



Agricultural Marketing Service
U.S. DEPARTMENT OF AGRICULTURE

The background of the cover features a close-up photograph of a white bowl filled with yellow corn kernels. A dark blue curved line separates the top teal header from the bowl image. Another dark blue curved line separates the bowl image from the bottom teal footer.

Federal Grain Inspection Service

2021 Annual Report to Congress

About This Report

Each year, pursuant to section 17B (7 U.S.C. § 87f-2) of the U.S. Grain Standards Act (USGSA), the U.S. Department of Agriculture, Federal Grain Inspection Service (FGIS) respectfully submits an annual report to the U.S. Congress. Activities described in this report cover Fiscal Year (FY) 2021 (October 1, 2020, through September 30, 2021).

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.

Inspection and weighing program data and financial information is available at:

www.ams.usda.gov/reports/fgis-annual-reports

The 508 Compliant version of this report is available on our website at:

www.ams.usda.gov/reports/fgis-annual-reports

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Section I Overview

THE FEDERAL GRAIN INSPECTION SERVICE

The U.S. Department of Agriculture's (USDA), Agricultural Marketing Service (AMS), FGIS establishes quality standards for grains, oilseeds, pulses, and rice; provides impartial inspection and weighing services through a network of Federal, State, and private entities; and monitors marketing practices to enforce compliance with the USGSA, as amended. Through these activities, FGIS facilitates the marketing of grains, oilseeds, and related products. FGIS administers uniform national grain inspection and weighing programs established by the USGSA. Services under the USGSA are performed on a fee basis for both export and domestic grain shipments. The USGSA requires that export grain be inspected and weighed, prohibits deceptive practices with respect to the inspection and weighing of grain, and provides penalties for violations. The USGSA also requires that all corn exported from the United States be tested for aflatoxin, prior to shipment, unless the contract stipulates that the testing is not required.

PROGRAM MISSION

FGIS' primary mission is twofold: (1) promote the marketing of high-quality grain to domestic and international buyers, and (2) 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 USGSA, 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.
- Establishes methods and procedures and approves equipment for the official inspection and weighing of grain.
- Delegates qualified State agencies to inspect and weigh grain at certain U.S. export port locations.
- Provides Federal oversight of the official inspection and weighing of grain by delegated States and designated agencies.
- Investigates, in cooperation with the USDA's Office of the Inspector General, alleged violations of the USGSA and initiates appropriate corrective action.
- Promotes the uniform application of official U.S. grain standards by official inspection personnel.
- Provides official inspection and weighing services at certain U.S. export port locations as well as official inspection of U.S. grain at certain export port locations along the St. Lawrence Seaway in eastern Canada.
- Designates and licenses qualified State and private agencies to inspect and weigh grain, as well as perform other official services, at interior locations.
- Monitors the quality and weight of U.S. grain as received at destination ports and investigates complaints or discrepancies reported by international buyers.
- Helps U.S. trading partners develop and improve their grain inspection and weighing programs through education and outreach to international buyers.

EMPLOYEES AND LOCATIONS

FGIS is composed of:

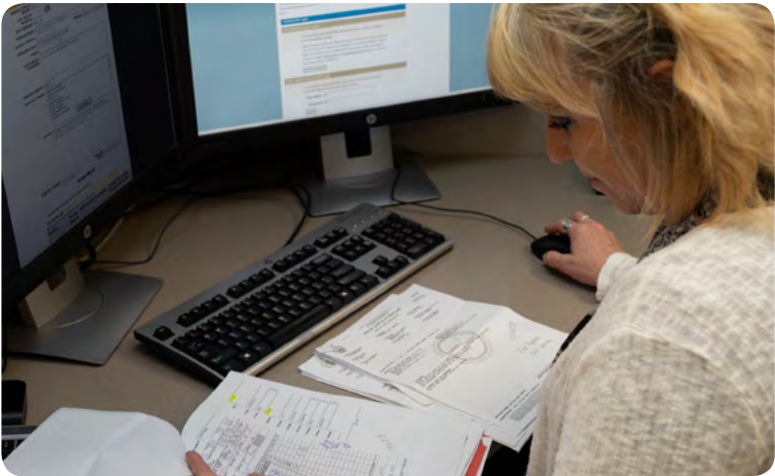
386
Permanent
Employees

31
Intermittent
Employees

79
Temporary
Employees

FGIS is headquartered in Washington, DC, with the bulk of those employees located at the National Grain Center in Kansas City, MO.

There are seven field offices and one Federal/State office. Field offices are located in Grand Forks, ND; Domestic Inspection Operations Office (DIOO), Kansas City, MO; League City, TX; New Orleans, LA; Portland, OR; Stuttgart, AR; and Toledo, OH. The Federal/State office is in Olympia, WA.



FGIS OVERSIGHT OF OFFICIAL SERVICE PROVIDERS

FGIS oversees 42 State and private agencies that provide official services under the USGSA. Of the 42:

- 32 are private agencies and 6 are State agencies designated to provide official inspection and/or sampling and weighing services in domestic markets;
- 3 are State agencies delegated to provide mandatory official export inspection and weighing services, as well as designated to provide official domestic inspection and weighing services within the State; and
- 1 is a State agency delegated to provide mandatory official export inspection and weighing services within the State.

In addition, FGIS oversees 35 of these entities and 4 additional State cooperators for inspection services under the Agricultural Marketing Agreement Act of 1946.

These private and State agencies represent a unique network of approximately 2,300 staff members who conduct official inspection and weighing services for grain producers, handlers, processors, and exporters across the country.

