 1 percent to 2 percent lower than the GrainMan results.

The goal of the second phase of testing was to carefully quantify the differences between the Yamamoto and GrainMan shellers over a wide range of rice conditions—varieties, HRY, and moisture content. California mills were very responsive to the request for relevant samples. GIPSA received 105 Medium Grain and 14 Short Grain rice samples. GIPSA tested 68 Medium Grain rice samples at as-received moisture levels, retested 28 of those samples after gently drying them to approximately 10.5 percent moisture, and retested 10 samples on a second Yamamoto sheller to further quantify the reproducibility of the model. GIPSA tested 10 Short Grain rice samples. The final tests were completed on May 28, 2010.

Comparison of the sheller outputs for the Yamamoto and GrainMan shellers showed large consistent differences, with percent Paddy in Brown Rice consistently lower for the Yamamoto than for the GrainMan and percent Brown Rice Brokens consistently higher for the Yamamoto. However, the more significant milled rice result, HRY, showed much smaller relative differences between the two sheller types. Apparently, more of the fissured kernels (that would break eventually) break during the shelling operation with the Yamamoto, and those that don't break during the shelling operation with the GrainMan subsequently break during the milling operation.

Nonetheless, there are statistically significant differences in HRY for the Yamamoto and GrainMan shellers. For Medium Grain rice, mean HRY is lower for the Yamamoto sheller than for the GrainMan by about 0.5 percent. For Short Grain rice, the HRY values are higher for the Yamamoto than for the GrainMan by about 1.0 percent. Since the results on Short Grain rice were surprising and on a limited sample set, GIPSA may consider additional testing in that area. GIPSA (with rice industry stakeholder input) will have to decide whether these differences are too large to approve the Yamamoto sheller as the official replacement for the GrainMan sheller for California-production Medium Grain and Short Grain rice.

The study of the moisture sensitivity of the shellers showed some surprising results. Both the Yamamoto and GrainMan shellers showed dramatic increases in HRY for dried samples. For

removal of about 4 percent moisture (14% -> 10%), the HRY increased by about 6 percent. The GrainMan seemed to be slightly more affected by moisture change than the Yamamoto sheller. The final test of reproducibility of the two Yamamoto shellers (with ten samples) showed very good consistency in HRY between the new unit and the older unit.

GIPSA requested prompt feedback from rice industry stakeholders on the results of this evaluation to be able to make a decision whether to approve the Yamamoto sheller (to replace the GrainMan sheller) for California-production Medium Grain and Short Grain rice for the 2010 rice harvest.

For additional details, please see the attached presentation, ***Yamamoto Sheller Study Update***.

FUTURE DIRECTION OF MOISTURE MEASUREMENT TECHNOLOGY

Dave Funk, Associate Director, TSD, FGIS, GIPSA, provided information on the future direction of moisture meter technology for FGIS. At the November 2009 Advisory Committee meeting, concern was expressed about the accuracy of official rice moisture measurements, and a resolution was passed requesting that GIPSA evaluate said accuracy. GIPSA, in fact, conducts an extensive calibration accuracy review for each crop year; its review of rice moisture calibrations did indicate some problems that appeared to be related to 2009 crop conditions. The accuracy of corn moisture measurements for the 2009 crop was also troublesome because of low test weight. Unfortunately, neither the Long Grain rice calibration nor the corn calibration can be significantly improved because of the fundamental limitations of the technology that is being employed.

The current official moisture meter, the GAC 2100, has served the official system very well in most respects, however it suffers from some limitations that are not correctable without changing basic measurement technology. During the last 13 years since the Agency last selected new official moisture measurement technology, there have been significant advancements that offer improved accuracy, better stability over time and crop conditions, easier calibration maintenance, and reduced support cost that would promote competition among multiple suppliers of official moisture meters.

Numerous factors suggest that GIPSA should immediately begin the multi-year process of selecting and implementing new official moisture measurement technology. To delay may result in the official system being trapped in a "technology rut" for decades as it was with the Motomco 919. GIPSA also expects in the next few years to deplete its expertise in this arena through retirements. If there is an Agency decision to begin this process, GIPSA and the grain industry it supports, could benefit from new official moisture measurement technology by as early as May 2013.

For additional details, please see the attached presentation, ***Future Direction of Moisture Measurement Technology.***

FGISONLINE UPDATE

Diane Palecek, Assistant Director, FOSS, FMD, FGIS, GIPSA, updated the Advisory Committee on the status of FGISonline. Recent applications deployed are Inspection, Testing, and Weighing (ITW), Quality Assurance and Control (QAS), and FGIS Official Service Provider Licensing (FOL). While all service providers are required to use FOL for their licensing activities, ITW and QAC are being gradually implemented.

Prior to deployment of ITW, FGIS purchased computers for export with widescreen monitors for viewing CuSum logs. These computers have two drives with redundant array of independent disks, allowing one drive to mirror all of the keystrokes performed on the other. In this manner, if the primary drive crashes, the computer may switch to the second drive to continue without data loss. In addition, in order to address communication issues, T1 lines were installed in New Orleans locations and FGIS is in the process of replacing old CuSum computers for weight events logs. The ITW was released in April 2010 after training in New Orleans. Training in League City and Toledo have since been initiated. FGIS is recommending using the distributed version of ITW to reduce dependency on internet connection and servers. ITW was deployed at one elevator in Destrehan earlier this week, with roll out to additional export locations in New Orleans to evaluate performance and workload permitting. It will eventually be available for official agencies at export. The ITW does more than CuSum, service providers can enter other types of inspection results such as submits. While ITW is required for shiplot inspections, it is optional for other types of testing. The ITW is not yet ready to handle CuSum rail inspections.

The QAC was released in March 2010 only for official agencies assigned to FOSS. There is an enhancement in queue to make it available for all service providers at some time in the future. The QAC is a database of monitoring, corrective actions, opinions, Over-the-shoulder (OTS), performance appraisals, referees, and complaints (domestic and foreign). This module is unique in that it has an early alert bulletin board that allows quality assurance staff to post notices about quality or potential quality issues on the bulletin board and distribute to whatever locations desired.

The application also allows FGIS to set random stratified sampling rates. The previous system requested one percent of samples each day based on numbers. Under that system, a lot of U.S. No. 1 samples with no issues are reviewed, consuming a lot of FGIS resources on non-issues. The new system allows sampling rates to be set at various levels for the grades assigned. Each night the QAC will randomly select from the IDW, from uploaded records, and automatically generate an email to the various service providers on what and where to send samples. Currently this email is to one mailbox identified for the service provider, but an enhancement is in the queue to allow multiple mailboxes. The system allows for both targeted (based on records already in IDW) and flagged (profile established and samples selected each night from what entered that meets that criteria) basis, providing a great deal of flexibility.

The FOL was released in March 2010 and is currently used by all official agencies for their licensing activities. The program allows for requesting a licensing, taking the written test, allows proctors to enter results of practical examines and, once all criteria is met, will automatically

issue the license certificate so the certificate can be immediately printed. This program is used by many of the other FGISonline applications.

Equipment capability testing has been available since 2008, but is not yet mandatory. All locations are using it to some extent. This application provides a huge benefit by letting personnel know immediately whether an instrument passed or failed the checktest. It is a database for all types of lab equipment, scales, and mechanical samplers.

The Certificates application has been in use since 2007. A distributed version was made available to service providers for use when their internet connection is down or the FGISonline server is unavailable. FGIS recommends use of the server version if possible, with the distributed version as a backup. All field offices and 36 official agencies currently use this application.

The Inspection Data Warehouse (IDW) has also been in use since 2007. The latest development is the addition of tonnage and supervision fee billing functions in 2010. The IDW is currently being parallel tested with current billing process from the FGIS Grain Inspection and Weighing Information System (GIWIS) and the Export Grain Information System (EGIS) to ensure the systems match. Eventually, FGIS will shut down GWIS and EGIS. FGIS is currently working on the export record compilation to replace EGIS.

Many users enter information into FGISonline applications. There are about 20 reports used by headquarters personnel to monitor grain quality currently available. However, there are a lot of additional report requirements that have not yet been written. There are approximately 25 QAC reports in development, plus 3 new IDW reports submitted. An additional request is for the capability of generating ad hoc reports. Projected time frame for developing is 6 to 8 months.

Future needs are for a record archiving strategy to be developed and implemented. The system is growing by 3,000 to 5,000 records daily. In addition, application development, maintenance, and support responsibilities will transition from the contractor to GIPSA's Information Technology Staff on October 1, 2010.

For additional details, please see the attached presentation, ***FGISonline Update***.

NATIONAL GRAIN CENTER

Don Kendall, Acting Director, TSD, FGIS, GIPSA, provided an update on the National Grain Center construction project. In 2003 GIPSA made the decision to move toward centralized monitoring as a process for improving the consistency of grain inspection and reducing the costs associated with oversight activities. As a result, and with the anticipation of increased staff, GIPSA started planning for the consolidation of these activities in Kansas City. In 2006, GIPSA requested the General Services Administration (GSA) acquire expanded space to include the following:

- An increase in space from 34,842 square feet to 47,050 square feet.
- A significant increase in training and meeting space.

- An increase in personnel from 70 to 110.
- The co-location of staff from FGIS' Technical Services Division, Field Management Division, Compliance Division, and the Information Technology staff.

GSA agreed to provide the space for GIPSA and estimated occupancy of the new space in April 2008. In 2007 the current building owner was selected as the lessor for the new space. Based on the lessor's proposal, the new space was to be developed in the following sequence:

> Phase 1: Build a 24,000 square foot facility adjacent to the existing facility. The majority of operations would be moved from the existing facility to the new facility. Phase I is expected to be ready for occupancy in early 2011.
>
> Phase 2: completely renovate the upper floor of the existing facility. After completing the renovation, select operations that had been temporarily moved to the new facility would be relocated to the renovated space. Phase 2 is expected to be ready for occupancy in the summer of 2011.
>
> Phase 3: Renovate a portion of the lower floor to accommodate GIPSA staff. After completing the renovation of the lower floor, select operations that had been temporarily moved to the new facility would be relocated to the renovated space. Phase 3 is expected to be ready for occupancy late 2011.

While still in the planning stages, the lessor started construction on the new building shell, which was completed in 2008. After numerous delays with regards to mechanical, electrical, and plumbing plans, GSA issued a Notice to Procedure to the lessor in April 2010. In the meantime, the lessor filed a claim for damages against GSA requesting payment of a substantial amount of money resulting in project delays caused by the government. Furthermore, the lessor refused to initiate any additional construction until the claim for damages had been resolved. GIPSA has met with GSA on several occasions and is assisting in development of documentation to refute the lessor's claims for damages. Negotiations with the lessor are expected to start by the end of June 2010, with the hope that the issues will be resolved within 2 months. Construction delays are impacting implementation of centralization plans.

For additional details, please see the attached presentation, ***National Grain Center***.

BAR/GSL UPDATE

David Lowe, Leader, Subjective Analysis and Board Appeals, TSD, FGIS, GIPSA, explained the functions of the Board of Appeals and Review (BAR) and the Grading Services Lab (GSL). Both the BAR and GSL are part of the Technical Services Division. The BAR is the subjective grading reference, and as such monitors and trains the GSL. The GSL performs the national monitoring for the field offices closed and supervises agencies under FOSS. The GSL generates the monitoring data and Quality Assurance & Control (QAC) analyzes it. In addition to the FOSS-assigned agencies, the GSL provides monitoring services for two agencies under the Grand Forks field office. The GSL is limited in what additional service areas it can add until the National Grain Center is completed. The GSL currently consists of one leader, five inspectors,

one technician, and one part-time clerk. Once the National Grain Center is complete, the GSL will assume responsibilities for additional territories and increase staffing.

Most of the qualified people applying for GSL positions are licensed inspectors. While GIPSA is fortunate to obtain qualified inspectors, their expertise is based on the area of the country from where they worked. The average years of experience for the GSL staff are 20 years. The GSL must supervise all grains and commodities in the official system. New GSL inspectors are immediately placed on an extensive training program provided by the BAR. This program requires approximately 3 years for the GSL inspector to become proficient in all grains and commodities. About 99 percent of the GSL work is national monitoring. An applicant needs to love grading grain as most of their time is spent at the desk. For agencies that are monitored by FOSS, the GSL provides the appeal service. When the GSL workload permits, GSL staff assists the BAR with licensing and training seminars. Due to the complexity of wheat classing, all GSL monitoring that shows a potential issue in Wheat of Other Classes (WOCL) must have the GSL separation reviewed by the BAR.

The BAR consists of the Chair, six members, and the shared part-time data clerk. The average years of experience for the BAR staff are 25 years. The BAR staff is a mixture of FGIS and licensed inspectors and is a mixture of interior and export experience. The primary responsibilities of the BAR are Board appeals, foreign complaints, opinions, step/proficiency samples, training, licensing, and SIMS. In addition, the BAR does all Pacific Northwest wheat monitoring as the GSL is not currently proficient in this area yet.

The BAR self-monitors every day through the requirement of consensus results for opinion samples, multiple BAR members for grading Board appeals, and separation sharing on an on-going basis to ensure consistency and accuracy. The BAR also assists the GSL during periods of high workload.

For additional details, please see the attached presentation, ***Bar/GSL Update***.

FUNDING FOR AAR PROGRAM, FGIS LAB REQUIREMENTS-NEW DIRECTIVE, AND AVERAGE QUALITY LOTS

Bob Lijewski, Director, FMD, FGIS, GIPSA, discussed the Association of American Railroads (AAR) program, FGIS lab requirements directive, and average quality lots.

Since 1980 FGIS has operated the master scale depot that services the AAR. In the last 24 years, FGIS has not had a fee increase. The expenses of the program far exceed the revenue generated. FGIS approached the AAR with a request to cover FGIS costs, approximately $160,000 annually, and for assistance in obtaining a second railcar that can be used for scale testing (FGIS bought one new car) as the current cars will no longer be moved by the railroad. Negotiations were initiated a year ago, and were initially met with resentment by the AAR. The AAR offered a total of $1.83 million over the next 10 years, but only $89,600 this year. FGIS countered that we would provide $89,600 worth of service. The AAR revised its offer of $1.83 million over the next 10 years, with increases of 25 percent, 20 percent, 15 percent, etc., plus offered to furnish a

used railcar that FGIS could retrofit and provide a portion of the cost to retrofit. FGIS accepted this offer.

In March 2010 FGIS published a directive to address FGIS Lab requirements at elevators. This directive was initiated at Mr. Butler's, GIPSA Administrator, request due to the condition of labs he visited. The expectation is that lab space provided to FGIS be adequate for the testing performing, free of rodent infestations, properly lighted, and in a safe location. One of the biggest requirements in the policy is that facility owners must provide space at least 100 feet from the base of the headhouse and truck dumps to remove our staff from potentially hazardous areas.

FGIS labs in elevators along the Great Lakes are currently still in the headhouse, with the sampling room on top of the headhouse. FGIS is looking for samples to be delivered to the inspection house and remove our personnel from the headhouse. Facility owners are responsible for providing the appropriate space. FGIS staff needs space for a shift supervisor and a break room. Lighting and pest management is also the responsibility of the facility owner. Requirements include a networking closet and appropriate technology. When the elevator upgrades their system, the same quality must be provided to FGIS. The field office manager will assemble a team to visit each facility; examine to see if requirements are met, than document and report deficiencies to both FGIS and the facility owner. If changes are not made in an appropriate time frame, FGIS could withhold services due to the lack of a safe environment to perform services.

FGIS has received numerous requests for clarification on average quality lots. FMD has determined the Cu-Sum (Book III) needs revised to clarify average quality. FGIS has posted a policy document (internal) for the interim. Average quality is a variation of CuSum. Some items in a lot do not meet grade. Average quality was originally approved in early 1990 and was limited to one factor. It has evolved to more contracts and all factors. FGIS needs to address what the limitations are for average quality lots.

CuSum is a statistical loading plan with some variances in loading. Under average quality, there are no break points or material portions; as long as the average at the end of the ship meets grade, it is acceptable under average quality. This does not apply to class or aflatoxin (since aflatoxin falls with sample grade factors).

FGIS asked field offices for projected staffing needs in the next 5 to 6 for succession planning. In 2010 FGIS projects hiring about 30 Agricultural Commodity Graders (ACGs). This recruitment will target college graduates to go through a comprehensive training program. In the next 5 years, FGIS projects there will be approximately 91 new ACGs and 76 new Agricultural Commodity Technicians.

For additional details, please see the attached presentation, ***Funding for AAR Program, FGIS Lab Requirements–New Directive, and Average Quality Lots***.

WHEAT STANDARDS UPDATE

Pat McCluskey, Agricultural Marketing Specialist, PPMAB, FMD, FGIS, GIPSA, provided updates regarding wheat standards, stating that the U.S. Standards for Wheat are under review and reminded the audience about the timeline for public rulemaking, which can take nearly 3 years at a minimum to complete. GIPSA published an Advance Notice of Proposed Rulemaking (ANPR) November 27, 2009, and received 14 submitted comments. Also discussed were the comments, categorizing them as not germane to the ANPR, germane to the ANPR and the regulations, and germane to the ANPR but not to the regulations. GIPSA provided the current status of the rulemaking and next steps. Interspersed in the presentation were pictures of international uses of U.S. wheat, to remind the audience that international customers are 50 percent of a wheat producer's customer base, and as such, are just as welcome to offer comments on rulemaking as domestic stakeholders.

For additional details, please see the attached presentation, ***Wheat Standards Update***.

APPLICATION OF EXPORT TONNAGE FEES

Randall Jones, Deputy Administrator, FGIS, GIPSA, provided an overview of the Export Tonnage Fee. While most services to customers are recouped through user fees, there are indirect costs that are not recovered. The tonnage fee was initially implemented in 1996 with three components, the hourly rate for direct labor costs, the unit test or service rate, and the metric ton administrative charge to recover indirect costs in the field offices and headquarters.

FGIS likes to review its fees about every 5 years; we are beginning to look at our export services to determine if covering costs or if there is better method for generating fees. Stakeholders can have significant input into how fees are structured.

For 1996 to 2004, the tonnage fee was tiered based on how much was exported. In 2004, FGIS changed to a tonnage fee based on cost for a particular area or region. In establishing a tonnage fee, FGIS has to make some presumptions on expected export tonnage. If FGIS over-predicts future tonnage, costs are not covered, if FGIS under-predicts future tonnage, more funds than required are collected.

The current system is based on costs, so areas that are under contract have lower costs in that region as served at contract rate, as opposed to areas that provide all services at the non-contract rate. There are some differences in how fees are collected from States, such as Washington, which provide export services but are charged the normal official agency oversight rate. FGIS wants to ensure that the system used is fair, not favoring exports from one site over another due to the FGIS tonnage fee.

There are some areas that are not currently charged a tonnage fee, such as Canadian exports and containerized shipments. Those areas need to be reviewed. In the early 1980s it was decided that land shipments to Canada or Mexico would not be included, and there is currently no interest in reviewing that decision.

Since last November, FGIS has visited with stakeholders including Washington State, NAEGA, and AAGIWA. Any changes to the fee structure need to be designed with their input. It is apparent that the current system needs to be adjusted. The desire is for FGIS to improve its allocation of costs (i.e., workman's compensation) to field offices. Clarity on the fees and how they are set was requested. FGIS is requesting input from the Advisory Committee on how to move forward as this process will set in motion what FGIS will charge for the next 5 years.

For additional details, please see the attached presentation, ***Application of Export Tonnage Fees***.

RESOLUTIONS

1. The Advisory Committee recommends that GIPSA/FGIS move forward with expediency to determine the feasibility and selection of a new federal standard moisture measurement technology and/or instrument(s), for use in the official system.

2. To follow up on the President's National Export Initiative of doubling U.S. exports in 5 years, the Advisory Committee recommends GIPSA identify opportunities to work with appropriate governmental agencies to determine and help reduce trade barriers that are limiting exports of U.S. grains and grain products. The Advisory Committee recognizes the value of existing market programs. Therefore, the Advisory Committee recommends GIPSA identify opportunities to secure adequate funding to fully utilize existing market promotion programs for this initiative.

3. The Advisory Committee recommends that GIPSA work closely with the vendors and industry to improve the timely acceptance and approval of mycotoxin test kits to help facilitate the movement of grain.

4. The Advisory Committee recommends that the Board of Appeals and Review adopt the guidelines of the GIPSA Quality Management Program, procedure 4.8 Local Quality Plan, to assist the Board of Appeals and Review in tracking and documenting Grading Services Lab performance.

5. The Advisory Committee recognizes that GIPSA's Yamamoto sheller evaluation substantially addressed the need as identified at the November 2009 Advisory Committee meeting. The Advisory Committee recommends that GIPSA continue to work with all stakeholders to reach a decision regarding rice sheller technology for California short and medium grain rice in time for the 2010 rice harvest.

6. The Advisory Committee recommends that a subcommittee be formed and charged with the task of reviewing allocation of the tonnage fee. This would include a review of component portions of current 520 allocations and a review of current unassessed export tonnage. The Advisory Committee gives the subcommittee authority to make a recommendation to GIPSA regarding tonnage fees.

7. The Advisory Committee is very concerned about food safety. Therefore, the Advisory Committee recommends the testing, retesting, and appeals process for sample evaluation for processed commodities be reviewed and communicated in further detail to the Advisory Committee.

8. The Advisory Committee recommends that GIPSA review the 15,000 metric ton exemption for possible regulatory compliance issues pertaining to container shipments.

9. The Advisory Committee encourages GIPSA to explore, in conjunction with the U.S.A. Dry Pea and Lentil Association, the feasibility of establishing a pulse crop grading lab in Eastern Montana or Western North Dakota.

APPRECIATION

The Advisory Committee expressed their appreciation to GIPSA retiree John Sharpe for the years of excellent communication and responsiveness to the Advisory Committee.

NEXT MEETING

The Advisory Committee recommended the next meeting be held in late November or early December 2010, with consideration given to New Orleans as a site for the meeting.

#

Future Direction of Moisture Measurement Technology

David B. Funk, Ph.D.

Grain Inspection Advisory Committee Meeting

Kansas City, MO

June 16, 2010

Advisory Committee Resolution November 2009

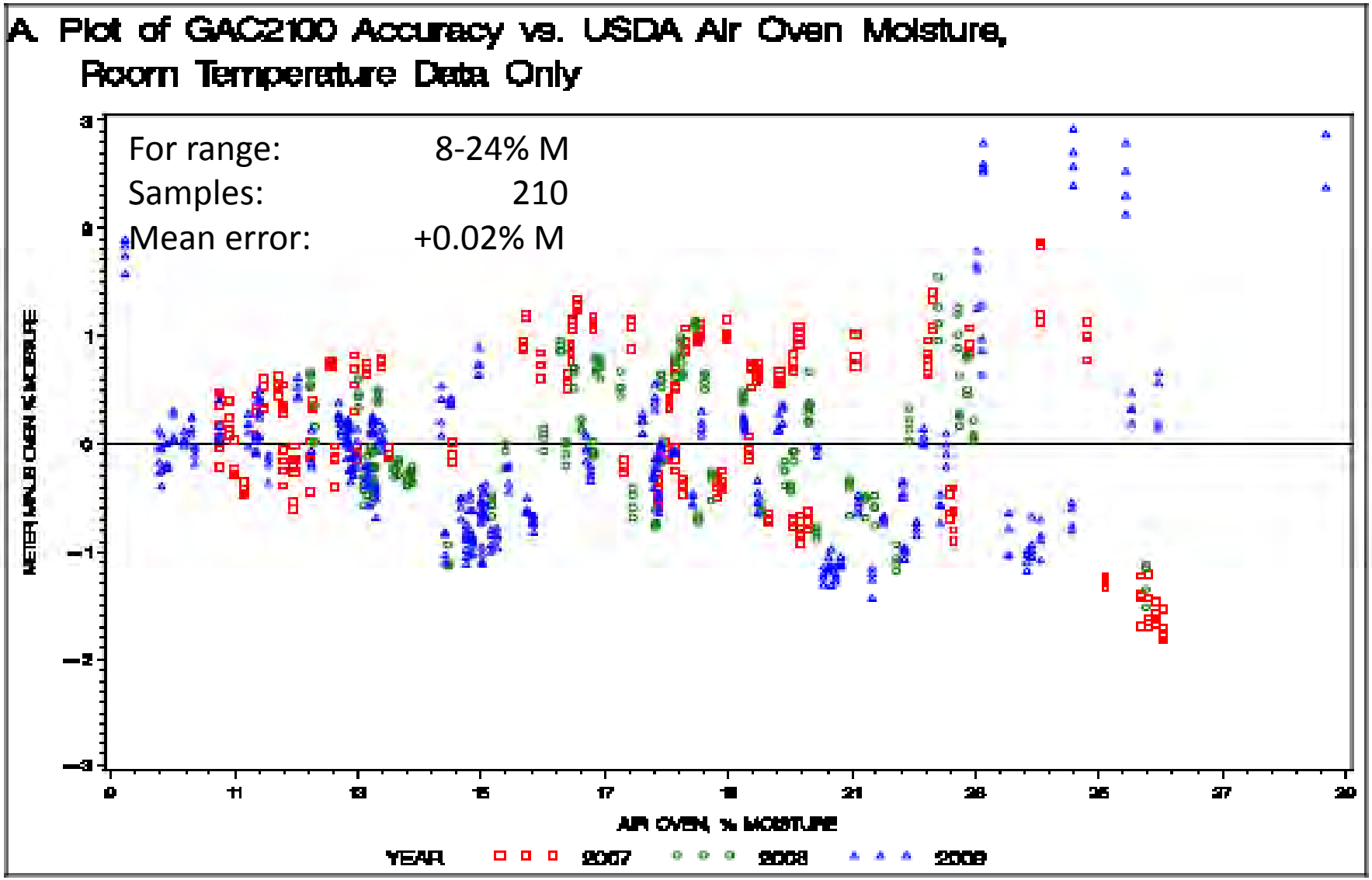
The Advisory Committee recommends that GIPSA evaluate the current moisture calibration for high moisture rough rice for accuracy when compared to the air oven reference.

FGIS Annual Calibration Study

- Approx. 1100 samples collected from each crop year to evaluate and enhance official moisture meter accuracy.
- For 15 major grains, same samples are tested with all NTEP-certified models (for a fee).
- Calibrations are optimized for the most recent 3 crop years—with consideration of abnormal conditions.
- Calibrations are changed only if certain error thresholds are exceeded—to minimize “hunting”.

