



**U.S. Department of Agriculture
Grain Inspection, Packers & Stockyards Administration
Federal Grain Inspection Service**



2009 Annual Report

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The Federal Grain Inspection Service

The Grain Inspection, Packers and Stockyards Administration's Federal Grain Inspection Service (FGIS) establishes quality standards for grains, oilseeds, pulses, and legumes; provides impartial inspection and weighing services through a network of Federal, State, and private entities; and monitors marketing practices to enforce compliance with the U.S. Grain Standards Act, as amended, (hereinafter, the Act) and Agricultural Marketing Act of 1946, as amended (hereinafter, AMA). Through these activities, FGIS facilitates the marketing of grain, oilseeds and related products. Organizationally, FGIS is aligned with USDA's Marketing and Regulatory Programs mission area.

FGIS administers uniform, national grain inspection and weighing programs established by the Act. Services under the Act are performed on a fee basis for both export and domestic grain shipments. The Act requires generally that export grain be inspected and weighed; prohibits deceptive practices with respect to the inspection and weighing of grain; and provides penalties for violations.

Agency Mission

FGIS' primary mission is twofold: promote the marketing of high quality grain to domestic and international buyers and maintain objective standards for grain to certify its quality as accurately as practicable. These standards define uniform and descriptive terms to facilitate the grain trade, help determine grain storability, offer users the best possible information to determine end-product yield and quality, provide market incentive frameworks, reflect the economic value-based characteristics to end users, and accommodate scientific advances in testing.

Key Activities

In administering and enforcing the Act, FGIS:

- Establishes and maintains official U.S. grain standards for barley, canola, corn, flaxseed, oats, rye, sorghum, soybeans, sunflower seed, triticale, wheat, and mixed grain;
- Promotes the uniform application of official U.S. grain standards by official inspection personnel;
- Establishes methods and procedures, and approves equipment for the official inspection and weighing of grain;
- Provides official inspection and weighing services at certain U.S. export port locations, and official inspection of U.S. grain at certain export port locations in eastern Canada along the St. Lawrence Seaway;
- Delegates qualified State agencies to inspect and weigh grain at certain U.S. export port locations;
- Designates qualified State and private agencies to inspect and weigh grain at interior locations;



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- Licenses qualified State and private agency personnel to perform inspection and weighing services;
 - Provides Federal oversight of the official inspection and weighing of grain by delegated States and designated agencies;
 - Provides review inspection services of U.S. grain in the United States and at certain export locations in eastern Canada;
 - Investigates, in cooperation with the USDA Office of Inspector General, alleged violations of the Act and initiates appropriate corrective action;
 - Monitors the quality and weight of U.S. grain as received at destination ports, and investigates complaints or discrepancies reported by importers; and
 - Helps U.S. trading partners develop and improve their grain inspection and weighing programs.

Mandatory Services

Under provisions of the Act, most grain exported from U.S. export port locations must be officially weighed. A similar requirement exists for inspection, except for grain which is not sold or described by grade. Intercompany barge grain received at export port locations also must be officially weighed. And, the Act requires that all corn exported from the United States be tested for aflatoxin prior to shipment, unless the contract stipulates that testing is not required.

Mandatory inspection and weighing services are provided by FGIS on a fee basis at 40 export elevators (including 4 floating elevators). Five delegated States provide official services at an additional 11 export elevators under FGIS oversight. Under a cooperative agreement with FGIS, the Canadian Grain Commission (CGC) provides official services, with FGIS oversight, at 7 locations in Canada that transship U.S. grain for export. Effective January 1, 2010, CGC will withdraw from the agreement and FGIS will be responsible for providing all official services for U.S. grain transhipped in Canada.

Voluntary Services

Under the AMA, FGIS administers and enforces certain inspection and standardization activities related to rice, pulses, lentils, and processed grain products such as flour and corn meal, as well as other agricultural commodities. Services under the AMA are performed upon request on a fee basis for both domestic and export shipments by either FGIS employees or individual contractors, or through cooperative agreements with States.

About this Report Pursuant section 87(f-2) of the Act, FGIS respectfully submits this report each year to the United States Congress. Activities described in this report cover fiscal year 2009 (October 1, 2008 to September 30, 2009).

After the introduction, the report is divided into six sections. Sections 2 through 4 represent agency program goals, and the last two sections provide information regarding FGIS' management initiatives and financial position.

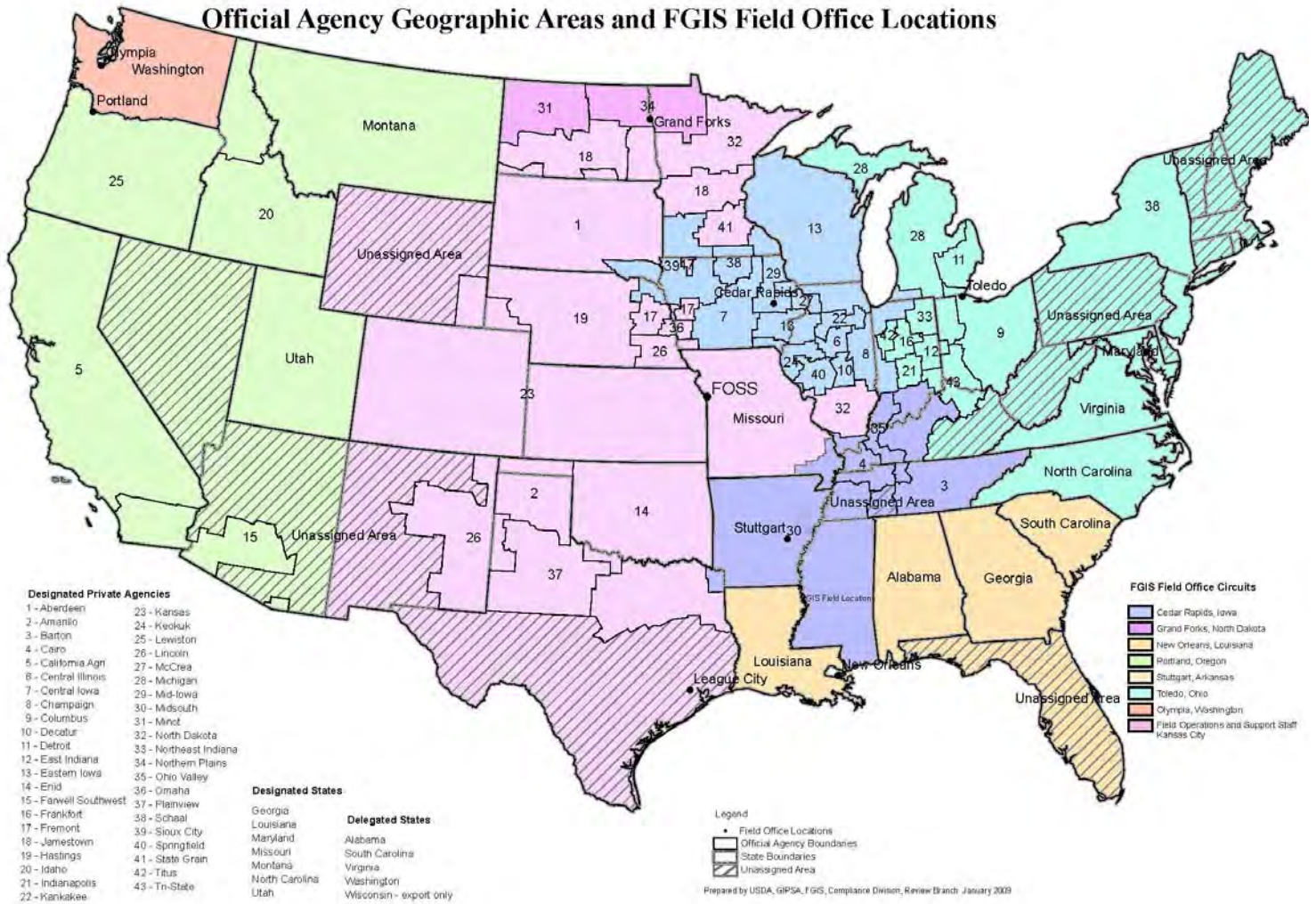
Any mention of firm names or trade products does not imply that they are endorsed or recommended directly or indirectly by the U.S. Department of Agriculture.

