

UNITED STATES DEPARTMENT OF AGRICULTURE

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GRAIN INSPECTION ADVISORY COMMITTEE

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WEDNESDAY
JUNE 22, 2022

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The meeting convened at the National Grain Center, 10383 North Ambassador Drive, Kansas City, Missouri at 8:30 a.m., Matthew Kerrigan, Chair, presiding.

GIAC MEMBERS PRESENT:

- MATTHEW KERRIGAN, Chair
- JANICE COOPER, Vice Chair
- CHRISTOPHER FREDERKING
- DAVID AYERS
- CHARLES BIRD
- CURT ENGEL
- NICHOLAS FRIANT, Secretary
- PHILIP GARCIA
- BARBARA GROVE
- RYAN KUHL
- JOHN MORGAN
- KURT ROSENTRATER*
- ROBERT SINNER
- JIMMY WILLIAMS

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ALSO PRESENT:

MELISSA BAILEY, Associate Administrator, AMS
ANTHONY GOODEMAN, FMD Director
ED JHEE, TSD Director
ARTHUR NEAL, Deputy Administrator, FGIS
TIM NORDEN, Chief Scientist
BYRON REILLY, IAD Director
DENISE RUGGLES, Executive Program Analyst
KARLA WHALEN, QACD Director

*participating virtually

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P R O C E E D I N G S

8:30 a.m.

MR. KERRIGAN: I'd like to start our meeting here; let's start at 8:30. Calling to order the Grain Inspection Advisory Committee meeting, June 22nd.

At this time I would like to take roll call of our GIAC members.

Ryan Kuhl.

MR. KUHL: Here.

MR. KERRIGAN: David Ayers.

MR. AYERS: Here.

MR. KERRIGAN: Robert Sinner.

MR. SINNER: Here.

MR. KERRIGAN: Janice Cooper.

MS. COOPER: Here.

MR. KERRIGAN: Jimmy Williams.

MR. WILLIAMS: Here.

MR. KERRIGAN: Curt Engel.

MR. ENGEL: Here.

MR. KERRIGAN: Nick Friant.

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MR. FRIANT: Here.

MR. KERRIGAN: John Morgan.

MR. MORGAN: Here.

MR. KERRIGAN: Philip Garcia.

MR. GARCIA: Here.

MR. KERRIGAN: Barb Grove.

MS. GROVE: Here.

MR. KERRIGAN: Chris Frederking.

MR. FREDERKING: Here.

MR. KERRIGAN: Chuck Bird.

MR. BIRD: Here.

MR. KERRIGAN: And is Kurt on the line, Kendra? Okay, we have thumbs up on that. So we have all members here present.

Well, welcome, everybody. It's been two years since we've had an in-person meeting. I appreciate our guests, our members, staff members from FGIS and other agencies for kicking this off.

At this time, I'll turn it over to Arthur and Melissa for AMS and FGIS introductions

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and kickoff.

MS. BAILEY: Okay, good morning. Everyone can hear me, yes? Okay, great. All right, good morning, everyone.

I had the opportunity to meet a number of you yesterday informally, so great to see you all this morning. I'm Melissa Bailey, I am one of two Associate Administrators for the Agricultural Marketing Service. I'm just so glad to be with you here this morning in Kansas City to help kick off this June Grain Inspection Advisory Committee meeting. It is nice to see some familiar faces from those of you that I did meet at the official agency's meeting back in April, and I certainly look forward to a productive, engaging Advisory Committee meeting tonight. So thanks for being here.

As Associate Administrator for the Agricultural Marketing Service, I do want to first extend my thanks to all of the members who are serving on this year's Advisory Committee.

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At AMS, we only have a few Federal Advisory Committees, and those committees develop critical, industry-driven recommendations to advise the Secretary on how to better support U.S. Agriculture. We are glad the grain sector is represented as one of those in the AMS cadre of FACA Committees.

Our new involvement in this committee does take time for calls, coordination, and attendance of meetings like this one. I want to recognize you for contributing your time and thank you for your effort, your commitment, and truly your sacrifices. I do know it takes time away from your businesses, your organizations to be here, and that you're able to participate and contribute to the betterment truly of the U.S. grain market.

Today before I turn it over to Arthur, I would like to share just a few kind of insights from USDA headquarters before the meeting truly gets underway. The first update is something

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I've been working on for the last couple of years here now. I didn't think I'd spend a couple of years working on supply chain issues but here we are. I know many of you face these every day.

So in terms of the first update, really it's focused on supply chain and transportation. At the official agency's meeting, there was some robust discussion during that meeting around the transportation challenges that face the U.S. grain industry. These are pervasive as you know at the port, in trucking, and in rail. To address these challenges, USDA does continue to roll out support with AMS' help for things such as pop-up container yards that target U.S. AG products at the ports of Oakland and Seattle, and most recently if you saw our announcement, we just did one up in Houston.

Specifically, AMS is providing support, financial support to cover up certain upgrade costs for yards that will hasten container access and facilitate AG exports at

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those ports. We're also working with our sister agency, the Farm Service Agency, to provide a payment per container to incentivize exports, specifically of U.S. AG products at these ports as well.

In addition to those sort of real on-the-ground actions that we're taking, USDA has leaned in significantly on railroad service issues, which I'm sure many of you face or are aware of in your day-to-day business. Specifically, our Deputy Secretary, and I mentioned this at the official agency's meeting because it was literally while we were there, she testified at the Surface Transportation Board hearing in late April. At the STB hearing, she emphasized just how serious the railroad issues have become for our farmers and ranchers, and requested that STB move from deliberation to action on many of the service issues that have plagued the rail industry and, in turn, U.S. Agriculture for far too many years.