Long Grain Rough Rice

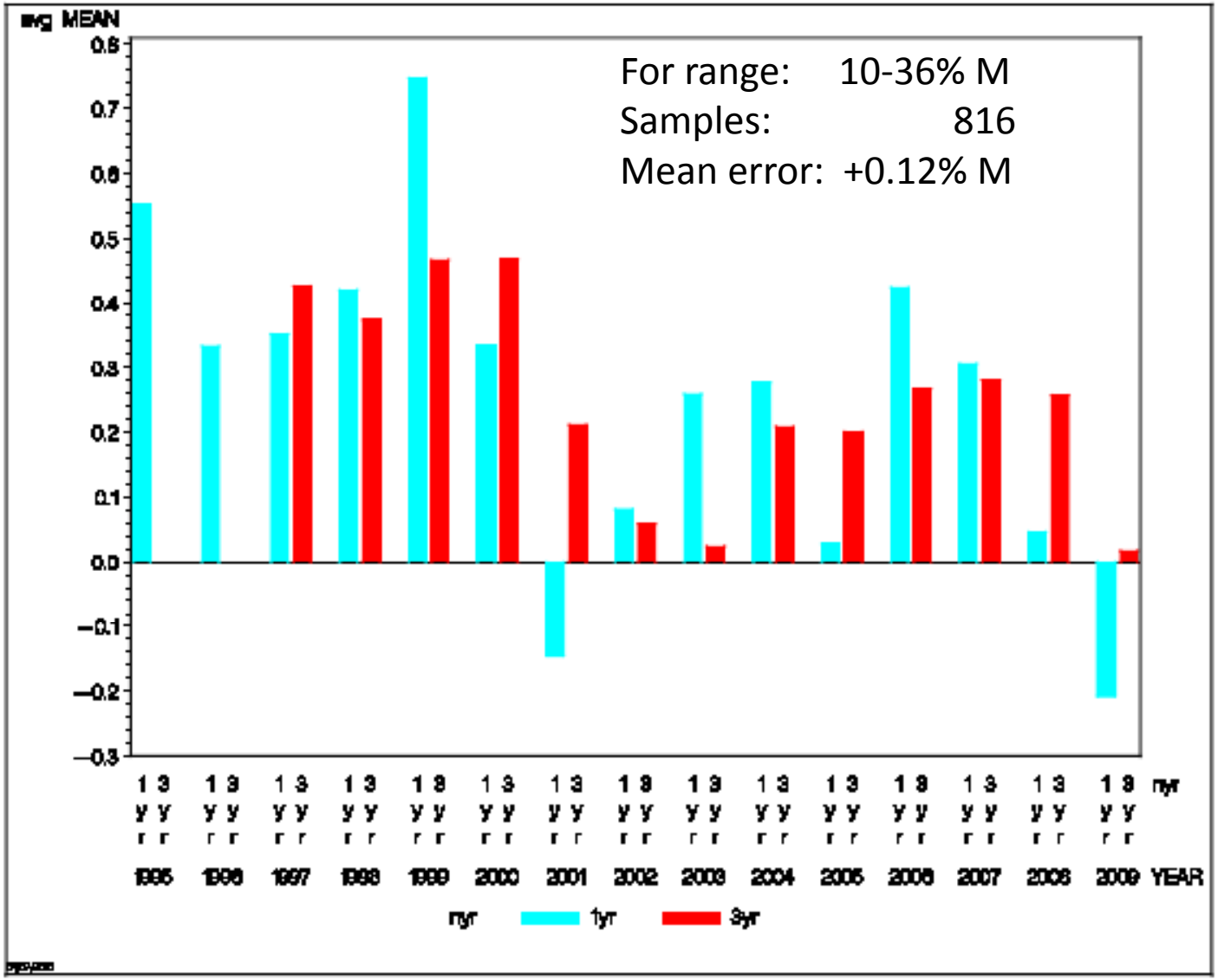
Accuracy for 2007-2009 Crops



Long Grain Rough Rice

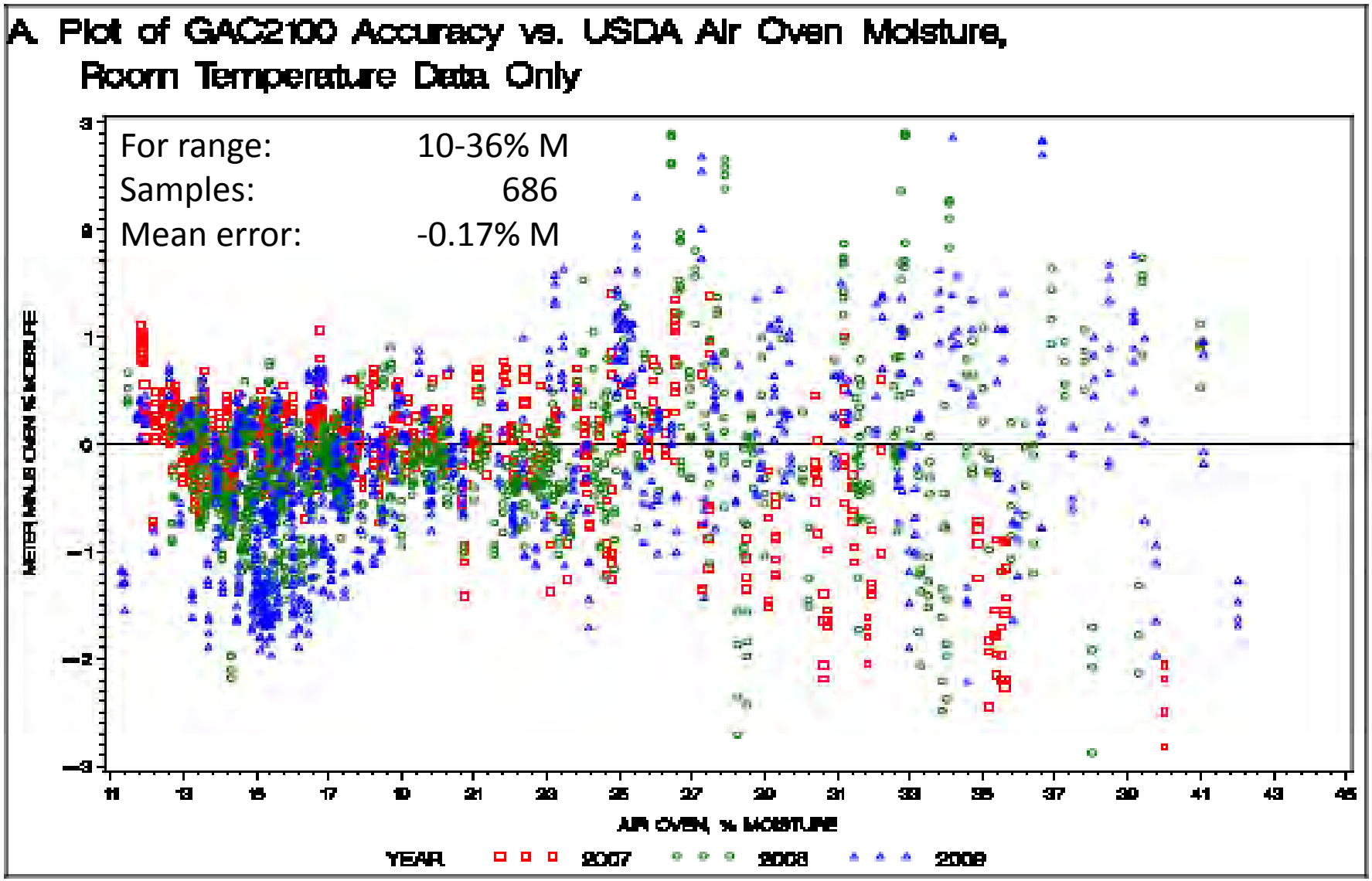
15-Year Performance with Current Calibration

1-year and 3-year mean errors



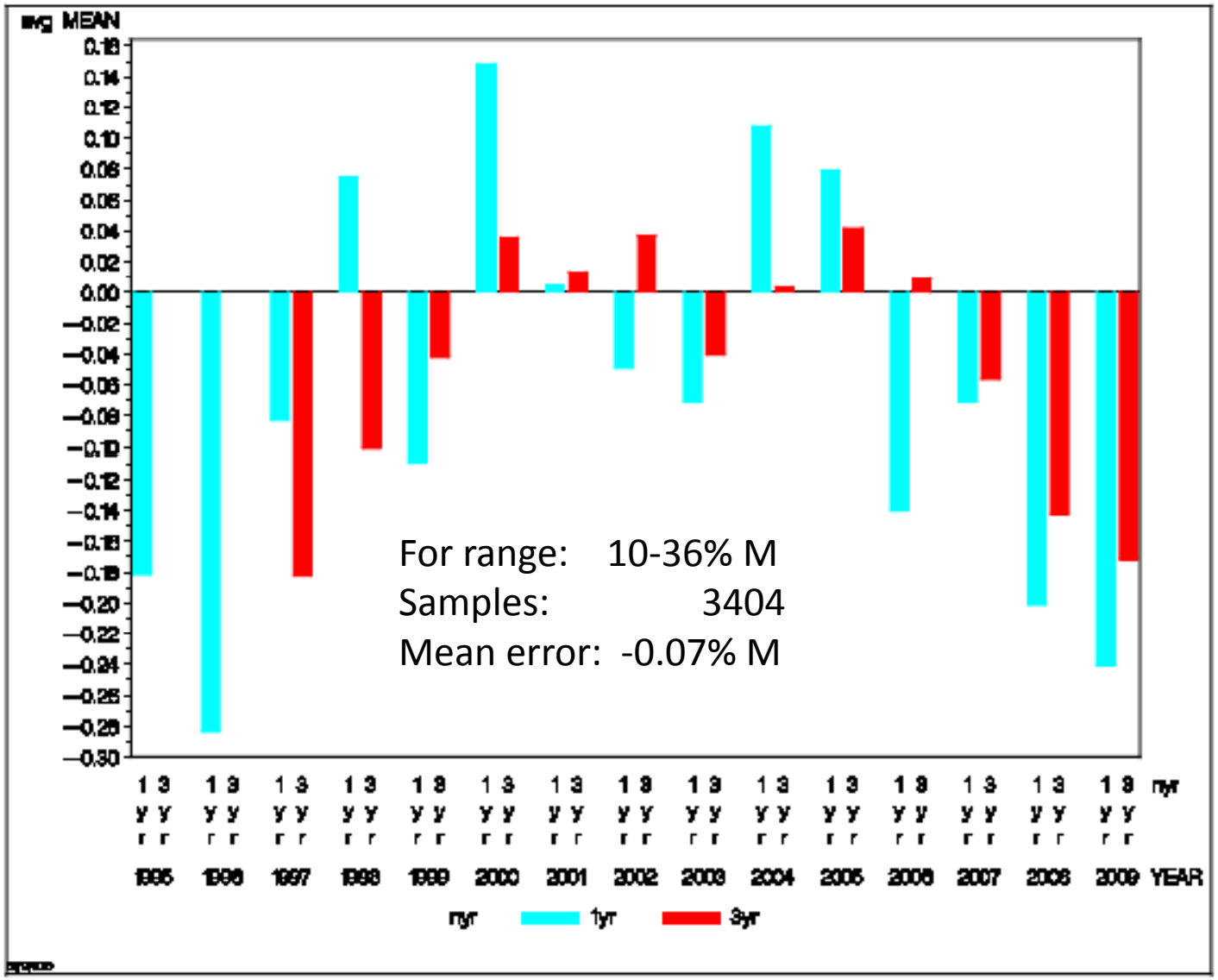
Corn

Accuracy for 2007-2009 Crops



Corn

15-Year Performance with Current Calibration
1-year and 3-year mean errors



Conclusions from 2009-Crop Calibration Study

- Year-to-year differences contribute significant instability to grain moisture meter calibrations.
- Rice is one of the more difficult grains for accurate moisture measurements.
- Growing conditions in 2009 resulted in some grain samples not being measured accurately by current official moisture meters.
- It is impossible to significantly improve the official meter's accuracy for the "problem" samples without degrading the overall accuracy.

Response to GIAC Resolution

- FGIS is continually evaluating and trying to improve moisture calibrations.
- FGIS has expert knowledge of moisture measurement technologies.
- The current official technology is doing the best that it can.
- If the market needs better performance, FGIS needs to select and implement different technology.
- If FGIS is going to implement different moisture technology, it needs to happen soon.

Why New Moisture Technology?

- Improved accuracy
- Better stability over time and crop conditions
- Easier calibration development
- Reduced support cost
- Provide competition

Why Soon?

- Avoid being caught in a technology “rut” for decades as with the Motomco.
- Utilize current FGIS expertise before it is depleted by retirements.
- Create and implement a sustainable official moisture measurement system based on up-to-date technology.

How to Select New Technology?

- Develop and prioritize criteria for the selection
- Develop procurement document
- Solicit proposals
- Evaluate proposals and submitted performance data
- Conduct further testing of proposed technologies
- Announce selection and establish contract(s)
- Develop and validate official standardization processes
- Procure new moisture measurement instruments
- Pilot test to validate system readiness for the transition
- Implement the switch to new instrumentation

Criteria used in 1997

- Best value to the government
  - Procurement costs
  - Support costs
- NTEP certification
- Accuracy over moisture and temperature ranges
- Repeatability
- Suitability for all grain types officially tested
- Suitability for automation
- Consistency among units
  - Transferability of calibrations
  - Precision of standardization
  - Ease of standardization
  - Stability over time

Other Possible Criteria

- Speed of test
- Multiple-factor capability
- Accuracy of tests on abnormal samples such as “green soybeans”
- Availability of multiple sources for equivalent technology
- Availability of calibrations to speed transition
- Prior commercial acceptance of technology

Possible Timeline

- October 2010:
  - Agency decision on whether to pursue new moisture technology
- June 2011:
  - Develop criteria and procurement documents and issue solicitation for proposals
- February 2012:
  - Announce decision
- May 2013:
  - Implement new technology for initial grains
- September 2013 and later:
  - Implement new technology for other grains

Yamamoto Sheller Study Update

David B. Funk, Ph.D.

Grain Inspection Advisory Committee Meeting

Kansas City, MO

June 16, 2010

Head Rice Yield Assessment

- Attempts to mimic whole kernel yield from commercial milling processes.
- Shelling removes rice hull from rough rice.
- Milling polishes rice to specified “degree of milling.”
- Visual inspection (or digital imaging) determines “whole kernel*” yield as percentage of initial weight of rough rice.

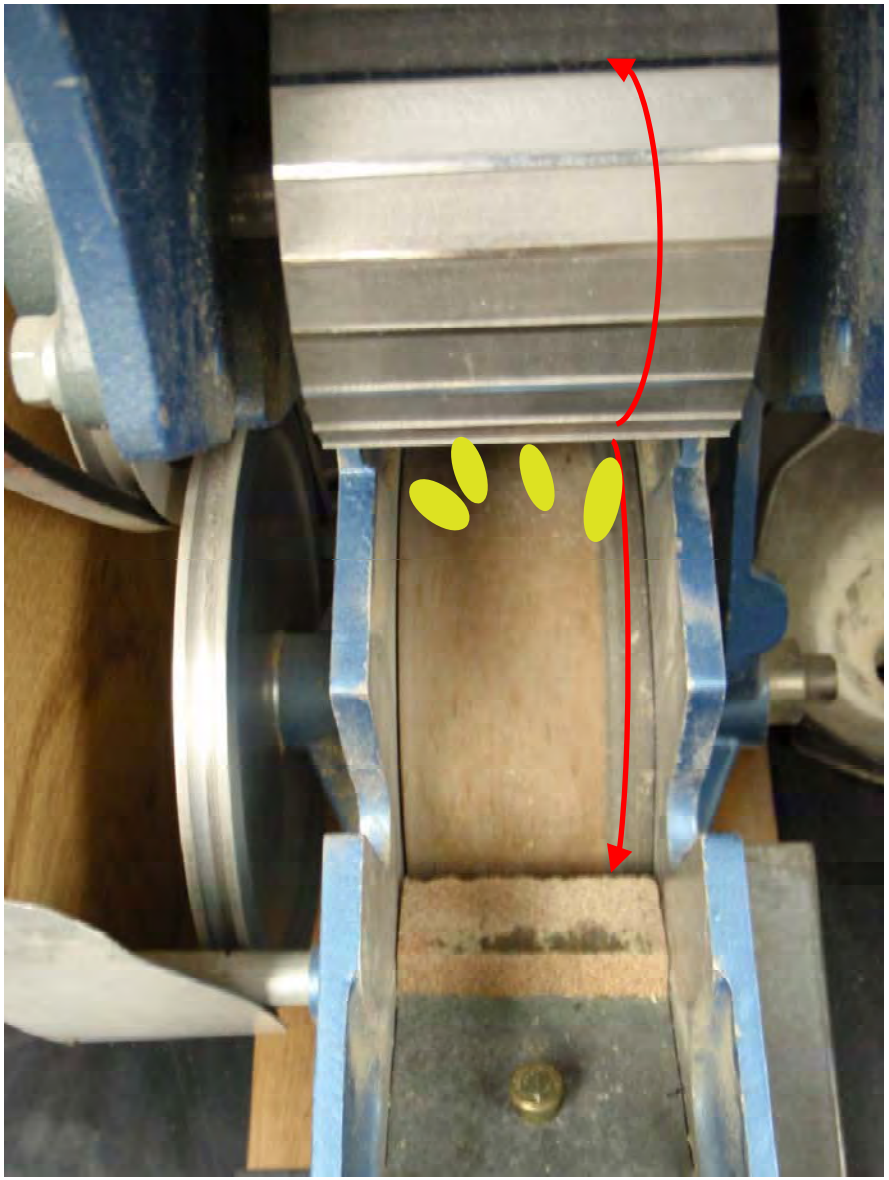
* Greater than or equal to ¾ of whole kernel

Current Approved Rice Equipment

- Sheller
  - GrainMan (or McGill)
- Miller
  - GrainMan
- Whole kernels
  - Visual inspection (Southern production)
  - GrainCheck 312 (California) (digital imaging)

GrainMan/McGill Rice Sheller

Counter-rotating rollers mimic US commercial shellers

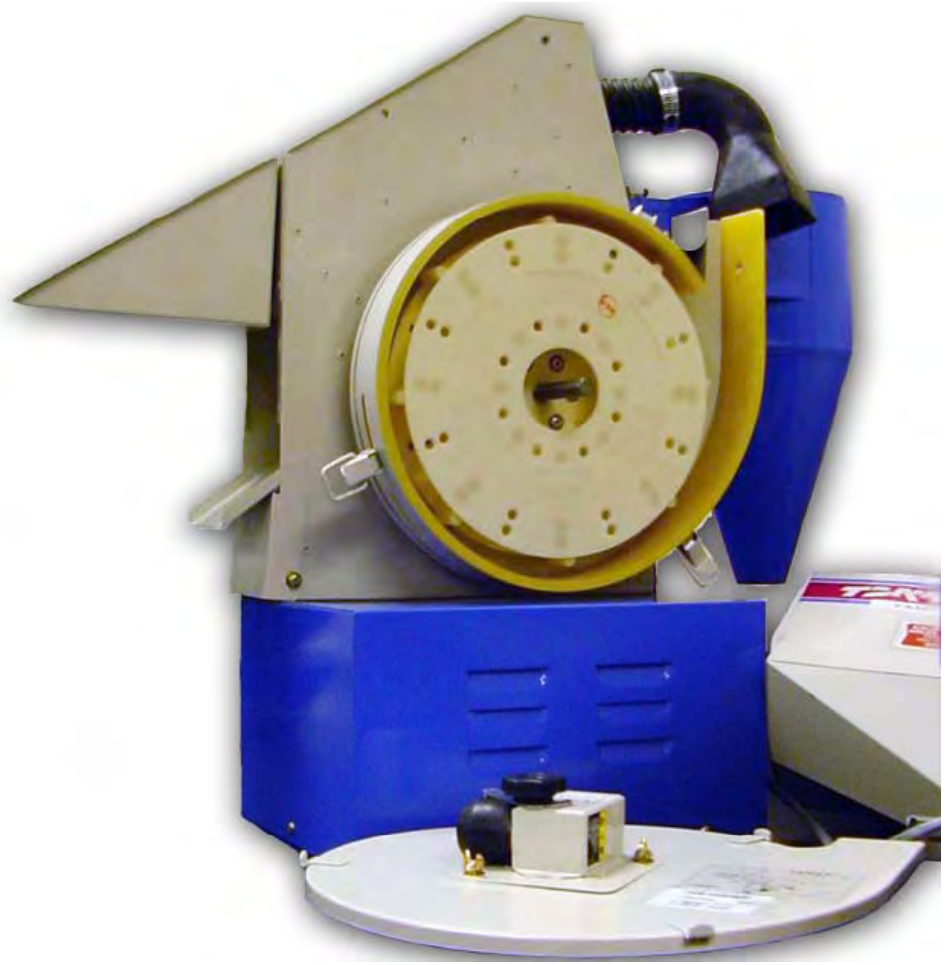


California Rice Commission Proposal

- Sheller
  - Yamamoto (for California Medium Grain and Short Grain rice only)
  - GrainMan (or McGill) (for all Long Grain rice and Southern production Medium and Short Grain rice)
- Miller
  - GrainMan
- Whole kernels
  - GrainCheck 312 (digital imaging) (California only)
  - Visual inspection (Southern production)
- A meeting with Rice Industry representatives just after the November GIAC meeting confirmed the acceptability of this regional bifurcation of rice inspection processes.

Yamamoto Sheller

Centrifugal impact sheller mimics shellers used in Asia



Yamamoto Evaluation

- FGIS developed a detailed plan to evaluate differences between the Yamamoto and GrainMan shellers.
- Phase I Testing
  - Review mechanical design and suggest improvements to remedy problems
  - Define standardization settings and procedures
  - Test adequacy of standardization procedures
- Phase II Testing
  - Assess differences in HRY for GrainMan and Yamamoto shellers
  - Test moisture sensitivity of GrainMan and Yamamoto shellers
  - Test reproducibility of Yamamoto sheller model

Phase I – Mechanical Design Issues

- Prone to damage in shipment due to thin sheet metal frame
- Abnormal vibration affected feed rate significantly
- Imprecise mechanical adjustments
  - Rice feed rate
  - Air flow
  - Suction
  - Rotor speed
- Inappropriate electrical design
  - Two-prong plug
  - Inadequate strain relief
  - No fault protection

Phase I—Standardization Check

- Standardization settings for Phase I tests
  - Rotor speed
    - Pulley adjusted to achieve 3312 +/- 4 RPM
  - Rice flow rate adjustment
    - Set to achieve 25.3 ± 1.3 grams per second
  - Air flow adjustment
    - 5/40 degrees
  - Suction adjustment
    - 18 mm (fully open)
- Tested 5 portions of 2 MGR samples, 1 High & 1 Low HRY on:
  - Yamamoto sheller Unit 1
  - Yamamoto sheller Unit 2
  - GrainMan sheller
  - All shelled sample portions milled with same GrainMan miller

Results for low yield rice sample portions

Sheller:	Yamamoto 1		Yamamoto 2		GrainMan	
	Avg	SD	Avg	SD	Avg	SD
Moisture (%)	11.3	0.11	11.3	0.13	11.4	0.11
Feed Time (s)	38.4	0.89	37.6	1.52	81.2	3.90
BR Weight (g)	817.2	0.96	812.4	0.83	829.6	1.78
Hull Weight (g)	181.0	0.81	185.6	0.95	168.4	1.87
Paddy in BR (%)	2.06	0.27	1.34	0.34	4.52	0.59
BR Brokens (%)	28.7	1.05	29.6	0.8	20.8	0.77
Miller Temp. (°F)	118	3.49	116	2.59	120	1.79
Total Rice (%)	70.5	0.16	70.5	0.16	71.0	0.31
Brokens (%)	41.1	1.79	40.7	0.92	39.0	1.41
HRY (%)	41.5	1.35	41.8	0.75	43.3	1.18

Results for high yield rice sample portions

Sheller:	Yamamoto 1		Yamamoto 2		GrainMan	
	Avg	SD	Avg	SD	Avg	SD
Moisture (%)	11.3	0.07	11.3	0.055	11.4	0.08
Feed Time (s)	41.8	1.48	41.0	0	91.8	4.09
BR Weight (g)	824.2	1.20	820.1	0.75	831.0	1.70
Hull Weight (g)	174.6	0.82	178.4	0.44	167.8	1.74
Paddy in BR (%)	1.46	0.61	0.88	0.28	4.5	0.55
BR Brokens (%)	7.4	0.40	7.3	0.37	4.8	0.50
Miller Temp. (°F)	115	1.95	116	2.65	118	2.19
Total Rice (%)	73.2	0.11	73.0	0.16	73.1	0.13
Brokens (%)	10.8	0.43	10.9	0.32	9.8	0.42
HRY (%)	65.2	0.38	65.1	0.39	66.0	0.39

Phase I Test Results

	p-value* Yamamoto to Yamamoto Comparison	p-value* Yamamoto to GrainMan Comparison
Total Rice	0.38945	0.00571
Broken Kernels	0.71984	0.00348
Head Rice Yield	0.85084	0.00346
	Not significantly different	Significantly Different

*α=0.05

Conclusions:

1) The two Yamamoto units appeared to be adequately standardized with the settings used.
2) They were statistically different from the GrainMan sheller.

Phase II Samples received and tested

- Samples requested from California rice mills
- Received
  - Medium Grain
    - 105 samples
  - Short Grain
    - 14 samples
- Tested
  - Medium Grain
    - 68 samples tested at as-received moisture levels
    - 28 samples retested after drying to approx. 10.5% moisture
    - 10 samples retested on second Yamamoto sheller
  - Short Grain
    - 10 samples tested at as-received moisture levels
- Testing completed on May 28, 2010

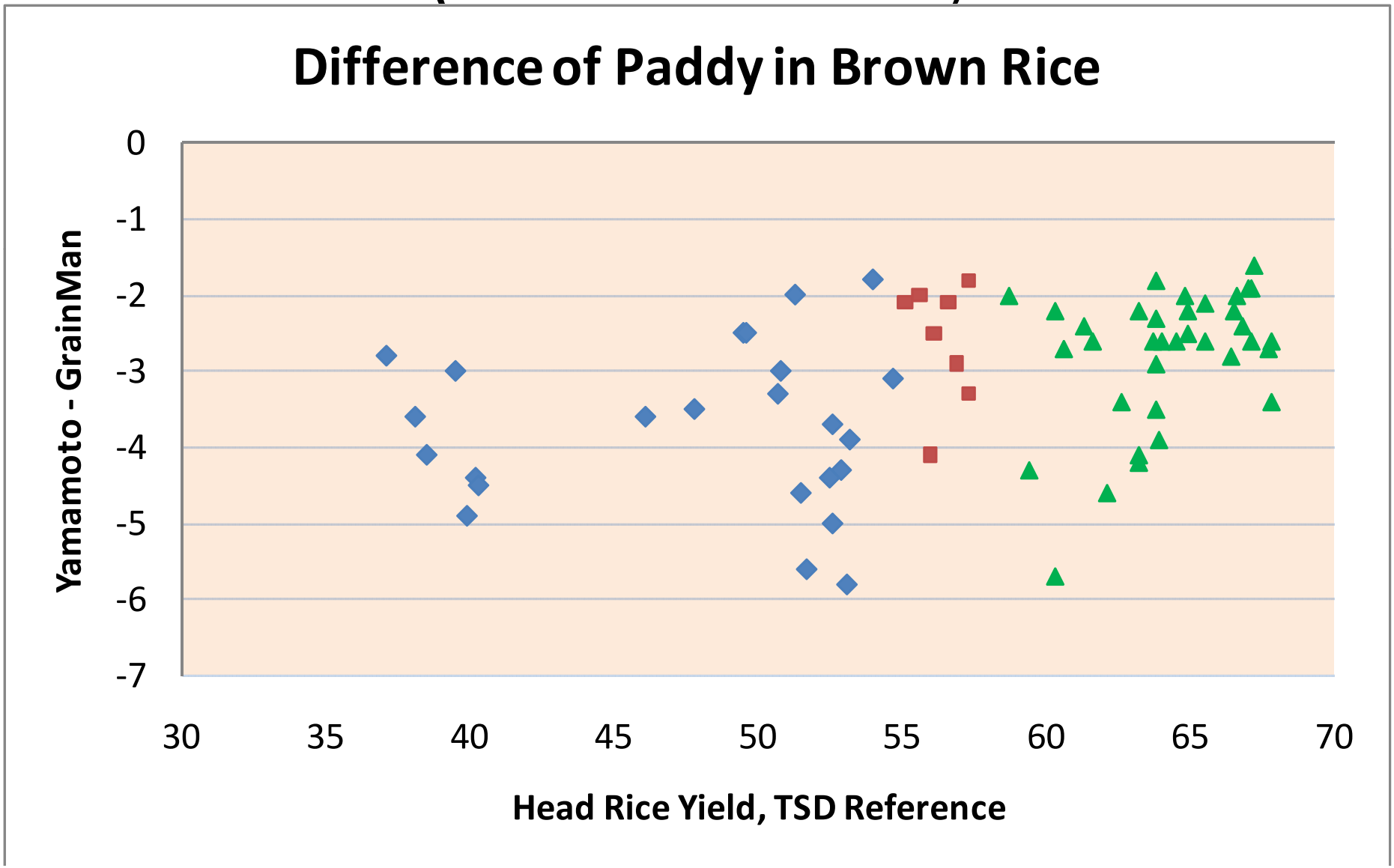
Shelled Rice Results
(Yamamoto minus GrainMan)