**Employees
& Locations**

As of September 30, 2009, FGIS was comprised of 463 full-time permanent employees, and 130 part-time, and intermittent employees located at a headquarters unit in Washington, DC, the National Grain Center in Kansas City, Missouri, 7 field offices, 1 Federal/State office, and 4 suboffices. Field offices are located in Stuttgart, Arkansas; Cedar Rapids, Iowa; Grand Forks, North Dakota; League City, Texas; New Orleans, Louisiana; Portland, Oregon; Texas, Toledo, Ohio; and Olympia, Washington. FGIS also has a Federal/State office in Olympia, Washington. FGIS offers official inspection and weighing services anywhere in the United States.



Official Agency Geographic Areas and FGIS Field Office Locations



Section I: Outlook 2010

Review of Official U.S. Standards for Wheat

FGIS regularly reviews the official standards for grain to ensure that the standards remain relevant to the marketplace. In 2010, FGIS will review the U.S. Standards for Wheat – which were originally promulgated in 1917. Since then, the standards have been revised 29 times to adapt to changes in the marketplace. For example, the standards were last amended in 2006 to remove hard white wheat as a contrasting class in hard red winter wheat and hard red spring wheat.

Farm Gate and Export Quality Assessments



FGIS continues to work with stakeholders to capture inspection data for grain entering the value chain. Through a multi-year initiative, FGIS is collecting samples at the first-point-of-sale when producers deliver grain to the elevator during harvest. These samples will provide a baseline of quality for grading factors such as damage and foreign material content, plus non grade factors such as foreign material composition, moisture, oil, and protein.

Since 2006, over 5,000 samples representing 29 soybean or sorghum-producing States have been submitted. During 2009, FGIS had sufficient data from the prior years' harvest to assess both sorghum and soybean quality and published a report detailing its findings. This information was released publically and provided to stakeholders throughout the respective industries. Ultimately, the knowledge gathered from this project will allow FGIS to better evaluate the potential impact on the marketplace of proposed changes to the grain standards.

Sorghum Odor

Sorghum inherently has a range of odors. Sorghum end-users may find different types and levels of odor unacceptable based on their preferences and end use. This variance poses many challenges for the sorghum industry. FGIS is currently working with industry to ensure the official system properly recognizes and characterizes these odor variances.

In the spring of 2009, FGIS held a meeting with a cross-section of the sorghum industry. FGIS' goals were to understand the needs of end-users, understand the challenges for producers and handlers, gain data and background information, and achieve a common understanding as to the acceptability of various odors and levels of intensity in grain sorghum.

FGIS provided this information to the Grain Advisory Committee in June for feedback. Based on their recommendations, FGIS engaged a sensory expert from Kansas State University—who works closely with USDA’s Agricultural Research Service—to develop reference material that can be produced and replicated by inspectors in the official system and by industry to provide inspectors a reference tool to assist in determining the acceptability of grain sorghum odors. The research will also provide parameters for the environment in which odor determinations should be made and other testing techniques. These efforts are designed to further enhance the consistency of determinations that are of paramount importance to handlers and exporters. The research will be completed in late 2010.

FGISonline

FGIS continues to modernize its grain program with implementation of the state-of-the-art *FGISonline* system. The modernization effort will improve the efficiency and effectiveness of service delivery by streamlining business practices. Ultimately, this system will provide instantaneous access to official inspection certificates for customers around the world.



In 2009, FGIS continued to develop its core applications, including programs to capture inspection, testing, and weighing information at the point of origin; capture and manage technical testing information; automate the licensing process, and expand its quality assurance and control capabilities.

The Inspection, Testing, and Weighing program allows FGIS and official service providers to electronically enter inspection, testing, and weighing information for grain, rice, pulses, graded commodities, and processed commodities, single and lot inspection for all carrier types including railcars, containers, trucks, ships, and barges. This information electronically feeds the Certificates program and the Inspection Data Warehouse, a national database of inspection and weighing records for services provided under the Act and AMA.

The Equipment Capability Testing program records information on equipment used for the testing of grain quality, and its location, for the purposes of notifying, submitting, and capturing test results conducted to validate the equipment's capability to accurately test grain quality. The Equipment Capability Testing program was released during 2009, as well as enhancements to the Certificates program, the Delegations/Designations and export Registrations program, and the Inspection Data.

The FGIS Official Service Provider Licensing, Quality Assurance and Control, and Inspection, Testing, and Weighing programs are in the testing phase, and are scheduled to be released in 2010.

Pesticide Testing Method Development

FGIS participated in the Pesticide Data Program, a cooperative effort of the USDA, U.S. Environmental Protection Agency, and ten participating States to monitor pesticide residue levels in fruits, vegetables, grain, dairy products, and other foods. FGIS tests all grain and grain-related products and develops new methods of analysis when necessary. In 2009, FGIS analyzed 650 rice samples; and developed and validated a method for the analysis of glyphosate in wheat. FGIS also adapted three analytical testing methods to determine the presence of pesticides in soybeans. In 2010, FGIS will develop methods to test oats pesticides and analyze approximately 300 oat samples.

Railroad Scale Testing Program

FGIS owns and operates 5 specially designed and built railroad track scale test cars for testing grain industry railroad track scales. The test cars are maintained and operated out of the FGIS Master Scale Depot in Chicago, Illinois.

This facility contains the number one master scale and test standards which are used to calibrate the test car weights and provide traceability from the National Institute of Standards and Technology (NIST) to all commercial railroad track scales in the U.S. As an accommodation, FGIS also tests a wide variety of large weights and standards for private companies on a cost recovery basis. FGIS is recognized by NIST as the authority to do this work.

Under an agreement with the Association of American Railroads (AAR), FGIS annually tests all master scales and performs a number of field calibrations associated with the program. Under this agreement, and in accordance with AAR interchange rules, FGIS must replace units before they reach 50 years of age. FGIS has initiated the replacement of one unit for delivery in spring of 2010 and a second unit will be delivered by early 2011.



Section II: Providing the Market with Terms & Methods for Quality Assessments

Rice Milling Equipment

In 2009, FGIS purchased 14 rice millers to replace aging millers at official rice inspection service points in the southern United States. FGIS collaborated with the rice milling industry to ensure there would not be a shift in the average milling yield results. FGIS incorporated the new rice millers into the official service on the industry requested date of July 1, 2009, prior to the start of the southern rice harvest.