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Now, as a result of USDA's advocacy, STB recently announced that it will now require the major railroad providers to submit all service recovery plans as well as provide additional data and regular progress reports on rail service, operations, and employment. These measures are meant to inform the STB's assessment of further actions, all of which the USDA continues to comment on, and that may be warranted to address the acute issues that face the rail industry and will help continue to promote industry-wide transparency, accountability, and improvements in rail service. We'll be continuing to work on these issues in the coming months and perhaps years as these issues seem to stretch for many, many months and require sort of some long-term solutions.

The other update I wanted to provide from DC today is to highlight Secretary Vilsack's recent announcement in June on food system transformation. When the COVID-19 pandemic

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began, USDA had made significant investments through our Pandemic Assistance Program, providing truly immediate relief to producers, businesses, food workers, and others on the ground. Now, as the pandemic has evolved, and Russia's war on Ukraine has caused supply chain disruptions and as you all know particularly in the grain sector, it became clear that we cannot go back to the food system we had before. The Biden-Harris administration and USDA recognized we must strengthen the food system across the supply chain from how our food is produced to how it's purchased, all the steps in between and including at the other side, transportation.

To support this vision, Secretary Vilsack outlined four goals for USDA's food system transformation framework: first, building a more resilient food supply chain that provides more and better market options for consumers and producers while reducing carbon footprints; second, creating a fairer food system

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that combats market dominance and helps producers and consumers gain more power in the marketplace by creating new and more, better local market options; third, making nutritious food more accessible and affordable for consumers; and fourth, emphasizing equity throughout.

Now, in announcing this framework, the Secretary also detailed numerous investments that USDA has or would be making through American Rescue Plan funds to support these goals. AMS has been right at the forefront of that, I can attest to. We are heavily engaged in developing and implementing these funding programs, particularly those that are related to building new and better markets and strengthening supply chains.

A few examples that might be of broad supply chain interest to this committee include, first, providing up to \$600 million in financial assistance to support food supply chain infrastructure that is not covered by our ongoing

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work in the meat and poultry processing program. So this could be for any of those other industries, especially crops, grain, et cetera, that we have not invested in so far. Independently-owned and available infrastructure such as processing facilities are in short supply but essential to creating a more resilient food system. So USDA will make these investments through this new program to address the limited processing distribution storage and aggregation capacity for a variety of food sectors including high equipment costs, lack of competition, and limited supply chain and value chain coordination.

The second program, just to highlight for you all, is that USDA will be investing up to \$400 million to create regional food business centers. This is a project that the AMS team has been working on for many months and we are glad to see the preliminary announcement in June. These business centers will provide coordination,

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technical assistance, and capacity building support to small and mid-size food and farm businesses, particularly those focused at that sort of middle of the supply chain, on processing, distribution, aggregation and market access challenges.

The business development needs of food businesses are certainly distinct from other small businesses, and existing supports in the government such as those available through Small Business Administration are insufficient to support robust and local regional markets where food businesses truly need to flourish. These centers will be designed to target support to under-served communities, in particular regions as identified by the applicants for this program. We expect to have a funding announcement for applicants available later this summer.

Those are just a few examples that I thought would be of interest to the committee from this announcement. We can certainly share

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the full details for those of you who are interested in learning more about the full scope of all the investments.

In closing, today, across the supply chain, AMS continues to work steadfast to help support the AG industry, certainly including the grain sector at the forefront which connects to so many facets of U.S. Agriculture from food, feed, fuel, and from local to global markets. We certainly look forward to the committee's engagement and recommendations that are coming out of today's meeting. I was excited to see a pretty robust agenda, so I look forward to hearing those discussions. It's truly an honor to be with you today and join you in this very important work. Thank you so much.

(Applause.)

MR. KERRIGAN: Thank you, Melissa.

MR. NEAL: Do you all hear me okay? There it is. I was looking for green and it's supposed to be red. Sorry about that. Thank

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you, Melissa.

Before I get into some of the FGIS updates, I do want to share some housekeeping notes with us today. In the case of an emergency, there are some designated routes I want us to keep in mind. If there's a fire, the fire alarm will sound and we want everybody to walk out of the double doors right over here where you see Cheyenne standing with the exit sign above. Walk out of those doors and we're going to make a right and walk out the double doors to the patio. In the case of a tornado or some inclement weather that could, you know, shake and rattle our building, we'll walk out of this door to my right with the exit sign, we'll line up in the hall and we'll go downstairs to the basement area. So be mindful of that just in case of an emergency such as that. Hopefully, we will not have one.

At our last Grain Inspection Advisory Committee meeting, I think I heard that you all

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wanted to hear less talking from me and more talking from my staff. No, just kidding. But we're going to have some pretty good updates from our staff today. I'm going to share just a few with you from really mostly around our rule-making efforts.

There are a number of standards and rules that we had shared via the Federal Register and I just wanted to share some perspective and updates with you on those. First is the exceptions to the geographic boundaries rule. We are in the process of finalizing that rule. The goal is to have that rule published by the end of summer, and that has been the goal. We have drafted that rule and it's going through the review process, and our goal as I said is to have it published by the end of summer.

When the United States Grain Standards Act was re-authorized, there was a requirement that FGIS or USDA conduct a review of geographic boundaries. That review has been completed and

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is going into legal review this week to enter into the clearance process so it can be published as well. So we're making good progress on that review.

There are three grading and inspection standards that we had published in the Federal Register for comment, and those were canola, wheat and sorghum. Those had been delayed primarily because of increasing priorities with the geographic boundaries review process and the exceptions final rule. We are getting them back on track with an expectation to have those into the clearance process by next month.