Rice Class	Range for Head Rice Yield (%)	Number of Samples	Average Difference of Paddy in Brown Rice (%)	Average Difference in Brown Rice Brokens (%)
Medium	<55	24	-3.75*	5.14*
Medium	55-58	8	-2.60*	4.55*
Medium	>58	36	-2.78*	2.17*
Short	44-70	10	-1.61*	1.38*

* Statistically significant difference at 95% level

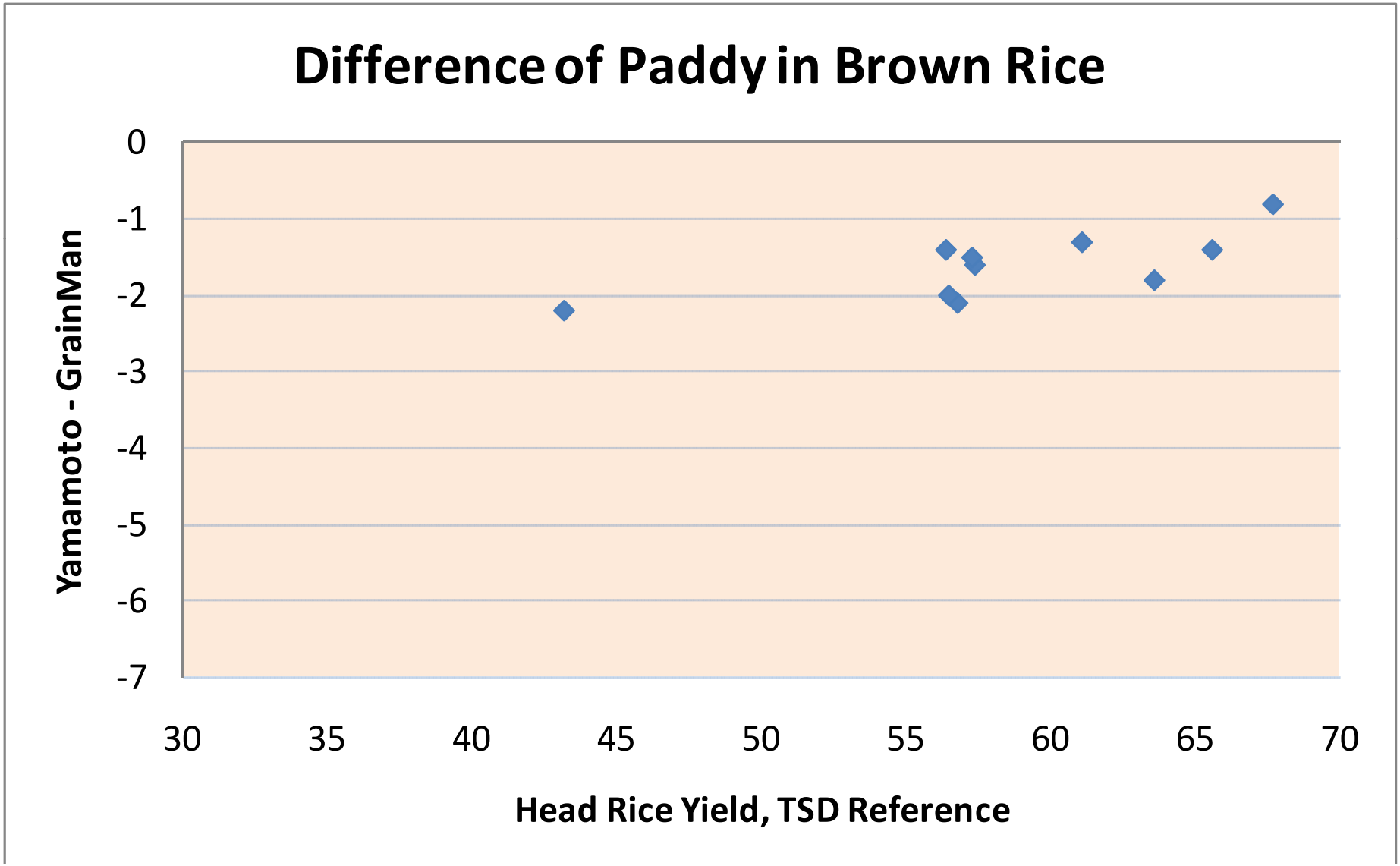
Comparison of Shelling Results

(Medium Grain Rice)



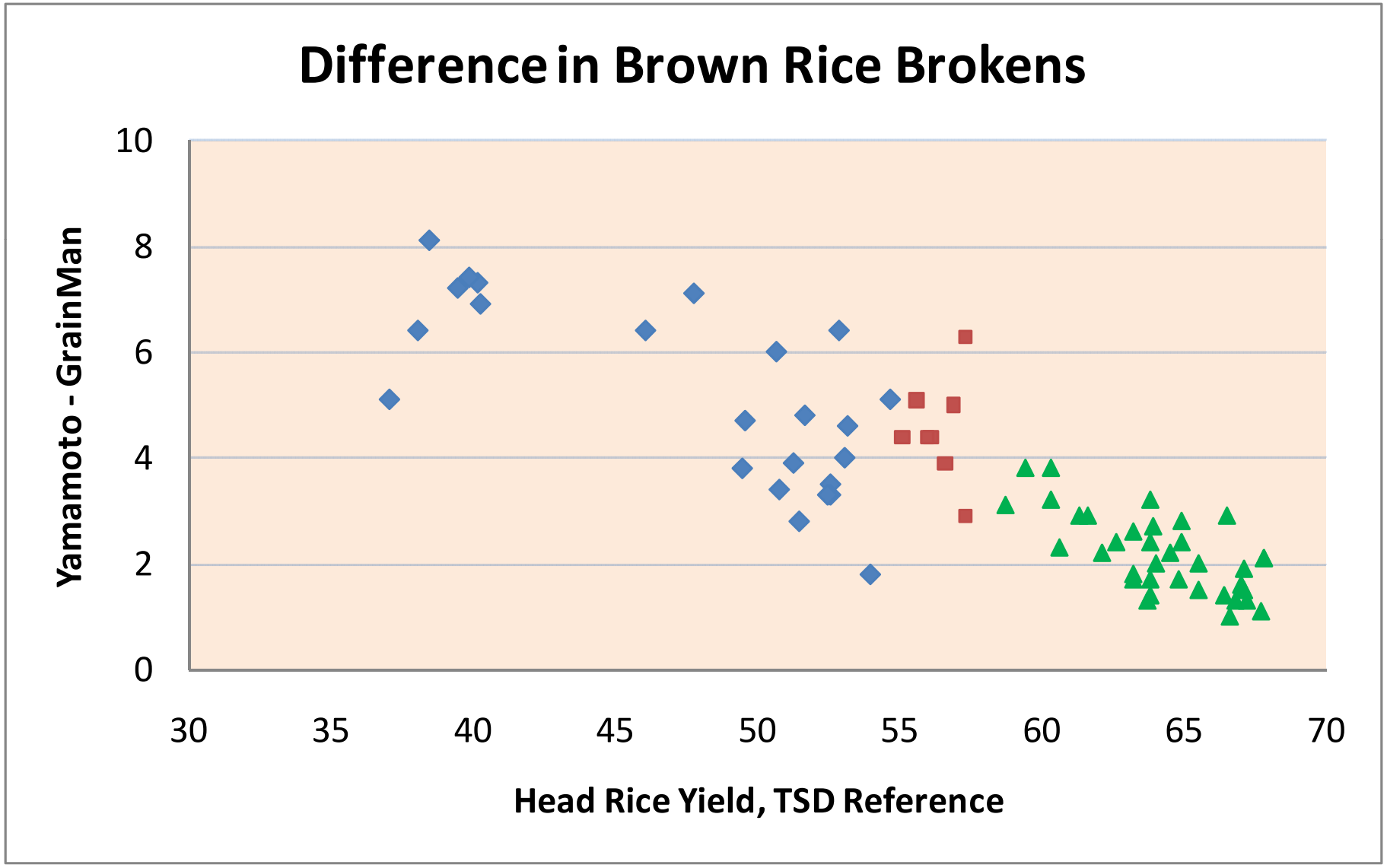
Comparison on Shelling Results

(Short Grain Rice)



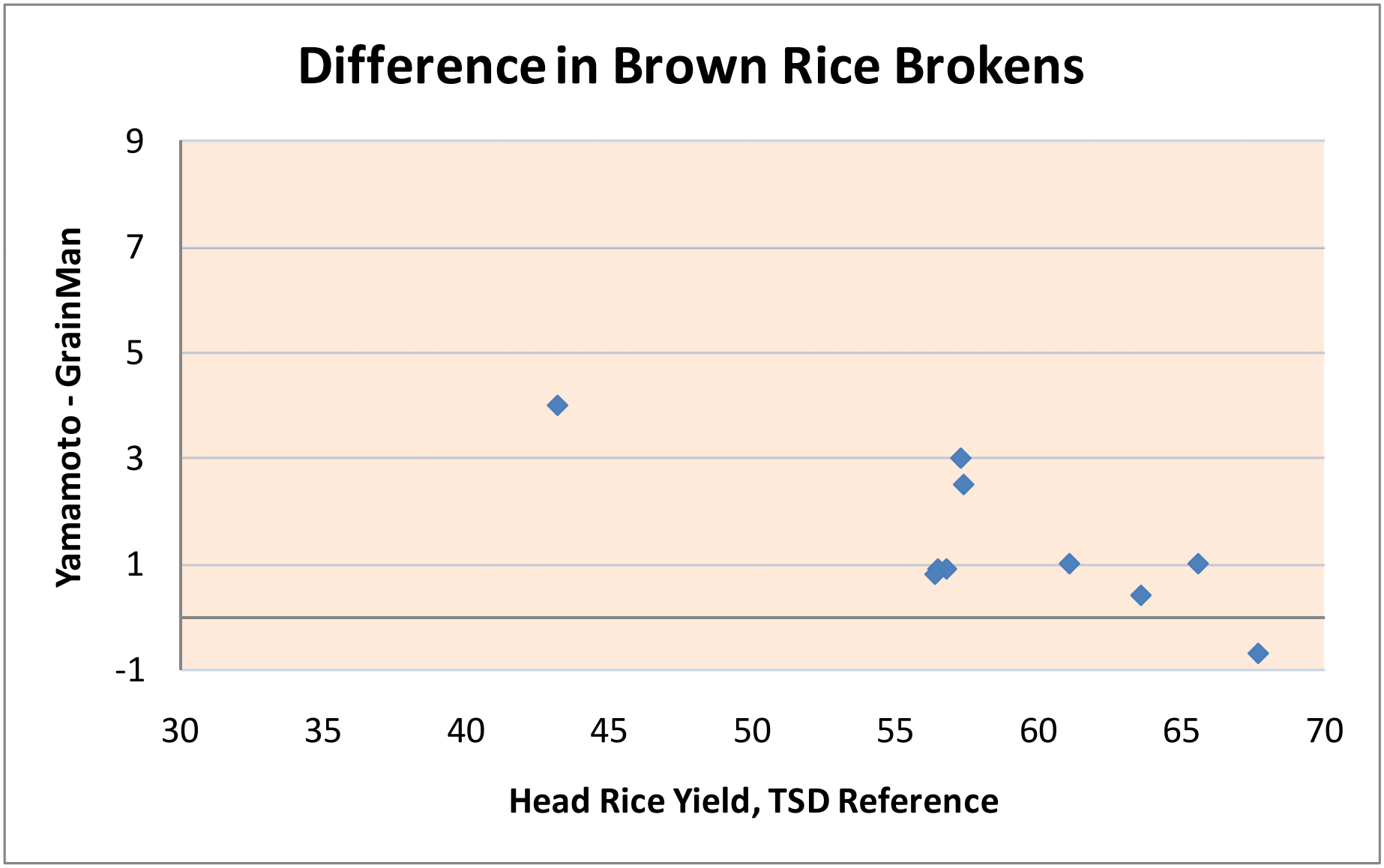
Comparison on Shelling Results

(Medium Grain Rice)



Comparison on Shelling Results

(Short Grain Rice)

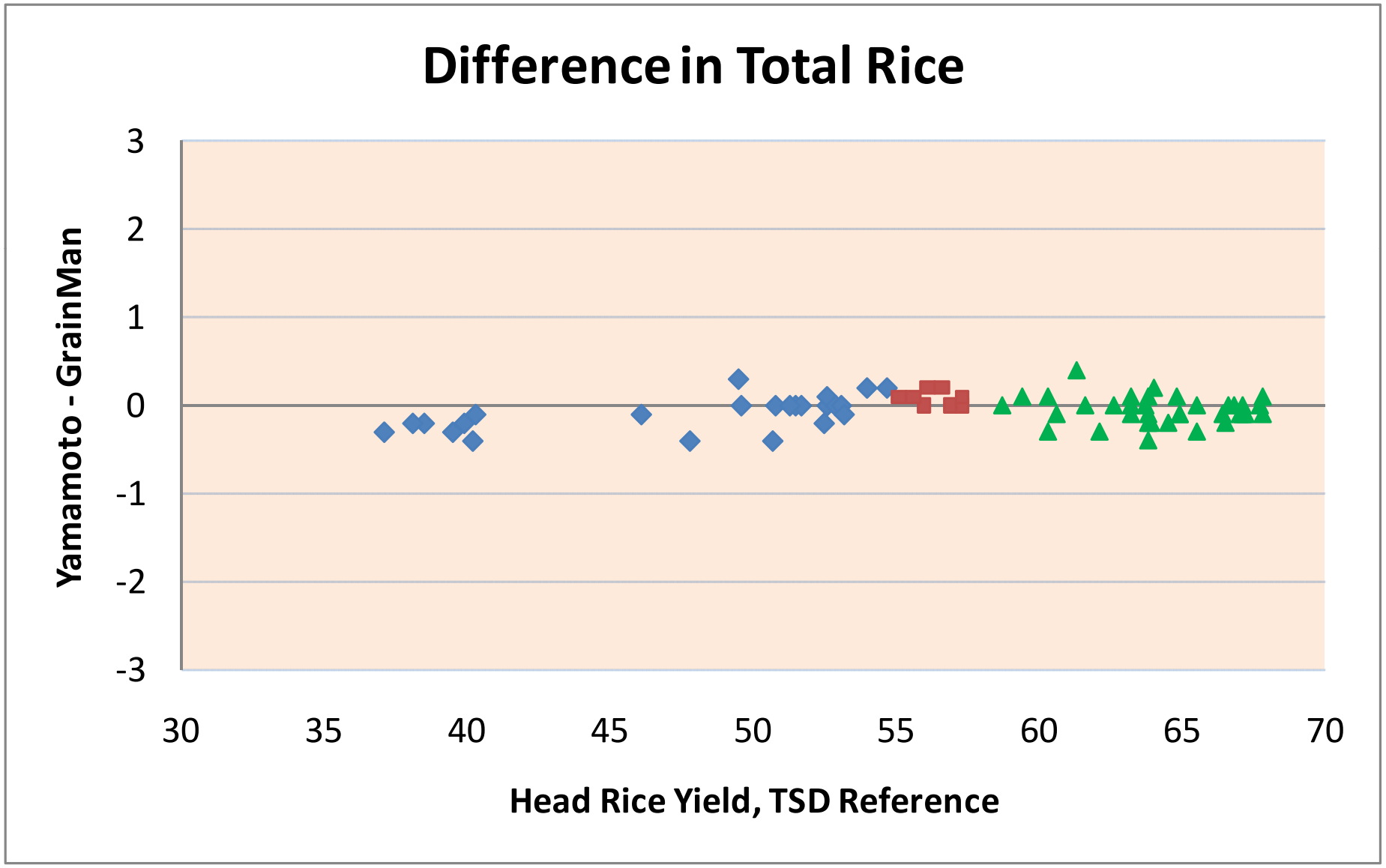


Milled Rice Results
(Yamamoto minus GrainMan)

Rice Class	Range for Head Rice Yield (%)	Number of Samples	Average Difference in Total Rice (%)	Average Difference in Milled Brokens (%)	Average Difference in Head Rice Yield (%)
Medium	<55	24	-0.09*	0.02	-0.04
Medium	55-58	8	0.09	0.82*	-0.50*
Medium	>58	36	-0.05	0.55*	-0.44*
Short	44-70	10	-0.11*	-1.50*	1.00*

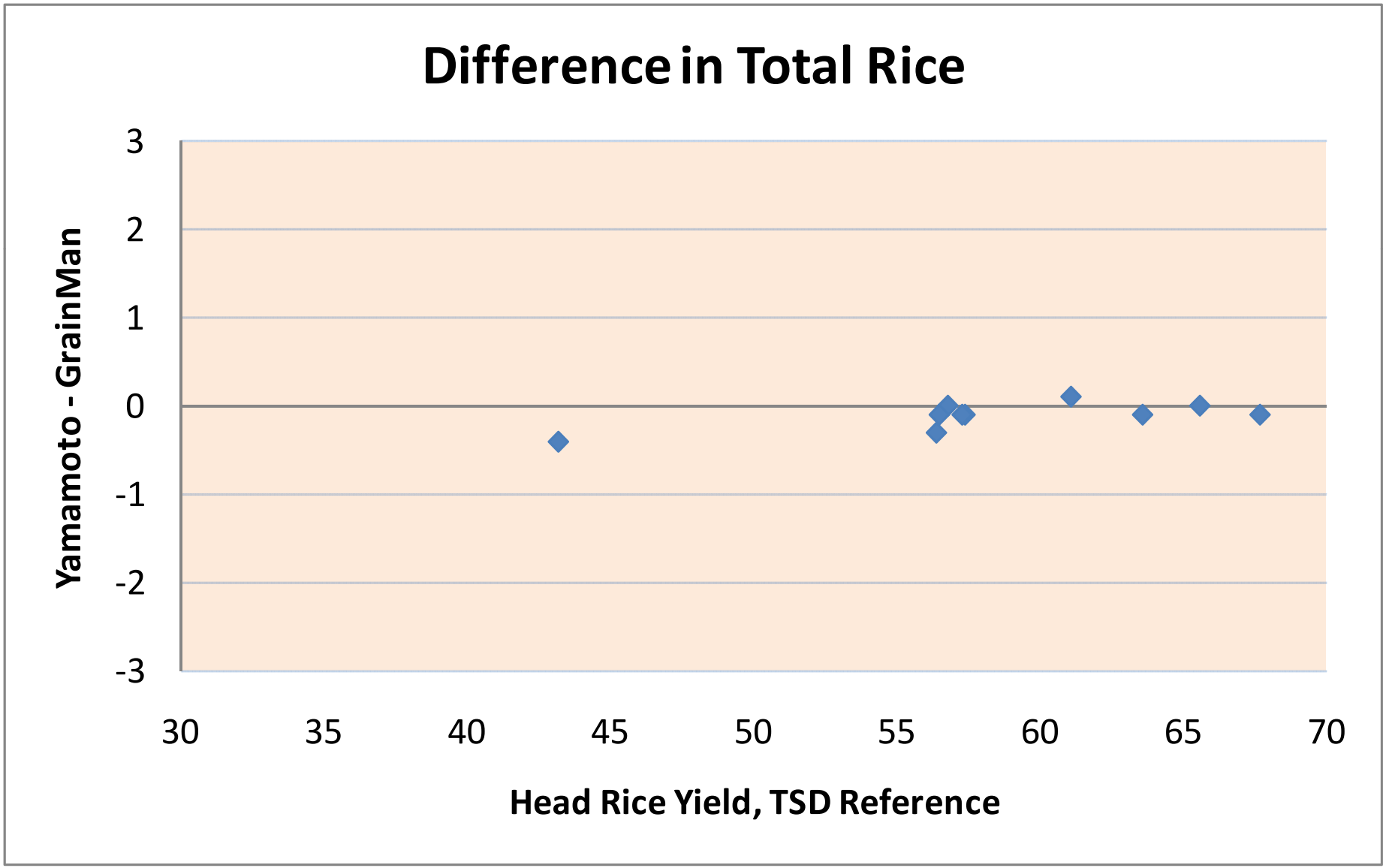
* Statistically significant difference at 95% level

Comparison of Milling Results
(Medium Grain Rice)



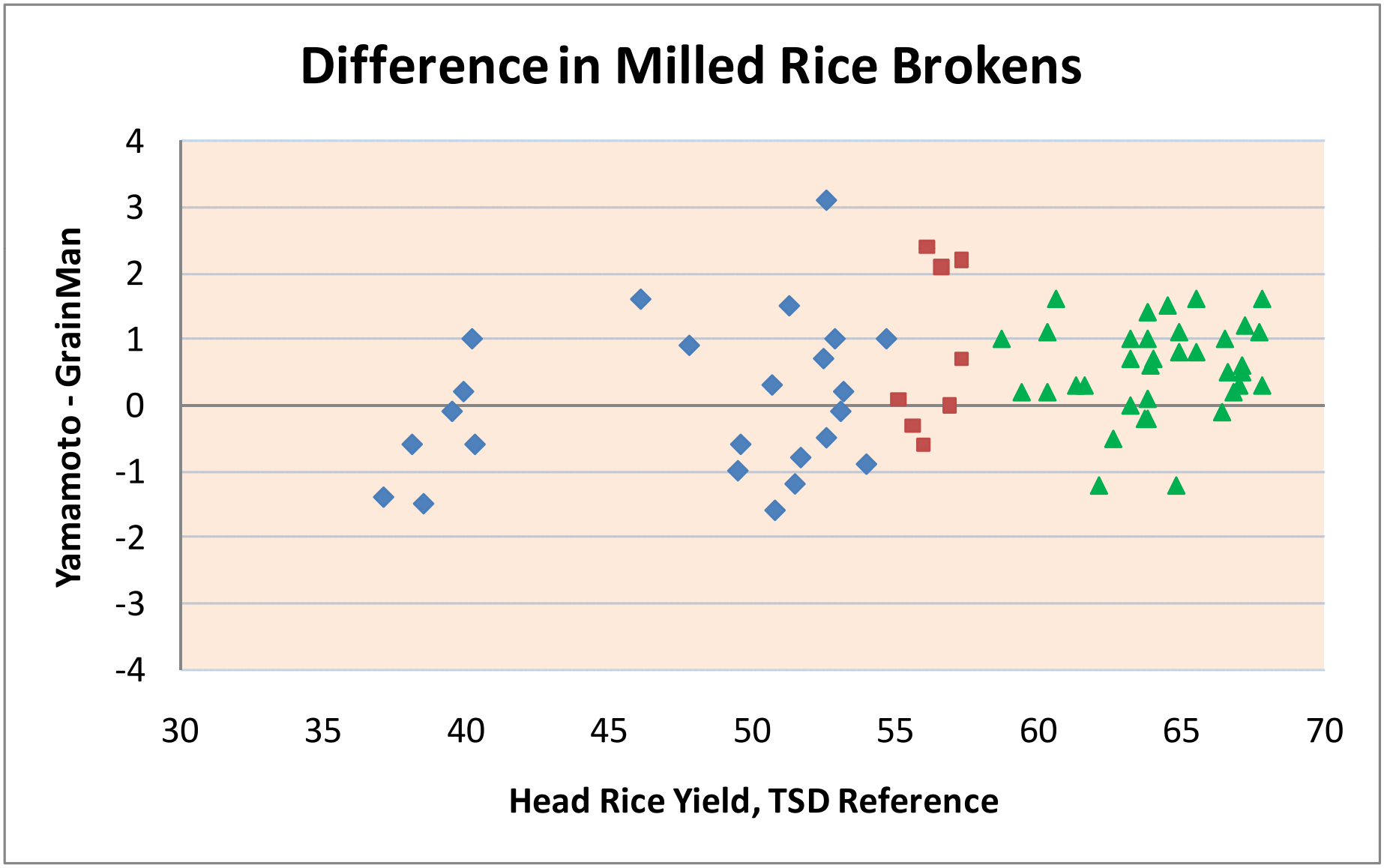
Comparison of Milling Results

(Short Grain Rice)



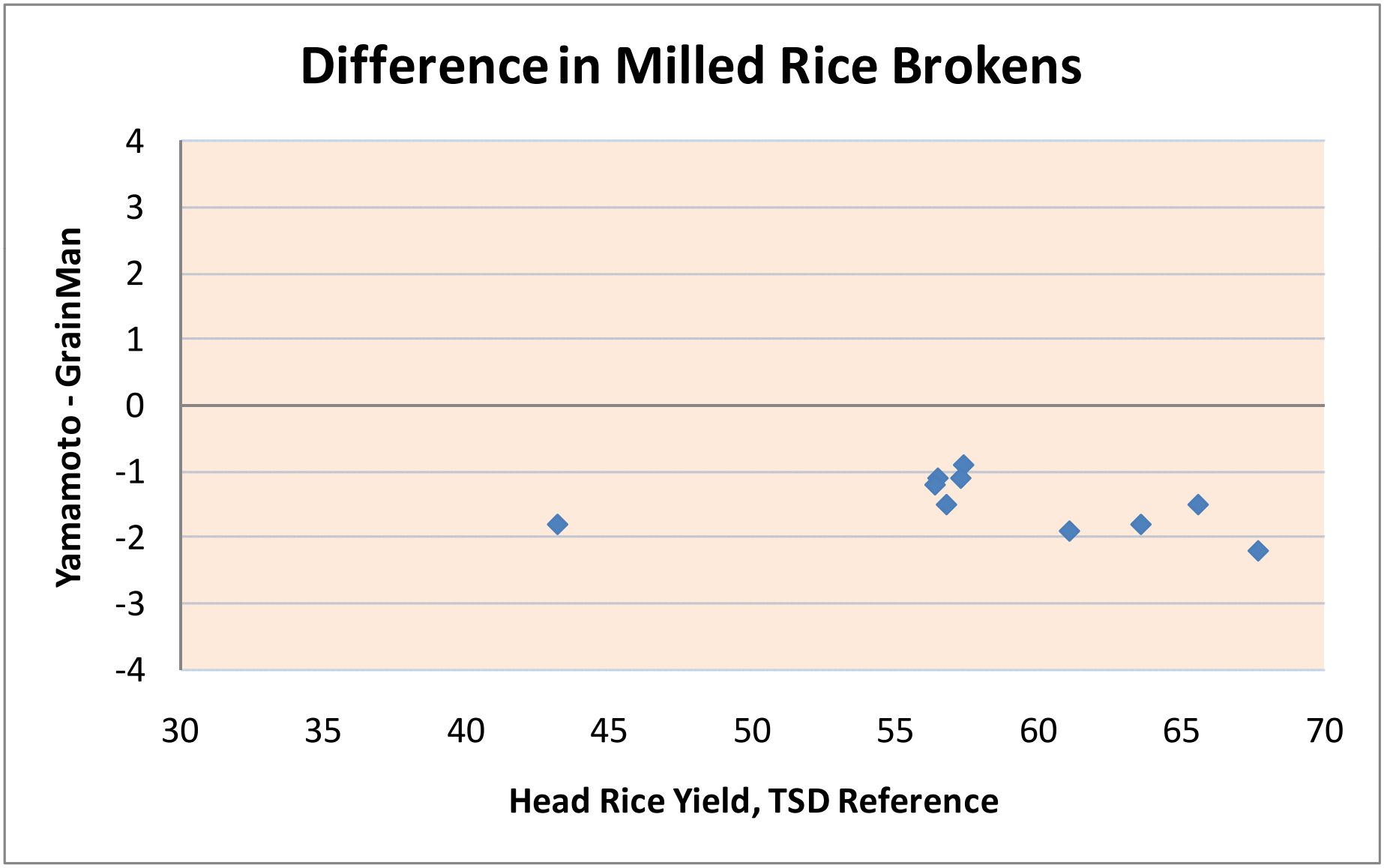
Comparison of Milling Results

(Medium Grain Rice)



