

MEMORANDUM OF UNDERSTANDING

Between the

CONSOLIDATED FARM SERVICE AGENCY
U.S. Department of Agriculture

and the

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION
U.S. Department of Agriculture

I. PURPOSE

This agreement sets forth the support activities that the Consolidated Farm Service Agency (CFSA) will provide to the Grain Inspection, Packers and Stockyards Administration (GIPSA) (formerly Federal Grain Inspection Service) to implement provisions of the United States Grain Standards Act (7 U.S.C. 71 et. seq.) (USGSA). This agreement is specifically targeted toward enforcement of provisions of the USGSA, and the Regulations thereunder, that prohibit the addition of dockage, foreign material, and water to grain.

II. BACKGROUND

To ensure the quality of grain entering the marketplace, to foster the marketing of grain of high quality to both domestic and foreign buyers, to help ensure a strong market for U.S. grain exports, and to promote fair and honest weighing practices, the USGSA prohibits the addition of dockage or foreign material to any grain, and the regulations prohibit the addition of water to grain, except for milling, malting, and similar processing operations.

GIPSA has taken steps to monitor these prohibitions at grain handling facilities where official services are provided under the USGSA, however, the majority of grain handling facilities in the U.S. do not receive such services. Therefore, GIPSA's ability to monitor the grain handling practices at the majority of U.S. grain handling facilities is limited. Many of these facilities are licensed to store grain and other agricultural commodities under the United States Warehouse Act (7 U.S.C. 241-273) (USWA) and approved under the Commodity Credit Corporation (CCC) Uniform Grain Storage Agreement (UGSA). CFSA personnel periodically examine these facilities to ensure compliance with license and contract requirements, and are therefore in a position to observe grain handling practices and USGSA compliance.

Also, given the nature of CFSA program locations, local CFSA offices are afforded greater opportunity to interact with producers and grain handling facilities that do not receive official services under the USGSA.

III. SUBSTANCE OF AGREEMENT

A. GIPSA and CFSA will:

1. Jointly develop guidelines for CFSA warehouse examiners to help them identify grain handling practices that may be in violation of the USGSA.
2. Jointly develop educational information on the USGSA prohibited grain handling practices for distribution by local CFSA offices to producers and by KCCO to warehousemen.

B. CFSA will:

1. Report suspected violations of the USGSA to GIPSA when warehouse examiners observe suspected violations while performing warehouse examinations. Violations could include:

- Adding dockage or foreign material to any grain;
- Blending different kinds of grain; and
- Adding water to grain.

Report suspected violations to GIPSA at (202) 720-8536 or 1-800-998-FGIS.

2. Distribute to producers, through their local CFSA offices, educational information on prohibited grain handling practices and the USGSA.
3. Distribute to warehousemen licensed under the USWA and approved under the USGSA, through the KCCO, educational information on prohibited grain handling practices and the USGSA.

C. GIPSA will:

1. Provide educational information and technical support to CFSA.
2. Conduct appropriate investigation of reported violations.

Attachment 1: Summary of Grain Handling Practices under the USGSA

Attachment 2: GIPSA Program Bulletin 92⁴.24 - Adding Water To Grain

IV. NAMES AND ADDRESSES OF PARTICIPATING AGENCIES

A. Grain Inspection, Packers and Stockyards Administration
U. S. Department of Agriculture
14th & Independence Avenue, S.W.
Washington, D.C. 20250

B. Consolidated Farm Service Agency
U. S. Department of Agriculture
14th & Independence Avenue, S.W.
Washington, D.C. 20250

V. LIAISON OFFICERS

A. FGIS

Director, Compliance Division
USDA, GIPSA
Room 1647S
P.O. Box 96454
Washington, DC 20090-6454

(202) 720-8536

B. CFSA

Director, Warehouse and Inventory Division
USDA, CFSA
Room 5962
14th & Independence Avenue, S.W.
Washington, DC 20090

(202) 720-2121

PERIOD OF AGREEMENT

This agreement is effective immediately, and continues indefinitely. It may be terminated by either party upon a 30-day written notice.

Approved and accepted for the
Grain Inspection, Packers and
Stockyards Administration

Approved and accepted for the
Consolidated Farm Service Agency

BY: David R. Skypman
TITLE: Deputy Administrator
DATE: March 17, 1995

BY: Grant Buntwick
TITLE: Acting Administrator
DATE: March 22, 1995