Another update is related to user fees, or not user fees but our user fee cap. There was a Grain Inspection Advisory Committee recommendation I think in 2018 for USDA to remove the user fee cap of \$55 million. What that means is that FGIS cannot spend more than \$55 million of user fees on any given year. That cap we believed as you all had also recommended should

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only pertain to grain inspection work, grain inspection and weighing; however, it's been applied to all of our user fee activities including, you know, rice and pulses which fall under the Agricultural Marketing Act, not the U.S. Grain Standards Act. So it can sometimes create unwanted strain on our ability to spend.

We have not crossed the cap. We've come close to the cap. However, as we work to right size fees in the upcoming months, we will probably begin, if we're successful in right sizing those fees, generating more revenue which will require us to spend more. But in addition as we come and deliberate during our time together, we want to explore how we can leverage more technology in grain inspection which will cost us or require us to spend more in terms of research and development. We're going to need to spend in that arena as well.

So we haven't made significant progress on adjusting the user fee cap. We had

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started and then administration changed, so we have to start all over again with educating people about the cap and in getting the buy in to support the exploration of efforts or ways that we can address that particular challenge. So that is something that is still on the table, on the agenda for us to accomplish.

Any questions on anything that I've shared thus far?

Okay, so I'm going to pause here with my updates and I'm going to turn it over to Denise Ruggles who will come, she's already here, and she will give us an update on the FGIS budget.

MS. RUGGLES: Thank you. Good morning. Like Arthur said, I'm going to discuss the FGIS financial overview of our user fee programs.

Posted on our public website, you will find the second quarter of our user fee accounts for the revenue, the obligations, the earnings and losses for this year through the second

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quarter, and the operating reserves. We will be updating the third quarter in July, towards probably the 25th of July.

So the United States Grain Standards, as you can see for the inspection and weighing program, often called our export program, but it includes other programs such as, you know, scale program and appeals and such. The revenue we've brought in so far is \$16.8 million, obligations at \$18.6 million. So we've had a loss of \$1.8 million. The operating reserve has dropped down to \$5.2 million.

The official agency account is our supervision account for grain inspection. That account has brought in \$383,000 in revenue. That account has now been suspended on fee collection so that revenue will not increase. We are suspended for a year, and I'll explain why when I get to the operating reserve balance and how many months of reserve we had at the end of the fiscal year. Obligations we spent about \$620,000

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through the second quarter, so we've had a negative of \$200,000. So the operating reserve is about \$1.8 million at the end of second quarter.

On the Agricultural Marketing Act, just to fill you in on the rice account, we brought in \$1.6 million and we have expended \$2.8 million. So we've had a loss of \$1.2 million. The operating reserve in that account is at \$4 million.

The commodities program also on the Agricultural Marketing Act is about \$1 million in revenue, \$1.4 million in expenses, so we've had a little over \$367,000 loss with a reserve of about \$1.5 million.

So for the export account, we call it the grain inspection and weighing program, you can see the five years of the revenue, obligations, the surpluses we had and the reserves, and how many months that equated to. As you can see in '17, we were at about 7.1.

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This account does have a trigger of fee adjustments at 4.5 months with a maximum of five percent increase or decrease. It's two percent per million with a maximum of five percent.

So in fiscal year '17 when we ended, we were at 7.1. In '18, we were at 6.6. At the end of '19, we were at five months. At the end of '20, we dropped down to 3.4 which triggered the increase. Then last year we were at 2.2 which also triggered the increase.

To show it on the graph, the green is our revenue that we've brought in from 2013 through '22 second quarter. The red is our obligations. As you can see, the previous table, that was shown through second quarter about the \$6.8 million in revenue, the \$8.6 million in obligations. Then the purple line that we have on there is our metric tons and we have brought in about, we've inspected 72.5 metric tons under the inspection and weighing program.

Supervision account for the official

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agencies, this shows '17 through '21. However, at 47 months, we had suspended the fees and they were reinstated I think in 2020, fiscal year 2020. So that's why you see the climb from 11 months in 2020 to '21. In '21 we had 18 months. That account has a trigger when we have more than six months, or less than six months on the fee and statement we adjust fees. Those fees have been suspended for '22.

Here's the graph of that account showing the revenue. You can see in '17 how there was no green bar, the fees collection was suspended. There was a little bit in '18 but that was related to designation amendments. In '19, there was no revenue. In '20, again, another designation amendment. Then in '21, you can see that the revenue was reinstated with the tonnage fee. This account we brought in about 221.5 million metric tons that we had supervision.

On the rice account, we've brought in

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like I said the \$1.6 million in revenue, and we've had expenses of about \$2.8 million this year. The reserve is at \$4 million. You can see the reserve account is dropping down to bring it down to the six months of reserve.

This is the commodity inspection program. For '21, the revenue that was brought in that account is truly the CARES Act funding that helped supplement this account as we could not make, we have been unable to make any fee adjustments in this program. So you can see for this year, we have brought in \$1 million in revenue, we've expended about \$1.4 million in obligations, and the reserve amount right now is at \$1.5 million.

On the fees assessment, we did the annual review of the grain inspection program. As I said, we adjusted the fees by five percent. There was a delay in implementation so they didn't take effect until February.

The supervision account also went

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through the annual review. Those fees were suspended effective February.

The rice fees had a fee change that went into effect October 1st of 2021. We have publicly announced the fiscal year '23 fee change that will go into effect October 1st of 2022.

We are currently still reviewing the commodity inspection program, and as you can see those fees have not been adjusted. The inspection fees haven't been adjusted since May 4th of 2001 and the laboratory testing fees for TSD haven't been adjusted since February 12th of 2004. That's all I have.

MR. NEAL: So as you can see, we've got a lot of fee work to do. With today's changing environment and inflation, we can't sustain operations at those 2001-2002 rates. We're going to have to, we're going to be really busy reviewing our fees and working with the various industries that we support on adjustments so that we have alignment and agreement. So

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thank you, Denise, for sharing that update.