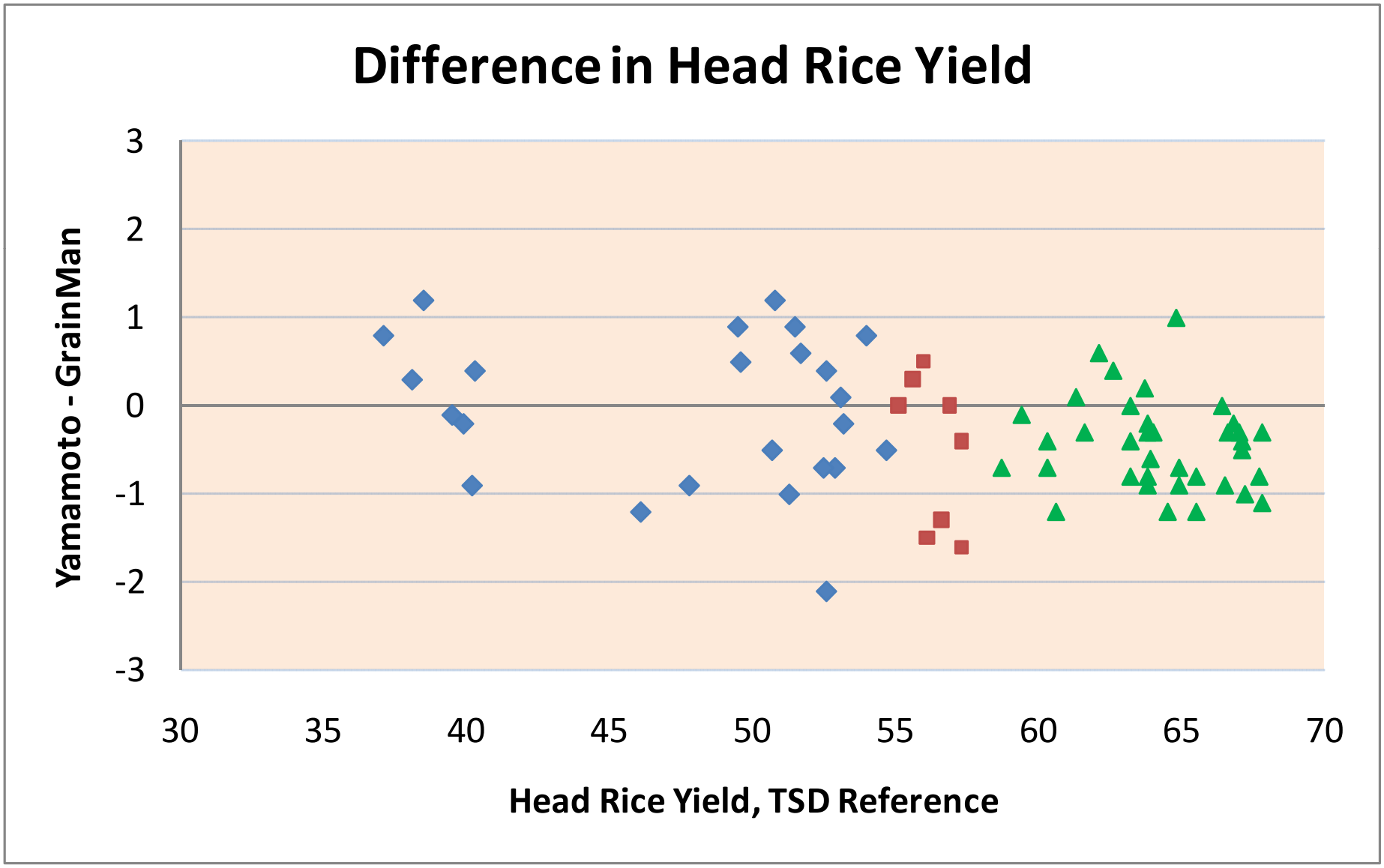
Comparison of Milling Results

(Short Grain Rice)



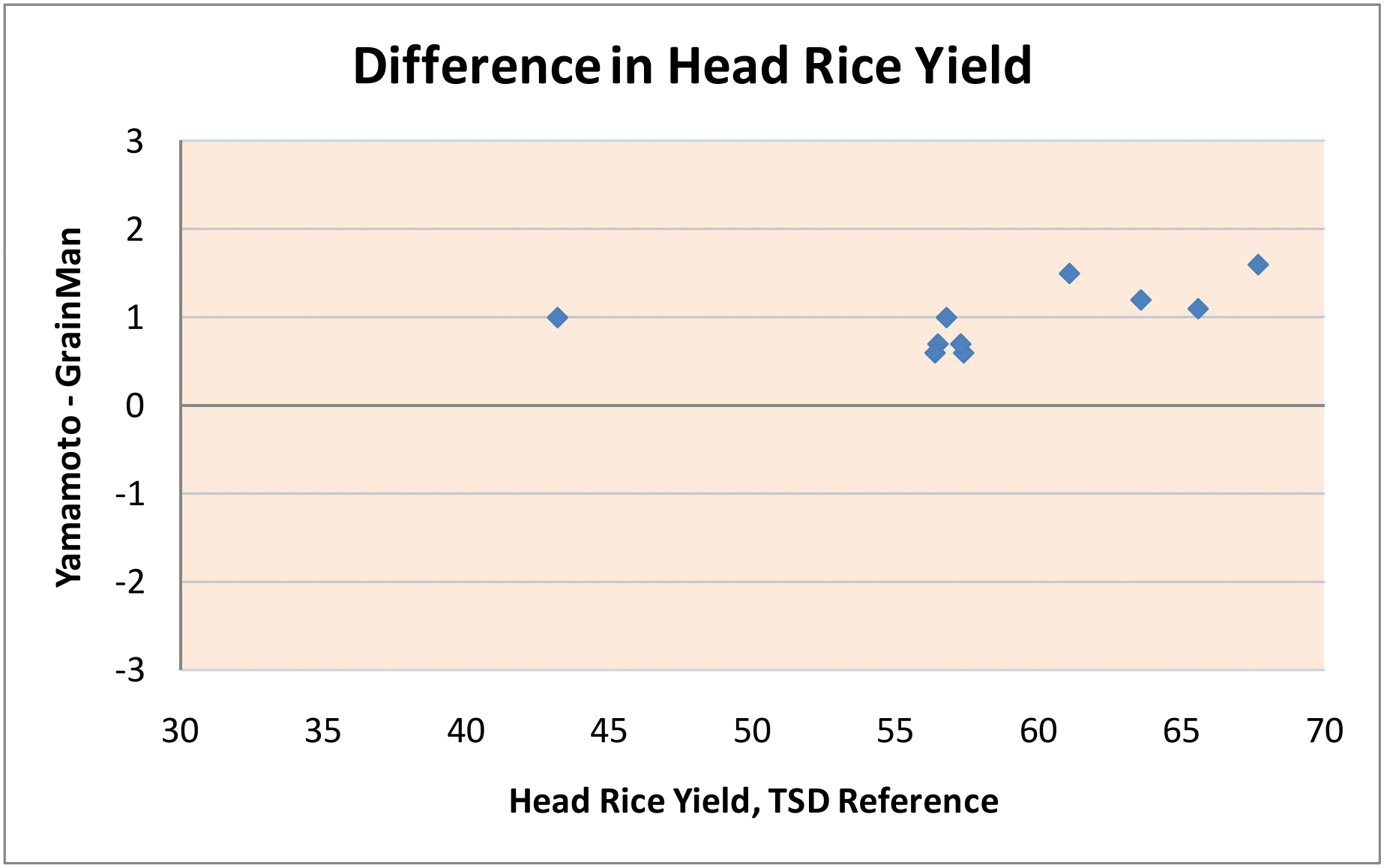
Comparison of Milling Results

(Medium Grain Rice)



Comparison of Milling Results

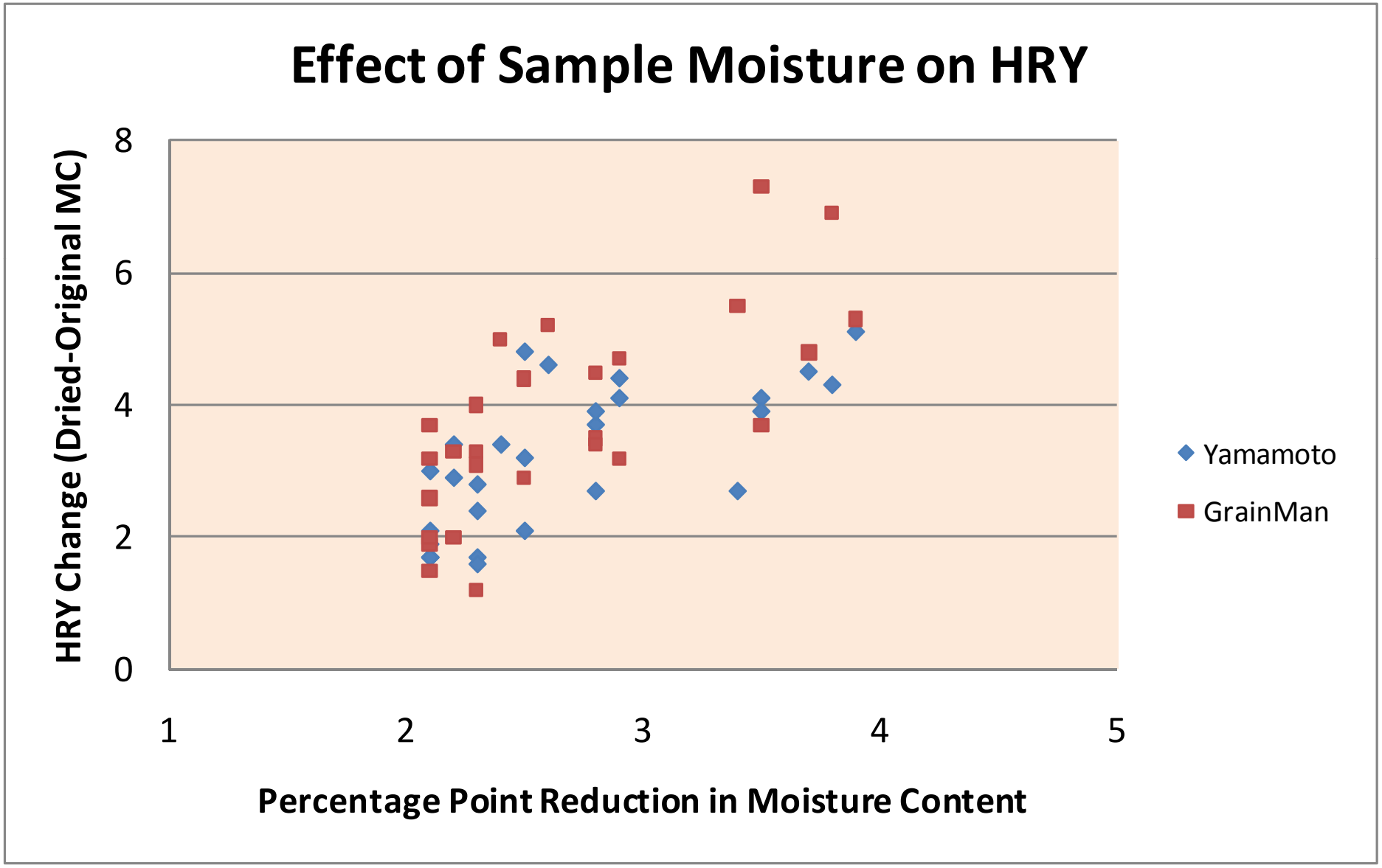
(Short Grain Rice)



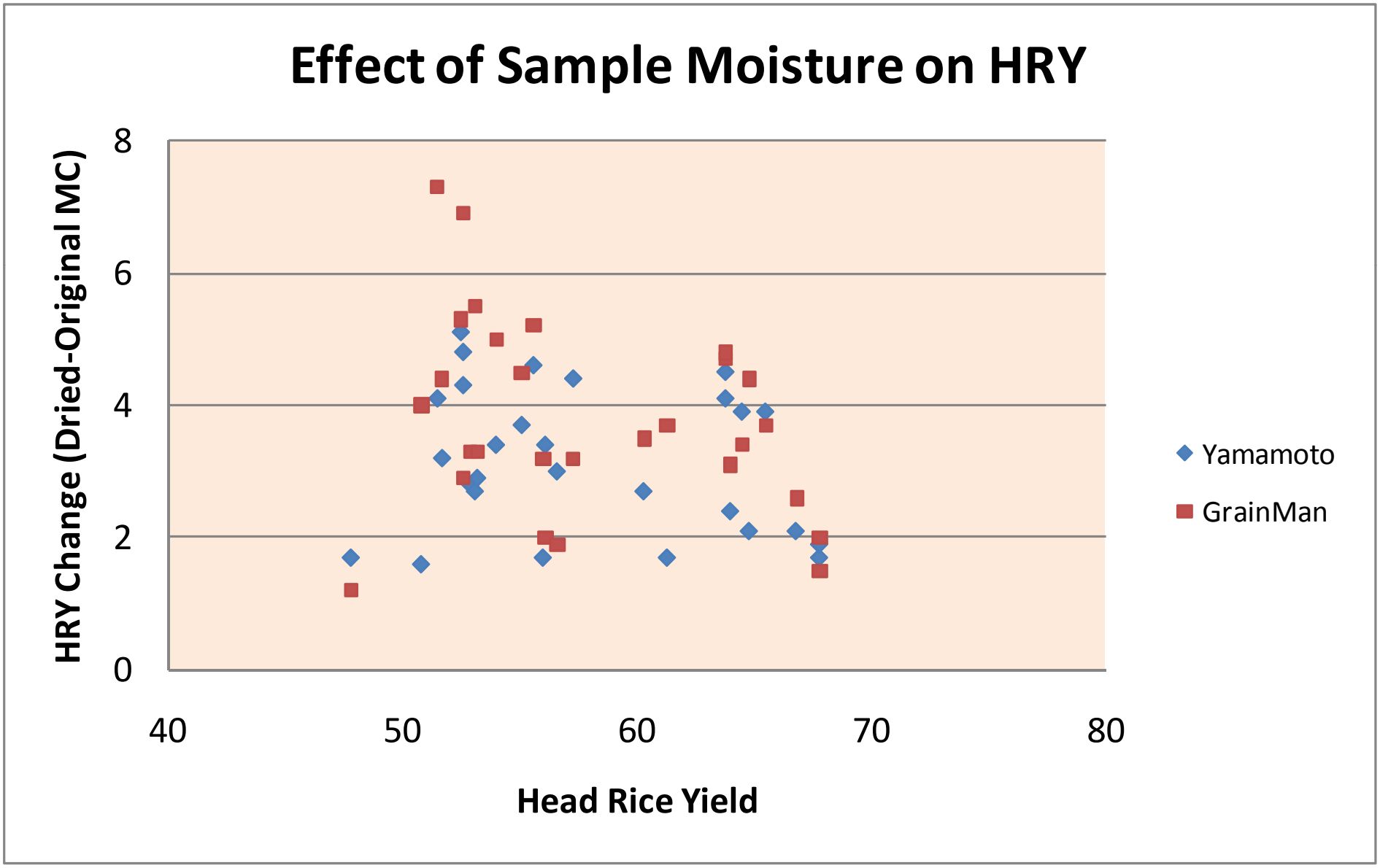
Effect of Sample Moisture Content on Sheller and Miller Mean Results for 28 Medium Grain Rice Samples

Test Condition	Paddy in Brown Rice (%)	Brown Rice Brokens (%)	Total Milled Rice (%)	Milled Rice Brokens (%)	Head Rice Yield (%)
Yamamoto, original MC	1.2	11.7	71.2	19.2	57.5
Yamamoto, dried	0.6	12.1	73.1	16.9	60.7
Difference	-0.6	+0.4	+2.9	-2.3	+3.2
GrainMan, original MC	4.3	8.2	71.2	18.7	57.9
GrainMan, dried	3.3	8.8	73.4	16.0	61.7
Difference	-1.0	+0.6	+2.2	-2.7	+3.8

Head Rice Yield for the Two Sheller Types at Different Moisture Levels (28 Medium Grain Rice Samples)



Head Rice Yield for the Two Sheller Types at Different Moisture Levels (28 Medium Grain Rice Samples)



Comparison of Two Yamamoto Shellers to the GrainMan Standard (10 Medium Grain Rice Samples)

Sheller Tested	Average Difference of Paddy in Brown Rice (%)	Average Difference in Brown Rice Brokens (%)	Average Difference in Total Rice (%)	Average Difference in Milled Brokens (%)	Average Difference in Head Rice Yield (%)
New Yamamoto minus GrainMan	-3.48	3.23	-0.06	0.47	-0.34
Old Yamamoto minus GrainMan	-2.63	4.23	-0.05	0.45	-0.34

Summary (1)

- Phase I testing
  - Identified improvements in mechanical and electrical design (to be implemented by manufacturer)
  - Developed and validated standardization processes for Yamamoto shellers
- Phase II testing
  - Quantified differences between Yamamoto and GrainMan shellers
  - Sheller (brown rice) results were significantly different
  - HRY agreed much more closely than sheller results
    - Medium Grain Rice
      - Yamamoto lower than GrainMan by approx. 0.5% HRY for medium and high HRY samples
    - Short Grain Rice
      - Yamamoto higher than GrainMan by approx. 1.0% HRY

Summary (2)

- Drying significantly increased HRY for both Yamamoto and GrainMan shellers.
- The two standardized Yamamoto shellers gave equivalent results.
- The differences between Yamamoto and GrainMan Shellers were highly statistically significant, but maybe not practically significant.
- FGIS requests stakeholder input on decision whether to change from GrainMan to Yamamoto sheller for California Short and Medium Grain Rice.
- Decision needed in July to be able to prepare for implementation by harvest time if the decision is to use the Yamamoto.

Acknowledgments

- Tim Johnson, California Rice Commission
- Jeff Bradshaw, Calibration Plus
- Dr. Richard Pierce, GIPSA-TSD, Eval. Proj. Mgr.
- Larry Engebretson, GIPSA-TSD, Ag. Engineer
- Jason Jordan, GIPSA-TSD, Ag. Engineer
- Rick Millerd, GIPSA-TSD-BAR, Rice Specialist

Application of Export Tonnage Fee

Grain Inspection Advisory Committee Meeting

Randall Jones
Deputy Administrator

June 2010

United States Department of Agriculture
Grain Inspection, Packers and Stockyards Administration
Federal Grain Inspection Service

History of Tonnage Fee

- Implemented October 1, 1996 with three components
  - Hourly rate to recover direct labor costs
  - Unit test or service rate
  - Metric ton administrative charge to recover indirect costs in the field offices and headquarters
- Administrative tonnage fee based on tiered tonnage rate
  - October 1, 1996 to June 13, 2004
- Administrative regional tonnage fee based on region incorporating tonnage history
  - June 14, 2004 to Current

Administrative Tonnage Fee
October 1, 1996 - June 13, 2004

All Field Offices							
($/MT)	10/96-9/97	10/97-1/99	2/99-4/00	5/00-7/01	8/01-3/02	4/02-6/03	7/03-5/04
< 1.0 MMT	$0.0900	$0.1013	$0.1014	$0.1038	$0.1101	$0.1152	$0.1199
1.0-1.5 MMT	$0.0820	$0.0923	$0.0925	$0.0947	$0.1005	$0.1051	$0.1094
1.5-2.0 MMT	$0.0420	$0.0473	$0.0500	$0.0512	$0.0543	$0.0568	$0.0591
2.0-5.0 MMT	$0.0320	$0.0360	$0.0370	$0.0379	$0.0402	$0.0420	$0.0437
5.0-7.0 MMT	$0.0170	$0.0192	$0.0200	$0.0205	$0.0220	$0.0230	$0.0239
7.0 MMT +	$0.0020	$0.0023	$0.0090	$0.0092	$0.0100	$0.0105	$0.0109

Administrative Regional Tonnage Fee
June13, 2004 - Current

($/MT)	League City	New Orleans	Portland	Toledo
Field Office	$0.115	$0.015	$0.084	$0.132
Headquarters	$0.052	$0.052	$0.052	$0.052
Total	$0.167	$0.067	$0.136	$0.184

Tonnage Projections/Actual

MT	FY 1997-04	FY 2005-09
Baseline	85,000,000	80,000,000
Projection	78,987,445	76,128,244
Difference	(6,012,555)	(3,871,756)

Tonnage Revenue & Cost

	League City	New Orleans	Portland	Toledo	Total
Tonnage/Fee (FY 2005-09)					
Metric Tons	11,919,104	55,751,519	6,078,908	2,378,713	76,128,244
Total Fee/MT	$0.167	$0.067	$0.136	$0.184	
Total Revenue (FY 2005-09)					
$6,990,257					
Total Cost (FY 2009)					
$10,665,456					
Total Margin					
($3,675,199)					

Tonnage Revenue & Cost
FY 2011 Projections

FY 2011 Tonnage Revenue & Cost					
	League City	New Orleans	Portland	Toledo	Total
Tonnage (FY 2005-09 Average)					
Metric Tons	11,919,104	55,751,519	6,078,908	2,378,713	76,128,244
Current/Proposed Fee					
Current Fee/MT	$0.167	$0.067	$0.136	$0.184	
Proposed Field Office/MT	$0.114	$0.032	$0.123	$0.229	
Proposed HQ/MT	$0.060	$0.060	$0.060	$0.060	
Proposed Fee/MT	$0.174	$0.092	$0.183	$0.289	
Revenue[1]					
$9,203,053					
Cost					
$11,314,982					
Margin					
($2,111,929)					

[1]Includes tonnage fee applied to export inspections in Canada.

Unassessed Export Tonnage

	Inspections in Canada[1]	State of Washington[2]	Other Delegated States[3]	Containers[4]	Total
Tonnage					
Metric Tons	1,221,421	23,005,167	4,104,014	2,600,982	30,931,584

[1]Based on average all export tonnage for FY 2005-09 inspected in Canada.

[2]Based on average all export tonnage for FY 2005-09 inspected by the State of Washington.

[3]Based on average all export tonnage for FY 2005-09 inspected by Alabama, California, Georgia, Idaho, Maryland, Minnesota, Missouri, North Carolina, South Carolina, Virginia, and Wisconsin.

[4]Based on average container export tonnage for FY 2005-09 inspected by official agencies.

Note: All exclude land-based shipments to Canada and Mexico

Unassessed Export Revenue

	Inspections in Canada[1]	State of Washington[2]	Other Delegated States[3]	Containers[4]	Total
Revenue					
Metric Tons	1,221,421	23,005,167	4,104,014	2,600,982	30,931,584
Headquarters Fee	$0.052	$0.052	$0.052	$0.052	
Tonnage Fee	$0.132	-	-	-	
Total Revenue	$224,742	$1,196,269	$213,409	$135,251	$1,769,670

[1]Based on average all export tonnage for FY 2005-09 inspected in Canada.

[2]Based on average all export tonnage for FY 2005-09 inspected by the State of Washington.

[3]Based on average all export tonnage for FY 2005-09 inspected by Alabama, California, Georgia, Idaho, Maryland, Minnesota, Missouri, North Carolina, South Carolina, Virginia, and Wisconsin.

[4]Based on average container export tonnage for FY 2005-09 inspected by official agencies.

Note: All exclude land-based shipments to Canada and Mexico

Stakeholders' Review

- WSDA
- NAEGA
- AAGIWA

FGIS 2010 Operations

Grain Inspection Advisory Committee Meeting
Randall Jones
Deputy Administrator
June 2010

United States Department of Agriculture
Grain Inspection, Packers and Stockyards Administration
Federal Grain Inspection Service

Outline

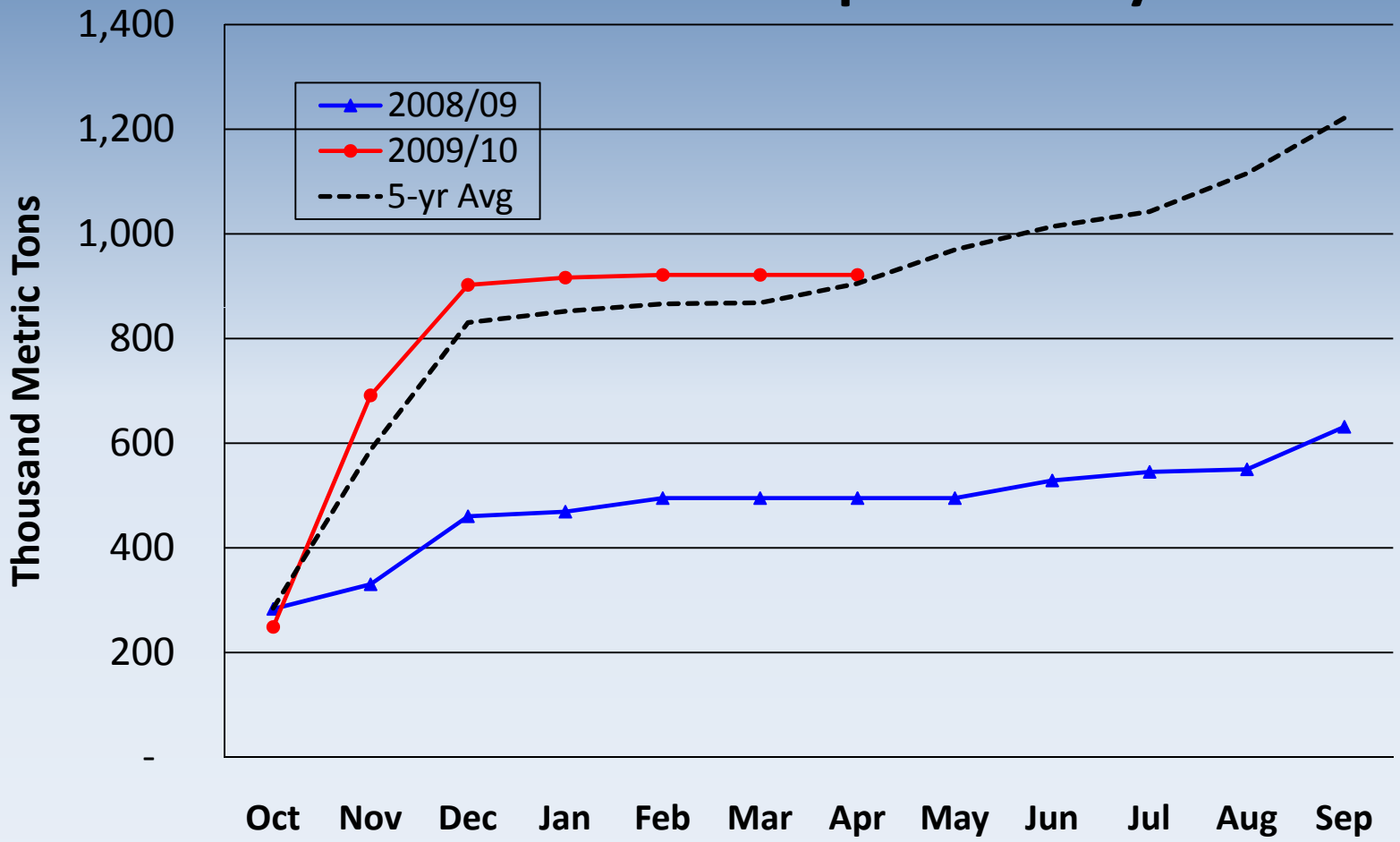
- Canada
- Corn Soy Blend
- Market Overview
- Agenda

Canada

- **1978** - MOU between FGIS and the Canadian Grain Commission (CGC). FGIS will provide sampling and inspection services for US grain exported through Canadian ports. CGC will assist.
- **1995** - CGC and its personnel will provide these services through the St. Lawrence Seaway system on behalf of FGIS.
- **2010** - Effective 1/1/2010 CGC no longer provides these services. Currently provided by GIPSA Toledo Field Office.

