



Federal Grain Inspection Service's
Grain Inspection Advisory Committee Meeting
Minutes
September 5-6, 2018
National Grain Center
Kansas City, Missouri

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MEETING ATTENDEES

Advisory Committee Members

Chad Becnel, Manager, SGS Group Inc.
Sarah Sexton-Bowser, Producer
Randall Burns, Program Coordinator, Arkansas Bureau of Standards
Janice Cooper, Managing Director, Wheat Marketing Center Inc.
Patricia Dumoulin, Owner, Dumoulin Farms
Nick Friant, Business Unit-Food Safety Leader, Cargill Inc.
John Lindgren, Director, United Grain Corporation
Kia Mikesh, Project Manager, North Dakota Grain Inspection Services, Inc.
John Morgan, Vice President, Supreme Rice, LLC
Rick Robinette, President, Sioux City Inspection and Weighing Services Co.
Bruce Sutherland, President, Michigan Agricultural Commodities
Linsey Moffit-Tobin, Quality Coordinator, Eastern Iowa Grain Inspection and Weighing Services
Brent Turnipseed, Professor, South Dakota State University Seed Testing Lab
Jimmy Williams, Missouri Department of Agriculture

AMS

Bruce Summers, Administrator, AMS
Dana Coale, Acting Deputy Administrator, FGIS
Kendra Kline, Assistant to the Deputy Administrator, FGIS
Ramon Luevano, Assistant Chair, Board of Appeals, Technology and Science Division (TSD), FGIS
Cathy Brenner, Branch Chief, Inspection Instrumentation Branch, TSD, FGIS
Tony Goodman, Acting Director, Field Management Division (FMD), FGIS
Karen Guagliardo, Director, Quality Assurance and Compliance Division (QACD), FGIS
Byron Reilly, Director, International Affairs Division (IAD), FGIS
Denise Ruggles, Executive Program Analyst, FGIS
LeRoy Capper, Chief Innovation Officer, FGIS
Patrick McCluskey, Branch Chief, Policy, Procedures and Market Analysis Branch, FMD, FGIS
Timothy Norden, Chief Scientist, TSD, FGIS
Barbey Benedict, Site Coordinator, TSD, FGIS
Sandra Metheny, Field Office Manager, Stuttgart Field Office, FMD, FGIS
Jimmy Martin Jr., Agricultural Commodity Grader, Stuttgart Field Office, FMD, FGIS
Jose Robinson, Supervisory Agricultural Commodity Grader, League City Field Office, FMD, FGIS
Kathryn Baxter, Agricultural Commodity Grader, New Orleans Field Office, FMD, FGIS

Charles Parr, Quality Assurance Specialist, Domestic Inspection Operations Office, FMD, FGIS
Ronald Bundy, Field Office Manager, Domestic Inspection Operations Office, FMD, FGIS
Sophie Parker, Deputy Director, QACD, FGIS
Thomas Weber, Branch Chief, Analytical Chemistry Branch, TSD, FGIS
Tandace Bell, Branch Chief, Biotechnology and Analytical Services Branch, TSD, FGIS

Public Attendees

Larry Speaks, Perten Instruments
Terry Allen, Perten Instruments
Jory Harris, Perten Instruments
Philip Garcia, Washington State Department of Agriculture
Michelle Osborne, Mid-Iowa Grain Inspection
Jess McCluer, National Grain and Feed Association
Tom Meyer, Kansas Grain Inspection
Mark Adams, North Dakota Grain Inspection
Renee Blick, Mid-Iowa Grain Inspection
Meikel Brewster, Charm Sciences
Roger Vanderkolk, DICKEY-John
Erica Venancio, American Association of Grain Inspection and Weighing Agencies
Tom Dahl, Sioux City Inspection & Weighing Service
David Ayers, Champaign-Danville Grain Inspection
John Sharpe, American Association of Grain Inspection and Weighing Agencies
Greg Stordahl, Montana Department of Agriculture
Chad Huebner, Jamestown Grain Inspection
Danae Podraza, Lincoln Inspection
Brandon Byrd, Champaign-Danville Grain Inspection
Stephen Nenonen, FOSS

BACKGROUND INFORMATION

The Grain Inspection Advisory Committee (Committee), appointed by the Secretary of Agriculture, is comprised of 15 members who represent all segments of the grain industry. Two additional members serve as alternates. They include grain producers, processors, merchandisers, handlers, exporters, consumers, grain inspection agencies, and scientists. Recommendations by the Committee help the Federal Grain Inspection Service (FGIS) to better meet the needs of its customers who operate in a dynamic and changing marketplace.