Revisions to the U.S. Standards for Peas

FGIS amended the U.S. Standards for Whole Dry Peas and Split Peas to facilitate the marketing of a new winter pea variety and ensure the purity of class for “Whole Dry Peas” and “Split Peas.” The general definitions for “Whole Dry Peas” and “Split Peas,” were amended, and the following specific definitions were amended: “Smooth Green Dry Peas,” “Smooth Yellow Dry Peas,” “Wrinkled Dry Peas,” “Green Split Peas,” and “Yellow Split Peas.” FGIS also modified the classification term and associated definitions for “Winter Dry Peas” and “Winter Split Peas.” FGIS worked with stakeholders to ensure minimal market interruption, and that these changes were implemented prior to the beginning of harvest season.

Wheat

Functionality—Protein Quality Assessments: The intrinsic qualities of wheat affect the quality of end products. To best determine the ability of wheat to meet specific end-use needs, accurate test methods are needed to differentiate functional qualities. These methods should also be practical, rapid, and reproducible among different laboratories to provide value transparency from the producer to the processor and provide information that better predicts appropriate end-uses, thereby enhancing the marketability of U.S. wheat.



Farinograph tests are widely-used to determine certain quality factors. FGIS studies have shown significant differences in Farinograph test results among commercial laboratories, which leads to confusion in wheat markets. In 2008, FGIS initiated a multiple laboratory collaboration including the instrument manufacturer to identify ways for improving standardization of the Farinograph method among commercial laboratories. In 2009, collaborative studies identified the addition of water and data processing algorithms as additional sources of significant Farinograph method variation. In 2010, FGIS plans to participate in

collaborative studies of Farinograph method improvements that are under development.

Gluten strength is one of the most important aspects of wheat functionality, but the market lacks a consistent definition of this characteristic. Since 2008, FGIS has worked with USDA's Agricultural Research Service, academia, and industry to develop new standardized methods for precisely and reproducibly describing the viscous and elastic properties of gluten using fundamental rheological units. In 2009, the collaborative work led to private industry's development of a prototype device to test the viscoelastic properties of gluten. This gluten test successfully differentiates gluten strength among and within wheat classes. In 2010, FGIS will continue its collaboration to refine gluten strength tests and assess their suitability, relevance, and value for use in the wheat marketing system.

Varietal Identification: Wheat classing continues to be one of the most difficult challenges of subjective analysis within the official inspection system. There is a need for an objective method to perform varietal identification of wheat cultivars to augment subjective analyses. FGIS has established a reference High Performance Liquid Chromatography (HPLC) method that is based upon work performed at the USDA's Agricultural Research Service laboratory in Manhattan, Kansas, and has demonstrated the utility of the method. In 2009, FGIS developed a database of all relevant U.S. wheat varieties and a mathematical algorithm for identifying unknown cultivars. For single-variety samples, the varietal identification success rate is near 100 percent. In 2010, FGIS will continue to assess and improve the accuracy of this method for objectively identifying wheat cultivars and will use the method to assist official inspectors in classifying challenging samples.



Mycotoxin and Biotechnology Rapid Test Evaluations

The grain industry needs fast, reliable tests to detect the presence of biotechnology-derived grains and oilseeds and mycotoxin-contaminated grain. To ensure that rapid tests are commercially available and that they provide reliable test results, FGIS provides a performance verification and approval program for such rapid tests.

2009 Mycotoxins Rapid Test Kit Evaluation Summary

<i>Mycotoxin</i>	<i>Quantitative Methods Tested</i>	<i>Quantitative Methods Approved</i>	<i>Qualitative Methods Tested</i>	<i>Qualitative Methods Approved</i>	<i>Quantitative Methods Received – Not Tested</i>	<i>Qualitative Methods Received – Not Tested</i>
Aflatoxins	6	5	10	10	4	5
Deoxynivalenol	0	0	0	0	1	6
Ochratoxin	1	1	0	0	0	0
Fumonisin	1	1	0	0	0	1
Totals	8	7	10	10	5	12

Eight biotechnology rapid tests were evaluated: one for glyphosate-tolerant corn, one for glyphosate-tolerant soybeans, one for Herculex, one for Amylase (Event 3272) corn, one for StarLink, one for eCry3.1Ab (Event 5307) corn, one for Vip3A MIR162 corn, and one LibertyLink soybean were evaluated. All eight of the rapid tests met established performance criteria and received Certificates of Performance. In 2010, FGIS will continue to evaluate qualitative and quantitative mycotoxin and biotechnology rapid tests.

Reference Method Analyses

FGIS maintains reference methods for protein, moisture, oil, fatty acid composition, and mycotoxins. These methods are used to maintain the accuracy of current testing in the official inspection system and to support development of new rapid field tests. The protein, moisture, oil, and fatty acid reference analyses support the near infrared spectroscopy, dielectric, and nuclear magnetic resonance instruments used for rapid inspection at field locations that perform official testing. The mycotoxin reference analyses support the evaluation and standardization of rapid tests for official and commercial grain inspection, and support quality assurance programs to ensure consistent and reliable testing results. In 2008, FGIS evaluated Ultra-High Pressure Liquid Chromatography (UPLC) for potential use as the aflatoxin reference method. In 2009, FGIS initiated a two-year effort to convert the aflatoxin reference method to UPLC.

In 2010, FGIS will continue to provide quality reference method analyses in support of the development of new testing methods and in the maintenance of accurate field testing for the official and commercial inspection systems.

Biotechnology

Biotechnology Proficiency Program: The internationally-recognized USDA/FGIS Proficiency Program now includes 160 participating organizations, with more than 80 percent of the participants from organizations outside the United States. This program, which was initiated in 2002, enables organizations to identify transgenic events for grain for

the purpose of improving accuracy and precision. Participants include organizations from Africa, Asia, Europe, North America, and South America.

Respond to Inadvertent Release of Unapproved Traits into the

Marketplace: In recent years, there have been instances of inadvertent releases of unapproved transgenic events into the U.S. grain handling system. When such an inadvertent release occurs, a rapid response is necessary to identify and validate methods to detect the trait and thereby protect the integrity of U.S. grain and related markets. The testing methods must be highly-specific and sensitive to effectively restore confidence in U.S. grain marketing systems. FGIS assists government and independent laboratories that use protein and DNA-based technologies by performing impartial third-party verification of their methods for both qualitative and quantitative detection of transgenic events in biotechnology-derived crops. FGIS involvement in responding to incidences of inadvertent release facilitates harmonization of sampling plans and international testing for biotechnology-derived grains and oilseeds. FGIS provides expertise to USDA's Animal and Plant Health Inspection Service when responding to inadvertent releases of unapproved biotechnology events. The agency has also negotiated both materials transfer and confidentiality agreements between life science companies and other government agencies, such as the National Institute of Standards and Technology.

Harmonizing Biotech Reference Methods: There is a need for highly specific and accurate tests for the various biotechnology-derived crops that are grown in the United States. FGIS has developed intra-laboratory validated real-time polymerase chain reaction methods and has evaluated the accuracy, reliability, and proficiency of publicly available methods used to identify transgenic traits in biotechnology-derived grains and oilseeds. Also, FGIS participated on a scientific panel of experts engaging U.S. stakeholders and influencing outcomes on issues related to testing of biotechnology-traits in grains with the goal of developing global scientific consensus regarding the analysis of transgenic events.