Any other questions about the review of the FGIS user fees?

MR. FRIANT: Arthur, just real quick. Are those slides already on the Advisory Committee website or will they be?

MR. NEAL: All of the slides are available online on the website.

MR. FRIANT: Thank you.

MR. NEAL: Yes, sir. Now, we'll hear from Ms. Karla Whelan, Director of Quality Assurance and Compliance Division.

MS. WHELAN: You've got it, perfect. Good morning, everyone. I'm going to do a fast update for you on QACD major tasks that we have going on.

The first one I want to cover is agency fees. You may recall in February of this year, FGIS made a decision to change its policy to segregate out the FGIS portion of the fees. So that actually is a huge assistance, hopefully

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to the industry as well as us. So every time Denise has to do a fee change, we don't necessarily have to go through an immediate fee structure change for the OAs. So that was a huge thing we did in February.

The AMA services agreements, this has been about a year-long process. We are taking the historical FGIS AMA agreements, transferring them and updating them into the AMS. You may recall FGIS moved into AMS cooperative agreements process. At present, we have 31 ready to go through clearance through USDA. That actual process has been delayed a couple of times waiting on the vaccine situation and how that was going to apply. So we have not moved that as fast as we would have hoped, but we have 31 that are ready to go now.

Quick thing out of that, we did discover that there was some confusion on AMA licenses, what staff needed what license. So through that process, a document was developed to

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bring that forward for everyone to have a better understanding. Also that allowed us to see where some people maybe did not have the proper licenses for what they thought they needed to do. So that is one of the reasons we only have 31 ready to go; there's a few more still in process.

The next thing I want to cover is designation audits. So major, major thing that my staff does is the designation audits prior to someone reapplying. This I just want to show you, it's a quick snapshot, actually a sample out of one of our audit reports.

So these are the actual statutory areas that we look at in the audits. Just to mention a few, facilities, equipment, personnel, preserving system integrity, training requirements, conducting training, official inspection fees, et cetera. So each time someone is audited, they will get an analysis like this. Our auditors do team score so we take out any bias or if there's some confusion. We are trying

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to do that now, so this is just an example. There's more color bars, but I wanted to give you a good one here as an example.

This, we've done some analysis on the actual findings from the audits in 2021. So during the pandemic, the staff did develop a, I'm going to say virtual audits. What you just saw is an example of that. This is trying to show where we found some problem areas. I think it's interesting that it's a lot of little problem areas, okay. Hopefully, we do this analysis with this year's audits and see where there are some areas where we may need to do some re-education or training.

The staff will also try to work where there's confusion, if something is not clear in our directives. We'll work with policy to try and get that clarified and not apply negative inference to someone who's confused by something that we had done. So this also helps us to try and see where those areas are.

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Some of the biggest ones are time is not recorded, not maintaining FGIS 944s, fumigation records not maintained. So those are the top three on this analysis.

The pink is miscellaneous. We have done some quick analysis on that. So if you want more detail on that, we can do that.

Designation audits we have coming up and/or in progress for 2022. You can see that list right here. We're running around 12 to 14 per year. It's a pretty heavy schedule. We're running honestly about a third of our staff at the moment, so that is probably the biggest struggle that I have.

On this, I want to also mention, partly because of staffing the USDA clearance process, we have tried to consolidate the FRs that provide notice of opportunities and also provide designation audit awards. So we are trying to do that twice a year with a template that will hopefully get us through OGC and the

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Department of Clearance Process much quickly. We just put two more into clearance.

So designation opportunities that will open coming up will be Alabama; Essex, Illinois; Missouri; Hastings, Nebraska; Aberdeen, South Dakota, and the Washington areas. The designation awards that we will soon, hopefully, be publishing will cover about 25 areas, and I'm not going to list those, but if you want them, I've got them.

Another big area when I started with FGIS was the export registration. This is a multifaceted, multi-divisional project. You'll maybe hear a little bit from Byron on this. In trying to better market, inform, make our internal processes a little bit more clear on this, we have been working on this all year. We are not done but we have made some significant progress. Eventually, there should be better information on the website.

We are trying to do real-time updates

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to the web on who has been registered. It should be by January 1st, but people trickle in. So we're working on that, and then we intend to do the same on the waiver side of the house. So this is just the process that we're going on. It is taking us quite a bit of time to work through different issues.

Another major aspect of this is trying to facilitate exporter needs through the China decree situation which Byron can speak to as well.

The last area that was on my beginning slide was the Q&P program. We are also working to replace that with the internal audit program. Again, staffing has been a real challenge for us, so we're a little bit more delayed there than I would like and I'm sure you would like. But hopefully, in the fall of this year we'll have something for there.

I can take questions later I guess because we're running on time, right? Good.

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I guess there's time, I spoke fast.

Okay, are you up or Byron I think?

MR. GOODEMAN: I am. You go, Karla.

MS. WHALEN: Thanks, Tony.

(Applause.)

MR. GOODEMAN: All right. Good morning, good morning, how's it going? Doing all right? Let's get this all set up here, excuse me, while I'm pulling this up, the camera crew, did you get my direction notes? How many cameras do we have? There's like three or four? I'm just thinking like a three-quarter and soft focus, something like that, okay.

Speaking of cameras, my wife was doing a presentation kind of like this for work and she was really excited about it. It's kind of a big deal, she doesn't do it a whole lot. She asked me to record it. And so I'm in the back recording the thing and it's kind of long, about halfway through my battery dies. It is not good, I'll never hear the end of it.

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Let's see. I'll start my time work. Kendra tells me that we pay by the minute and not the word for the transcription service, so I do want to make sure that I don't go over my time again as I've been prone to do. All right, and Kendra's got the signs for me all set up, we'll be all right.