WELCOME

Mr. Bruce Summers, Administrator, Agricultural Marketing Service (AMS), welcomed everyone to the Committee meeting. Mr. Summers gave an overview of AMS and discussed the merger of FGIS into AMS.

Ms. Dana Coale, Acting Deputy Administrator, FGIS, lead Committee, FGIS staff, and public introductions. In addition, Ms. Coale provided an overview of the meeting content and indicated with 14 members in attendance, a quorum was achieved and the meeting would commence.

OPENING REMARKS

Ms. Janice Cooper, Chairperson, Advisory Committee, approved the agenda and covered the important role that FGIS plays in the wheat market and with foreign buyers.

REVIEW AND ACCEPTANCE OF AGENDA

The Advisory Committee approved the September 5-6, 2018, agenda as presented.

MEETING OVERVIEW

Ms. Kendra Kline, Assistant to the Deputy Administrator, shared the scope of the Committee and duties as a committee member. Information was provided regarding meeting logistics.

PROGRAM UPDATES

Ms. Dana Coale discussed the AMS organization and restructuring that has occurred over the past year with the Committee. Information regarding the continuation of operations was shared focusing on service, hiring status of key positions, increasing transparency and enhancing industry relations.

For additional details, please see the presentation **Program Updates**.

QUALITY ASSURANCE AND COMPLIANCE DIVISION UPDATES

Ms. Karen Guagliardo, Director of the Quality Assurance and Compliance Division (QACD), provided updates on reviews/audits, quality management program, investigations, exceptions programs, boundary review, and delegation documents.

QACD conducts compliance reviews/audits of the official system. This includes the field offices, designated/delegated agencies, and cooperators. Out of 44 reviews, 82% were 90 or above, 27% achieved Gold Standard level. The Gold Standard Award requires a full Quality Management Program (QMP) Review of 95% or above, an Agreement Quotient of 90 or higher, and the Official Agency must be in good standing during the year. FGIS is refining the QMP directive and standard to make it more streamlined and easier to understand and use. Training on the new directives should occur in fiscal year 2019 and new audits should take place in 2020.

QACD is responsible for conducting investigations for violations of the U.S. Grain Standards and Agriculture Marketing Act. Official personnel are required to report any violations of statutes, policies, procedures, or instructions. QACD discussed the exceptions program that is currently paused. QACD is currently reviewing the boundaries for designated agencies. This includes reviewing the number of facilities using the official system, volume of grain in the official system, estimate of unofficial volume, number of carriers in the official system, other services provided, and fees of services in the official system. QACD mentioned they are working on updating the delegation document language and will re-certify the delegated states every five years.

For additional details, please see the presentation **Quality Assurance and Compliance Division Updates**.

TECHNOLOGY AND SCIENCE DIVISION UPDATES

Dr. Timothy Norden provided a brief overview Technology and Science Division. The Board of Appeals and Review (BAR) Branch update was provided by Mr. Ramon Luevano, Assistant BAR Chairman. Mr. Luevano shared the latest BAR information on determining Hard and Vitreous Kernels of Amber Color (HVAC) in durum wheat. Currently, the BAR is exploring the utilization of bleach in determining HVAC. Next, Ms. Cathleen Brenner, Inspection Instrumentation Branch (IIB) Branch Chief, presented on the LED lighting study; NIR

Equivalency Field Study; FGIS Approval Process for equipment, instruments, and test kits; Moisture Meters Performance; and the Commercial Rice Mill Study. The Analytical Chemistry Branch (ACB), Branch Chief Mr. Tom Weber, provided updates on Falling Number testing and Mycotoxin testing.

For additional details, please see the presentation **Technology and Science Division Updates**.

NATIONAL GRAIN CENTER TOUR-DAY 1

The National Grain Center (NGC) tour was split into two days. On Wednesday, September 5, the Committee visited BAR work space, the IIB labs, Wheat Functionality Lab, and the Digital Media offices.

For additional details, please see the presentation **NGC Tour-Day 1**.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE PRESENTATION

Mr. George Galasso, National Trade Director for Grain with Animal and Plant Health Inspection Service (APHIS), presented on the USDA System Approach for U.S. Soybeans. The presentation gave an overview of the recommended best practices that can help reduce weed seeds in soybeans on the farm, at U.S. grain elevators, and at the point of export. APHIS and AMS are collaborating on a national survey at country and export elevators. The agencies will then analyze the data gathered from the survey to identify opportunities for improving the results of the system approach.