¹Designated Private Agencies

AB	Aberdeen	ID	Idaho	NP	Northern Plains
AM	Amarillo	JA	Jamestown	EV	Ohio Valley
JB	Barton	KA	Kankakee	OM	Omaha
CI	Cairo	KS	Kansas	PL	Plainview
CG	California Agri	KE	Keokuk	SH	Schaal
CD	Champaign	LN	Lincoln	SI	Sioux City
DB	Detroit	MH	Michigan	SG	State Grain
EI	Eastern Iowa	CR	Mid-Iowa	TS	Tri-State
EN	Enid	MM	Midsouth		
FS	Farwell Southwest	MP	Minot		
FE	Fremont	NR	North Dakota		
HA	Hastings	NE	Northeast Indiana		

Designated State Agencies

LA	Louisiana
MD	Maryland
MO	Missouri
MT	Montana
NC	North Carolina
UT	Utah

Delegated and Designated State Agencies

AL	Alabama
VA	Virginia
WA	Washington

²Delegated State Agency

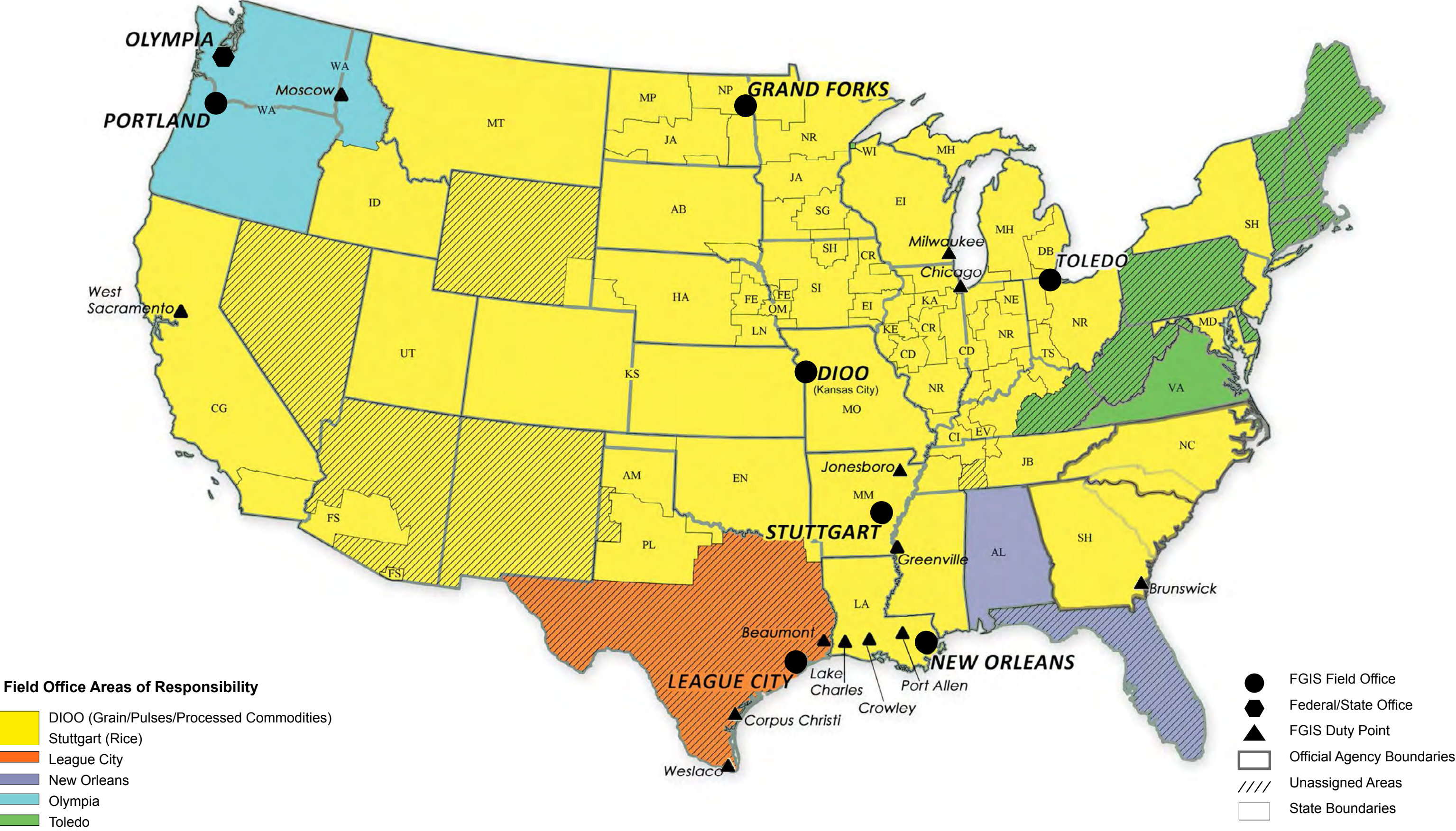
WI	Wisconsin
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NOTE: The *Official Agency Geographic Areas and Field Office Map* located on Pages 10-11.

¹ Designated State agencies and designated private agencies (i.e., official agencies) may perform permissive official grain inspection and/or weighing services at domestic locations under designations awarded up to a 5-year period.

² Delegated States may provide mandatory official grain inspection, weighing, and scale testing services at export port locations within their respective State. Delegated States are reevaluated and recertified every 5 years in accordance with the Act.