Canada (cont'd)

Canadian Port Grain Inspections by FGIS



Corn Soy Blend

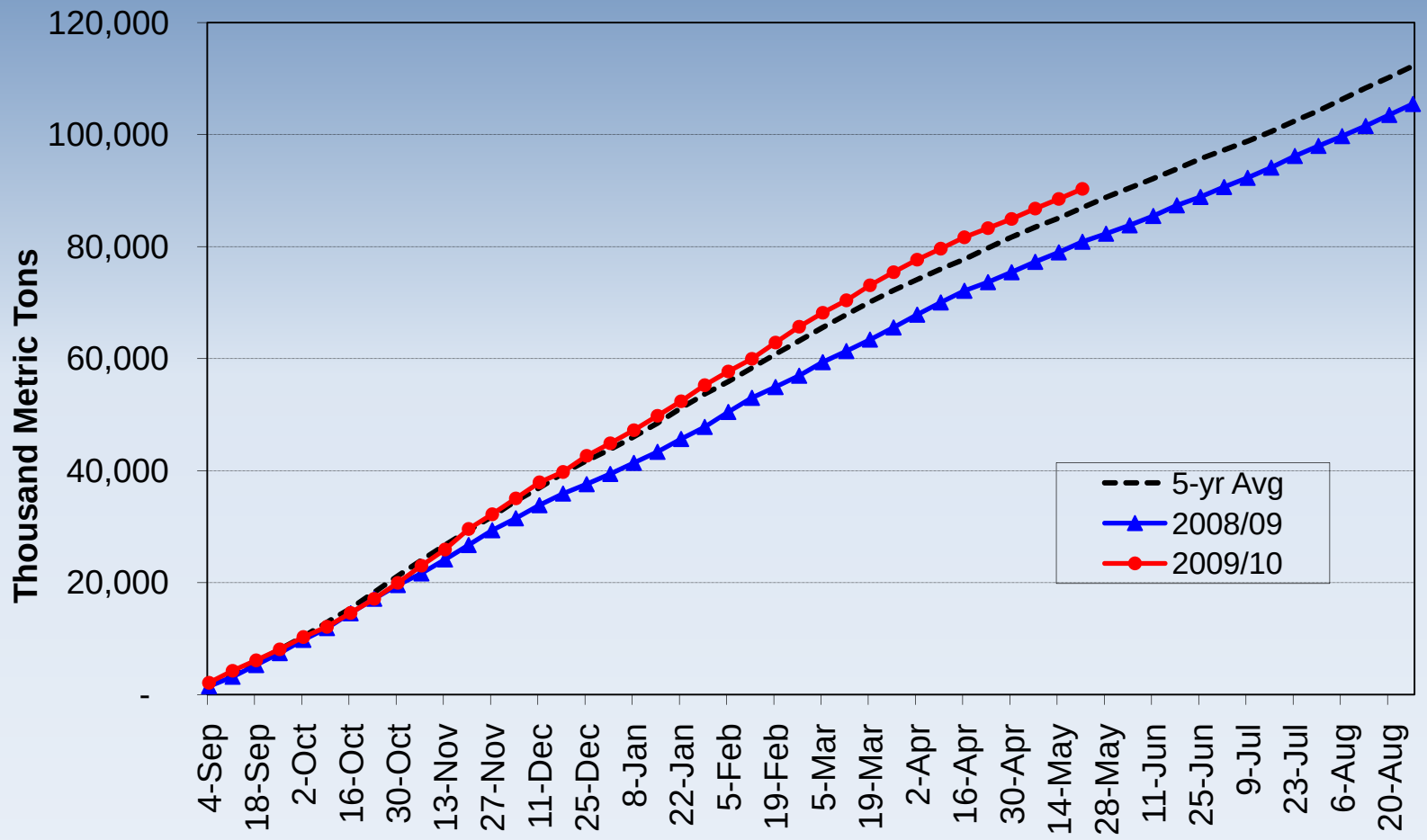
- Sampling/testing Corn Soy Blend (CSB) for the Farm Service Agency (FSA) who buys commodities for USAID. CSB is produced in IL, WI, and NE.
- GIPSA performs:
  - Quarterly sanitary/environmental testing.
  - OA's take samples and TSD conducts testing.

Corn Soy Blend

- 1464 Lots/Original tests
- 225, 927, 408 lbs
- 173 Retests
- 38 Appeals
- Tests:
  - Moisture
  - Fat
  - 3 Sieve Tests
  - Dispersibility
  - Protein
  - Crude Fiber
  - Bostwick (cooked and uncooked)
  - Salmonella, E. Coli, and Coagulase Positive Staphylococci

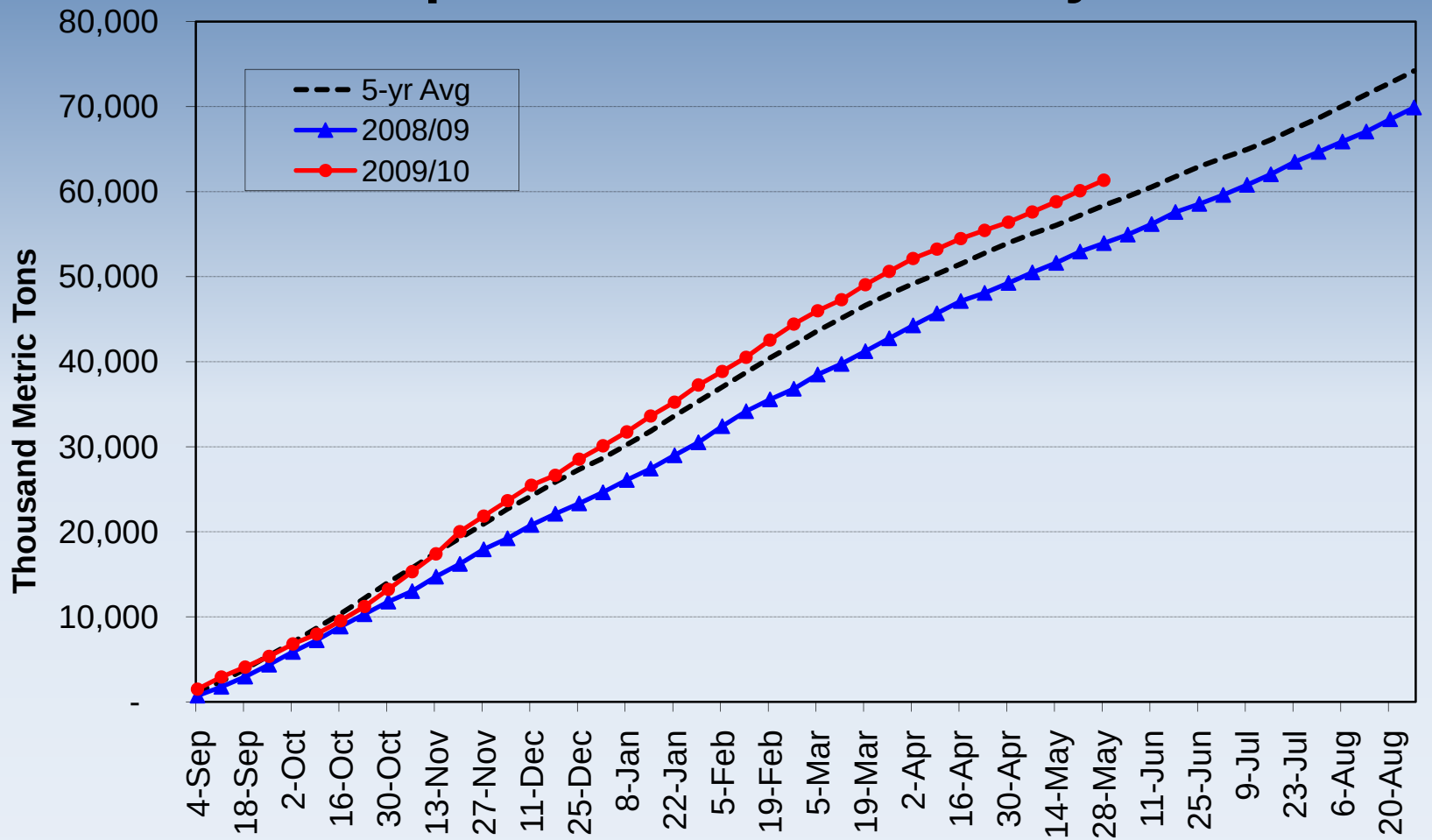
Market Overview

Export Grains - FGIS, States, & Agencies

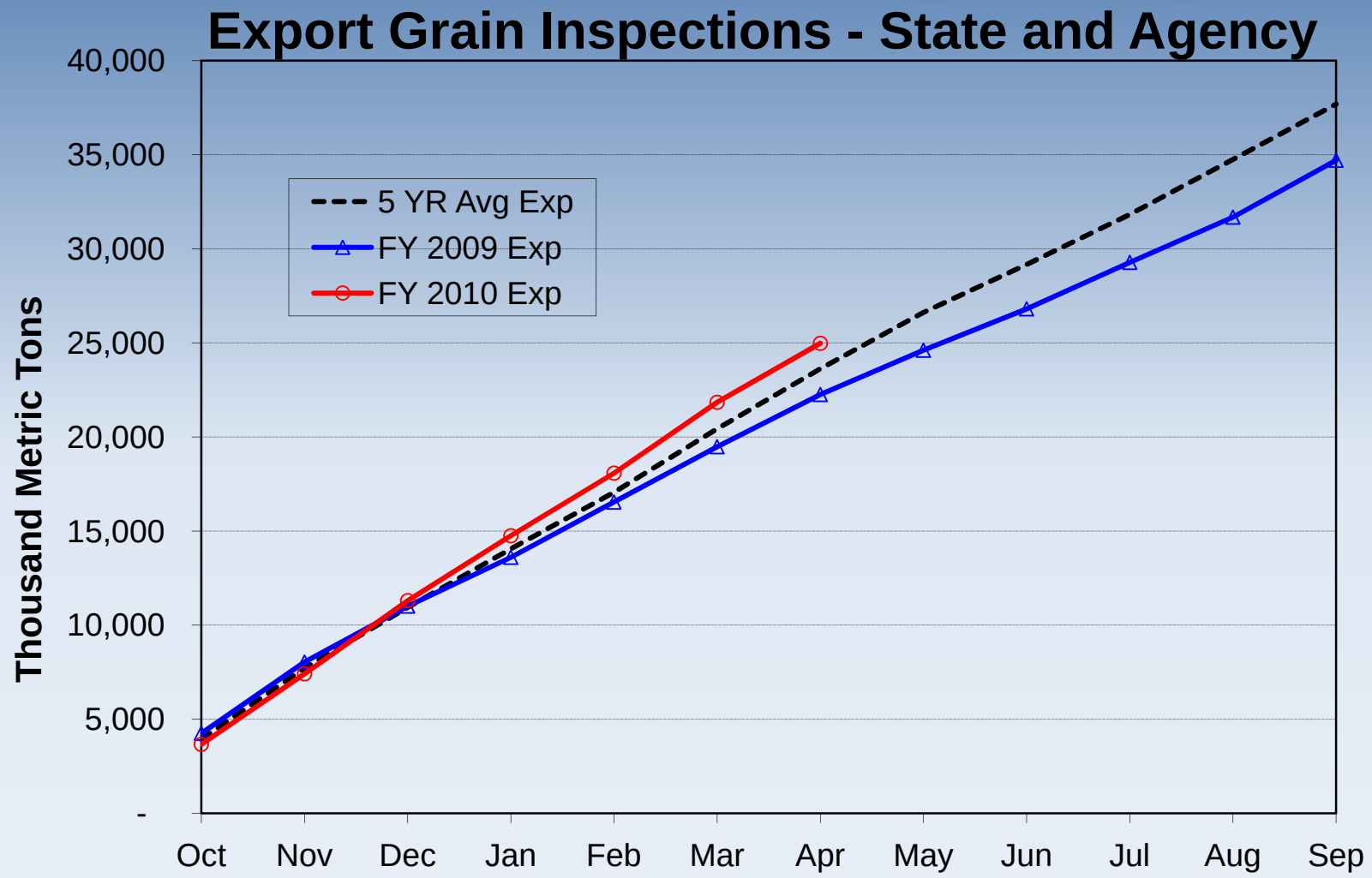


Market Overview (cont'd)

Export Grains - FGIS Only

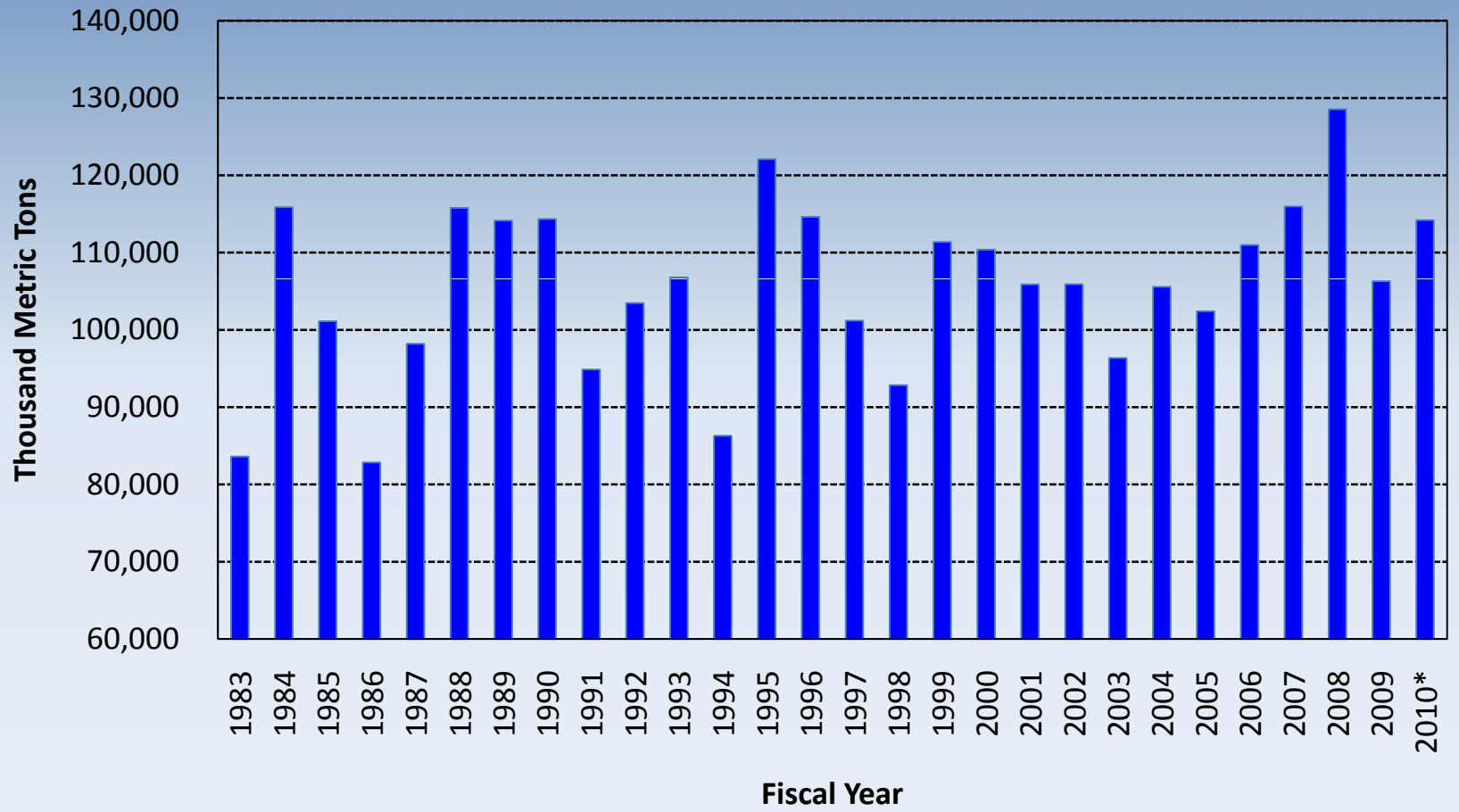


Market Overview (cont'd)

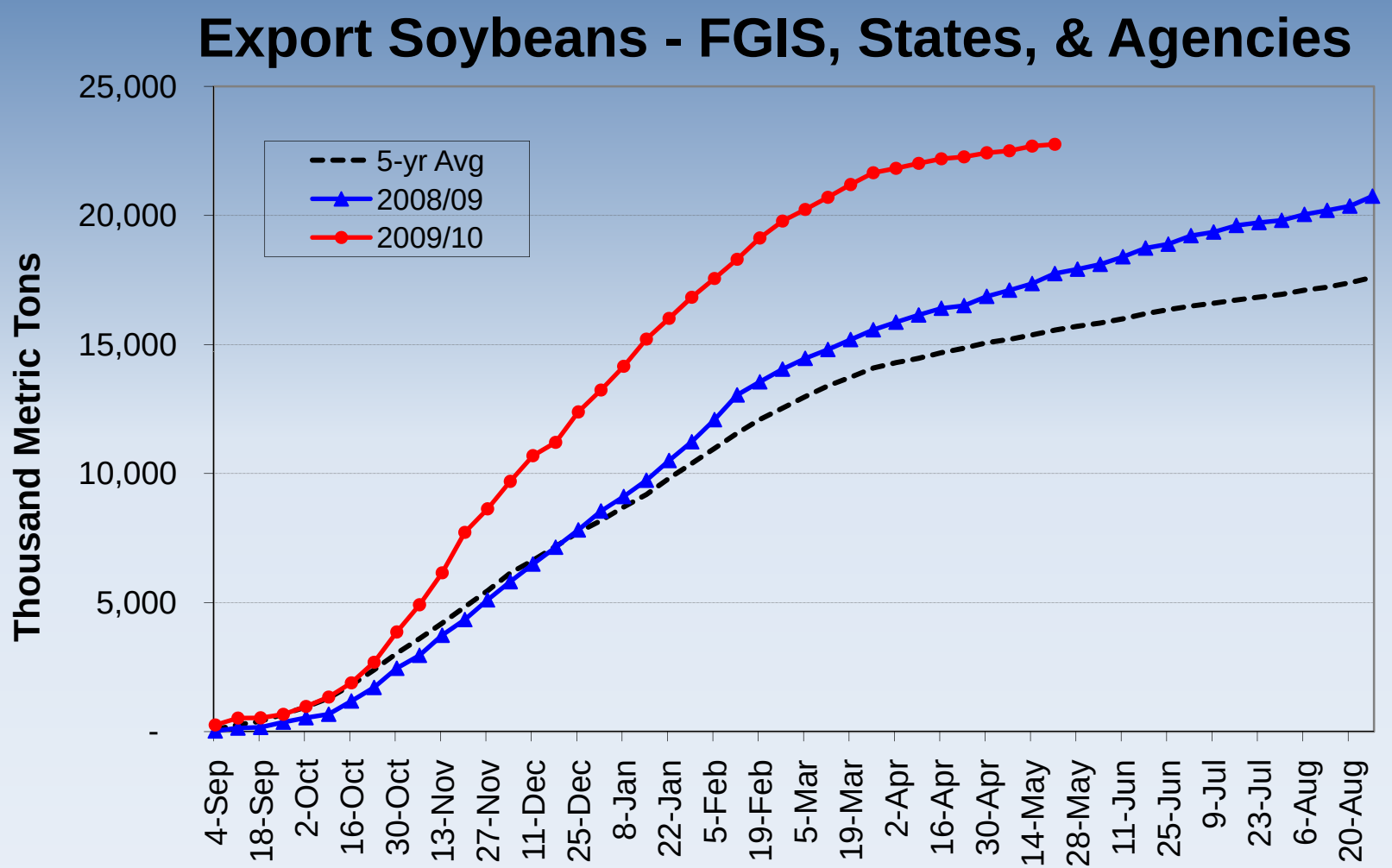


Market Overview (cont'd)

Historical Export Inspections

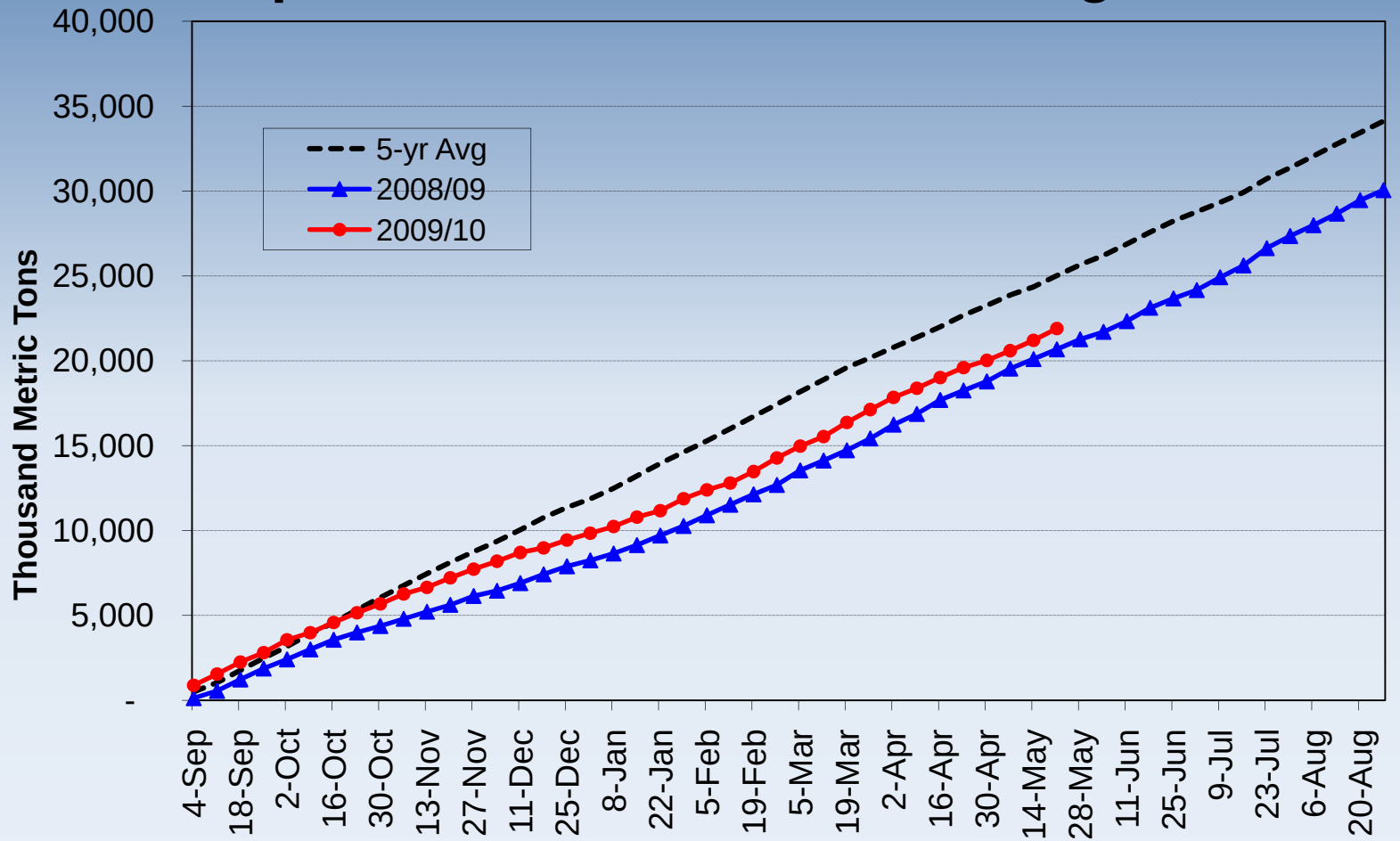


Market Overview (cont'd)



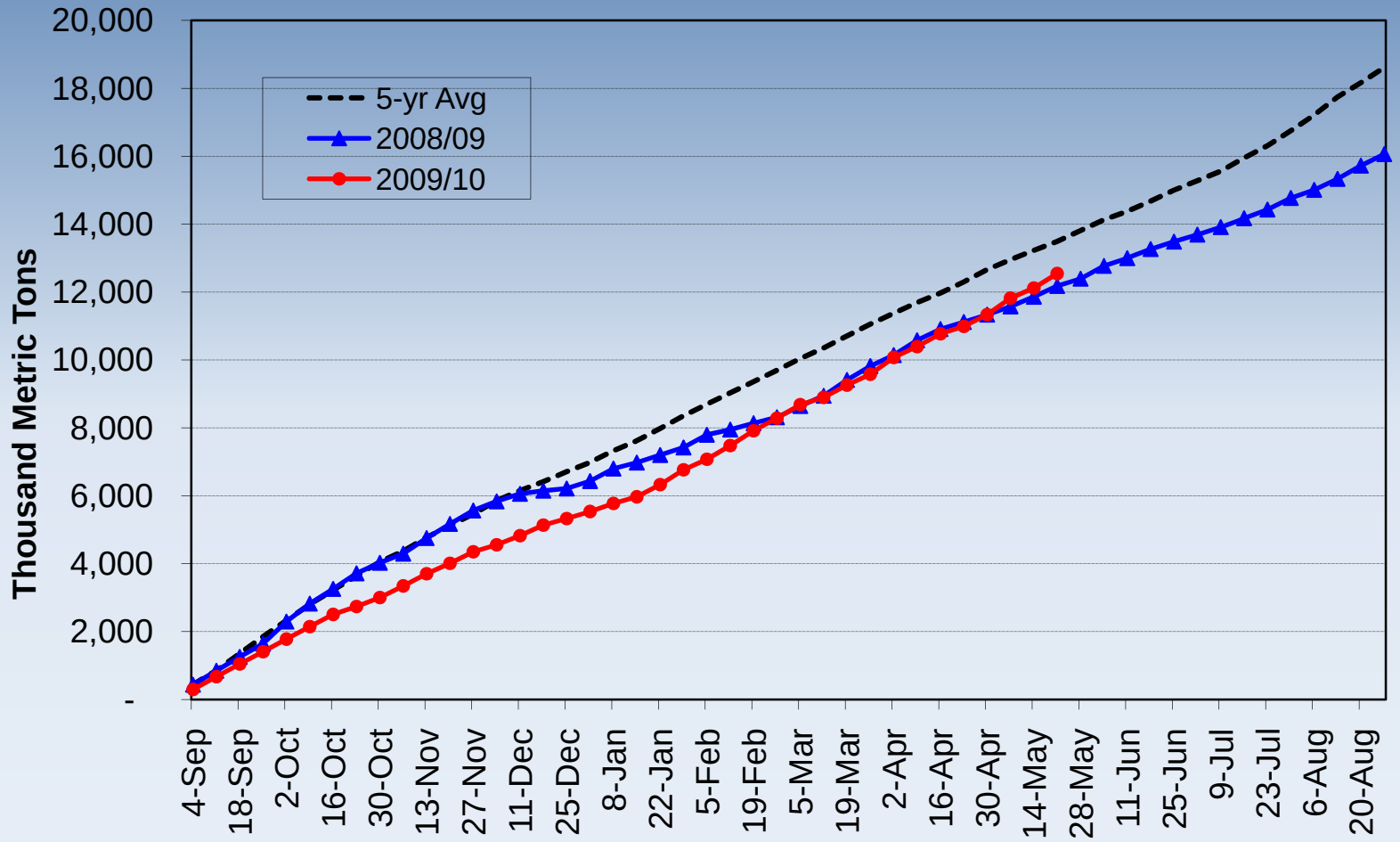
Market Overview (cont'd)