For additional details, please see the presentation **System Approach for U.S. Soybeans**.

INTERNATIONAL AFFAIRS DIVISION UPDATES

Mr. Byron Reilly, Director, International Affairs Division, provided an overview of the division and its role and responsibilities. Additional information was presented on International Outreach, International Sampling Methods, Soybean Exports to China, and Foreign Complaints.

For additional details, please see the presentation **International Affairs Division Updates**.

FIELD MANAGEMENT DIVISION UPDATES

Mr. Anthony Goodeman, Acting Director, Field Management Division (FMD), provided an overview of FMD and presented the latest data on exports, hiring

plans, training programs, the Performance Appraisal System, and official services in Texas. Mr. Pat McCluskey, Branch Chief of Policies, Procedures and Market Analysis Branch, presented information on the current status of standards reviews and the sampler power supply lockout switch compliance requirements.

For additional details, please see the presentation **Field Management Division Updates**.

FINANCIAL UPDATES

Ms. Denise Ruggles, Executive Program Analyst, began Thursday morning with in-depth information on FGIS finances. Ms. Ruggles explained the different type of funding accounts and how the accounts are linked to the U.S. Grain Standards Act and Agricultural Marketing Act. Each account's performance over a 9 year period was provided. Ms. Ruggles explained the operating reserves for the funding accounts, fee review process, fee table removal proposal, supervisory fee suspension, limitation on obligations, and provided a brief outlook for Fiscal Year 2019 funding.

For additional details, please see the presentation **Financial Updates**.

FGISONLINE OVERVIEW

Mr. LeRoy Capper, Chief Innovation Officer, gave a brief overview of the applications of FGISOnline, the new technology being utilized on modernization projects, and upcoming updates.

For additional details, please see the presentation **FGISOnline Overview**.

PUBLIC COMMENTS

Time was allocated on the agenda to give the public an opportunity to address the Committee. One comment was made by Mr. Jory Harris, Perten Instruments, discussing the importance of NIR equivalency.

NATIONAL GRAIN CENTER TOUR-DAY 2

The NGC tour on Thursday, September 6, included the Domestic Inspection Operations Office, Equipment Checktesting, Trace Analysis-Mycotoxins, Trace Analysis-Pesticides, Biotechnology Labs, Commodities Testing, and Reference Labs.

For additional details, please see the presentation **NGC Tour-Day 2**.

RESOLUTION DISCUSSION

The Committee spent a considerable amount of time proposing and approving 17 resolutions as presented below. All resolutions were approved via a voice vote with the exception of Resolution 8. The Committee elected to hold a ballot vote of the members to determine whether to include Resolution 8. Inclusion of Resolution 8 was approved with a vote of 7 yes, 4 no, and 3 abstentions. Motion was passed to destroy ballots.

Mr. Chad Becnel motioned to accept all the resolutions as written and Mr. Bruce Sutherland seconded the motion.

CHAIRPERSON

Committee member Ms. Linsey Moffit-Tobin was selected to serve as the next Committee Chairperson.

NEXT MEETING

The Committee members will be contacted at a later date to discuss the spring meeting location and timeframe.

ADVISORY COMMITTEE RESOLUTIONS

1. HVAC

The Advisory Committee commends FGIS for researching an improved method for HVAC classification in Durum wheat. The committee recommends FGIS continue to research and develop a bleaching method to quantify and separate HVAC kernels from soft kernels in durum wheat to facilitate subclass determinations. The committee encourages FGIS to further investigate whether the same or similar methods can be used to determine DHV kernels versus non-vitreous kernels in the Hard Red Spring Wheat class.

2. Falling Number

The Advisory Committee acknowledges the progress FGIS has made to implement the October 2016 resolution reducing the variance of Falling Number test results. The Committee encourages FGIS to implement the new barometric pressure correction and require the use of the Shakematic on May 1, 2019. FGIS should continue identifying ways to reduce the test result variation, and actively identify and evaluate alternative technologies for determining the effect of alpha amylase.

3. Mycotoxin Test Kits

The Advisory Committee urges FGIS to continue to identify causes of variation in mycotoxin testing and to develop a comprehensive plan to address these causes.