In addition, FGIS continues to collaborate with international organizations such as Codex Alimentarius, International Organization for Standardization, Association of Analytical Communities, American Association of Cereal Chemists, American Oil Chemists' Society, Institute for Reference Materials and Measurements, Canadian Grains Commission, and the National Institute for Standards and Technology to harmonize testing technologies for biotechnology-derived grains and oilseeds. Several of these efforts resulted in publications in peer-reviewed scientific journals in 2009, including the *Journal of Agricultural Food Chemistry* and *Food Control*.



Food and Agricultural Organization/World Health Organization Codex Committee on Methods of Analysis and Sampling: FGIS participated in the Codex Committee on Methods of Analysis and Sampling (Committee) meeting March 9-13, 2009, in Budapest, Hungary. The focus of the Committee's current work is to develop methods for detecting DNA sequences and proteins in foods derived from biotechnology. The Committee will continue work in this area at its March 2010 meeting Budapest, Hungary.

Review and update mechanical sampling equipment processes

Sampling is critical to the accuracy and integrity of FGIS' results. FGIS is reviewing the processes and procedures for managing equipment used to collect official grain samples. Current decisions regarding adequacy of mechanical sampling equipment are based on USDA testing performed many years ago when flow rates were smaller and manufacturing methods were more limited. The review will determine: 1) how to successfully evaluate prototype equipment, 2) whether current processes for managing new sampling equipment installations are adequate, and 3) whether current practices for managing previously authorized sampling equipment are satisfactory. Efforts in 2009 resulted in the development of procedures for evaluating new sampler designs.

Working with International Customers

FGIS personnel frequently provide information to foreign delegations on the U.S. grain marketing system, the national inspection and weighing system, and U.S. grain standards. Many of these delegations are sponsored by USDA Cooperator organizations, such as U.S. Wheat Associates and U.S. Grains Council, who arrange visits to grain production areas, FGIS field offices, onsite laboratories at export grain elevators, and FGIS' National Grain Center in Kansas City, Missouri. At the National Grain Center, delegations receive technical training on analytical testing procedures and grain inspection procedures.



Presentations are tailored to address each group's interests and concerns, and often include explanations of the various FGIS services, the Agency's use of the latest technology to provide grain traders with accurate and reliable inspection and weighing information and—for importers or potential importers new to the U.S. grain market—information on contracting for the quality they desire.

These briefings foster a better understanding of the entire U.S. grain marketing system and serves to enhance purchasers' confidence in U.S. grain. Ultimately, these efforts help move our Nation's harvest to end-users around the globe.

Summary of Briefings with Visiting Trade and Governmental Teams

During 2009, FGIS personnel met with 38 teams from 23 countries.

Brazil	Japan
Canada	Korea
Chile	Malaysia
China	Mexico
Colombia	Nigeria
European Union	Peru
Egypt	Philippines
El Salvador	Singapore
France	Turkey
India	United Arab Emirates
Indonesia	Vietnam
Israel	

International Outreach

Technical Assistance: In 2009, FGIS responded to customers' needs for technical assistance in foreign markets. Exporters, importers, and end-users of U.S. grains and oilseeds, as well as other USDA agencies, USDA Cooperator organizations, and other governments, occasionally ask for FGIS personnel to provide expertise. These activities include representing the Agency at grain marketing and grain grading seminars, meeting with foreign governments and grain industry representatives to resolve grain quality and weight discrepancies, helping other countries develop domestic grain and commodity standards and marketing infrastructures, assisting importers with quality specifications, and training local inspectors in U.S. inspection methods and procedures. Such activities typically have been funded through various programs administered by USDA's Foreign Agricultural Service (FAS), USDA-Farm Service Agency, directly by USDA Cooperators, or directly by FGIS.

Chinese Soybean Project: During 2009, FGIS coordinated with the North American Export Grain Association (NAEGA), U.S. Soybean Export Council, FAS and USDA-Animal and Plant Health Inspection Service (APHIS) to develop a soybean monitoring project with Chinese officials. The project, which is ongoing, is intended to address China's quality concerns and build positive relationships between USDA and Chinese inspection and quarantine officials—ultimately to increase demand for U.S. soybeans in this key market.

Japan Ends Testing Requirements for StarLink: FGIS worked closely with FAS, NAEGA, and other industry stakeholders to successfully eliminate Japan's testing and monitoring for the low-level presence of unapproved biotech events in grain (specifically, StarLink, Bt10, and Event-32 corn). Japan's Ministry of Health, Labor, and Welfare announced that monitoring



for StarLink was discontinued. Later, Japan's Ministry of Agriculture, Forestry and Fisheries announced that it no longer requires U.S. feed corn exports to Japan to be tested for StarLink. This successfully ended testing requirements for StarLink corn on a global basis.

Rice Shipments to Mexico: FGIS successfully coordinated with representatives from APHIS, FAS, and the USA Rice Federation regarding U.S. rice shipments to Mexico. Mexican officials claimed that some of the shipments contained false smut, a prohibited pest in Mexico. U.S. rice exports to Mexico resumed after importers agreed to fumigate U.S. rice entering Mexico and ship it directly to processing facilities.

Rice Shipments to Colombia: FGIS coordinated with representatives from FAS regarding two U.S. rough rice shipments to Colombia. Colombian plant health officials refused entry of U.S. rough rice due to the presence of kernel smut, a prohibited pest. Based on statements and documentation of FGIS, Colombian officials later allowed the shipments to discharge after receiving letterhead statements that FGIS witnessed the application of methyl bromide in the United States.

Promoting Standardization

Since 2002, FGIS has stationed an employee in Asia for a 1-3 month detail to work with Asian customers and their governments. FGIS has been able to address immediate and long-term issues in the region, promote a better understanding and adoption of U.S. sampling and inspection methods to minimize differences in results, and develop face-to-face relationships with customers, USDA Cooperators and government officials.

During the fall of 2009, an FGIS officer traveled for 4 weeks to China, Japan, South Korea, the Philippines, and Taiwan, conducting seminars and meeting with individuals and groups involved in the grain and milling industry in Asia. The seminars were organized with the help of U.S. Wheat Associates and were well received.

While in the region, the FGIS officer was able to address misunderstandings regarding contract specifications and grain grading. He was able to clarify in Taiwan, for instance, how FGIS determines contrasting classes of wheat. The buyers gained a better understanding of how to purchase U.S. wheat to meet their needs and expectations.