Official Agency Geographic Areas and FGIS Field Office Map



OFFICIAL AGENCIES PROVIDE UNINTERRUPTED SERVICE THROUGH THE COVID-19 PANDEMIC

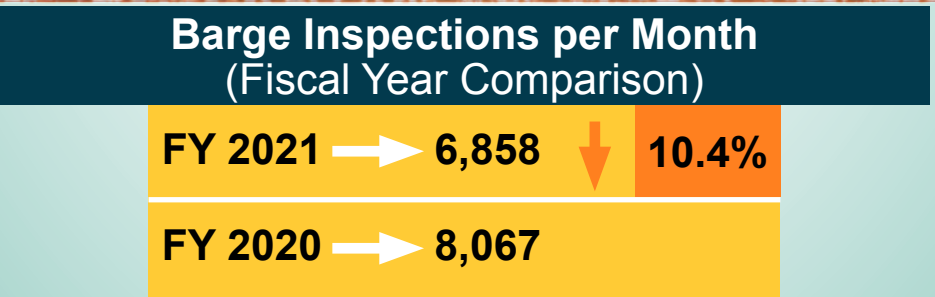
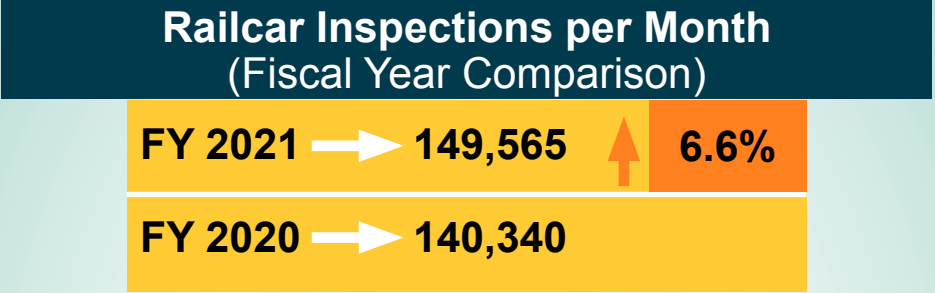
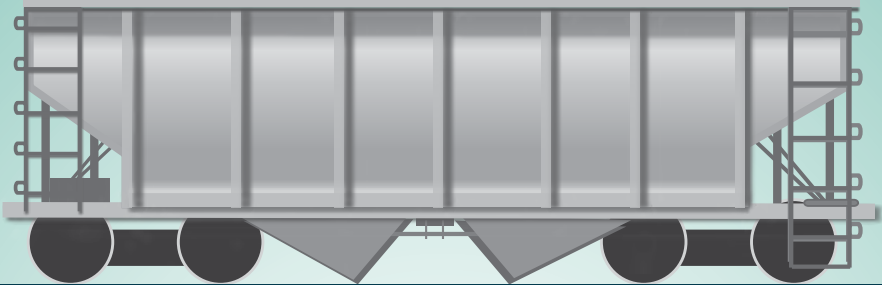
With the tremendously large crop and export demand, FGIS’ network of delegated and designated official agencies faced major challenges in Fiscal Year (FY) 2021. Despite hardships imposed by the Coronavirus (COVID-19) pandemic, uninterrupted and uniform service was provided throughout the grain industry due to the preparation and dedication of FGIS’ official agencies.

To address any staffing concerns due to COVID-19, several agencies established partnerships with other agencies to ensure that uninterrupted service would be provided. They also modified operations to ensure the safety of personnel and consistency in service delivery.

To estimate the volume of service provided by official agencies, FGIS tracks the average monthly number of railcars and barges weighed and inspected by the agencies. In FY 2021, official agencies averaged 149,565 railcar inspections per month compared to 140,340 inspections per month in FY 2020, which is an increase of 6.6 percent. Barge inspections decreased slightly, but still averaged 6,858 barge inspections per month compared to 8,067 inspections per month in FY 2020, a 10.4 percent decrease.

Overall, agencies inspected nearly 1.8 million railcars in FY 2021. To give an example, if those railcars were placed end-to-end, they would stretch 14,000 miles, or far enough to connect the North Pole to the South Pole.

FGIS thanks our Official Agency partners for their collaboration in ensuring timely, accurate, and consistent service despite the unprecedented strains of the pandemic and record export volumes.





FGIS and delegated and designated agencies inspected and weighed *the most grain exports of all time*: 150,780,946 metric tons, nearly 23 percent higher than the previous fiscal year.

RECORD GRAIN EXPORTS

Fiscal Year 2021 was both a challenging and rewarding year for FGIS. In addition to working uninterrupted, FGIS began to see a surge in demand for our services. Less than ideal worldwide crop conditions, new trade deals, and tremendous yield and quality in the 2020 U.S. harvest led to unprecedented interest in U.S. grain exports. The fiscal year started strong in October and never let up. Facilities in Louisiana, Texas, Washington, Oregon, and Ohio had such a huge need for services. Many operations that normally run 8 or 16 hours per day ended up running 24 hours a day. That meant staff who were accustomed to working 8-hour shifts stepped up and worked extra long days, sometimes for weeks in a row.

When COVID-19 continued to surge in the winter of 2020-21, exports hit their peak, with the United States consistently exporting over 4 million metric tons per week. That's about 150 million bushels, or roughly 75 panamax vessels worth of grain every 7 days.

When the dust settled, FGIS and delegated and designated agencies inspected and weighed the most grain exports of all time: 150,780,946 metric tons, nearly 23 percent higher than the previous fiscal year, and 3.2 percent higher than the previous record of 16/17.

China led the demand for U.S. grain, importing a record amount of total U.S. grain in FY 2021, a whopping 42 percent more than the previous record set in 2016/17. In addition to the third most tonnage all time of soybeans and sorghum shipments to China, the United States exported a record amount of corn to China, smashing the old record by 276 percent. In total, China accounted for nearly 41 percent of all FY 2021 grain exports.

GRAIN INSPECTION ADVISORY COMMITTEE

The Grain Inspection Advisory Committee meets no less than once a year to advise FGIS on the programs and services it delivers under the USGSA. Recommendations by the Committee help FGIS better meet the needs of its customers who operate in a dynamic and changing marketplace.