The Committee requests FGIS to investigate certifying and reporting at lower levels than the current limit of quantitation, and report back to the Committee.

4. New Devices

The Advisory Committee appreciates FGIS' recognition of the importance of encouraging competition in the official device system. The Committee urges FGIS to develop a comprehensive and proactive approach to identifying new technology priorities that may bring improved test results, greater efficiency and/or lower cost. The Committee recognizes that any new devices must add value to the testing system in compliance with current guidelines.

5. Program Guidance

The Advisory Committee recommends FGIS take steps to reconcile and consolidate instructions to ensure clear, easy to access guidance. This would help the official system provide more accurate, consistent and timely service.

6. SIMS/ Quality Assurance

The Advisory Committee recommends that FGIS continue to review and update the SIMS/quality assurance tolerances for moisture meters, and post the results of the analysis to the FGIS website, in accordance with the July 2014 and April 2015 Advisory Committee resolutions.

Furthermore, the Committee recommends that FGIS actively participate, as appropriate, in the National Conference on Weight and Measures, Grain Analyzer Sector efforts to reduce the maintenance and acceptance tolerances for moisture meters in the National Institute of Standards and Technology Handbook 44.

7. New Hire Training and Continuing Education

The Advisory Committee commends the Field Management Division in their efforts to modernize training for new hire graders at the field level. We encourage the continued effort of developing new and innovative techniques for training and continued education of field level graders working directly with end users. Accuracy, efficiency and consistency is of the utmost importance for end users across all regions.

8. Nonuse of Service Exception

The Advisory Committee supports the “nonuse of service exception” program allowing a grain elevator to request such service from another officially designated inspection and weighing agency outside its designated service area, which is conditionally reviewed by FGIS. Subsequently, the committee recommends that grain elevators who had their FGIS-approved agreements terminated, based on GIPSA’s interpretation of the revised language in the 2015 Agriculture Reauthorizations Act, be provided the *option* to reinstate their prior agreement with FGIS officially designated grain inspection and weighing agency.

9. Cost of FGIS Services relative to Selling Price

The Advisory Committee appreciates how the merger of FGIS and AMS has brought a renewed focus on customer service for the end user. The Committee would like for FGIS to review its procedures and overall costs of service to the end user in areas where those costs may affect the overall market competitiveness of the commodity being sold. (i.e. cost of services for milled rice sold in smaller lots sizes such as containers, rail cars and trucks).

10. Fee Tables

The Advisory Committee supports the FGIS proposal to remove the Schedule A (800.71) fee tables from the Code of Federal Regulations. This change will expedite the release of adjusted fee information to interested stakeholders.

11. Budget

The Advisory Committee recommends that OMB eliminate the limitation on inspection and weighing services expenses. If this is not possible, the Committee recommends that the \$55 million limitation only apply to grain export activities under the provisions of the USGSA.

12. LED Lighting

The Advisory Committee recommends FGIS continue research on the most appropriate LED lighting solution that may include overhead or task lights.

13. FGISOnline

The Advisory Committee commends FGIS for its work and progress on FGISOnline and encourages the agency to continue to upgrade and enhance the system to meet the needs of all interested parties. The Committee recommends FGIS investigate and report on a back-up system to FGIS Official Service Provider Licensing (FOL).

14. Systems Approach

FGIS execution support to the “USDA Soybean Systems Approach” should not compel a change in U.S. grading standards, nor require FGIS financial resources.

15. International Grading Report

The Advisory Committee urges caution in acceptance and execution of new inspection approaches that disadvantage the U.S. grain industry relative to international trade practices. The Committee requests USDA to report on international grading practices to entail comparison of results based on origin and destination sampling and grading protocols.

16. Vessel Stowage Exams

The Advisory Committee commends FGIS on its efforts to incorporate innovative technology by delivering services to its shareholders, while protecting the safety of personnel. The Committee strongly encourages the approval and implementation of the “pilot program” for Barge Stowage Examinations via camera system.

The Committee also recommends FGIS continue studying its technological innovative programs for cost savings, efficiency, and operational safety concerns, as it relates to Vessel Stowage Examinations. (i.e. UAV with NIR technology and/or camera when applicable).

17. Committee Chairperson Selection

The Advisory Committee would like to formalize the chair selection process. The Committee members in a public forum, could nominate (either the committee members or themselves) and give the nominated an opportunity and speak for 5 minutes to present their qualifications in being chair. The position of vice-chair should be done in the same process.