Export Corn - FGIS, States, & Agencies



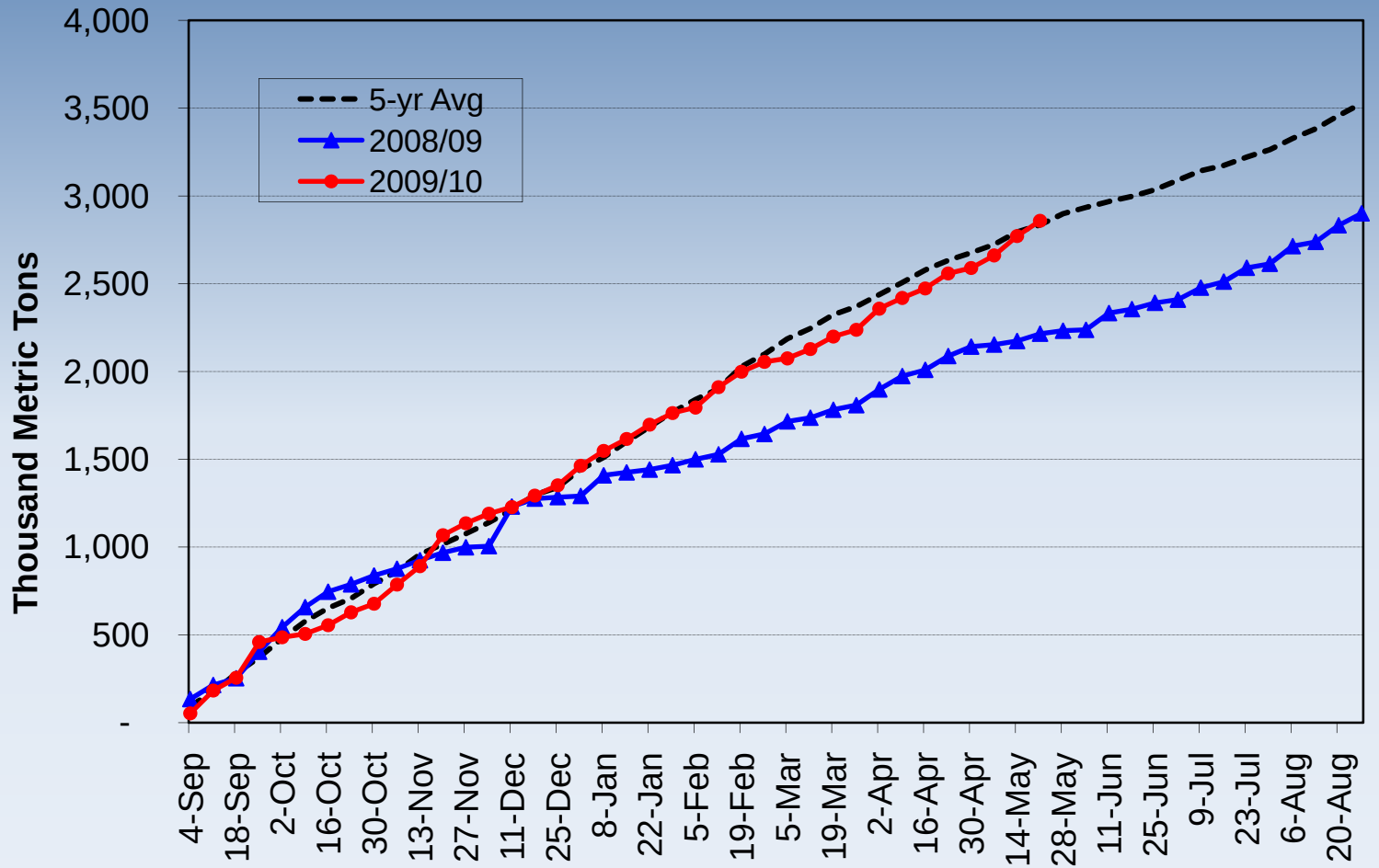
Market Overview (cont'd)

Export Wheat - FGIS, States, & Agencies

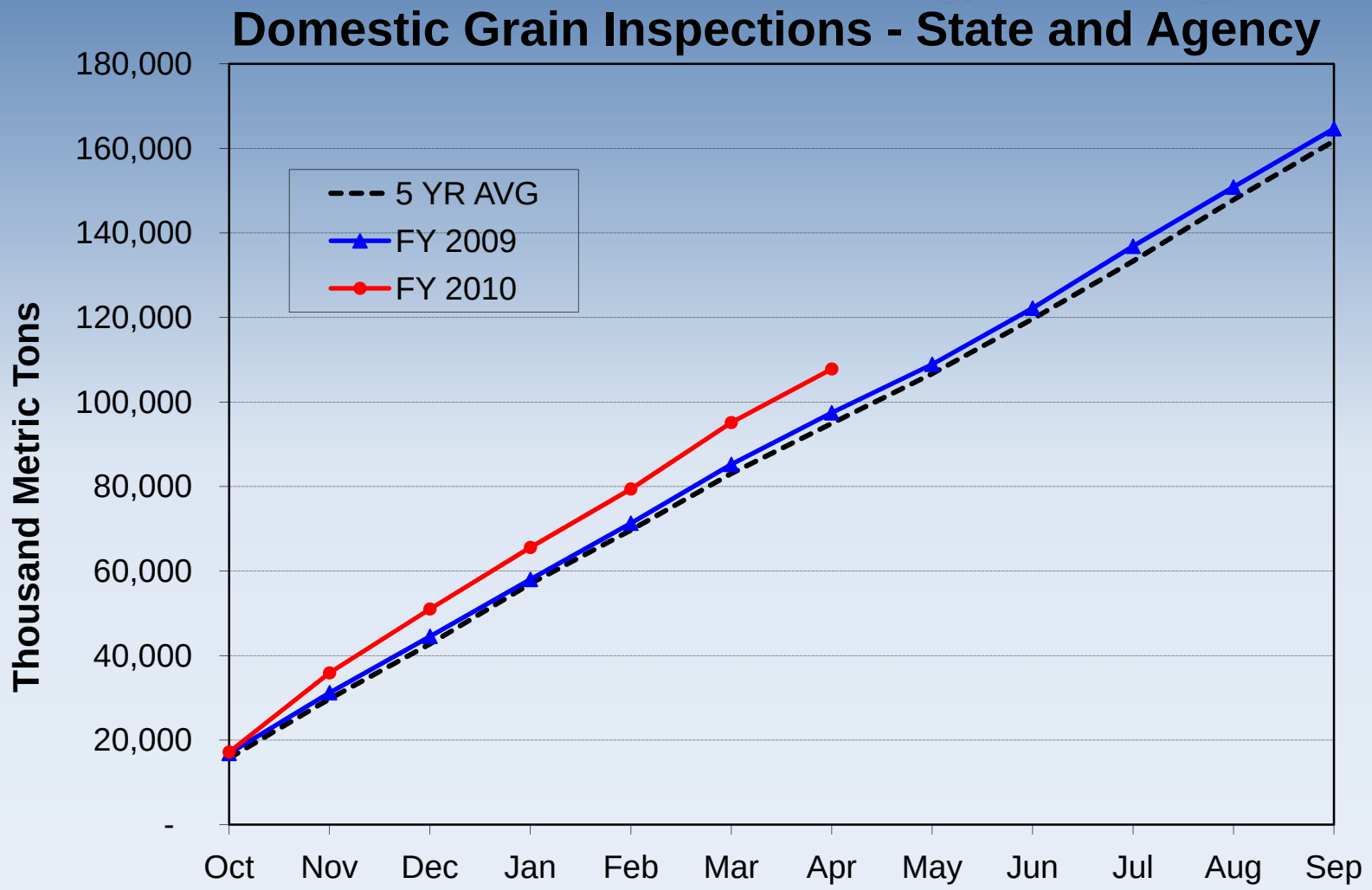


Market Overview (cont'd)

Export Sorghum – FGIS, States, & Agencies

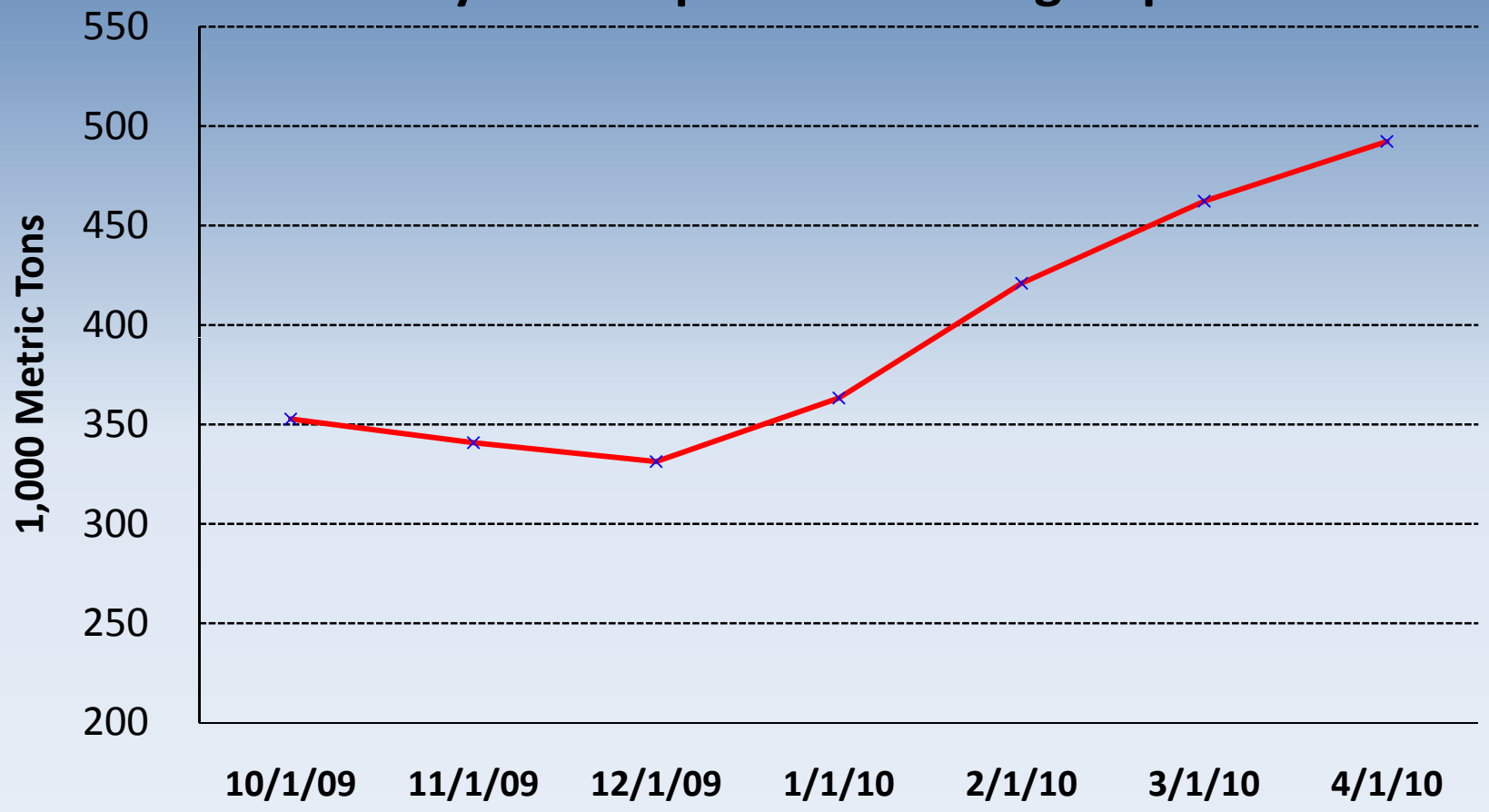


Market Overview (cont'd)



Market Overview (cont'd)

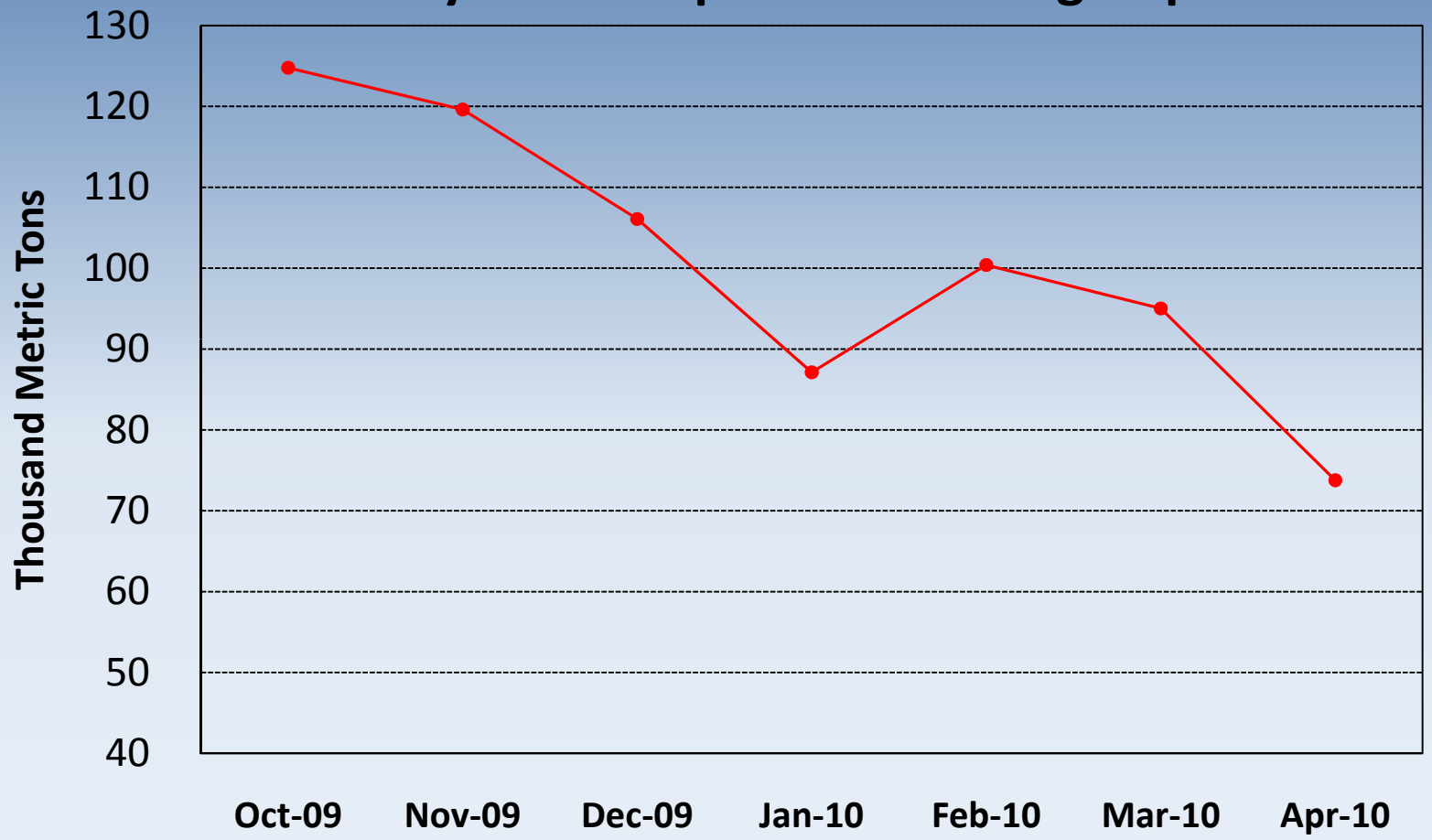
Monthly Rice Inspections Through April



Source: IDW. No weight-only inspections are included.

Market Overview (cont'd)

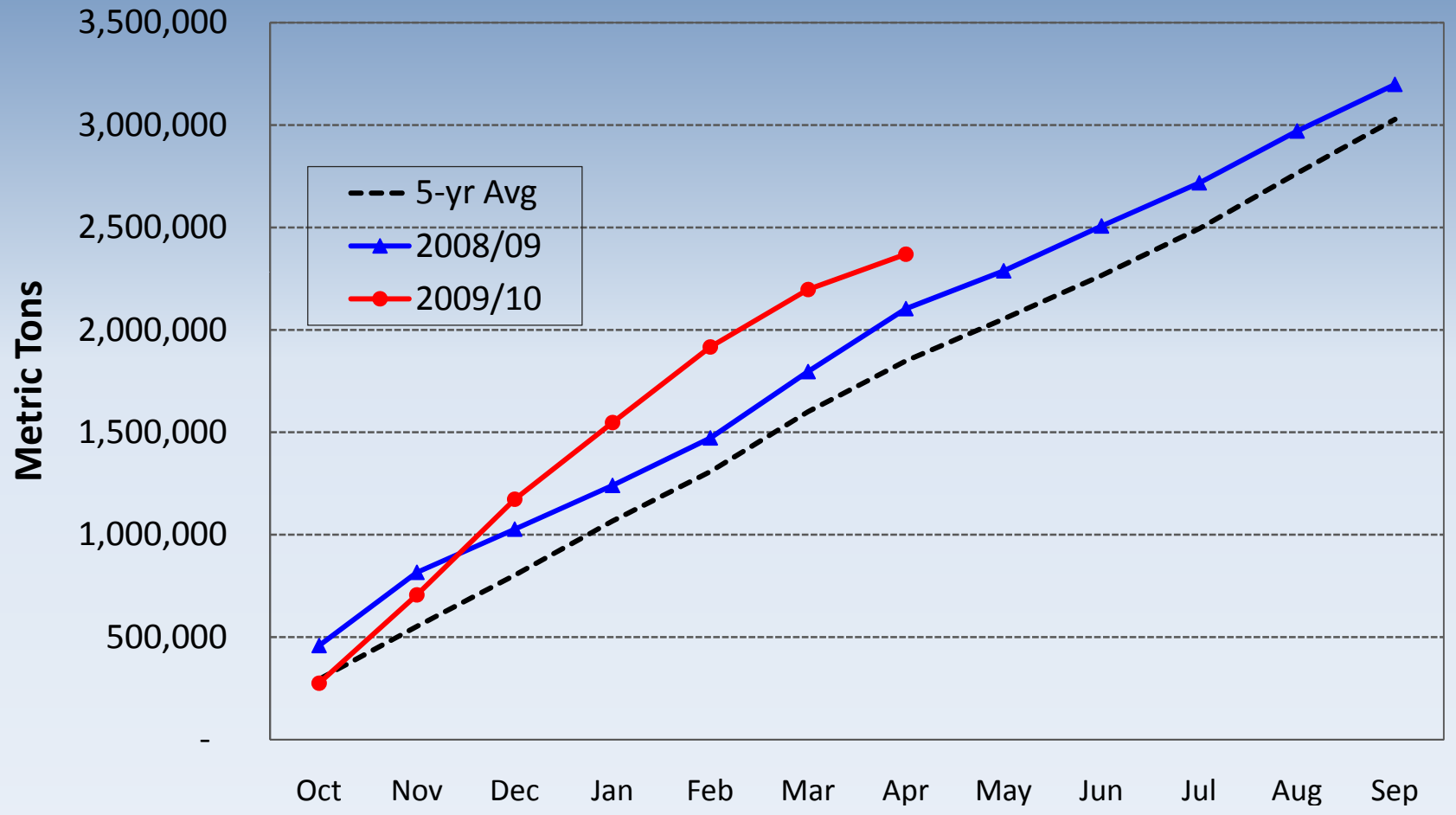
Monthly Pulse Inspections Through April



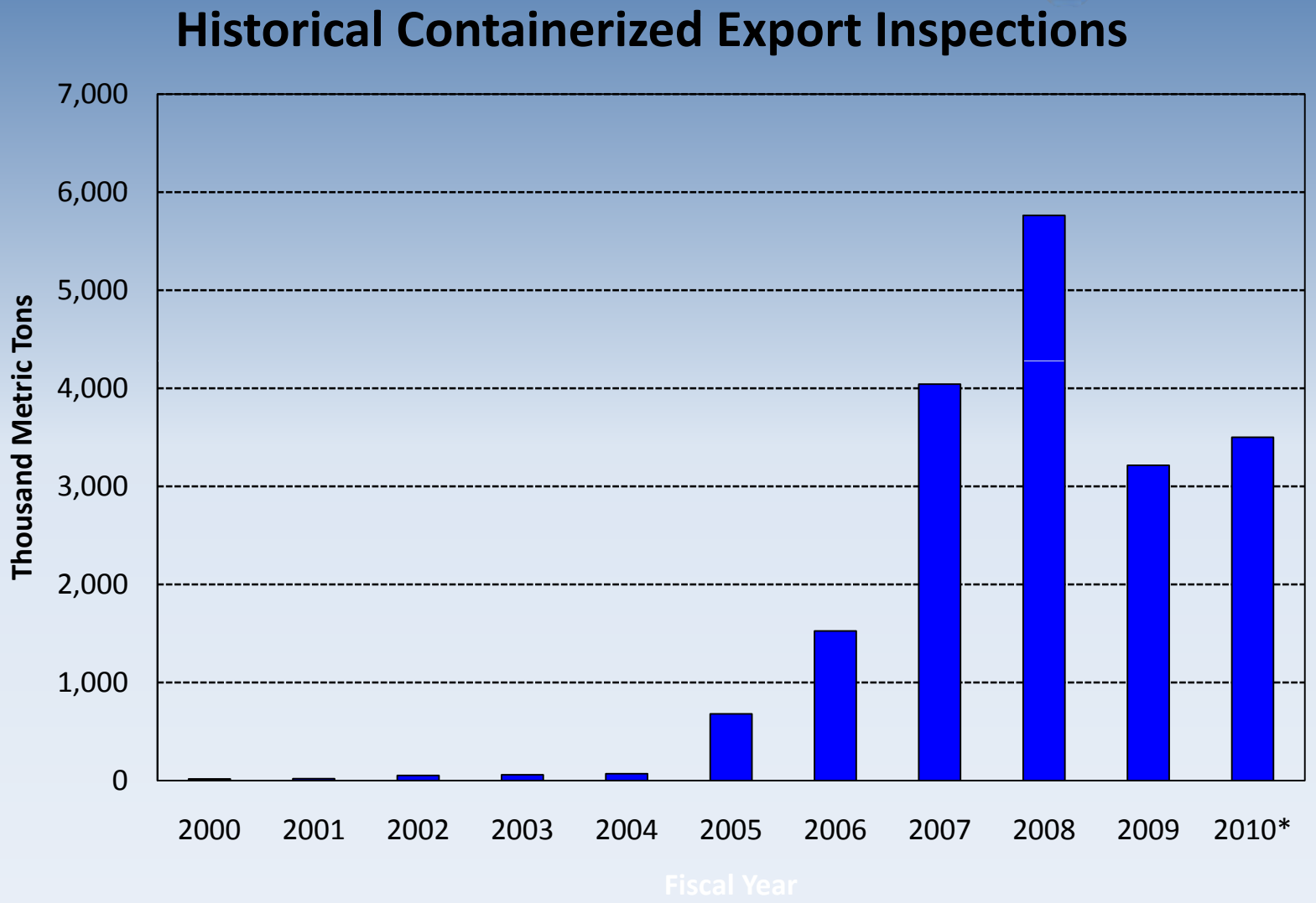
Source: IDW. No weight-only inspections are included.

Containerized Grain Inspection

Containerized Grain Inspections, Monthly



Historical Containerized Grain Inspections



QMP and Contract Review

International Programs

Sorghum Odor Study and Rapid Test Program

Rice Sheller Study and Moisture Measurement Technology

FGISonline

Agenda (cont'd)

- National Grain Center
- BAR/GSL
- AAR Program, Lab Requirements and Average Quality Lots
- Wheat Standards
- Application of Export Tonnage Fee

November 2009 Resolutions

Randall Jones
Grain Inspection Advisory Committee Meeting
Deputy Administrator
June 2010

United States Department of Agriculture
Grain Inspection, Packers and Stockyards Administration
Federal Grain Inspection Service

Resolution #1

- That GIPSA put together a multi-regional work group to explore market-driven standardization requirements for the rice industry.

- **Action Taken:**
  After December 2009 meeting, GIPSA initiated a study to compare the performance of the Yamamoto sheller to the Agency Standard GrainMan sheller. Dave Funk will discuss data from this study.

Resolution #2

- GIPSA should continue to provide world-wide leadership through financial and institutional support to its Laboratory Biotechnology Proficiency Program. In addition, GIPSA should investigate the means of implementing a fee structure related to participation in this program.

- **Action Taken:**
  Biotech work group staff has been expanded. Staff is actively involved in a number of international organizations providing leadership in the biotech sampling and testing.

Resolution #3

- That GIPSA evaluate the current moisture calibration for high moisture rough rice for accuracy when compared to the air oven reference.

- **Action Taken:**

  After atypical 2009 crop, TSD is carefully evaluating alternatives to achieve the best possible long-term Long Grain Rough Rice moisture accuracy for its existing official grain moisture meter. Dave Funk will discuss future direction of moisture measurement.

Resolution #4

- That GIPSA work with the Association of American Railroads (AAR) to obtain financial assistance with rail scale test car replacement costs; and to provide a summary document describing the work that GIPSA does.

- **Action Taken:**
- **Submitted info to GIAC members on 1/5/2010.**
- **Met with AAR on 6/3/2010 and agreed upon a framework for payment of services.**
- **AAR will donate car.**
- **Terms of agreement for 10 yrs.**

Resolution #5

- That GIPSA provide a more complete explanation of how overhead costs (e.g., Washington, DC costs) are allocated to the 520 Program vs. the 530 Program across all field offices.

- **Action Taken:**

  I will discuss during "Application of Export Tonnage Fee" presentation.

Grain Inspection Advisory Committee Meeting
Kansas City, MO
June 16, 2010

GIPSA
National Grain Center

Don Kendall

USDA Grain Inspection, Packers and Stockyards Administration

National Grain Center

- Space increase from 34,832 to 47,050 SF
- Increased training and meeting space
- Personnel increase from 70 to 110
- Will include representatives from
  - Compliance Division
  - Field Management Division (FOSS, QAC)
  - Information Technology Staff
  - Market and Program Analysis Staff

National Grain Center

- Fiscal Year 2003
  - GIPSA began planning consolidation of activities to Kansas City
  - Additional space would be needed
- Fiscal Year 2006
  - GIPSA opted to contract with the General Services Administration (GSA) to find a new facility
- Fiscal Year 2007
  - GSA released a Solicitation For Offers (SFO) for a new facility
  - Selected current facility with renovations and new addition

National Grain Center

- Fiscal Year 2008
  - Building shell was constructed

- Fiscal Year 2009
  - Telephones and associated hardware were purchased in July 2009
  - APHIS awarded contract for installation of the telephone system in September 2009
  - Contract for office furniture was awarded by GSA in August 2009
  - APHIS awarded contract for Audio/Visual systems in September 2009

National Grain Center

- Fiscal Year 2010
  - Construction Drawings (CD's) were completed in February 2010
  - Notice to Proceed (NTP) with the construction of interior was delayed while GSA and building owner resolved dispute over lease terms.
  - GSA issued NTP April 6, 2010
  - Building owner refused to accept NTP and resume construction until Government agrees to pay damages allegedly incurred due to project delays.
  - GSA is reviewing all project documentation to evaluate validity of building owner's claim. GSA anticipates resolution of this issue by the end of June 2010.

National Grain Center

Timeline

Grain Inspection Advisory Committee Meeting
June 16, 2010

GIPSA Rapid Test Evaluation Program

Don Kendall

United States Department of Agriculture
Grain Inspection, Packers and Stockyards Administration
Federal Grain Inspection Service

Program History

Purpose: Provide rapid tests for Aflatoxins in the Official Inspection System

Program initiated: ~1990

Mycotoxins of interest: Aflatoxins

Manufacturers: Romer, Neogen and Vicam

Certificate of Conformance (COC)

- **Lifetime COC**
- **No fees charged for evaluation**

Program Evolves

Number of mycotoxins expands to include:

- **DON**
- **Fumonisins**
- **Zearalenone**
- **Ochratoxin A**

StarLink™ and other biotechnology traits

Certificate of Performance (COP) introduced, initially for rapid tests developed to detect biotech events

Certificates of Performance extend to mycotoxins

Program Evolves Further

Number of manufacturers expands

- **Early 1990's: 3 manufacturers**
- **2010: 13 Mycotoxins/6 Biotech**

COCs become more important to manufacturers

COCs and COPs modified:

- **Three-year expiration**
- **Fees are introduced**

Number of test submitted for certification:

- **2000: 3**
- **2005: 13**
- **2009: 48**

Current Situation:
Rapid Tests with Certifications

Aflatoxins: 37 rapid tests

- **COCs: 13**
- **COPs: 15**
- **Temporary COPs: 9**

DON: 29 rapid tests

- **COCs: 10**
- **COPs: 17**
- **Temporary COPs: 2**

Current Situation:
Rapid Tests with Certifications

Fumonisins: 8

COCs: 6

COPs: 1

Temporary COPs: 1

Zearalenone:

COCs: 2

No COPs or Temporary COPs

Ochratoxin A:

COCs: 3

No COPs or Temporary COPs

Current Situation

No rapid tests have been fully evaluated since 2009

Rapid tests with existing COCs or COPs have had their expiration dates extended

Temporary COPs have been issued for rapid tests that have been received and performed according to manufacturer claims since 2009

Note: The AOAC-Research Institute offers a program to evaluation and certify rapid tests

Future of the Program

Review/Revise criteria for Certificates of Conformance

Review/Revise criteria for Certificates of Performance

Designate schedule for submission of tests

Revise billing to capture all costs

Implement monitoring program

Implement revised program October 1, 2010

Grain Inspection Advisory Committee Meeting June 16, 2010

Sorghum Odor

Don Kendall

United States Department of Agriculture
Grain Inspection, Packers and Stockyards Administration
Federal Grain Inspection Service

Background

Producers, handlers and exporters concerns

1. Consistent application of storage musty line

2. Storage musty line/threshold is too rigid

Advisory Committee Resolutions

December 2008

The Advisory Committee recommends that GIPSA embark on a review of how the sour/musty odor is determined for official grades of grain sorghum. Input from all stakeholders in the form of an industry group that has as its members a cross section of users, producers, and handlers.