The Committee is comprised of 15 members appointed by the Secretary of Agriculture who represent all segments of the grain industry. They include grain producers, processors, merchandisers, handlers, exporters, consumers, grain inspection agencies, and scientists. Committee members serve without compensation but are reimbursed for travel expenses.

On May 12-13, 2021, the Committee held a virtual meeting. The meeting focused on four topics, Corn Borer, Average Inspection Flexibilities, Falling Number Testing, and the FGIS and Food and Drug Administration (FDA) Memorandum of Understanding on actionable items. The Committee approved one recommendation which created a Sub-Committee to focus on FDA actionable items and their remediation processes. The meeting's minutes, presentation, agenda, and other meeting documents can be found on the AMS public website. (<https://www.ams.usda.gov/about-ams/giac-may-2021-meeting>)

Section II

Standards Development

REVISING CRITERIA THAT FACILITATES DECISIONS AROUND EXCEPTIONS TO GEOGRAPHIC BOUNDARIES

The 2018 Farm Bill required FGIS to revise its regulations, under the U.S. Grain Standards Act (USGSA), to allow designated Official Agencies (OA) to perform grain inspections outside of their assigned geographic areas, under certain conditions. AMS sought industry input in an advanced notice of proposed rulemaking. AMS then incorporated the public feedback received to create a clear, consistent, and fair framework for considering and granting requested exceptions. Finally, AMS issued a proposed rule for public comment on August 19, 2021. The proposal sought to provide additional flexibility to the industry in accordance with congressional intent.

Under the USGSA, the Secretary may allow OAs to cross assigned geographic boundaries to provide services to requesting customers under certain conditions: (1) the assigned OA is unable to provide necessary services on a timely basis; (2) the customer has not

been receiving official inspection services from the assigned OA; (3) the customer requests probe inspection on barge-lot basis; or (4) the assigned OA agrees in writing with the adjacent OA to waive the current geographic restriction at the customer's request (7 U.S.C. 79(f)(2)(B)). These allowances are considered exceptions to the USGSA's standard requirements regarding the use of designated OAs to perform inspection services within specified geographic areas.

The proposed amendments to the exceptions program would modify the criteria for receiving an exception under the "timely service" provision and reinstate the exception criteria for the "nonuse of service" provision. The proposed rule defines and differentiates between timely service and nonuse of service exceptions and their associated requirements. AMS plans to issue a final rule by Spring 2022.

U.S. STANDARDS FOR GRAIN

FGIS regularly reviews the official standards and inspection instructions for grain and commodities to ensure the standards remain relevant to the marketplace. In FY 2021, FGIS published three updated handbooks of instructions for inspection of commodities, namely Pea and Lentil Handbook, Bean Handbook, and the Near InfraRed Transmission Handbook. FGIS revised the draft Certification Handbook, and pending updates to the FGISonline portfolio of online business applications, will publish the revised Equipment Handbook, Weighing Handbook, and a new Licensing Handbook.

In FY 2021, FGIS published Requests for Comments pertaining to the U.S. Standards for

Beans (Blackeye beans), U.S. Standards for Lentils, U.S. Standards for Peas, U.S. Standards for Sorghum, U.S. Standards for Beans (Garbanzo), and U.S. Standards for Wheat.

FGIS published Final Notices pertaining to the U.S. Standards for Beans (Blackeye beans), U.S. Standards for Lentils, and U.S. Standards for Peas. Final Notices pertaining to the U.S. Standards for Sorghum, U.S. Standards for Beans (Garbanzo), and U.S. Standards for Canola (from a previous Notice for Comment) are nearing publication in the Federal Register. In FY 2022, FGIS will prepare a Final Notice pertaining to the U.S. Standards for Wheat.

TILLETIA CONTROVERSA KÜHN

Tilletia controversa Kühn (TCK), a fungal pathogen, is the causal agent of Dwarf bunt in wheat. Wheat plants infected with TCK are smaller than healthy plants and the kernels are replaced with brown masses of spores known as smut balls. The spores are not harmful to humans or livestock. Wheat exports from the Pacific Northwest of the United States were embargoed by the Peoples Republic of China (PRC) from 1974 until 1999, when an agreement between the United States and the PRC established a testing protocol for the PRC. FGIS offered TCK testing through the Wheat Marketing Center in Portland, Oregon, for all wheat bound for the PRC.

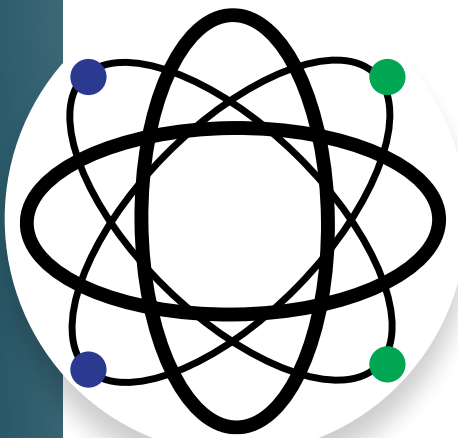
In FY 2021, the wheat export industry asked FGIS to expand TCK testing to south Texas in anticipation of loading PRC-bound wheat shipments from the gulf region. FGIS collaborated with the USDA's

Agricultural Research Service (ARS) to provide the service. After FGIS procured equipment and supplies, ARS provided working instructions and training for FGIS personnel. Within 6 months, TCK testing was being performed by FGIS staff and was made available at the League City, Texas Field Office. Following that, the National Grain Center, Kansas City, Missouri, established TCK testing capacity. While TCK testing is required on all wheat exported to China, it is also available for any sample of wheat (rail, submits, bin samples, other destinations, etc.).

Accordingly, FGIS is now providing TCK testing services to customers in the south Texas gulf with same day results. Further, the National Grain Center is able to deliver Board appeal testing services and proficiency testing.