Summary of International Travel for 2009

Country/Region Visited	Purpose	Dates
Canada	• Sample export wheat shipment	October 2008
	• Perform seaboard grain inspection	February 2009
	• Participate in Canadian Grain Commission's Wheat Science Conference	June 2009
	• Participate in the American Society for Testing Material Committee meeting	April 2009
	• Perform seaboard grain inspection	September 2009
	• Perform seaboard grain inspection	September 2009
China	• Consult with Chinese Government officials regarding soybeans (APHIS, FAS, and AMS attended also)	July 2009
Dominican Republic	• Participate in the American Soybean Association's Training Seminar regarding FGIS role in soybean and corn export inspection	August 2009
Finland	• Participate in the 2009 International Conference Planning Committee Meeting on Electromagnetic Wave Interaction with Water and Moist Substances	June 2009
Haiti	• Sample corn-soy blend product and sorghum at USAID's request	March 2009
Hungary	• Attend annual Codex meeting	March 2009
Mexico	• Participate in U.S. Soybean Export Council's grain seminar	June 2009
Thailand	• Attend U.S. Wheat Associates South Asian Marketing Conference	June 2009
Asia (Korea, Taiwan, Philippines, Japan, China, Hong Kong)	• Collateral duty officer presents grain grading workshops to address immediate and long-term grain issues in the region and promote adopting of U.S. sampling and inspection methods	September-October 2009



**Improving
Safety for
Railcar Stowage
Exams**

FGIS performs stowage examination of carriers that transport U.S. grain and related products. This service is performed by visually inspecting the interior of the carrier to ensure its stowage area is clean, dry, and suitable to carry grain, rice, beans, peas, lentils, or related products. One common type of carrier is a railroad freight hopper car. To perform a stowage examination of a hopper car, grain inspectors must climb onto the top of the hopper car and walk along the top to visually examine the interior.

A fall from a hopper car is a well-known hazard. Hopper cars lack safety features such as guardrails, handrails, and ladders that extend from the top of the car to the ground. Facilities that handle hopper cars are required to provide fall protection trolleys and harnesses near their buildings. However, grain inspectors are often asked to perform stowage examinations while the hopper cars are out in the rail yard, where there are no fall protection devices.

Eliminating the hazard of falling from a hopper car is a priority of both FGIS and loading facilities. FGIS, in cooperation with some loading facilities, determined that it is feasible for an inspector to perform stowage examinations from inside the inspection lab using video cameras mounted above the cars a short distance before the loading spout. With this arrangement, the hopper cars are examined a few minutes before they are loaded. Guidelines for the video systems were incorporated into FGIS guidelines in 2009.

Section III: Protecting the Integrity of U.S. Grain & Related Markets

Alleged Violations	<p>At the beginning of fiscal year 2009, 20 cases involving alleged violations of the Act and the AMA were pending. During the year, FGIS opened 11 new cases stemming from foreign quality complaints, as well as allegation of falsifying inspection results and work records, deceptive loading, engaging in prohibited grain handling practices, filling a false application for official inspection, performing official functions without being licensed, improper disposition of excess rice samples, and failure to follow procedures and maintain records. FGIS issued 1 sanction letter and 6 warning letters for cases where violations of the Act or AMA occurred; 3 cautionary letters where a violation was suspected but not firmly established; and 5 informational letters where the violations were deemed minor or unintentional. In all, FGIS closed 22 cases—including 19 from prior years and 3 from 2009.</p>
Registrants to Export Grain	<p>The Act requires that all persons who buy, handle, weigh, or transport 15,000 metric tons or more of U.S. grain for sale in foreign commerce during the current or previous calendar year must register with FGIS. During 2009, FGIS issued 147 Certificates of Registration to individuals and firms to export grain.</p>
Delegation and Designation	<p>FGIS oversees 51 State and private agencies that are designated under the Act to provide voluntary official inspection and/or weighing services for domestic trade. In addition, FGIS supervises 4 States that are designated to provide official services in domestic markets and delegated to provide mandatory official services at export port locations within the State, and 1 State that is delegated to provide official mandatory services at selected export port locations but not designated to provide voluntary services within the State.</p> <p>Under the Act, designations must be renewed every 3 years. After reviewing their request for continued designation, FGIS renewed 17 agencies or full 3-year terms. FGIS also designated a new minority-owned company to provide official services in Texas.</p>
Quality Management Program	<p>As part of its strategic plan, FGIS is integrating the principles of modern quality management into the official system. Modern quality management programs (QMP) have a proven track record and are structured to ensure that activities necessary to design, develop, and implement a product or service are effective and efficient with respect to system performance.</p> <p>The QMP adopted by FGIS requires that all private and State agencies, as well as FGIS field offices that provide official inspection and weighing services</p>



establish a program based on the principles of quality control, quality assurance and quality improvement as a key component in the way they deliver official services. FGIS expects that implementation of the QMP will further enhance delivery of official services to the grain, feed, and processing industries while supporting Agency efforts to manage costs and staff resources.

All official service providers and FGIS field offices will be operating under an approved QMP during 2010.

**Compliance
Reviews**

FGIS conducts reviews of grain inspection and weighing operations within the official system's Federal, State, and private laboratories. During 2009, FGIS conducted onsite reviews of 1 FGIS office, 7 State departments of agriculture, and 16 private agencies. Review teams evaluated customer satisfaction—including potential service delivery discrimination, management effectiveness and efficiency—and compliance with established procedures. FGIS found no instances of service delivery discrimination and determined that the overall integrity of the national inspection system is intact.

**Contract
Review
Program**

FGIS initiated a program to assess export shipper's compliance with contractual sales terms. The goal of the program is to ensure integrity and transparency throughout the official inspection system by making certain that shippers do not provide any false or misleading application for official inspection service.

In 2009, FGIS began comparing randomly-sampled load order instructions provided by export shippers to official personnel to the type of inspection specified by the commercial sales contract. FGIS requests load order instructions from official agencies and FGIS field offices that provided official inspection services on a selected export grain shipment, and contacts the appropriate export shipper for a copy of the sales contract associated with the selected shipment. These two documents are compared to determine if the inspection procedures requested in the load order instructions match contract specifications. In the event discrepancies are found, FGIS takes appropriate action to correct the situation, including sending official correspondence to the appropriate company officials notifying them of the review findings.

Data are gathered on a quarterly basis for grain exported in vessels, by rail and in containers. FGIS' goal is to examine 2 percent of all export shipments through fiscal year 2010.

**Container
Inspection and
Weighing
Services**

The U.S. grain industry has experienced a significant increase in the demand for grain exported in containers. Loading grain in containers has been on a relatively small scale for years. However, with a surplus of empty containers at their disposal, grain exporters have seized the opportunity to ship grain at a low cost (freight rate) and deliver grain to small business entities.

Expansion of the container grain export market has far exceeded most forecasts. Inspection of containerized cargo has increased from 0.7 percent of total grain exported (metric tons) in 2005 to 4.8 percent of total grain inspected (metric tons) in 2008 and represented 1.7 percent of total grain officially inspected (metric tons) by FGIS in 2008. Due to a downturn in the worldwide economy in 2009, the industry saw a reduction in container shipments.

FGIS is challenged to keep up with the growing number of container loading facilities. In 2002, eight facilities exported grain by container. Currently, there are over 160 loading facilities, with the majority in proximity to the railroad hub in Chicago. Initially, most of the containers loading operations were based out of the Pacific Northwest where empty containers were abundant at the export container terminals. However, in the past 3 years, much of the activity has shifted to the Midwest due to close proximity to the grain supply and the rail yards that handle containerized cargo.

FGIS is developing outreach material for current and potential buyers of U.S. grain to improve their understanding of the sampling, inspection, and certification process for grain exported in containers.

In order to accommodate the containerized grain trade, FGIS has remained flexible with regard to sampling containerized lots and certification procedures. However, to ensure that FGIS regulations and service operations effectively address current and evolving market conditions, FGIS has initiated a comprehensive review of the policies and procedures governing official inspection and weighing services for grain exported in containers, and will propose any necessary regulatory changes during 2010.