June 2009

The Advisory Committee recommends that GIPSA reconvene the Sorghum Odor Taskforce. The Taskforce would work with Dr. Chambers to establish a definitive odor line, that through proper training, would be consistently interpreted and applied system wide.

Actions

Threshold Evaluation

- GIPSA surveyed 62 individuals from 26 companies in 5 states (November 2008)
- Convened taskforce to obtain input from all parties (April 2009)
- Reconvened taskforce (September 2009)

Storage Musty Standardization Study

- Initiated agreement with ARS and Kansas State University (Dr. Edgar Chambers IV) to develop reproducible standard (July 2009)

Storage Musty Standardization Study

Project Outputs

- Reproducible Sorghum Storage Musty Standard
  - Chemical “cocktail” added to clean sorghum to mimic storage odor line
- Training on use of standard
- Environmental guidelines to make odor determinations more consistent
- Odor evaluation techniques to minimize inspector desensitization

Timeline

- September 2009 – September 2010

Storage Musty Standardization Study

Project Status

- KSU sensory panel results are consistent with BAR results for storage musty.
- Specific chemicals related to musty odor have been identified by Gas Chromatography.
- Spiked sorghum samples have been prepared with several of the identified chemicals and are being tested for stability under different storage conditions.
  - Room temperature
  - Refrigerator
  - Freezer
- Storage test should be complete by about the end of July.
- Final report expected by September 30.

Compounds Related to Mustiness

Hexanal

1-Octen-3-ol

3-Octanone

3-Octanol

Methoxybenzene

1,2-Dimethoxybenzene

1,4-Dimethoxybenzene

1-Ethyl-4-methoxybenzene

1-Ethenyl-4-methoxybenzene

1,2,4-Trimethoxybenzene

2-Ethyl-6-methylpyrazine

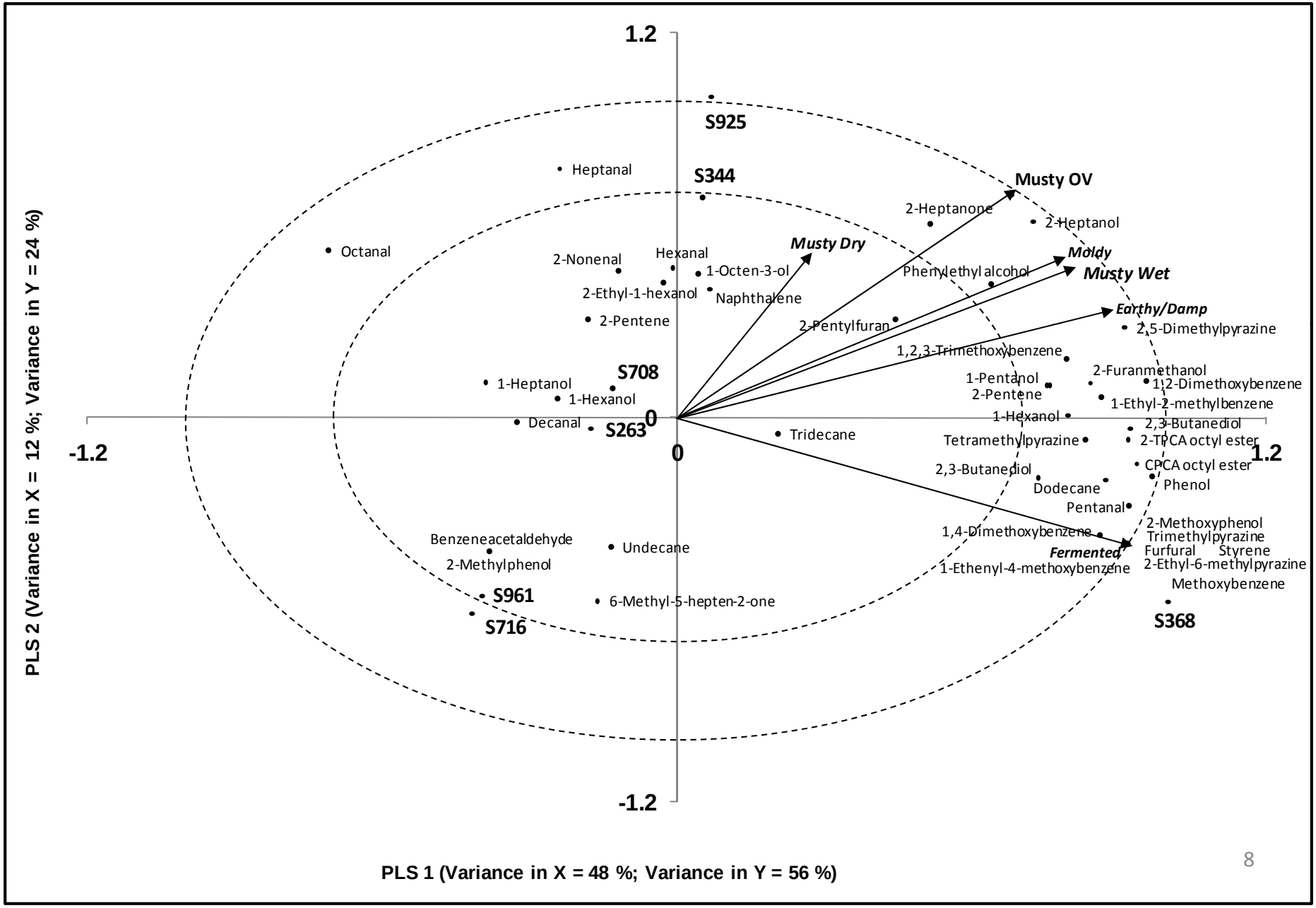
2,5-Dimethylpyrazine

Trimethylpyrazine

Tetramethylpyrazine

Geosmine

Correlation Plot: Chemical Odor and Musty Odor



Storage Musty Standardization Study

Desired Project Outcomes

- The storage musty odor line is stable over time
- All inspectors are trained to a standard reference so odor assessments are applied consistently
- Inspectors have on-site references to use when needed to render difficult odor decisions
- Industry could have odor standards for house inspectors

Timeline for Further Studies, Industry Input, and Implementation

- October 2010 – September 2012 (est.)

Further Project Phases

Establish sorghum storage musty odor line based on chemical standards

- Re-engage stakeholders to assess the storage musty odor line.
- Develop experimental plan for industry sensory panel to evaluate odor line.
- Create spiked samples to permit assessment of odor line placement.
- Conduct industry sensory panel experiment.
- Evaluate results of sensory panel experiment.
- Develop recommendations based on results.
- Set the line administratively if industry can't agree on a line.
- Develop field-expedient processes for producing reference samples.

Further Project Phases

Pilot study to test transferability to field laboratories

- Develop experimental plan for pilot study
- Identify participants in the pilot study
- Develop specific procedures for field use during pilot study
- Implement suitable metrics and supporting supervision practices to assess current performance and measure improvement.
- Prepare spiked reference samples and test samples.
- Provide training for pilot study participants.
- Conduct pilot study.
- Evaluate results of pilot study.
- Develop recommendations based on results of pilot study.
- Render decision whether to implement spiked reference samples and associated standardization processes.

Further Project Phases

Implement standardization method for official use

- Prepare information, obtain clearance, and issue public notice
- Identify which OSP's will need training and reference samples and provide training for all affected official personnel.
- Make decision on whether to supply reference material to industry.
- Produce and distribute reference materials.
- Implement spiked reference materials to standardize sorghum storage musty odor line.
- Strengthen compliance, supervision, and enforcement capabilities for odor lines.
- Require that official laboratories have environmental conditions that are conducive to objective odor assessments.

2010 Grain Inspection Advisory Committee Meeting June 16-17 Kansas City, MO

Bob Lijewski
Field Management Division
Washington, DC

USDA

Average Quality Lots

- GIPSA-FMD has received numerous requests for clarification of lots loaded under "Average Quality" criteria.
- FMD responded to the interrogatives of the respective questioners.
- FMD determined the Handbook chapter needs to be revised to provide more clear information.
- GIPSA prepared instructions to the field to address the issue in the interim until handbook revisions are complete.

Average Quality Lots

- Average Quality is part of the CUSUM loading plan & adheres to the basic CUSUM rules (e.g. loading lots in sequence).
- Average Quality does not use breakpoints or starting values.
- Average Quality pertains to factors that are grade determining and some non-grade determining factors (e.g. moisture).
- Average Quality is not applicable to class (unless class is a grading factor).
- Average Quality is not applicable to subclass or sample grade factors.

Average Quality Lots

- **Components must meet the definition of the class of grain being loaded:**
- **Example:** for U.S. No. 2 Yellow Corn, Average Quality--one component contains 19% soybeans.
- -Components must meet the class definition of grain being loaded (not more than 10% of other grains), or this component is designated an MP.

- **Sublots must meet the definition of the sub-class being loaded:**
- **Example:** U.S. No. 2 or better Western White--Average White Club not less than 10%;
- 3 sublots have 8.8%, 9.5%, and 7.8% WHCB.
- -Sublots must meet the subclass definition (more than 10 percent white club wheat), or these sublots are designated MP's.

- **Components must not exceed sample grade limits:**
- **Example:** U.S. No. 2 Yellow Soybeans—21 treated seeds discovered in a component.
- -Sample grade limit for unknown foreign substance is 4 pieces. This component is designated as Sample Grade and an MP.

Official Inspection Laboratory Location, Design, and Maintenance Requirements

Grain Inspection, Packers and Stockyards Administration
Federal Grain Inspection Service

- Facility owners must provide FGIS with offices and laboratory space to perform requested official inspection and weighing related services at least 100 feet from the base of the headhouse, and where possible, 100 feet from the base of other tall structures, railcar and truck dump pits, and tunnels.

Facility Owners

Responsibilities include general maintenance and upgrades related to:

- Appearance of laboratory interior and exterior.
- Air, heating, dust collecting, and grain return systems.
- Voice and telecommunications systems linking FGIS laboratory personnel to facility operators.
- Renovations to accommodate changes in workload or additional personnel.

- Renovations to accommodate new technologies and testing processes.
- Electrical and lighting systems.
- Maintaining laminate surfaces (see equipment handbook for countertop specifications).
- Pest management program (e.g., rodent and insect control) to aid in the prevention of contamination.
- Janitorial services scheduled at intervals to maintain the laboratory in a condition deemed suitable by official personnel to perform official service.

Facility owners must provide:

- Grading Area
- Sampling Area
- Security
- Supervisor's Office Space (Private)
- Break Room
- Restrooms (male and female)

- File Sample Storage Area
  (**Cold storage recommended but not required)**
- Wet Laboratory
- Adequate Electrical Power supply
- Proper Heating, Ventilation, and Air Conditioning

Laboratory Interior Appearance

- Flooring. Industrial strength (high traffic resistant), light color flooring
- Paint. Wall paint maintained to provide a clean, professional appearance
- Surfaces. Floors, walls, ceilings, and other surfaces smooth to reduce dust collection and facilitate cleaning

Other Requirements

Networking Closet. A dedicated area for network connectivity related equipment

Technology. Video, computer equipment and other hardware provided of same quality and maintained same as facility equipment.

Conditional Withholding Of Service

- Section 800.49 of the USGSA, and section 868.24 of the AMA regulations states that FGIS will conditionally withhold requests for official services when an applicant fails to meet the requirements prescribed in § 800.46, and § 868.21, respectively, which includes providing adequate working space.

Association of American Railroads funding update of GIPSA's Master Scale Program

- GIPSA has operated the Master Scale/Railroad Track Scale Testing Program since 1980 with AAR funding of $55,000/yr. until 1986. Since then the AAR funding has been $80,000/yr. GIPSA has not had an increase for 24 years.

- Two of GIPSA's original test car units FGWX100000 and 200000 will be 50 years old in early 2011, at which time the units must be retired according to railroad interchange rules. GIPSA has contracted to replace the FGWX 200000 test car which should be completed by the third week in June 2010.

- GIPSA initiated negotiations with the AAR in early 2009 to increase program funding to a total of $160,000 per year and provide funding to replace the FGWX 100000 test car.

- Negotiations were completed June 3rd, 2010 resulting in the AAR agreeing to increase the funding over a four year period to reach GIPSA's requested level and provide for cost of living increases annually thereafter until the agreement reached 10 years. Thereafter, the agreement will be reviewed and adjusted if necessary. The AAR also agreed to donate a used box car and fund half of the cost to retrofit the test car.

- The program activities will not change other than minor delays due to one of the test cars being out of service for six months during replacement.

Staffing Projections

All Field Offices							
New Hires Projection by Year							Totals
	2010	2011	2012	2013	2014	2015	All
ACTs	26	14	15	10	14	12	**91**
ACGs	17	11	13	14	10	11	**76**
Scale Specialists	2	0	2	1	0	1	**6**
Other	6	18	8	8	6	6	**52**
Totals	**51**	**43**	**38**	**33**	**30**	**30**	**225**

Staffing Projections

- In the next five years, approx 91 new ACGs and 76 ACTs will need to be hired.
- Other new hires include: FOM, Assistant FOM, Protein Coordinators, Shift Supervisors, and Admin personnel.
- New Orleans projects to hire 14 ACTs and 9 ACGs this year.

Staffing Projections

By Field Office							
New Hires Projection by Year							Totals
	2010	2011	2012	2013	2014	2015	All
New Orleans	24	11	13	10	11	10	**79**
Portland	0	4	4	4	2	2	**16**
Toledo	4	9	3	0	0	0	**16**
League City	10	6	6	8	7	8	**45**
Stuttgart	9	4	6	5	7	5	**36**
Cedar Rapids	0	1	1	2	0	1	**5**
Grand Forks	4	5	5	3	3	4	**24**
FOSS	0	3	0	1	0	0	**4**
Olympia	0	0	0	0	0	0	**0**
Total	**51**	**43**	**38**	**33**	**30**	**30**	**225**

GRAIN INSPECTION ADVISORY COMMITTEE

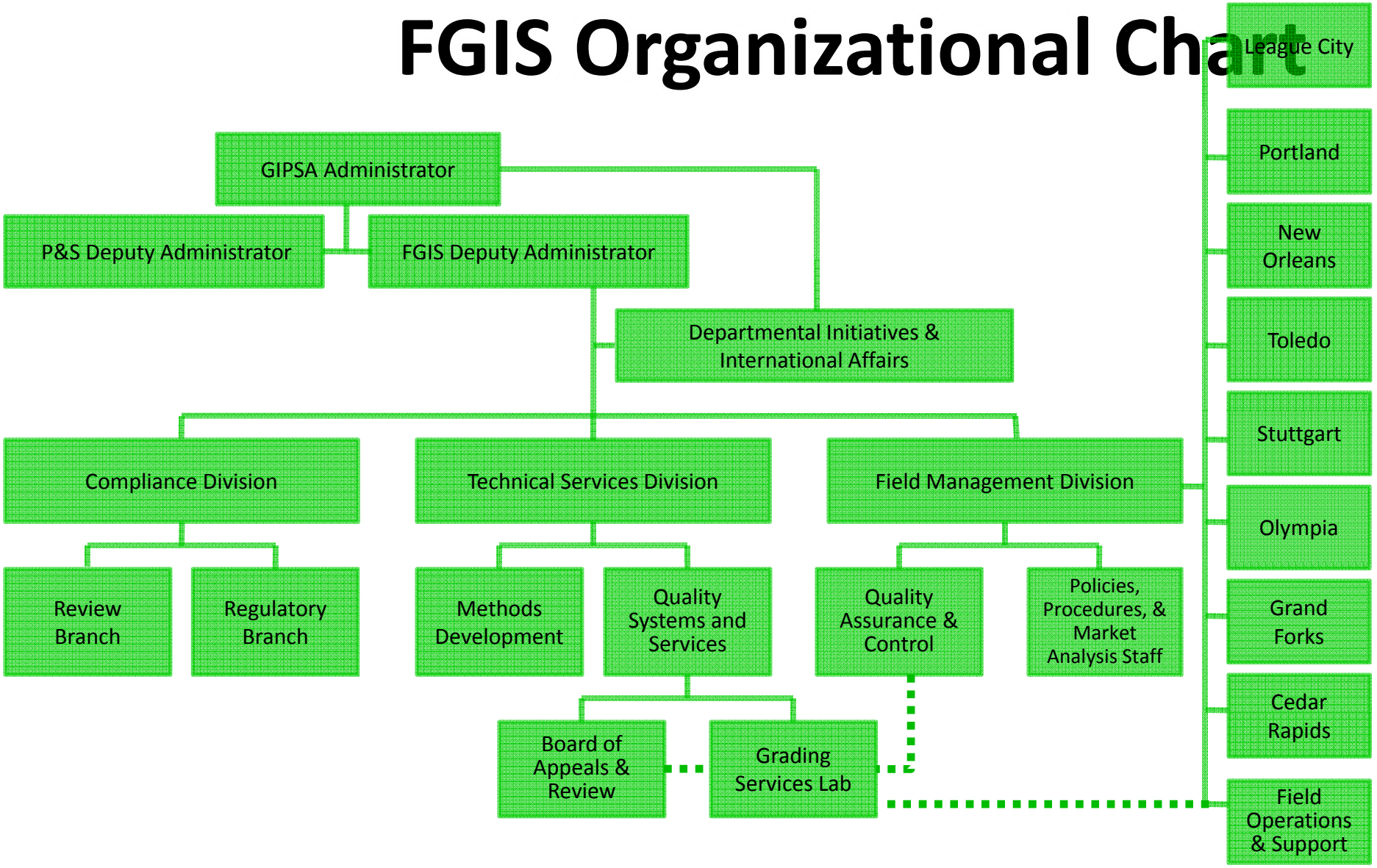
Kansas City, MO

June 16-17, 2010

BAR/GSL UPDATE

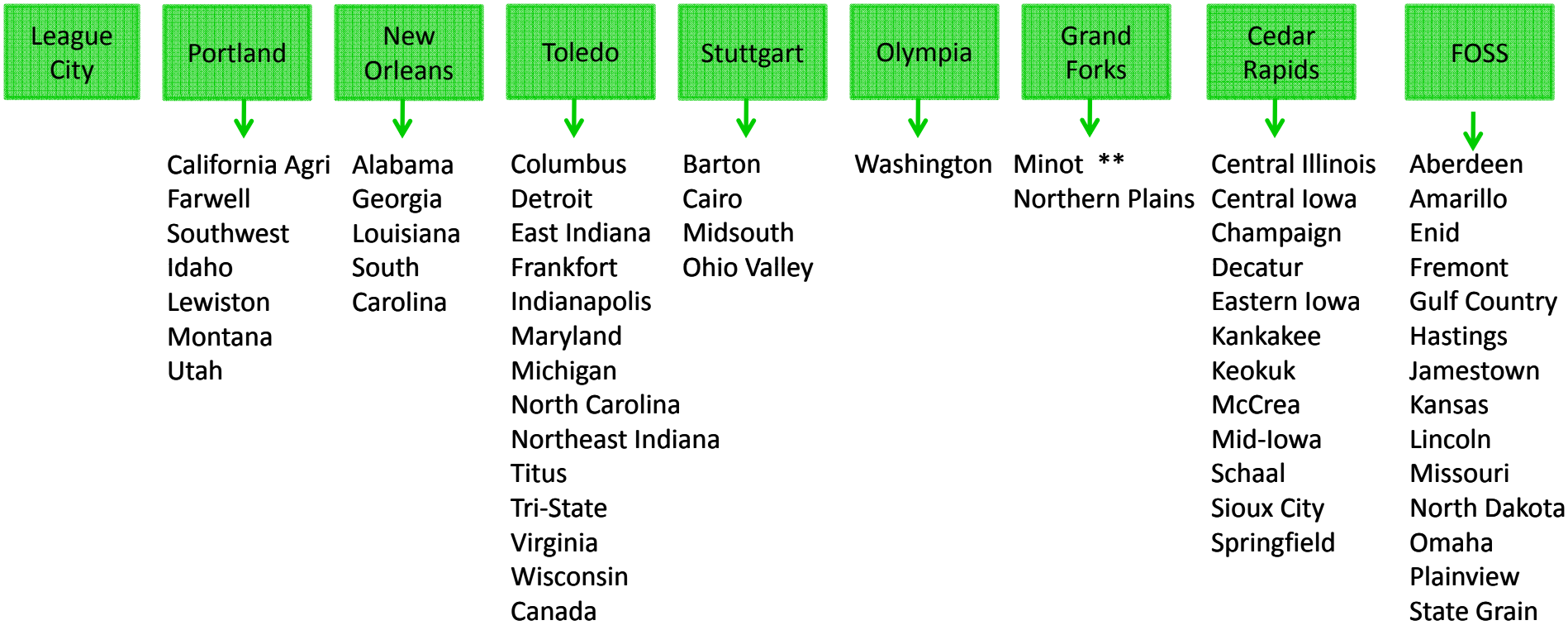
Grain Inspection, Packers and Stockyards Administration

FGIS Organizational Chart



United States Department of Agriculture
Grain Inspection, Packers and Stockyards Administration
Federal Grain Inspection Service

FGIS Organizational Chart



** Minot & Northern Plains are under GSL for grain monitoring only

United States Department of Agriculture
Grain Inspection, Packers and Stockyards Administration
Federal Grain Inspection Service

GSL STAFFING

- GSL leader
- Five GSL inspectors
- One technician
- One part time data entry clerk that is cross-utilized at TSD
- Additional staffing will be added after the building is finished and the workload increases

GSL STAFF

- Average 20 years of experience
- Majority of staff are past licensed inspectors
- Almost all applicants for new GSL positions are licensed inspectors
- Current federal employees do not want to move
- All new GSL staff are placed on an extensive training program for beans, peas, lentils, and wheat of other classes which is conducted by the BAR

GRADING SERVICES LAB (GSL)

Major Responsibilities

- Perform national monitoring
- Appeal inspections
- Assist with Licensing
- Assist with Training seminars
- Until further notice all Wheat of Other Classes corrective actions are reviewed by the BAR

GSL Workload for 2009

	Monitors	Appeals	Total
1st quarter	1284	79	1363
2nd quarter	1220	39	1259
3rd quarter	1103	142	1245
4th quarter	1470	146	1616
Total	**5077**	**406**	**5483**

GSL Workload for 2010

	Monitors	Appeals	Total
1st quarter	1631 *	995	2626
2nd quarter	------	-----	------
3rd quarter	------	-----	------
4th quarter	------	-----	------
Total	**1631**	**995**	**2626**

* 1st quarter includes 2 new service points (Minot & Northern Plains)

BAR STAFFING

- BAR chairman
- Six BAR members
- One part time data entry clerk that is cross-utilized at TSD

BAR STAFF

- Average 25 years of experience
- Staff is a mixture of FGIS & licensed inspectors
- Staff is a mixture of interior and export experience
- Subjective reference for beans, pea, lentils, rice, & all grains under the USGSA

BOARD OF APPEALS & REVIEW (BAR)

Major Responsibilities

- Board appeals
- Foreign complaints
- Opinions
- Step, Fom, Proficiencies
- Training
- Licensing (LI and ACG)
- SIMS (BAR does all Pacific Northwest wheat monitoring)
- GSL monitoring
- Special projects

BAR Workload for 2009

	Board Appeals	Foreign Complaints	Opinions, Step, Fom
1st quarter	50	6	2213
2nd quarter	54	5	3137
3rd quarter	90	2	3784
4th quarter	96	4	3949
Total	**290**	**17**	**13083**

	SIMS	Training LI's	Seminars
1st quarter	338	277	3
2nd quarter	364	312	6
3rd quarter	300	401	13
4th quarter	284	443	7
Total	**1286**	**1433**	**29**

	LI exams	ACG exams	Total Samples
1st quarter	10	27	----
2nd quarter	28	22	----
3rd quarter	42	23	----
4th quarter	13	14	----
Total	**93**	**86**	**16,288**

BAR CONTACT RESPONSIBILITIES

DEMPSEY LEWIS	MARK RUTH	RAMON LUEVANO	JIM WHALEN	RICK MILLERD	BRIAN ADAM
816-891-0426	816-891-0426	816-891-0425	816-891-0423	816-891-0424	816-891-0425
Backup	**Backup**	**Backup**	**Backup**	**Backup**	**Backup**
Brian	Dempsey	Jim	Ramon	Mark	Rick
816-891-0425	816-891-0426	816-891-0423	816-891-0425	816-891-0426	816-891-0424
FIELD OFFICE	**FIELD OFFICE**	**FIELD OFFICE**	**FIELD OFFICE**	**FIELD OFFICE**	**FIELD OFFICE**
New Orleans Grand Forks	Portland Olympia	Cedar Rapids	League City	Stuttgart	Toledo

States/Agencies	States/Agencies	States/Agencies	States/Agencies	States/Agencies	States/Agencies
	North Dakota	Kansas	Nebraska	California (Rice)	Minnesota
	Cahokia	Missouri	Oklahoma		South Dakota
		California	Texas		
			Wyoming		

TRAINING STOCK RESPONSIBILITIES

Wheat Damages	Soybean Damages	Sorghum Damages	Bean Damages	Rice Damages	Sunflower Damages
Barley Damages	Oat Damages	Corn Damages	Pea Damages	Triticale Damages	Flaxseed Damages
Rye Damages	Opinion Library	Odors	Lentil Damages	Exotics	Canola Damages
Grain PE's	Mixed Wheat	Grain PE's	All Wheat Varieties	Rice PE's	Licensing

LICENSING	
BRIAN ADAM (LEAD)	816-891-0425
KERRY CAMP	816-891-0482
DONNIE DAMM	816-891-0482

4/13/2010

FIELD SUPPORT

FIELD OPERATIONS AND SUPPORT STAFF (FOSS)

Inspection and Weighing Questions/Issues		
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FGIS*online* and eAuthentication Support		
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Judy Johnston	Judith.J.Johnston@usda.gov	316-204-3848
Diane Palecek	Diane.K.Palecek@usda.gov	816-823-4643
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John Fisher	John.H.Fisher@usda.gov	816-823-4640
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Roy Lyon	Roy.S.Lyon@usda.gov	316-204-3851
Ron Hanson	Ronald.L.Hanson@usda.gov	612-437-8011

TECHNICAL SERVICES DIVISION

Grading Services Lab (Appeals) and Board of Appeals & Review (Board Appeals)		
Alan Disch (GSL)	Alan.D.Disch@usda.gov	816-891-0482
David Lowe (BAR)	David.P.Lowe@usda.gov	816-891-0421
Brian Adam (Licensing)	Brian.C.Adam@usda.gov	816-891-0425
Equipment Checktesting and Mechanical Samplers		
James McLaurin	James.H.Mclaurin@usda.gov	816-891-0479
NIRT and NMR (sunflower appeals)		
Mark Leppert	Mark.Leppert/@usda.gov	816-891-0433
Moisture Meter Checktesting		
Pat Jackson	Patricia.J.Jackson/@usda.gov	816-891-0450
Mycotoxin Test Kits (Appeals-All toxins and Falling Numbers)		
Lynn Polston	Lynn.A.Polston@usda.gov	816-891-0444
Ganga Murthy	Ganga.Murthy@usda.gov	816-891-0469
Pesticide Analyses		
Tom Weber	Thomas.A.Weber@usda.gov	816-891-0449
Adminstrative Support (Appeal certificates)		
Marsha Schwartz	Marsha.K.Schwartz@usda.gov	816-891-0401

If you cannot immediately reach any of the above TSD contacts, please call 816-891-0401