Section III

The National Grain Center



Located in Kansas City, Missouri, staff from the four organizational components of FGIS are located at the National Grain Center: the Technology and Science Division; portions of the Field Management Division; portions of the Quality Assurance and Compliance Division; and portions of the Deputy Administrator's Office. Individually and collectively, these Divisions and Staff provide professional and knowledgeable technical and subjective support for the grain inspection system both domestically and internationally.

INSPECTION TECHNOLOGY EVALUATION



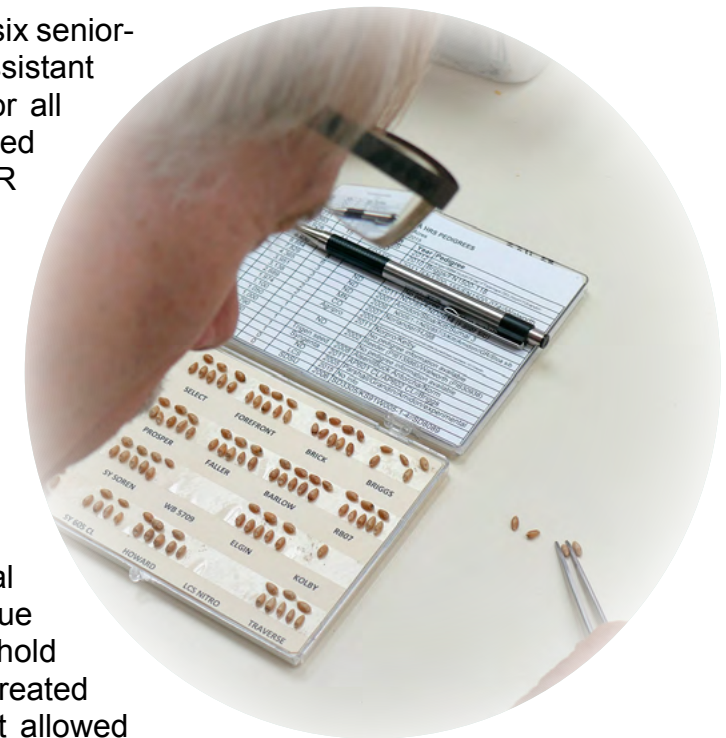
In FY 2021, FGIS developed a draft process for evaluating technology for official grain inspection. Technology refers to all equipment, instrumentation, and associated methods for measuring grain quality attributes. A key goal is to provide a transparent process that promotes the adoption of technology that provides accurate and efficient grain inspection results. A first step in the process is to review technology proposals from manufacturers to assess the need and suitability for official grain inspection. If accepted, the technology is evaluated to confirm that the accuracy requirements are met. The draft process will be shared with the Grain Inspection Advisory Committee to obtain feedback from stakeholders.



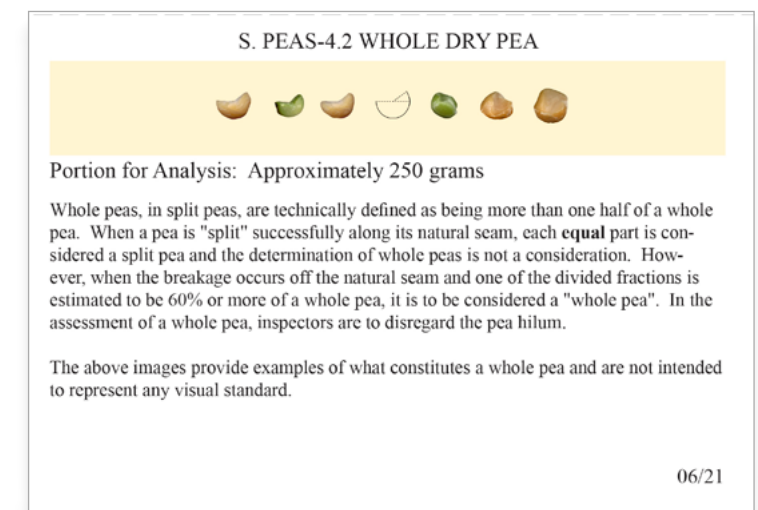
BOARD OF APPEALS AND REVIEW

The Board of Appeals and Review (BAR) is a team of six senior-level grain inspectors, led by a Chairman and an Assistant Chairman. The BAR is the final adjudication body for all disputes involving subjective grain quality issues raised by any interested party in a grain transaction. The BAR performs appeal inspections after the issue has been reviewed and addressed by FGIS field offices. In FY 2021, the BAR rendered 130 appeal decisions.

The BAR is also responsible for ensuring alignment of sensory inspections throughout the entire official inspection system. This is accomplished through a network of Quality Assurance Specialists (QAS) at both Federal and official agency inspection points. To maintain inspection alignment, the BAR holds annual QAS seminars for Federal and official agency QAS. Due to COVID-19 restrictions, the BAR was unable to hold in-person QAS seminars. In lieu of this, the BAR created training material that was sent to agency QASs that allowed them to train their inspection staff.



In FY 2021, the BAR issued two new Visual Reference Images (VRI) for pulses. The new images were created for whole peas in split peas, and Cotyledon damage in garbanzo beans. The new VRIs were issued in response to standard changes initiated by the pulse industry. VRIs are an illustration of a type of damage or condition that also includes a written description. FGIS uses VRIs to ensure consistent and uniform application of grading interpretations throughout the official inspection system.



2021 Sorghum Odor Alignment Project. In FY 2021, FGIS continued work on the sorghum odor alignment project, which is a collaboration with FGIS, official agencies and the sorghum industry. Because sorghum odor determination is inherently difficult, FGIS developed a program to strengthen alignment between origin and destination odor results. The sorghum alignment project is a three-way calibration procedure used to confirm alignment between origin inspectors in the interior and inspectors at FGIS export facilities with the BAR. The project helped build cohesion between all three groups, which led to consistent and reliable results for U.S. exporters. In FY 2021, inspectors at domestic and export service points have been able to achieve an alignment accuracy rate of 90 percent with the BAR.