**Standardizing
Commercial
Grain Inspection
Equipment**

In 2009, FGIS participated in an on-going cooperative effort between FGIS, National Conference on Weights and Measures (NCWM) and the National Institute for Standards and Technology to standardize commercial inspection equipment including grain moisture meters, near-infrared analyzers (for protein, oil, and starch), and test weight modules contained within moisture meters and near-infrared analyzers. FGIS served as the sole evaluation laboratory for grain inspection equipment under the NCWM's National Type Evaluation Program (NTEP). FGIS collected grain moisture meter calibration data for five instrument models as part of the NTEP on-going calibration program.

Calibrations developed in this program provide traceability back to the official FGIS moisture program and air oven reference method. These calibrations are used in the majority of moisture meters used in commercial grain transactions



throughout the United States. The NTEP laboratory completed an evaluation for a grain moisture meter and near-infrared model that was previously in the on-going calibration program for a different U.S. distributor.

In 2010, FGIS will again collect grain moisture meter calibration data for five NTEP models and will conduct NTEP testing for new grain inspection equipment models upon request.

Rice Miller Standardization

All rice millers used in the assessment of rough and brown rice milling yields are standardized to a master mill maintained by FGIS' National Grain Center. FGIS replaced all rice millers in the system with the newer milling system to minimize differences that might be due to wear or extensive repair of older equipment in the system.

In 2010, FGIS will continue to closely monitor system performance in order to maintain the better system-wide agreement that appears possible with the new equipment.



ISO Registration

The International Organization for Standardization (ISO) represents the national standards institutes and organizations of over 100 countries, including such major organizations as the American National Standards Institute, the American Society of Quality, the European Standards Institute, and the Japanese Industrial Standards Committee.

FGIS maintained ISO 9000:2000 certification for its primary reference methods (protein, oil, and moisture) and its Pesticide Data Program to enhance international credibility and acceptance of its results.

Visual Reference Material

FGIS's Visual Reference Image (VRI) system serves as the primary tool to ensure standardization of FGIS's subjective (visual) grain inspection services. In 2009, FGIS distributed new general appearance prints for lentils and rice, updated and replaced all of the current corn and soybean VRI using new technology and techniques that significantly improve image quality.

Collaboration with USAID & FSA

In 2009, USDA's Farm Service Agency (FSA) sought FGIS' expertise in evaluating a quality complaint lodged by a U.S. Agency for International Development (USAID) food aid recipient. Haitians who received a shipment of corn soy blend reported that children became sick after eating the product. Corn soy blend is a processed commodity composed of cornmeal, soy flour, soybean oil, minerals and vitamins used in governmental export food assistance programs. The

product has multiple uses but is mainly used as a weaning food in maternal child health programs, and to a lesser extent in emergency and other types of programs. FGIS did not provide sampling or inspection services prior to loading. At FSA's request, FGIS sent an inspector to those countries to obtain representative samples to be analyzed. Our review of the product found that it was fit for human consumption.

**Complaints from
U.S. Grain
Importers**

FGIS administers a formal process for investigating grain quality and weight discrepancies. When an importer of U.S. grain submits a claim regarding quality or weight, FGIS analyzes samples retained on file from the original inspection and samples submitted from the complainant (if the buyer chooses to submit them) to evaluate whether the discrepancy was due to differences in samples, procedures, or an actual change in quality from the time of the original inspection.

The process verifies whether the original inspection and weighing service provided at the time of loading was correct, based on all available information. FGIS then issues a report outlining its findings and providing suggestions to avoid similar discrepancies in the future.

Occasionally, a particular buyer or importing country reports repeated discrepancies which cannot be resolved by a shipment-by-shipment review under this process. In such cases, FGIS may conduct collaborative sample studies or joint monitoring activities to address the discrepancy in a more comprehensive manner.

In 2009, FGIS received 15 quality complaints and no weight complaints from importers on grains inspected under the U.S. Grain Standards Act, as amended. These complaints involved 606,356 metric tons, or about 0.6 percent by weight, of the total amount of grain exported during the year.



Summary of Complaints Reported by Importers on Inspection and Weighing (2009)

Complainant (Region)	Country	Commodity	Number of Complaints	Nature of Complaint(s)
Asia	China	Soybeans	1	Treated soybeans
	Japan	Soybeans	1	Treated soybeans
		Wheat	1	Foreign material
	Malaysia	Corn	1	Damage
	South Korea	Corn	5	Broken corn and foreign material, Heat damage, damage
	Vietnam	Soybeans	1	Foreign material
Central/South America	Guatemala	Wheat	1	Odor
	Venezuela	Wheat	1	Wheat of other classes
North America	Canada	Corn	1	Damage, heat damage, Broken corn and foreign material
	Mexico	Corn	1	Broken corn and foreign material
		Wheat	1	Heat damage
Total			15	

Section IV: Providing Official Grain Inspection & Weighing Services

Partnerships with States and Private Entities

FGIS manages the national inspection and weighing system through a unique network of Federal, State, and private laboratories that serve our grain producers, handlers, processors, and exporters across the country. Our State and private partners are authorized to provide official services on FGIS' behalf under the authority of the Act and the AMA. FGIS delegates States to provide official inspection and weighing of U.S. grain at export port locations; and designates States and private agencies to provide official inspection and weighing services in the domestic market. FGIS has 42 agreements with States and private entities to provide sampling or inspection services for miscellaneous processed commodities, graded commodities, or rice under the AMA.

Vessel Fumigation Procedures

Since 1975, FGIS, in cooperation with USDA's Agricultural Research Service and the grain, fumigant and maritime industries, has been involved in research to develop safe, effective, and economical fumigation methods for bulk grain loaded aboard oceangoing vessels. Based on the findings of these studies, FGIS developed policies and procedures to safely and effectively fumigate bulk grain aboard certain vessels and the vessels may sail (in-transit fumigation) before the fumigation results are verified.

In 2008, FGIS initiated a review of its in-transit fumigation policies and procedures to ensure that they reflect current science and technology. During 2009, involved stakeholders in a dialogue about its findings, and subsequently issued a new Fumigation Handbook that enhances the efficacy and safety of the program.

Educational Material

FGIS provides educational materials and grading aids to our customers through various outlets, at industry meetings and trade shows, and to the public through the FGIS website. In 2009, FGIS developed the following courses: Sale Day Market Review, FGISonline Official License Program, FGIS Grain Inspection Orientation, Corn Grading, Basic Statistics, and Act and Regulations. In cooperation with U.S. Wheat Associates, FGIS also developed Spanish language posters of the wheat grade chart and the procedures for dividing a wheat sample into portions for individual tests.