Good morning. My name is Tony Goodeman, the Director for the FGIS Field Management Division. We oversee the field operations here at FGIS. We've got eight field offices. I'll talk a little bit more about those in a minute and also policy staff. I like to start out with jokes because usually people don't laugh at my jokes and laugh at my policy, so it kind of comforts me knowing that maybe they're just laughing at the silly camera joke from earlier. We'll go ahead and get started here.

I'm going to talk about a quick market update, our prior Advisory Committee recommendations, some staffing priorities here

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within the division, COVID and continuity of service, our Grand Forks field office closing, and our Portland office status.

2022 has been kind of wild. Just like 2020 and 2021, we've had a lot of odd events in the agricultural sector and grain sector. We've had the war in Ukraine, the drought in Brazil, continuing COVID issues around the world. We've had some planting delays this year, especially in the northern corn belt. We've had a major drought last year in the wheat growing areas, and this year here in the heart of winter areas, a drought in France, and then a lot of price fluctuations.

You might think, as I did a few months ago, well, there's just going to be a wild increase in U.S. grain exports, right, I mean, with all these difficulties around the world, we've got good prices. Thus far we haven't seen that big increase. However, the USDA increased the 2021-22 soybean export sales estimates in the

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June WASDE due to reduced export forecasts from Brazil. The Russia grain conflict continues with the port closures, so if that continues into the fall, that could continue to be a major challenge. So we could be sought after as a residual supplier if those struggles continue.

Last year was the biggest year all time -- I'm sorry, yes, was the biggest year all time for U.S. grain exports since we've been keeping track. We exported over 150 million metric tons of grain. This year, that's the last bar on the right there, the green is a projection. That's nothing sophisticated really, it just takes in what we've been doing so far and continues that current pace.

Right now we're on pace for 11.5 percent below last year, but again, since last year was a record, if we continue on our current pace we'd be the third highest all time. So while we are below, still a very big year.

Corn. Corn and soybeans are both off

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of last year's records, but they're ahead of their five-year paces. Mexico is our number one destination for -- there's an opportunity to edit out at least, right? No?

Mexico is our number one destination totaling 28 percent, and China and Japan following behind that. Corn to Mexico is at an all-time record pace.

Soybeans, again, down from last year's record but ahead of the five-year average. China continues to be our number one designation for soybeans. 56 percent of all soybean exports go to China. Mexico and Egypt are far behind. However, the U.S. exports to Mexico are also at an all-time record pace like corn.

Sorghum. More sorghum to China is the big story over here. Ninety percent of our sorghum exports go to China. Mexico behind that. We're a bit ahead of last year and way ahead of the five-year average at 53 percent. March of this year was an all-time record of the amount of

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sorghum exported to China in a single month, over double what we do in a normal month. So you see that big jump there.

Wheat, that's actually not a typo. The last year in the blue there tracks with the five-year average, a remarkable consistency there. Unfortunately, this year, a bit down over the five-year average and compared to last year. Mexico is our number one destination. It's more parity in the buyers here with Philippines and Japan following behind.

I'll talk briefly about some of the prior Advisory Committee recommendations. This is one from I think a couple of years ago, to look at stowage exams via drones. We wanted to take into a project, not necessarily to use drones specifically but to examine the environment, who else is using them, is anybody doing this now, what kind of requirements are there, either within USDA or just generally in the commercial side to use the drones.

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We also have, you know stowage exams are one of the dangerous jobs that we have in FGIS. We go out oftentimes, you know, most of our stowage exams are conducted in the middle of a river, whether it be in Astoria, Oregon or down in Mississippi. So we go out on a launch boat, we hop from that launch boat to a gangway onto the ship, and then once on the ship we go down in the holds which could be, you know, 50-60 feet deep. That's a pretty, and we do have unfortunately some injuries from that, so we wanted to look at the cost of technology versus what we're spending, you know, to BCP claims.

We also, as referenced, we have fixed cameras approved now to use on barges and railcars for stowage. So we've got our railcar stowage exam. Actually most of our railcar stowage exams now are conducted with cameras. It's a fixed camera, it doesn't have to be nearly as sophisticated because it doesn't have much distance. We just recently in the last few years

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approved barge camera storage. That's a much more robust system because of the size of the barges. So we have some precedent there.

Regulatory requirements are complicated. Needing a line of sight is a big hindrance because, you know, in a perfect world you'd be able to fly a drone from our office or somewhere on the shore as opposed to having to go out. There's a requirement that we have a line of sight with that drone at all times, and that does make it more complicated if you ever want to have it fly some distance, frankly, or certainly into a hold where you wouldn't be able to see it. You also need a pilot license to operate the drone commercially which, it's not totally burdensome but it's another, I couldn't just go out and fly one for work purposes right now. I'd have to go out and get licensed and there's some training and certification requirements there. There also could be port restrictions depending on the specific port or what airplanes or airports might

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be nearby.

So we'd like to continue to engage with you all in industry to gauge interest and see if there's any other headways we've been taking this project. It's not something where we'll start using drones tomorrow, but I think it is a very good possibility and potential for us to go out and get some licenses, get a drone, you know, they're not prohibitively expensive.

My computer is about to restart. This is fine timing. Maybe that's the hard shot that you have planned here, Kendra.

We talked a couple years about this as well, the consolidation of our instructions. So as you're probably aware, for anybody that uses our instructions, they can be in different places. We've got the law, the regulations, we've got handbooks, directives. So in a perfect world, we'd like to have one web page with links to all these instructions in one spot so they're easier to find.

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As we've merged with AMS and had some updates to the old GIPSA website, some of that continuity has been disconnected. So we're looking at ways that we can put that more straightforward, and also at the same time reducing the amount of instructions we have out there and consolidating them. So that's an ongoing project.