Equipment Checktesting. In addition to sensory oversight, the BAR manages a national equipment checktesting program. FGIS' equipment checktesting program is mandated by the USGSA to ensure that equipment such as dockage machines, rice millers, hand sieves, and barley pearlers are within specified tolerances. The BAR accomplishes this requirement by creating and distributing checktest samples to FGIS and official agencies with the purpose of detecting if any differences exist between field equipment and the "Standard" equipment maintained by the BAR. In FY 2021, the BAR checktested over 1,400 unique pieces of equipment.

PESTICIDE RESIDUE TESTING AND METHOD DEVELOPMENT

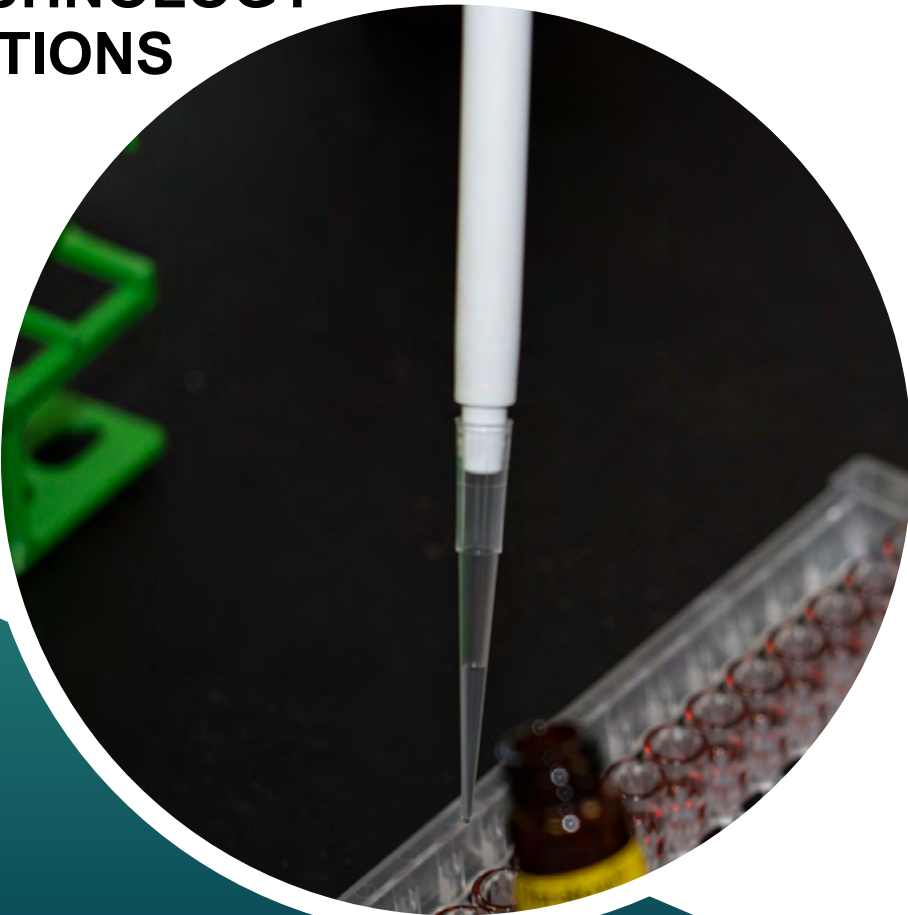
To facilitate trade, FGIS provides pesticide residue testing services, including export surveys, to validate the quality of U.S. grain as it relates to food safety, value, and adherence to U.S. and international regulatory limits. In FY 2021, FGIS analyzed 100 soybean samples, 306 wheat samples, and 130 corn samples for a total of 41,530 pesticide residue results. FGIS' role is critically important as an independent third party and can get samples from the export system to ensure U.S. competitiveness in the global market.

In addition, FGIS develops analytical methods to support these activities. FGIS expanded its capability in FY 2021 by modifying existing methods to include the pesticides atrazine, carfentrazone ethyl, chlorpyrifos methyl, and clethodim. FGIS also modified and re-validated five existing methods using new extraction equipment and instrumentation to increase efficiency and sample throughput.



Results
41,530

MYCOTOXIN AND BIOTECHNOLOGY RAPID TEST KIT EVALUATIONS



The grain industry needs fast, reliable tests to detect and quantify the incidence of fungal-produced mycotoxins in grain, as well as to accurately identify genetically engineered (GE) traits in grains. To ensure that commercially available tests provide reliable results, FGIS offers a performance evaluation and certification program. In FY 2021, 20 rapid test kits were evaluated for the analysis of mycotoxins (aflatoxins, deoxynivalenol, fumonisins, ochratoxin A, and zearalenone). Of the 20 test kits, 13 met the FGIS performance criteria and were certified.

Industry stakeholders had expressed to FGIS the need for a higher degree of precision and accuracy in mycotoxin test kit results. In response to this need, FGIS proposed changes to the test kit criteria through the Federal Register and solicited comments in FY 2021. FGIS received comments from 13 stakeholders. FGIS is in the process of developing and issuing a decisional notice in response to these comments.

