



Agricultural Marketing Service  
U.S. DEPARTMENT OF AGRICULTURE

# FEDERAL GRAIN INSPECTION SERVICE

## FY 24 Annual Report to Congress



# About This Report

Each year, pursuant to the U.S. Grain Standards Act (USGSA), section 17B (7 U.S.C. § 87f-2), the USDA, Agricultural Marketing Service (AMS), Federal Grain Inspection Service (FGIS) respectfully submits an annual report to the U.S. Congress. Activities described in this report cover Fiscal Year (FY) 24 (October 1, 2023, through September 30, 2024).

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

FY 24 inspection and weighing program data and financial information are available at: [www.ams.usda.gov/reports/fgis-annual-reports](http://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](http://www.ams.usda.gov/reports/fgis-annual-reports)

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# SECTION I OVERVIEW

## The Federal Grain Inspection Service

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FGIS facilitates the marketing of grains, oilseeds, and related products by establishing quality standards; providing impartial inspection and weighing services through a network of Federal, State, and private entities; and monitoring/enforcing compliance with the USGSA, as amended. 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

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FGIS's primary mission is twofold:

 **Promote**  
the marketing of high-quality grain to domestic and international buyers and;

 **Maintain**  
objective standards to certify grain 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

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In administering and enforcing the U.S. Grain Standards 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.
- Delegates qualified State agencies to inspect and weigh grain at certain U.S. export port locations.
- Designates and licenses qualified State and private agencies to inspect and weigh grain, as well as perform other official services, at interior locations.
- Provides Federal oversight of the official inspection and weighing of grain by delegated States and designated agencies.
- Monitors the quality and weight of U.S. grain received at destination ports and investigates complaints or discrepancies reported by international buyers.
- Investigates, in cooperation with the USDA's Office of the Inspector General, alleged violations of the USGSA and initiates appropriate corrective action.
- Helps U.S. trading partners develop and improve their grain inspection and weighing programs through education and outreach to international buyers.

## Employees and Locations

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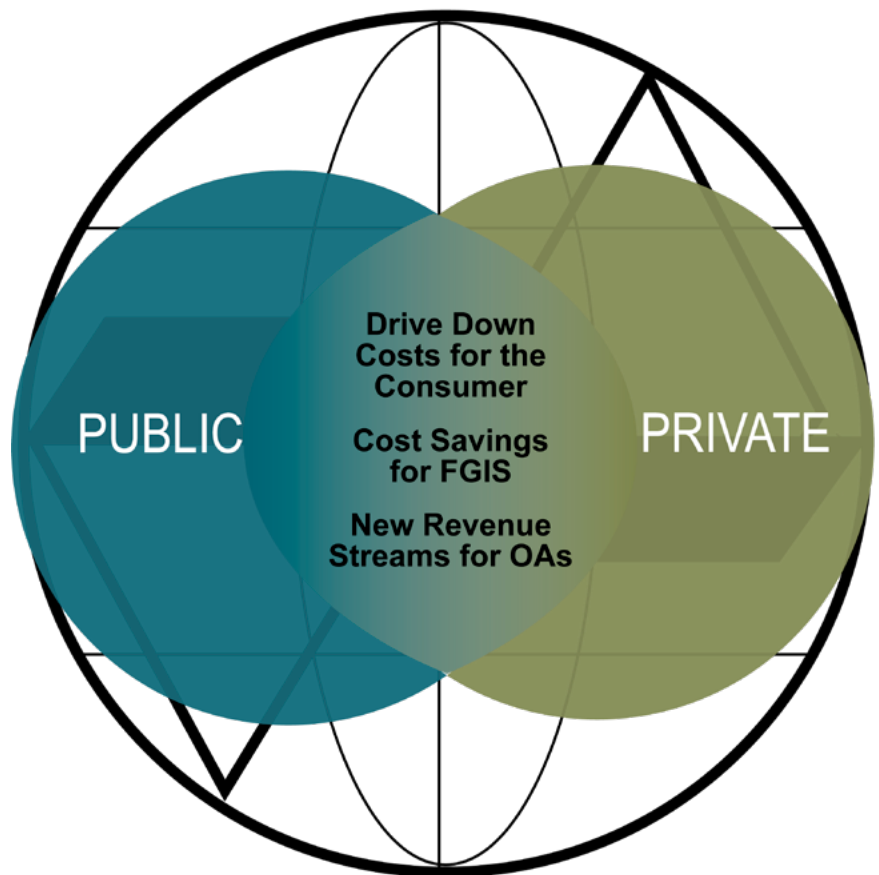
FGIS is composed of 347 permanent employees, 15 intermittent employees, and 34 temporary employees. FGIS is headquartered in Washington, DC, with the majority of its employees located at the National Grain Center in Kansas City, MO. There are six field offices. Field offices are in Portland, OR; Domestic Inspection Operations Office (DIOO), Kansas City, MO; League City, TX; New Orleans, LA; Stuttgart, AR; and Toledo, OH.