We do have several handbooks in the works for this year. The NIRT handbook is being posted as well as the moisture, there was a moisture handbook update for the new moisture meter that was approved this year. We've also got a couple in final review, the hops handbook, processed commodities coming soon with some minor updates, the mycotoxin handbook, NMR weighing and equipment, and some new handbooks that will have more significant changes, licensing handbook, certification.

Then we're going to consolidate some of these kind of one-off single directives that

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have instructions about how to inspect millet or cranberry seed or, I'm trying to think of some of the others. There's probably about eight or 10, to consolidate those into one handbook.

Also the equipment handbook was revised to include the LED lighting. So actually here in this room, I don't want to steal Ed's thunder too much, but here in this room, I think in the back section of the training area, we've got the new LED lights. It's a good opportunity for a light bulb joke. How many fellow employees does it take to change a light bulb? I'm not going there. Just one, one or two, we're very efficient, we're professional, kind of boring. Although did you hear about the hipster burned his hand? He changed a light bulb before it was cool.

Glad to be here in-person. I was doing the math, the last time I was here in Kansas City was in March of 2020, literally right before the lockdowns went into effect. I remember

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sitting at the Residence Inn, my hotel, and watching how Tom Hanks got COVID and NBA shut down and all the conference tournaments were being canceled. So it's great to be back out here in-person.

It's not going away though. We look at this map here, every Friday, this is the COVID community levels for each county. Let me just get this information. There's different rules that we follow depending on if the county is in low, medium or high status. If a county is in medium or high status, we implemented a testing program for anybody that's not vaccinated. So anybody that's not vaccinated has to take a weekly test.

In areas of high transmission of which we've had a few in the last month or so, masks are required whether you're vaccinated or not. So an update there. We have not had any interruptions in service. We do have, unfortunately, staff that get it from time-to-

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time. We have special quarantine rules.

I think when the CDC changed the guidelines this past winter to shorten the isolation or quarantine period from 10 days to five, I think that was a big difference maker, but our staff has been great to work with. You, all the industry has been great to work with in trying to mitigate COVID as best we can.

Hurricane recovery. Our New Orleans field office, the entire area south of Louisiana was struck by a major category four hurricane last fall, Hurricane Ida. Unlike Hurricane Katrina which kind of hit east of New Orleans, but badly impacted the population center of New Orleans, this one went west of town right up the gut of where most of our grain export operations are, where our field office is, and where our employees live. I want to have a shout out to our employees and to the industry for working with us to make sure that we're back up and running. We're back up and running at the

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elevator could run the next day, and back up and running at other places as soon as they came online.

We're looking at ways we can improve our hurricane recovery and our response. There was an emergency declaration last year and we had waivers for companies that couldn't operate their elevators and wanted to use some rudimentary loading operations, and they were able to operate under waivers. It was great to work with APHIS on that so they could still get a phyto.

This is my last slide here, a couple of staffing updates. The field office managers since we last met, we've got a new field office manager in League City, Texas, Mr. Jorge Vasquez. It was about this time last year that he came in. We've got just this spring a new manager in Portland, Mr. David Wybell who's our field office manager out there.

We've got a vacancy in New Orleans. I want to thank Mr. Andy Ping who couldn't be

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here today, he's actually acting in New Orleans. He's been our acting manager since the hurricane down there. And so he's been on detail and we really appreciate his help. That vacancy is open now and we hope to have a selection soon.

We've got a number of quality assurance specialists we look to hire on board. Same for technicians. We're undergoing a project to provide a more structured training environment for our technicians and also testing before they come online. We've got a greater position announcement that closes today. That's a nationwide announcement from most of our offices. That's kind of the staffing side.

On the office side, we went through a major package, USDA put forward a package for congressional approval a year ago I believe it was to consolidate our operations in the Pacific Northwest and also to close the Grand Forks field office. We used to have probably 40 field offices in FGIS. We used to have a field office

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in Wichita, Minneapolis, Indianapolis, field offices in Saginaw, Michigan, and they were everywhere.

So we went through centralization and modernization, we've consolidated them primarily here at the National Grain Center in Kansas City. So DIOO, the Domestic Inspection Operations Office handles most of that work on the domestic side or the official agency oversight side. Grand Forks was primarily handling pulses and we're consolidating those functions here at DIOO. As part of that change, the Moscow duty point that was under Grand Forks, they're going to transition to be under what we're now going to call the Pacific Northwest field office. Our Olympia office, we're going to consolidate also into Portland as well, or into the Pacific Northwest office.

That concludes my remarks and bad jokes. I can field any questions at this time.

Yes, ma'am?

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MS. COOPER: Can you give us a sense of numbers of vacancies, either by category or by region? You put some numbers to those to, you know, either percentages or number of positions. Then a little more information on the plans for the PNW field office, when that location is going to be, what that timing might be?

MR. GOODEMAN: Yes, sure. On the vacancy side, our announcement for ACGs, for example, AG commodities graders, those are front line graders, it's a career job. It's a journey person level job. Our primary pool for that would be like current technicians or anybody with grain experience. I think our announcement now we're looking for 30 or 40, in that ballpark. We'd hope to get that many, I think that would be ideal.

By office, it kind of varies. New Orleans is our biggest area of need I think, followed by Portland. We've had a lot of turnover in Portland recently. So we're looking

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to, if we could, you know, hire eight or 10 out there. So that's a pretty big deal.

Then in the Pacific Northwest field office, we're looking to consolidate those operations. In our proposal, we said we'd move to Vancouver, Washington. We've been having some difficulties in Portland, being downtown Portland, and location with customers in Washington and Portland. So we're looking to relocate to Vancouver; however, it's kind of a long process. We're engaged with the General Services Administration to find space and that can be lengthy.

MS. COOPER: When you say there are 45 openings, out of how many? What's your total?