**Inspection Program Data
Fiscal Years 2007-2009**

Item	Fiscal Years		
	2007	2008	2009
Quantity of Grain Produced ¹ (Mmt) ²	477.5	474.7	478.4
Quantity of Standardized Grain Officially Inspected (Mmt) ³			
Domestic	178.2	181.3	168.3
Export by FGIS	76.9	81.4	71.4
by Delegated States	26.6	32.2	24.9
by Designated Agencies	<u>12.5</u>	<u>14.8</u>	<u>10.0</u>
Total	294.2	309.7	274.6
Quantity of Non-Standardized Grain Officially Inspected (Mmt) ⁴			
Domestic	0.0	0.0	0.0
Export by FGIS	1.0	0.1	0.0
by Delegated States	0.0	0.0	0.0
by Designated Agencies	<u>1.5</u>	<u>0.1</u>	<u>0.0</u>
Total	2.5	0.2	0.0
Delegated States/Official Agencies			
Delegated and Designated States	4	4	4
Delegated States	1	1	1
Designated States	6	7	7
Private Agencies	<u>44</u>	<u>44</u>	<u>44</u>
Total	55	56	56
<i>(continued)</i>			

¹ Source: USDA World Agricultural Supply and Demand Estimates. This figure includes production of wheat, corn, sorghum, barley, oats, and soybeans.

² Million metric tons.

³ Includes grains for which FGIS maintains official standards: barley, canola, corn, flaxseed, oats, rye, sorghum, soybeans, sunflower seed, triticale, wheat, and mixed grain.

⁴ Includes items inspected under the authority of the U.S. Grain Standards Act that do not meet the requirements for grain as set forth in the Official U.S. Standards for grain, including cracked corn.

Item	Fiscal Years		
	2007	2008	2009
Number of Official Original Inspections ¹			
FGIS	99,873	96,930	101,630
Delegated States/Official Agencies	<u>3,021,969</u>	<u>3,315,636</u>	<u>3,025,970</u>
Total	3,121,842	3,412,566	3,127,600
Number of Grain Reinspections			
FGIS	211	175	201
Delegated States/Official Agencies	<u>23,272</u>	<u>20,844</u>	<u>27,083</u>
Total	23,483	21,019	27,284
Number of Grain Inspection Appeals			
Field Offices	2,212	5,300	2,555
Board of Appeals and Review	<u>348</u>	<u>463</u>	<u>274</u>
Total	2,560	5,763	2,829
Number of Official Commercial Inspections			
FGIS	32	1	4,095
Delegated States/Official Agencies	<u>1,056,273</u>	<u>1,141,158</u>	<u>1,183,086</u>
Total	1,056,305	1,141,159	1,187,181
Number of Barley Protein Inspections			
FGIS	0	0	0
Delegated States/Official Agencies	<u>6,717</u>	<u>9,527</u>	<u>6,863</u>
Total	6,717	9,527	6,863
Number of Corn Protein, Oil and Starch Inspections			
FGIS	7	1	194
Delegated States/Official Agencies	<u>136</u>	<u>444</u>	<u>443</u>
Total	143	445	637
<i>(continued)</i>			

1 Includes original inspections for grade, factor-only inspections, official criteria, and official commercial inspections.



Item	Fiscal Years		
	2007	2008	2009
Number of Wheat Protein Inspections			
FGIS	25,100	24,965	19,168
Delegated States/Official Agencies	<u>462,051</u>	<u>550,273</u>	<u>456,994</u>
Total	487,151	575,238	476,162
Number of Soybean Protein and Oil Inspections			
FGIS	15,008	12,800	14,725
Delegated States/Official Agencies	<u>14,540</u>	<u>24,820</u>	<u>27,158</u>
Total	29,548	37,620	41,883
Number of Sunflower Seed Oil Inspections			
FGIS	0	0	0
Delegated States/Official Agencies	<u>35,141</u>	<u>39,210</u>	<u>45,305</u>
Total	35,141	32,210	45,305
Number of Grain Aflatoxin Inspections			
FGIS	37,724	32,470	28,642
Delegated States/Official Agencies	<u>110,452</u>	<u>143,062</u>	<u>107,386</u>
Total	148,176	175,532	136,028
Number of DON Inspections			
FGIS	10,157	9,820	7,637
Delegated States/Official Agencies	<u>57,126</u>	<u>61,959</u>	<u>51,833</u>
Total	67,283	71,779	59,470
<i>(continued)</i>			

Item	Fiscal Years		
	2007	2008	2009
Number of Fumonisin Tests			
FGIS	41	18	7
Delegated States/Official Agencies	<u>7,680</u>	<u>5,777</u>	<u>6,098</u>
Total	7,721	5,795	6,105
Number of StarLink Tests			
FGIS	1,794	2060	3,489
Delegated States/Official Agencies	<u>17,522</u>	<u>23,623</u>	<u>11,575</u>
Total	19,316	25,683	15,064
Number of Wet Gluten Tests			
FGIS	0	8	0
Delegated States/Official Agencies	<u>3</u>	<u>0</u>	<u>0</u>
Total	3	8	0
Qty. of Rice Produced (Mmt) (milled basis)	9.0	9.2	9.9
Qty. of Rice Inspected (Mmt) (milled basis)	1.9	2.4	2.3
Number of Rice Inspections			
FGIS	17,745	12,684	11,008
Delegated States/Official Agencies	<u>22,855</u>	<u>21,660</u>	<u>20,267</u>
Total	40,600	34,344	31,275
Number of Rice Appeals	186	103	109
Number of Rice Board of Review Appeals	1	0	2
<i>(continued)</i>			



Item	Fiscal Years		
	2007	2008	2009
Quantity of Pulses Produced (Mmt) (beans, peas, lentils)	2.0	1.8	2.2
Quantity of Pulses Inspected (Mmt)			
FGIS	0.7	0.8	0.6
Cooperators	<u>0.1</u>	<u>0.1</u>	<u>0.2</u>
Total	0.8	0.9	0.8
Number of Pulse Inspections			
FGIS	13,936	13,131	11,283
Cooperators	<u>8,399</u>	<u>6,915</u>	<u>7,869</u>
Total	22,335	20,046	19,152
Number of Pulse Appeals	368	142	250
Number of Pulse Board of Review Appeals	12	20	26

**Weighing Program Data
Fiscal Years 2007-2009**

Item	Fiscal Years		
	2007	2008	2009
Official Weight Certificates Issued			
FGIS			
Class X ¹	67,035	80,537	67,943
Class Y ²	<u>7,048</u>	<u>7,572</u>	<u>1,220</u>
Total	74,083	88,109	69,163
Delegated States/Official Agencies			
Class X ¹	165,565	261,284	149,140
Class Y ²	<u>78,251</u>	<u>79,150</u>	<u>77,393</u>
Total	243,816	340,434	226,533
Exported Grain Weighed (Mmt)			
FGIS	76.7	81.1	70.3
Delegated States	<u>26.5</u>	<u>31.9</u>	<u>24.8</u>
Total	103.2	113.0	95.1
Number of Certified Scales in Service			
Export Elevators	230	222	222
Number of Scales Tested			
Railroad Track Scales	200	220	215
Hopper Scales	675	615	520
Vehicle Scales	228	370	300

¹ Class X weighing involves 100 percent supervision of weighing.