FIELD MANAGEMENT DIVISION

Quality Assurance and Control Staff (QACS)		
Ken Critchfield	Ken.L.Critchfield@usda.gov	816-891-0432
Anita Heckenbach	Anita.D.Heckenbach@usda.gov	816-891-0416

WHEAT STANDARDS REVIEW

Grain Inspection Advisory Committee

16 June 2010

Patrick J. McCluskey

Today's syllabus

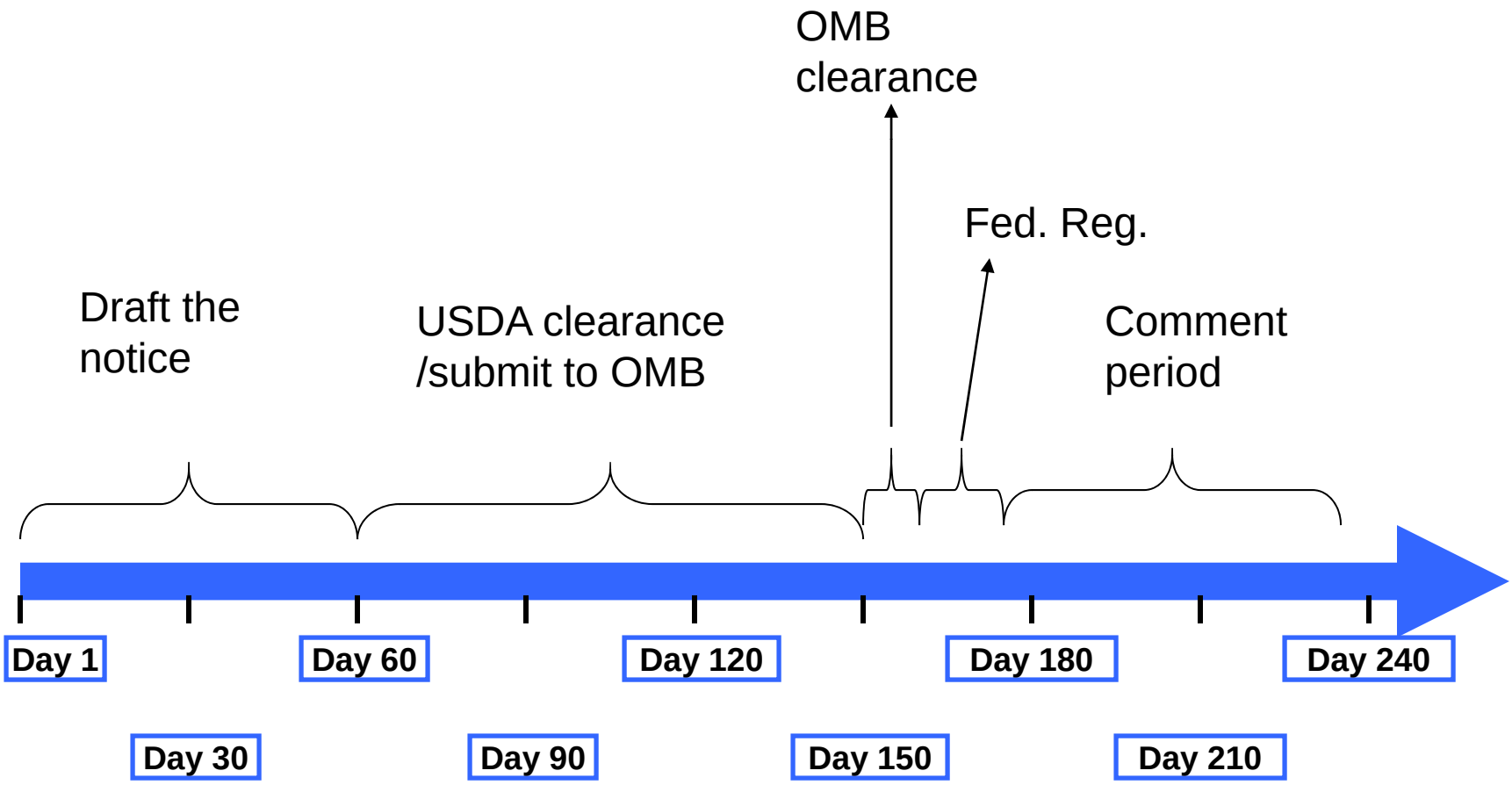
- Rulemaking reminder
- Background information
- Public comments
- Current status of rulemaking
- Next steps

Rulemaking reminder

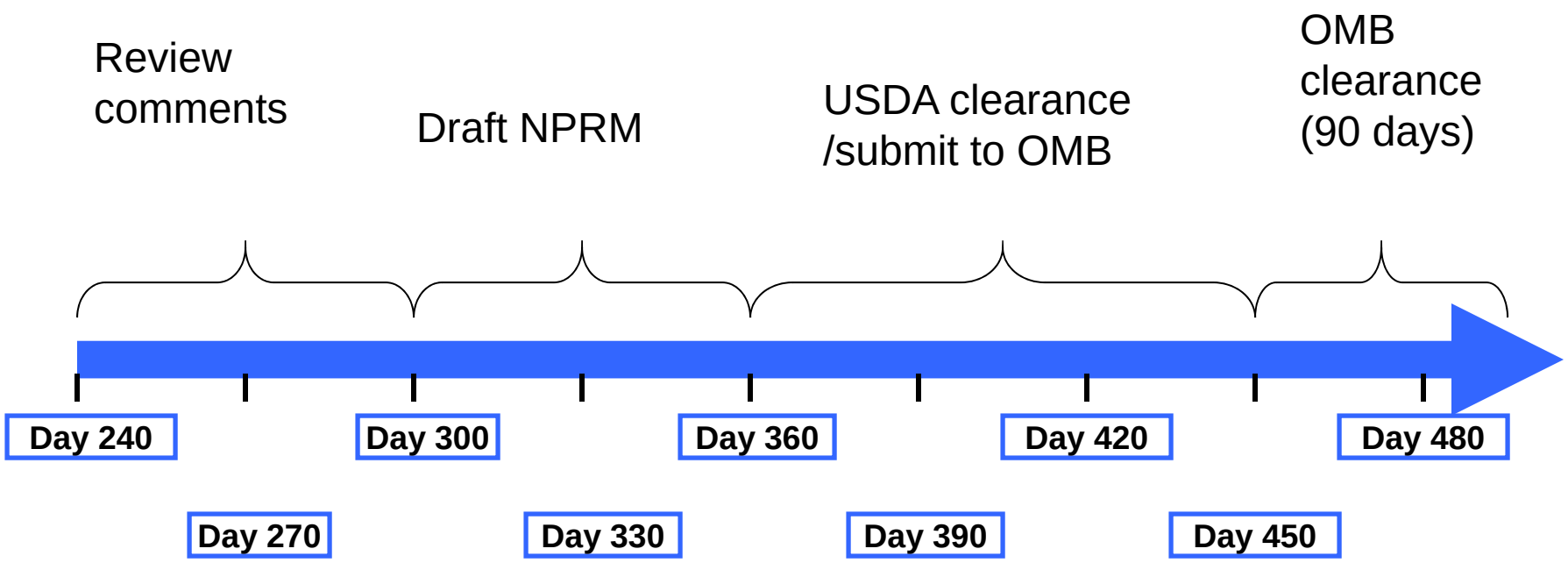
- Advance Notice of Proposed Rulemaking
- Notice of Proposed Rulemaking
- Final Rulemaking

U.S. wheat is used in an Indonesian bakery

Rulemaking reminder: ANPR

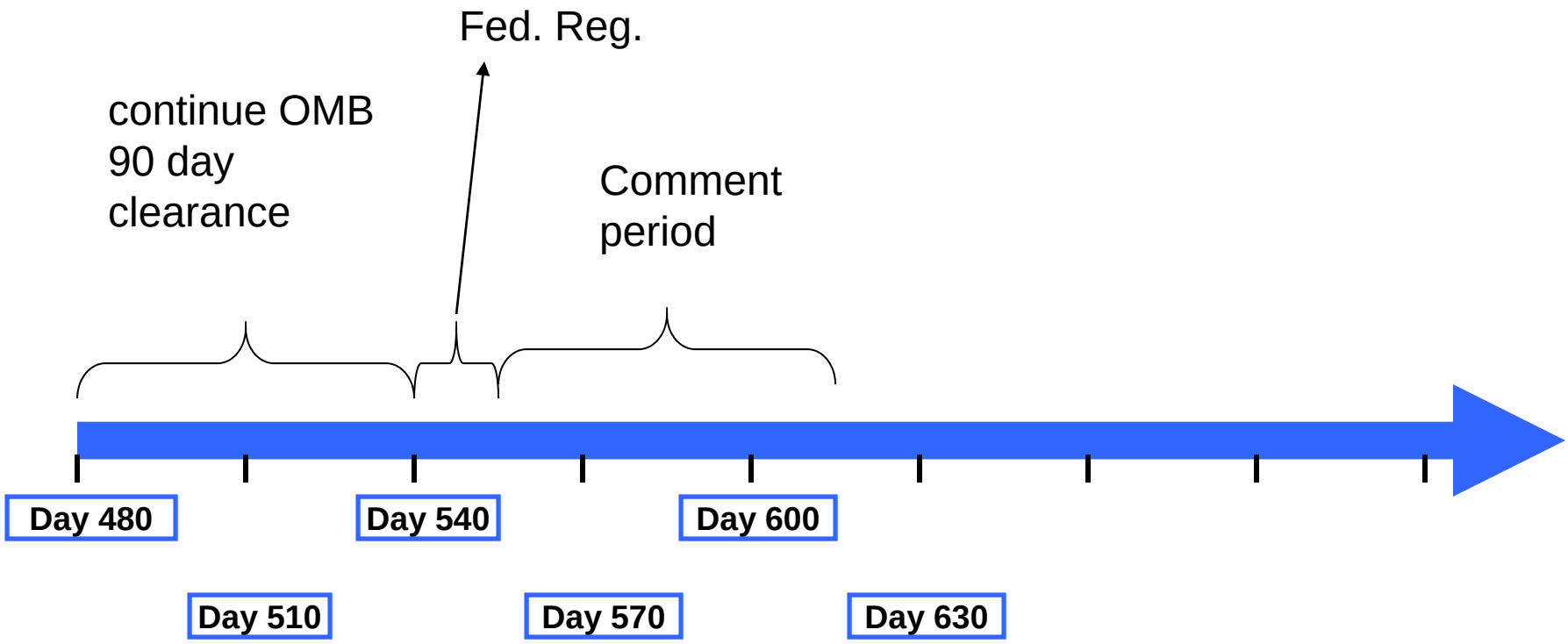


Rulemaking reminder: NPRM

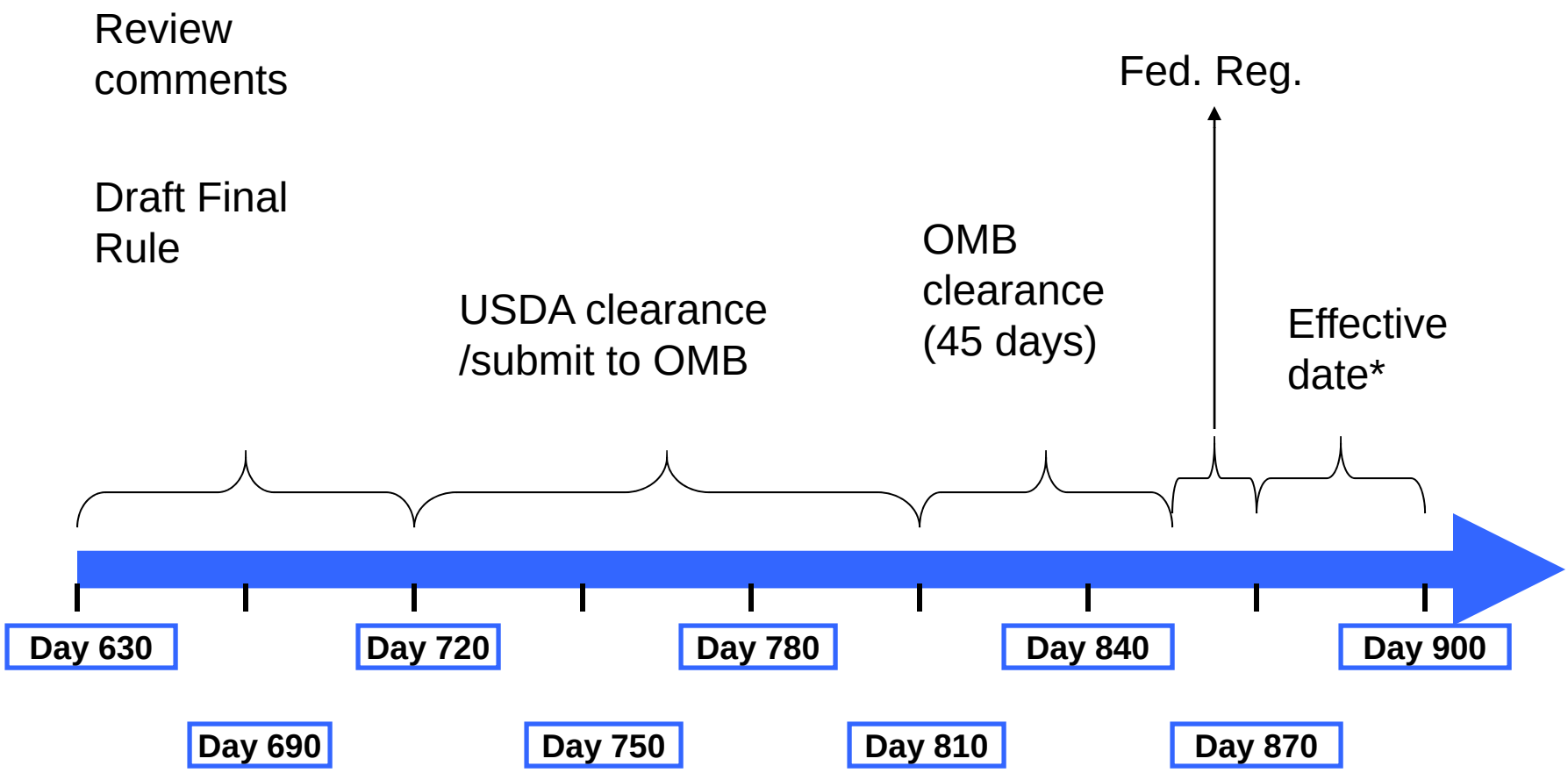


U.S. wheat is used in Egypt

Rulemaking reminder: NPRM (con’t)



Rulemaking reminder: Final rule



Background

- Published Advance Notice of Public Rulemaking ~November 27, 2009
- 60 day comment period ~Feb. 25, 2010
- Begging, whining, and groveling, for comments

U.S. wheat used in Korean bakery products

Public Comments to ANPR

14 submissions to GIPSA

- 4 electronically submitted
- 11 germane to the ANPR
- 1 not relevant to the ANPR
- 1 cover letter sent twice

Public Comments to ANPR

<u>Not</u> germane to the ANPR:

"NO FRANKENFOOD WHEAT. WE ARE SICK AND TIRED OF FRANKENFOOD. IT IS CERTAINLY NEVER SUFFICIENTLY TESTED."

Submitted by ANONYMOUS in NJ

U.S. wheat used in a busy Viet Nam bakery

Public Comments to ANPR

Germane to the ANPR and the regulations:

General topics from commenter's:

- CCL/WOCL
- Insect Damaged Kernels
- Shrunken and Broken Kernels
- Integrate processing parameters such as thousand kernel weight, wheat size, flour yield into the standards

Public Comments to ANPR

Germane to the ANPR and the regulations:

- Consider a generic approach to grading that allows uniform blending of any wheat classes
- "…need improved additional standards to address the issue of separating hard from soft red wheat in SE Missouri, such as protein or a non-traditional factor."

U.S. wheat is used in Italy

Public Comments to ANPR

Germane to the ANPR but not to regulations:

- Develop a commercially acceptable way to report actual grade when “or better is selected
- Develop a commercially acceptable way to report protein on 12% and 0% moisture bases

Public Comments to ANPR

Germane to the ANPR but not to regulations:

- Review and report on all forms of QA being provided for rail & container shipments to Mexico
- Establish an export cargo monitoring program for selected bacteria and fungus
- Study ways to incorporate mycotoxins into the standards and establish check test program

Public Comments to ANPR

Germane to the ANPR but not to regulations:

- Establish a rapid test for protein quality
- Begin development of a rapid alpha amylase test for deployment in the official system
- Develop a second more restrictive level of black tip determination for use as Official Criteria

Current status of rulemaking

Decision Memorandum to FMD/ODA

- Analyze GIPSA inspection data, NASS data, other available information
- Project impact of rule changes

U.S. wheat is used in Moroccan flour

Next Steps

- ✓ Notice of Proposed Rulemaking (NMPR)
- ✓ Update regulatory work plan
- ✓ Agency and Departmental clearance
- ✓ OGC clearance
- ✓ Target FR publication by 12/31/10

Compliance Division Update

Thomas C. O'Connor, Director

FGIS Grain Inspection Advisory Committee
Kansas City, MO
June 16-17, 201

Quality Management Program

- Background
  - Triennial review program
  - Timing
  - Benefits
- Status
  - Submission and approval of Quality Manuals
- Future
  - Initiation of quality audits
  - Fine tuning the program

Contract Review Program

- Background:
  - Earlier program
  - Purpose/scope
- Status:
  - Findings/trends
  - Actions
- Future

Exception Programs

- Overview
  - Geographic areas
  - GAO report
  - Amendments to USGSA
- Exception program
  - Timely service
  - Nonuse of service
- Review of operating parameters

FGIS*online* Update

Grain Inspection Advisory Committee Meeting

June 16, 2010

Diane Palecek
Assistant Director
Field Operations & Support Staff

Inspection, Testing, and Weighing (ITW)

- Purchased 33 computers for FGIS export labs
  - Wide-screen monitors for viewing cusum log
  - 2 hard drives with Redundant Array of Independent Disks (RAID) to prevent data loss
- Installed T-1 lines at New Orleans labs to upgrade Internet connection
- In process of replacing old cusum computers with data loggers for capturing weight events log

Inspection, Testing, and Weighing (ITW)

- ITW released on April 17, 2010
- Training FGIS inspectors at New Orleans, Toledo, League City, and Toledo
- Recommend using distributed version (DITW) for shiplot cusum inspections
- The application will initially be implemented at one export port elevator at a time to ensure a smooth transition for shiplot inspections from the current cusum application.
- Further testing will occur before ITW is released for rail cusum inspections.

Quality Assurance and Control (QAC)

- QAC released on March 1, 2010, for use by only those official agencies assigned to the Field Operations and Support Staff (FOSS)

- An enhancement is in the queue to make it accessible to all service providers.

- National database of
  - Random, targeted, and flagged monitor samples and factor separations
  - Corrective actions, opinions, over-the-shoulder separations, performance appraisal samples, referees, surveys, domestic & foreign complaints
  - Early alert bulletin board

Quality Assurance and Control (QAC)

- Random stratified sampling rates
  - US No. 1 – 0.20%
  - US No. 2 – 0.70%
  - US No. 3 – 3.00%
  - US No. 4 or lower 3.00%

- Nightly, QAC randomly selects from inspection records uploaded into the Inspection Data Warehouse (IDW) that day. The system generates an email that is sent to the official agency identifying which samples were selected and whether those samples are to be sent to the Grading Services Lab (GSL) for national monitoring or reviewed locally by the Agency Quality Assurance Specialist.

Quality Assurance and Control (QAC)

- Targeted and Flagged Monitoring – System select samples meeting one or more of these criteria:
  - Date Range
  - Inspector
  - Level of Inspection
  - Service Type
  - Commodity
  - Class
  - Subclass
  - Grade
  - Factor/Result
  - Movement
  - Carrier Type
  - Sampling Device
  - Special Grade

Quality Assurance and Control (QAC)

- Targeted: Samples are selected based on records already in IDW
- Flagged: Profile is created based and samples are then selected on a nightly basis
- System generates emails to notify service providers of which samples were selected and whether to monitor locally or by GSL

FGIS Official Service Provider Licensing (FOL)

- FOL released on March 1, 2010
- All official agencies now use it for their licensing activities.
- On-line functions:
  - Requests for licensing functions
  - Written tests
  - Documentation of practical exams
  - Triennial renewals
  - Issuance of license certificate

FGIS Official Service Provider Licensing (FOL)

- Licensing information used by these FGIS*online* applications:
  - FGIS Certicates (CRT/DCRT)
  - Inspection Date Warehouse (IDW)
  - Equipment Capability Testing (ECT)
  - Inspection, Testing, and Weighing (ITW/DITW)
  - Quality Assurance and Control (QAC)

Equipment Capability Testing (ECT)

- Released November 8, 2008
- Not yet mandatory, but all service providers are using ECT to some extent
- Provides immediate feedback (pass/fail) on checktest results
- Database of checktest results for all laboratory equipment, mechanical samplers, and bulk, track, vehicle, and portable platform scales
- Inventory of laboratory equipment, mechanical samplers, and scales

FGIS Certificates (CRT)

- Distributed version (DCRT) available for use at locations where Internet is not available or when Internet service is interrupted or FGIS*online* servers are unavailable

- Used at all FGIS offices and by 36 official agencies

Inspection Data Warehouse (IDW)

- USGSA administrative tonnage and supervision fee billing functions are now available through IDW.

- IDW billing process will run for several months in parallel with the current billing process from the FGIS Grain Inspection and Weighing Information System (GIWIS) and Export Grain Information System (EGIS).

- Export shipment record compilation to replace EGIS is under development.

FGIS*online* Reports

- GIPSA's IT staff is responsible for creating reports from the FGIS*online* applications.

- 25 QAC and 3 new IDW reports have been submitted.

- The IT staff has a new member who will facilitate the creation of reports through a new on-demand reporting function. Users will be able to select the fields and output format to tailor reports for their individual needs. The projected timeframe for developing this reporting function is 6 – 8 months.

Future Developments

- Develop a record-archiving strategy and implement the process

- Transition application development, maintenance, and support from JM contractor to GIPSA's IT staff on October 1, 2010.

Grain Inspection, Packers & Stockyards Administration

International Trade and Outreach

Grain Inspection Advisory Committee
Kansas City, Missouri
June 16, 2010

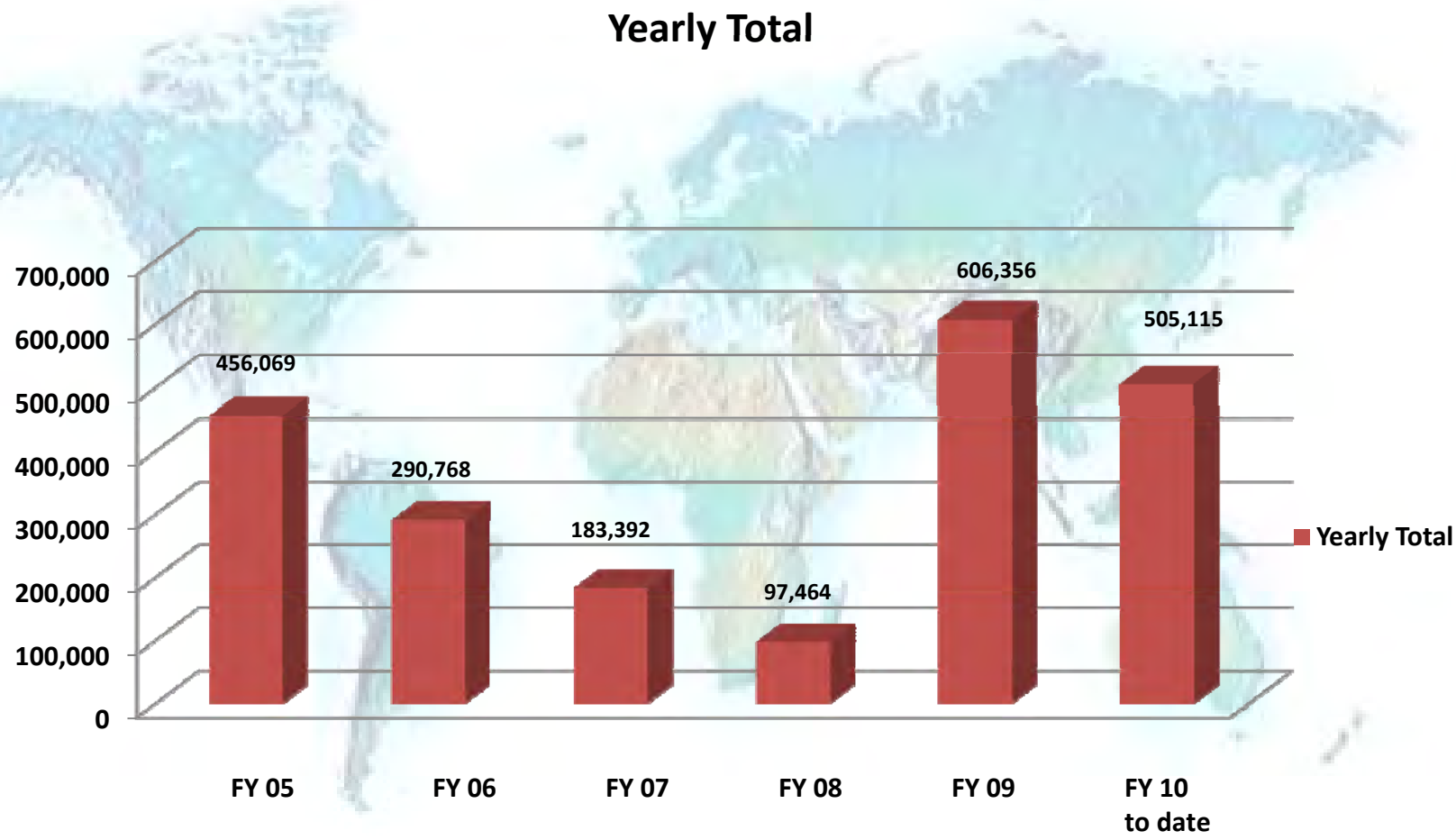
John B. Pitchford, Director
Departmental Initiatives and
International Affairs

USDA

Current International Trade and Outreach Issues

- Discrepancies
- China Soybean MOU
- Korea Corn Sampling Project
- Long-term Assignments to Asia
- Civilian Response Corps
- National Export Initiative

Importer Complaints
Metric Tons



FY 2010 Complaints

14 complaints from 10 countries

- China – treated soybeans 52%
- 4 countries – soybean damage 28%
- 3 countries – corn BCFM, damage 10%
- 2 complaints on containers 0.5%

China Soybean MOU

- July '09 – AQSIQ insists on MOU
  - ✓ Soybean study linked to MOU
- February '10 - USDA delivered redraft
- May '10 – AQSIQ replies to redraft
- May '10 – JCCT Meeting – both sides agree to continued discussions

Korea Corn Monitoring Project

- Korean Feed Association (KFA) monitoring U.S. corn quality on arrival
- NAEGA/KFA joint project to monitor 3 – 5 corn ships
  - ✓FGIS will assist – sampling at loading and destination
  - ✓Monitor moisture, test weight, BCFM

Long-term Assignments in Asia

- Last assignment – April-June 2010
  - ✓7-Week assignment
  - ✓7 Countries visited
    - Transportation and food safety conferences
    - Corn grading seminar
    - Meetings with importers
    - Addressed importer concerns

Long-term Assignments in Asia

- Issues raised:
  - ✓Increased demand for DDGS
  - ✓2009 corn crop quality
  - ✓Mycotoxins
  - ✓Corn containers out of condition
  - ✓Soybean quality
  - ✓Container quality-not uniform

Civilian Response Corps

- U.S. Government personnel for stabilization/reconstruction missions
- USDA, Commerce HHS, HS, Justice, Treasury, USAID
- Active and Standby Component
  - Technical specialists recruited
  - Afghanistan, Iraq
- "Whole of Government" approach

National Export Initiative

- Presidential Initiative
  - ✓Goal – To double U.S. exports in 5 years
  - ✓Support 2 million jobs
- Expand trade advocacy
- Enhance access to credit
- Remove trade barriers