MR. GOODEMAN: Oh, yes, we've got I think about a 100, low hundreds number of graders in the system now. That also includes ones in training now. So we're definitely running thin. That's made up for by overtime frankly by most staff. We definitely need more, we're definitely

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behind the curve.

MR. FRIANT: Tony, on the consolidation project, I guess this is more comment than a question, but yes, please, and the sooner the better. Finding information today, as it's been integrated into AMS, has been very difficult compared to the old GIPSA website. So I guess, so please continue with that work, and if there's anything that we can do as a committee or as industry to support that, please let us know because I think it's a valuable resource to have things in one area or closer to one area where it's easier to find the information.

MR. GOODEMAN: Anything else?

All right, let's introduce my colleague, my good friend and colleague, Mr. Byron Reilly. Byron is the Director for the International Affairs Division. Byron, do you have a presentation?

MR. REILLY: Yes.

MR. GOODEMAN: All right, let me get

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this out of the way. It's going to restart halfway through so be ready for that. It won't let me snooze, and it won't let me leave this screen. It really won't let me get off of that screen.

MR. KERRIGAN: Does anybody have any additional bad jokes for Tony while they work on the computer here?

MR. NEAL: Well, while we wait, Tony mentioned drone, you know, technology and exploring that. As we were kind of looking at some of the research, there's research that staff had done on the requirements of needing to have a license to fly the drone and, you know, the cost of drones, wherever you get a license to fly the drone, potential accidents with the drone. There's a number of facts that we all want to have to consider as well as if those people who were licensed decided to take a job somewhere else, getting somebody else licensed now, just the time process involved.

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We were having some off, just kind of after-hour conversations and as we, you know, as you all talk about agenda items for the next meeting or things of that nature, technology will probably be one of the things we'd be looking to discuss further.

Byron, they got you taken care of?

MR. REILLY: I want to get it up on the, I just lost it. How do I get it to project? Let me go back.

Okay, good morning. It's a pleasure to be here, finally out of the office again. It's been a while.

Topics I want to cover briefly are international trade issues, the outreach that my office has been doing, and I'll close out with updating you on the complaints.

What came up in Karla's presentation was discussion of the China Decree 177. I just wanted to let everybody know this information that we provide under this decree to China are a

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list of all the registered exporters that do go through QACD on. My office continually updates working with QACD. We also provide a list of our export facilities where FGIS has an inspection lab and other companies that are under the 15,000 metric ton exemption who intend to ship to China.

We prepare monthly updates and submit them to China. The last one was submitted on June 9th. China has been taking anywhere from two weeks to two months to update this, but they've been doing better than when we first started.

One issue that we have encountered is that importers in China are now requesting that all export documents, particularly the APHIS phyto document has the same address and company information that are on China's registered published list. They have refused to allow some shipments in because of this, so we're working with APHIS to come up with a solution and get the word out. So I've had preliminary talks with

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APHIS and asked them if we could put a notice on their website where they fill out the phytosanitary application.

Just a little blurb, if you intend to ship to China, please make sure your address is the same because we have encountered APHIS addresses for the phyto, let's say Exporter XYZ (containers) or X shipping yard. Well, that's not going to be on China's registration list. So we're doing everything we can to facilitate it and not disrupt trade for you exporters.

If any of you had a question about what's the status of Japan's phytosanitary certification, it still goes into effect August of '23. I have met with APHIS and they're developing a pilot program, a compliance-based certification to allow private entities which they will train and supervise in how to take samples and look for phytosanitary quarantine pests, and then APHIS will still continue to issue the phyto.

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A new development we encountered is weight shortages in Honduras. Cooperators, U.S. Wheat, Grains Council, USA Rice have reported weight shortages. It started like two years ago where they were seeing minimal weight shortage, and over the past two years the amount has been increasing. Lately, it's three to five percent weight shortage, which is huge.

So FGIS, my office, gave a seminar to the Hondurans explaining our weighing system and how it's the best approach so we don't look or point the finger at USDA because we're doing a good certification job. We're working with the Foreign AG Service, and in fact I suggested to them that we have a meeting with USDA cooperator groups in the area because they will know more of what's going on than what USDA has suspicions of. So we're working to get a better handle on this and see what we can do, whether or not we can invite these officials up to the U.S. to show them, but I know they want training. So I

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proposed a list of questions, detailed questions asking for diagrams of the port area, the transportation system, how it's moved, and how the operations at the port work to give us a preliminary update.

As for our outreach, I have been working with the Foreign AG Service to educate them since before COVID they've hired a lot of new people who have had no agricultural training, to educate them on our grain industry and what FGIS provides. So I first had a session with the low junior level professionals, and I recently had one with the mid-level career professionals. We're proposing to have a series of quarterly seminars updating on specific topics on how FGIS works together with FAS to resolve trade issues.

We've given several seminars through U.S. Grains Council in Honduras, again, on weighing, and Japan on U.S. corn quality, we'll be giving that in July. We have been asked by U.S. Wheat Associates in Santiago to provide a

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training of their new regional laboratory they're setting up there. There's still some work on equipment to be upgraded. So hopefully we'll have travel restrictions lifted that we'll be able to accommodate those requests.

Some of the work that we've been doing, we're building up a library of PowerPoint presentations and grain grading mats we have translated into Arabic, Chinese, Korean, Japanese, Spanish. We recently have new updates all in French because our North Africa offices, we thought we'd provide it with Arabic, but they said no, we prefer French. So this year we've done a lot of new translations in French, and working with Digital Media Group here, we'll be updating the grain grading mats that all the industry uses for their training.

So I hope to have these available. Right now they're available upon request, again, because of server space, but if you need any presentations or information, let me know.