Mycotoxin Monitoring Programs. FGIS administers monitoring programs for deoxynivalenol (DON) and aflatoxins as part of an overall mycotoxin quality assurance program. In these programs, official service providers across the United States submit samples for reanalysis by FGIS reference methods, which utilize highly sensitive and selective instrumentation. In FY 2021, FGIS analyzed 970 samples, from 45 official testing locations, for DON. FGIS also analyzed 1,156 samples, from 60 official testing locations, for aflatoxins. Weekly reports showing a comparison of the results were provided to testing locations to assess their performance. Routine correspondence between official service providers and FGIS chemists was maintained to aid in report interpretation, quality control, and resolution of testing issues indicated by test results. These monitoring programs play a critical role in evaluating and improving the accuracy of official mycotoxin tests.

Wheat Functionality. 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, thereby enhancing the marketability of U.S. wheat. The falling number test is an important measure of the effect of sprout damage on wheat and an indicator of the performance of wheat during the processing of flour for making various food products. FGIS administers a national quality assurance and control program for official falling number testing it provides. In FY 2021, FGIS continued to evaluate the accuracy of official falling number testing through sample monitoring and check sample distributions for 55 falling number instruments located across five field offices and thirteen official agencies. In FY 2021, 1,666 samples were tested for the monitoring program and two rounds of check sample distributions were completed.



REFERENCE METHOD ANALYSES

FGIS establishes and performs reference method analyses for protein, moisture, oil, and mycotoxins. These methods are used to:

- Maintain the accuracy of current testing in the official inspection system.
- Support the development of new rapid field tests.

The protein, moisture, oil, and fatty acid reference analyses support the near-infrared spectroscopic, dielectric, and nuclear magnetic resonance instruments used for rapid inspection at field locations that perform official testing. The mycotoxin reference analyses serve as the benchmark in the evaluation of test kits and accuracy of official mycotoxin tests across the United States. Reference method analysis is available upon request for Board Appeals of mycotoxins – aflatoxins, deoxynivalenol, fumonisin, ochratoxin A, and zearalenone.

The Japan Ministry of Agriculture, Forestry and Fisheries (MAFF) is considering new regulations for ochratoxin A (OTA) in wheat and barley. At the request of MAFF, FGIS agreed to participate in a 4-year study with MAFF for comparison of results from origin and destination testing of OTA in wheat and barley. FGIS completed the third year of analyses in FY 2021.

Harmonizing Biotech Reference Methods.

There is a need for highly specific and accurate tests for the various GE crops 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 detect and identify GE grains and oilseeds. FGIS continues to collaborate with international organizations such as Analytical Excellence through Industry Collaboration, International Organization for Standardization, American Association of Cereal Chemists International, The Global Low-level Presence Initiative, and the Canadian Grain Commission to harmonize testing technologies for GE grains and oilseeds.



STANDARDIZING COMMERCIAL GRAIN INSPECTION EQUIPMENT

In FY 2021, FGIS continued the cooperative effort with the National Conference on Weights and Measures (NCWM) and the National Institute for Standards and Technology (NIST) to standardize commercial inspection equipment. The commercial inspection equipment includes moisture meters and any test weight modules contained within moisture meters, as well as near-infrared analyzers for protein, oil, and starch. FGIS served as the sole evaluation laboratory for grain inspection equipment under the NCWM National Type Evaluation Program (NTEP) to determine if the equipment meets the requirements as legal for trade for States that regulate commercial grain transactions.

FGIS collected grain moisture meter calibration data for eight instrument models as part of the NTEP ongoing calibration program. Calibrations developed in this program provide traceability throughout the official FGIS moisture program, including the air oven reference method, and they are used in most moisture meters used for commercial grain transactions throughout the United States. The NTEP ongoing calibration program certified moisture calibrations for hard red winter wheat, hard red spring wheat, hard white wheat, soft red winter wheat, soft white wheat, durum wheat, corn, soybeans, six-row barley, two-row barley, long grain rough rice, medium grain rough rice, oats, sorghum, and sunflower seeds (oil-type) grain types. Over the

past 5 years, NTEP has maintained an accuracy level among all participating instrument models that agrees with the U.S. Department of Agriculture (USDA) air oven method (American Association of Cereal Chemists (AACC) standard reference method) within 0.2 percent moisture, on average, all grain types covering the primary market moisture ranges. In FY 2021, FGIS will collect grain moisture meter calibration data for seven NTEP models and will conduct NTEP testing for new grain inspection equipment models upon request.

In FY 2021, FGIS' NTEP laboratory coordinated its issuance of Certificates of Conformance with FGIS' implementation of calibrations for the official moisture meter models for use with the major grains. This close coordination ensured that State-regulated commercial moisture meter users could use the same meters and calibrations as those used in official inspection.

In FY 2021, FGIS began analyzing samples from the 2021 crop. This data and reports will be provided for the NTEP ongoing calibration program to certify Near-Infrared Transmittance (NIRT) protein calibration for various classes of wheat and barley as well as certifying NIRT protein and oil calibrations for soybeans and corn. This program will reduce variability among NTEP-approved instruments used for State regulated inspections.