## SECTION II OPERATIONAL HIGHLIGHTS

### Operational Streamlining

Due to shifting grain volumes, inconsistent demand for inspection service at some locations, and rising operational costs, the Field Management Division (FMD) leveraged its unique public-private partnership with states and Official Agencies (OAs) to modify operations, which contributed to decreased local costs and created service opportunities for OAs. This was done by transitioning domestic inspection responsibilities to multiple OAs from the Toledo Field Office. The transition created new revenue streams for OAs and provided cost savings to the Field Office, as excess staff was redirected to support other field offices experiencing staffing shortages. FMD has begun initiating similar actions for its League City Field Office in Texas, as FGIS staff has provided domestic inspection in a previously unassigned territory. Federal Register Notice **(89 FR 58327)** announced the unassigned territory for designation in Lower Northwest Texas and in Southeast Texas. The award of designation is expected to create significant cost savings for the agency, as staff can be redirected to support other export operations throughout the country.



*Graphic depicting the partnership between public/private inspection.*

## Grain Inspection Advisory Committee

### Summary of 2024 Meeting

The Grain Inspection Advisory Committee (Committee) is authorized, under the USGSA, to provide recommendations on official inspection and weighing services to the Secretary of Agriculture. The Committee consists of 15 members that serve a 3-year term and represent a wide range of segments throughout the grain industry. They include grain producers, processors, merchandisers, handlers, exporters, consumers, grain inspection agencies, and scientists. The Committee meets twice a year and are open to the public.

In FY 24, the Committee appointed five new members:

- Carlos A. Campabadal, Ph.D., Instructor, Kansas State University, Manhattan, KS
- Rashad A. Hart, General Superintendent of Plant Operations, Cargill, Inc, Westwego, LA
- Erin E. Casey-Campbell, Program Manager, Missouri Department of Agriculture, Jefferson City, MO

- Erica K. Olson, Market Development & Research Manager, North Dakota Wheat Commission, West Fargo, ND
- Tracy D. Logan, Director of Export Documentation, United Grain Corporation, Vancouver, WA

The Committee held a meeting May 15-16, 2024, at the National Grain Center in Kansas City, Missouri. During the meeting, the Committee received Program updates on the budget, operational changes, and the status for identifying grading technology. The Committee passed five recommendations for USDA consideration on membership quorum, term limits for members, cyber security, protein certification, and technology. Meeting materials are available on the Committee's [website](#).



*Grain Inspection Advisory Committee Members and USDA FGIS staff*

## Rulemaking Activities

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### Texas Area

During FY 24, FGIS opened several areas in Texas for designation opportunities that had been serviced on the domestic side. These areas were serviced domestically due to various historical factors and challenges associated with maintaining an official agency's operational

On April 3, 2023, AMS published Federal Register Notice (**88 FR 19605**), asking persons interested in providing official USGSA services in the Texas Central designation area to apply. There were two applicants for the 149-county Texas Central area: Plainview Grain Inspection and Weighing Service, Inc. (Plainview), which applied for eight counties, and Grain Inspection Services of Texas, LLC (Texas Grain), which applied for all 149 counties. Plainview had been a designated official agency for over 45 years, and Texas Grain was a new business requesting its first designation. On November

15, 2023, AMS published Federal Register Notice (**88 FR 78283**) asking for comments on both applicants. After application review and analysis, on July 1, 2024, Texas Grain was awarded 141 counties in the Texas Central area for a 3-year period, and Plainview was awarded eight counties for a 5-year period.

On July 18, 2024, AMS published Federal Register Notice (**89 FR 58327**), asking persons interested in providing official USGSA services in the Lower Northwest Texas and Southeast Texas areas to submit applications. There was one applicant for the Lower Northwest Texas area: Plainview. There were two applicants for the Southeast Texas area: Midsouth Grain Inspection Service, an official agency for over 45 years, and Texas Grain. AMS is analyzing the applications for both areas and expects to award designations as soon.

### Interim Final Rule

In FY 24, FGIS performed an extensive review of its user fees and costs and determined that the fees were misaligned with costs. After consulting with industry stakeholders, on June 6, 2023, FGIS issued Interim Final Rule (**89 FR 48257**) that adjusted inspection and weighing fees to sustain operations and begin to rebuild the reserve. The interim rule became effective July 8, 2024. These adjustments were necessary and successful to sustain mandatory grain inspection and weighing services for the \$54 billion U.S. grain export industry.