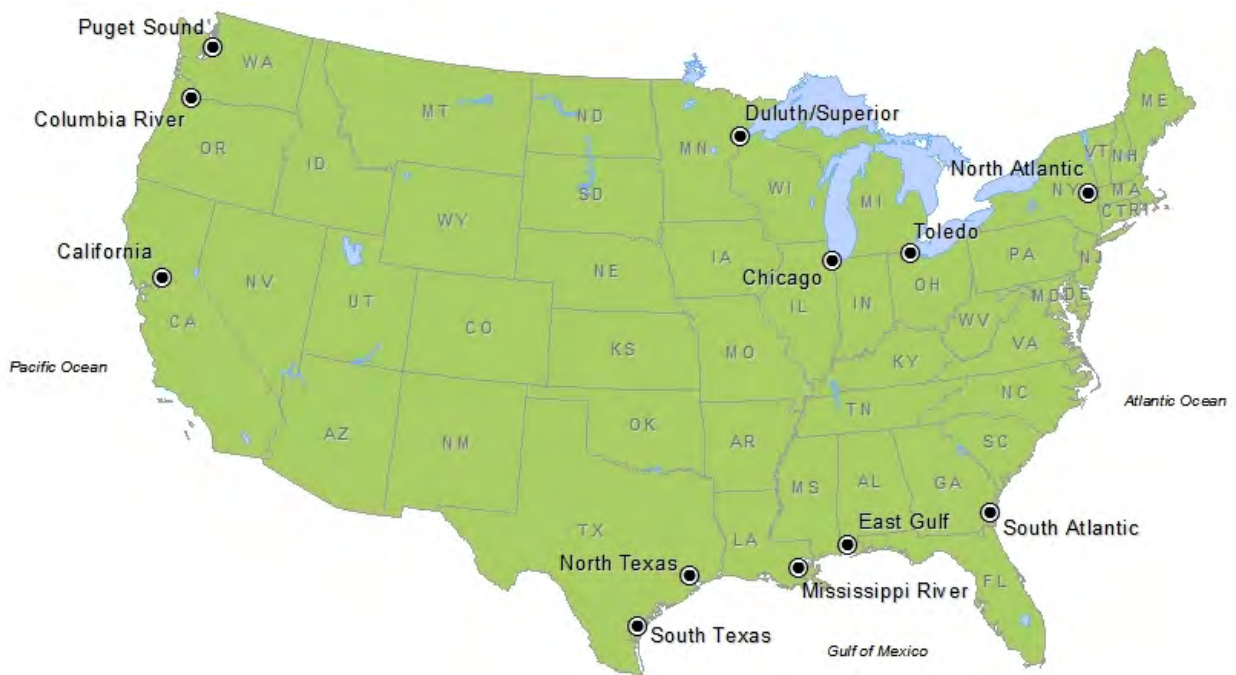
² Class Y weighing involves a minimum of 25 percent supervision of weighing.



**Volume of Grain Inspections (Exports)
by Port Areas
October 2008-September 2009**

Port Area	Million Metric Tons (MMT)	Percent of Total U.S. Exports
California	0.12	0.1%
Chicago	0.23	0.2%
Columbia River	16.04	15.1%
Duluth-Superior	0.81	0.8%
East Gulf	0.66	0.6%
Interior¹	10.46	9.8%
Mississippi River	54.55	51.3%
North Atlantic	0.15	0.1%
North Texas	6.28	5.9%
Puget Sound	11.41	10.7%
South Atlantic	1.53	1.4%
South Texas	3.51	3.3%
Toledo	0.49	0.5%
Total	106.25 MMT	100.00%

1. Figures include all rail and containers loaded in the continental U.S. destined for export. The primary destination for rail shipments is Mexico with containers shipped worldwide through established ports.



Section V: Management Initiatives

Succession Planning



FGIS has taken a number of steps to ensure the quantity and quality of our future workforce. In 2009, FGIS instituted an apprentice/development program for agricultural commodity technicians that will prepare staff for future agricultural commodity grader vacancies. Under this program, FGIS developed a new “apprentice” agricultural commodity grader position, which is classified at the GS-7 grade level instead of the usual GS-05 level, and is a 3-year term appointment. The program includes a full training curriculum with technical, administrative, and regulatory components. Incumbents compete for this position, which in turn, allows them to compete for available vacant GS-9 grader positions if they successfully complete the training program.

FGIS is also continuing the Specialized Enhancement Program at three major export field offices (New Orleans, League City, and Portland) to enhance the proficiency of the technical workforce by improving communication skills, developing better technical skills, and improving the understanding of internal field office processes and procedures.

Distance-Learning Course

In 2009, FGIS launched a new distance education course on the U.S. grain inspection system in collaboration with the Grain Elevators and Processors Society (GEAPS) and Kansas State University (KSU). The course, entitled “FGIS Grain Inspection Orientation”, includes 11 hours of content including: Grain Production and Marketing, Grain Marketing Legislation, United States Grain Standards Act, Industry Trading Rules, Grain Inspection Services, USGSA Regulations Part 800, the USGSA Regulations Part 810, Grain Quality Factors, Official Sampling, Practical Sampling for Grain Handlers, Grain Inspection Lab tour, Official Inspection Procedures, Practical Inspection Procedures for Grain Handlers, Inspection Variability, and the Weighing Program.

The course is designed to be an introduction to the U.S. grain inspection system and provides useful information to anyone planning to pursue work in the grain industry. The target audience includes industry professionals in operations, merchandising, and a wide variety of other capacities. GEAPS/KSU offered the new course through their Distance Learning Program in June of 2009, and it was well received by the initial class of 32 students. FGIS is

also using the course material in its internal training as well as in outreach and education programs.

Restructuring Domestic Field Offices

Today's technology offers even greater opportunity to change our business practices and improve service delivery. Centralizing quality control programs represent a very important component of a larger reinvention of the official inspection system that FGIS is undertaking to better serve the needs of the new emerging market. This process will not simply move the quality control processes used today to a central location, but will entail a complete re-engineering of the quality control process using new technology.

In 2010, FGIS will finalize plans to centralize State, private agency, and contractor oversight and monitoring of inspection services at the National Grain Center in Kansas City, Missouri. FGIS will continue to maximize use of the official grain inspection and weighing system by implementing and improving operations and services to meet customers' needs.

Customer Survey

FGIS will conduct an electronic survey starting in March 2010, seeking feedback from customers to evaluate the services provided by the official inspection, grading, and weighing programs. FGIS has previously conducted customer surveys in 1996, 2000, and 2007. Survey questions are based on those areas that had been identified by customers as being critical to the official system's success: timeliness, cost-effectiveness, accuracy, and consistency, usefulness of services and results, and professionalism of employees.

FGIS determined that a representative sampling of about 1,100 customers will be surveyed. To improve survey results, FGIS will randomly select the same proportion from each agency and field office.



Survey results are used to make necessary program and policy changes aimed at increasing service delivery. FGIS will share a compilation of the results with employees, customers, and the public via its web site.

Section VI: Financial Information

FGIS User Fee Accounts

	Revenue	Obligations	Profit/Loss	Retained Earnings
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U.S. Grain Standards Act

Inspection & Weighing	\$31,192,780	\$33,263,593	(\$2,070,813)	\$4,673,916
Official Agencies	\$2,154,751	\$1,951,680	\$203,071	\$2,790,752

Agricultural Marketing Act

Rice	\$4,176,635	\$3,758,190	\$418,445	\$1,007,973
Processed Commodities	\$2,409,025	\$2,755,096	(\$346,071)	\$1,475,496
Total FY 2009	\$39,933,191	\$41,728,559	(\$1,795,368)	\$9,948,137

FGIS' Appropriated Budget Authority

Dollars in thousands

Appropriated Funds	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
	\$17,491	\$18,186	\$17,613	\$17,613	\$17,613