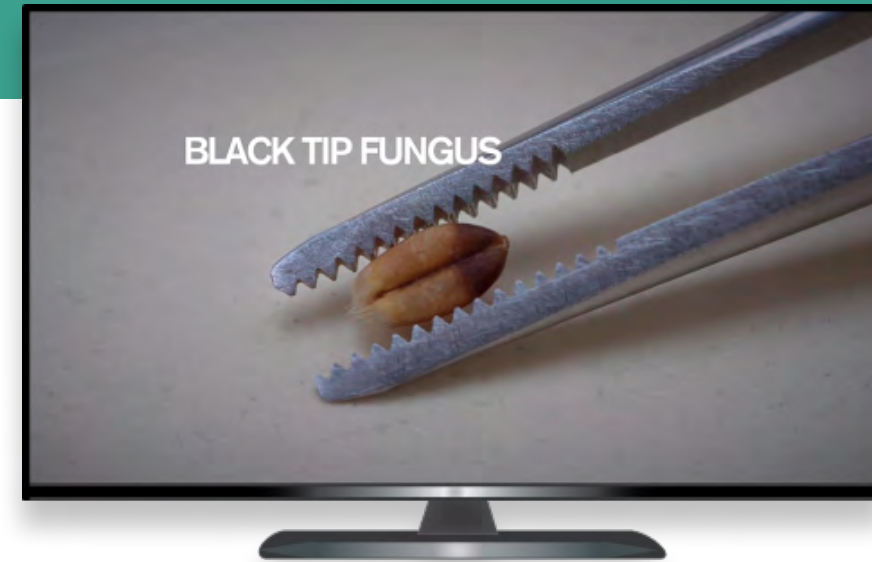
Section IV

Promoting U.S. Grain to International Customers

LEVERAGING TECHNOLOGY FOR OUTREACH

Prior to the COVID-19 pandemic, FGIS would travel to other countries to give in-person presentations explaining the U.S. grain standards, convey the role of FGIS, and conduct grain grading workshops at the request of USDA Cooperator Organizations. All travel and in-person conferences stopped when the pandemic hit. However, the need remained to educate foreign buyers and answer their questions through seminars and conferences. FGIS and the cooperators began to leverage existing technology like Microsoft Teams and ZOOM to support continued outreach activities. This technology enabled us to reach a wider audience than in-person conferences and reduced costs to the organizers by eliminating travel expenses. FGIS has been using this technology since to hold meetings internally and externally with our stakeholders.

The U.S. Soybean Export Council (USSEC) was the first cooperator organization to request FGIS to speak at a virtual 2-day conference in Europe. Several hundred international participants attended virtually. Other cooperator organizations like U.S. Grains Council and U.S. Wheat Associates (USWA) also began holding virtual seminars.



To make further use of technology, USWA asked FGIS to produce two videos. The first video demonstrates how wheat samples are broken down in a laboratory using FGIS-approved equipment to determine various quality factor results. The second video highlights an FGIS inspector grading various portions. The video includes close-ups of individual types of damaged kernels. FGIS produced the videos in both English and Spanish. The videos will allow USWA

to reduce the seminar time from 3 to 4 hours down to just 1 hour. The videos also allow the audience to virtually experience an actual FGIS inspection lab in operation. A Spanish speaking inspector from FGIS' Board of Appeals and Review will give an opening PowerPoint presentation on the role of FGIS and answer questions after showing the two videos.

FGIS gave a virtual presentation to the USDA, Foreign Agricultural Service (FAS) Junior Professionals Advisory Committee (JPAC) for recently hired employees to learn about how FGIS' International Affairs Division (IAD) works together with USDA Cooperators and other USDA Agencies, particularly with FAS on addressing and resolving grain trade issues. This recorded seminar is being shared with FAS' overseas posts to provide new officers with better understanding about FGIS.

Leveraging technology enables FGIS to connect virtually with a larger audience to maintain and expand U.S. grain exports.

China's Revised Soybean and Wheat Standards. FGIS partnered with USDA's FAS to reply to China's two notifications to the World Trade Organization (WTO) proposing new quality standard parameters for soybeans and wheat. The notifications identified terms and definitions, classification, quality requirements, test methods, inspection rules, labelling, packaging, storage and transportation requirements for soybeans and wheat.

FGIS took the lead in drafting the technical response to China, expressing U.S. concerns with their proposed standards. If China were to restrict commodity quality standards to the terms proposed in these notifications, exports of U.S. soybean and wheat to China could be impacted. FGIS worked with FAS to finalize the U.S. response to China through the WTO. The response expressed U.S. concerns and requested China provide the science behind these changes. China responded that contractual agreements made for soybeans and wheat shipments to China must cite or comply with Chinese standards.

EXPORTER REGISTRATION LIST AND WAIVERS

FGIS partnered with the North American Export Grain Association (NAEGA) and National Grain and Feed Association (NGFA) to promote exporter registration requirements under the U.S. Grain Standards Act and implementing regulations. To enhance outreach to grain exporters, FGIS, NAEGA, and NGFA drafted and shared a notice to stakeholders explaining the need to comply with these requirements.

The USGSA, 7 U.S.C. 87f-1, requires the registration of all persons engaged in the business of buying grain for sale in foreign commerce. In addition, those individuals who handle, weigh, or transport grain for sale in foreign commerce must register.

The USGSA waives official inspection and weighing for exporters who export less than 15,000 Metric Tons (MT) of grain on an individual

elevator basis during the preceding calendar year and plan to export less than 15,000 MT of grain during the current calendar year. Exporters and individual elevator operators planning to operate under the waiver must send a written notification to the Quality Assurance and Compliance Division.

Because registration and waiver requests are required annually, entities must actively renew each fall for inclusion in the export registration and waiver lists for the following year, which commences January 1.

In FY 2021, FGIS processed 104 certificates for export registration and 11 waivers (15,000MT). Registered exporters can be found at the [AMS public website](#).

COMPLAINTS FROM U.S. GRAIN IMPORTERS

In FY 2021, FGIS received six quality complaints from importers on grains inspected under the USGSA.

SUMMARY OF COMPLAINTS REPORTED BY IMPORTERS ON INSPECTION AND WEIGHING IN FY 2021

Complainant	Grain/Commodity	Number of Complaints	Nature of Complaint
Algeria	Corn	1	Broken Corn and Foreign Material; Damaged Kernels Total; and Heat Damage
China	Corn	1	Damaged Kernels Total
	Soybeans	1	Treated Seeds
Mexico	Wheat	1	Wheat of Other Class
		1	Infestation
Vietnam	Wheat	1	Canadian Thistle Seed
TOTAL COMPLAINTS		6	



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Learn more about the Federal Grain Inspection Service www.ams.usda.gov