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*These adjustments were necessary and successful in order to sustain mandatory grain inspection and weighing services for the \$54 billion U.S. grain export industry.*

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## International Outreach Activities

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FGIS routinely engages and meets with international trade teams to explain the role FGIS plays in the U.S. grain market. International trade briefings are country specific and tailored to address their interests and concerns. These briefings foster a better understanding of the entire U.S. grain marketing system and serve to enhance the purchasers' confidence in U.S. grain. In FY 23, FGIS met with 10 countries that include:

- **Algeria**
- **Bangladesh**
- **Canada**
- **Columbia**
- **Dominican Republic**
- **Honduras**
- **Kenya**
- **Mexico**
- **Panama**
- **Uzbekistan**

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## SECTION III QUALITY ASSURANCE AND COMPLIANCE ACTIVITIES

### Enforcement Activities

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In FY 24, FGIS conducted several investigations to address alleged violations within the official grain inspection and weighing operations. Eleven cases were filed but three were determined to be outside the jurisdiction of the FGIS, Quality Assurance and Compliance Division (QACD) and were not accepted for investigation. The remaining eight cases were investigated, with four referred to the Office of Inspector General (OIG) due to the seriousness of the allegations. Subsequently, OIG returned three of the four cases to QACD for internal handling and resolution.

The accepted cases involved a range of serious allegations, including grain exports conducted without mandatory inspection and weight certificates, falsifying work records, instances of graders allegedly accepting bribes from grain elevators, improper aflatoxin testing procedures, and contamination of grain shipments. Based on the findings from these investigations, FGIS recommended corrective measures, including retraining staff to reinforce adherence to the USGSA and focused initiatives to increase awareness and education about specific regulatory requirements and violations. Additionally, four warning letters were issued to OAs for violating the USGSA.

In addition, FGIS received approximately 25 complaints through QACD's Reporting Violations hotline during FY 24. Some of these allegations were outside FGIS's jurisdiction and were directed to other divisions or other agencies for enforcement. FGIS remains committed to upholding the integrity of the official system through rigorous enforcement, ongoing education, and stringent adherence to established standards and regulations.

## Opportunities / New Areas

In FY 24, the Quality Assurance and Compliance Division completed 13 Designation Audits and 3 Delegation Audits.

### DESIGNATED

- Cal Agri
- Idaho
- Jamestown
- Kansas
- Keokuk
- Lincoln
- Michigan
- Mid-Iowa
- Minot
- Ohio Valley
- Tri-State
- Virginia
- Washington

### DELEGATED

- Virginia
- Washington
- Wisconsin



Graphic depicting lists of completed audits.

## Foreign Complaints

In FY 24, FGIS received four quality complaints from importers on grains inspected under the USGSA.

### SUMMARY OF COMPLAINTS REPORTED BY IMPORTERS ON INSPECTION AND WEIGHING

Complainant	Grain/Commodity	Number of Complaints	Nature of Complaint
Colombia	Corn	1	Quality
Philippines	Wheat	3	Protein
<b>TOTAL COMPLAINTS</b>		<b>4</b>	

# SECTION IV MODERNIZATION EFFORTS

## Training Innovations

### Training Enhancement

In FY 23, the Board of Appeals and Review (BAR) and FMD collaborated to enhance communication and training for inspectors using digital microscopes. BAR and FMD conducted a pilot at the New Orleans Field Office. Based on the outcome of the pilot, the BAR expanded the pilot to other Field offices to gather additional feedback from QAS'. In FY 24, the BAR expanded the pilot to Portland, Toledo, Stuttgart, and League City field offices to confirm that the microscopes can be effective with subjective criteria that is not easily discernable to the naked eye. The project is intended to foster communication between QAS' and the BAR and provide rapid guidance on visual interpretations that are considered difficult to assess. The BAR has deployed microscopes to all field offices and is currently training staff on using the equipment.

To maintain uniformity, BAR developed a standard operating procedure for all field offices to follow. FGIS field office graders were trained, and the project was fully implemented in FY24.

### Updated Grading Modules

FGIS has a library of online eLearning courses that have been designed to be used as additional learning tools for grain inspection training.

In FY 24, the Digital Media team worked with the BAR to update the **Corn Germ Damage Trainer**. Upgrades to the learning management software and photography equipment, enhancements and updates to current courses and the creation of new courses are ongoing.



*Grain inspector reviewing kernel on a monitor.*

## Research and Development of Technology to Support Grain Inspection

FGIS established a Cooperative Research and Development Agreement (CRADA) with Cgrain, a company from Sweden, to begin developing a prediction model that can identify various inspection factors in wheat. FGIS entered this collaboration based on the past success with Cgrain where they developed a calibration for milling yield in medium grain rice to support the California rice industry. Regarding the instrument's potential effectiveness for inspecting factors in wheat, FGIS has received instruments to evaluate and begin developing a prediction model to support wheat inspections. This is a time and resource intensive process that requires thousands of samples per wheat factor. For FY 25, FGIS has prioritized evaluating this instrument for possible use in wheat grading.

In FY 24, FGIS also entered a CRADA with Videometer, a company from Denmark, to begin developing a prediction model that can identify various inspection factors in corn. FGIS entered into this collaboration with Videometer due to the company's success with applying multi-spectral imaging technology to the seed industry as well as the Brazilian corn industry. The Instruments were delivered in October of 2024. For FY 25, FGIS has prioritized developing a prediction model that could possibly support corn inspections.



*Cgrain instrument*

## Non-Discrimination Statement

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Learn more about the Federal Grain Inspection Service [www.ams.usda.gov](http://www.ams.usda.gov)

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