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Complaints. Here is showing from 2016. 2017 we had the greatest number of complaints. In 2020, we had only two complaints. Right now in '22, to date we have six. Percent by export weight is less than 1/1000th of a percent.

Summarizing them, we had one short weight complaint on Italy. The other five complaints, Malaysia-wheat, Korea, we had one from Korea and three from China.

That concludes my presentation. Any questions? Thank you.

MR. FRIANT: Byron, sorry.

MR. REILLY: Yes? Go ahead.

MR. FRIANT: On the Decree 177 registration situation, first of all I was encouraged to hear Karla mention some inter-agency work happening on that. One of the things that we're seeing from an exporter perspective is a lot of what I would say confusion and discrepancy between Decree 177 requirements and

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now the new Decree 248 requirements which is being kind of executed by FDA in the U.S.

Can you talk to the group a little bit about what if any work and outreach you've been doing with FDA on that side of the registration requirements?

MR. REILLY: Sure. Back when 248 was first announced and there had been a lot of confusion between USDA and particularly FAS, and since exporting grain is covered under Decree 177, that was the first one initiated requiring registration. Then 248 came along which dealt with mainly food, commodities for food. FAS assumed that it would be grandfathered in, anybody under 177 would be included under 248, but under 248, exporters need to have a lot more paperwork and have to curb, a Chinese curb as to what the product is going in, and as in 177, you know, it requires to have a Federal agency have oversight. So 177 was FGIS, and then 248 since it involved food, that fell into Food and Drug

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Administration's.

So I tracked down who in FDA handled, was handling this registration process and spent several hours on the phone a couple times with them to educate them in the grain marketing process and what FGIS has done for 177 and what we provide. They said fine, but they would be the ones handling the registration although they don't do anything to 'certify' the accuracy of the registrants. They were just 'like a facilitator,' a conduit to provide updates to China.

The FDA people, they only had, in the international branch there, there are only three people that cover all commodities, hundreds of thousands of products that have to go to China. So I understand that they were swamped, and this is all new territory for them as far as registering anybody for other countries. So I think they're still having growing pains on how to handle it like FGIS. We've worked out that

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we would do monthly updates for 177 and, you know, I told FDA, the people I've met with that, you know, if they need any assistance or help from us, please call me. But after the initial engagement, I haven't heard anything back.

MR. FRIANT: Thanks for that. I have a couple more questions in this space, hopefully we have some time for them. Kind of in that same vein, have you or anyone in the agency had any or looked at any international coordination with other countries with respect to these Chinese requirements? So have you had any conversations with counterparts in Canada or any of the South American equivalents to FGIS? Is there any international coordination on this?

MR. REILLY: To my knowledge, there has not been.

MR. FRIANT: So one thing we're seeing in this space is the desire for the Chinese to have a number that's been issued by a U.S. Government agency. Correct me if I'm wrong, but

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today on the exporter registration, facilities aren't given a specific FGIS export registration number; is that correct?

MR. REILLY: Correct.

MR. FRIANT: Is that something that could be explored from an FGIS perspective? All exporters have to be registered, could there be some sort of FGIS exporter registration number that's part of that process that could be used for part of that communication tool, particularly back to China to say yes, this facility, we know today a list gets sent, but is there an opportunity to just also include a registration number that, you know, was developed and designed by FGIS? Because what we see is they like to see a number associated with the facilities.

MR. REILLY: And that's something like Karla mentioned that is probably one of the issues that we may want to look at. So but we still have a lot of work to do together because it's a multi-agency jurisdiction area. So that's

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something that we may look at.

Go ahead.

MR. NEAL: Yes, so in short, that's something we can discuss and explore.

MR. FRIANT: Yes, I think it would be a good idea.

MR. REILLY: Any other questions?

Thank you.

DR. JHEE: All right, good morning, everybody. Thank you for this time to bring you guys all up to speed on the activities with the Technology and Science Division. It's good to see a lot of familiar faces, a lot of folks that I also met back in April in Las Vegas.

Today, I'm going to go over some current GIAC recommendations including the mycotoxin test kit criteria, the technology evaluation process, and the update on the status of the LED project as well as other activities within TSD. And Tony, you almost stole my thunder, almost.

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In 2021, FGIS proposed changes to the mycotoxin test kit criteria to improve accuracy and align with FDA and Codex standards. We did take some time and reviewed and analyzed the comments. We do have a Federal Register notice drafted under agency clearance which includes all response to the comments. We do anticipate this FR notice being published very soon. TSD is also working with the Field Management Division to update the mycotoxin handbook.

As mentioned earlier, or actually we haven't mentioned this, I think for discussion later this afternoon in a topic that we discussed back in December, the technology evaluation process is intended for new technology or instrumentation that could be used for official grain inspection. This documented process is intended to be transparent and establishes a consistent approach by which FGIS would review and evaluate new technology. We did share an initial draft of this process with the GIAC back

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in December and I believe it is still on the website.

More recently, we received input from our Office of General Counsel. The document has been revised and we also included a section on how the agency would protect confidential business information. We also have a Federal Register notice drafted under agency clearance where we will be seeking public comment on this new process.

The LED field study. The purpose of this LED field study that was recently conducted was to determine if there is no difference between LED lamps and the currently approved fluorescent lantern official grading. Again, we want to thank the official agencies that provided inspectors for this field study. What they did is they compared percent damage for corn, soy and wheat under currently approved fluorescent lamp as well as the test LED bulbs.

Based off of statistical analysis, the

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results indicate that the LED lamp could provide inspection results that were indistinguishable from the approved fluorescent lamps. What does that mean? We approved them. Moving forward, the test bulb used was made by a company called Waveform and this bulb has established the minimum standards that could be used. These include what we call the R value or color rendering index as well as the correlated color temperature. For this study in particular, we used the 6500 Kelvin bulb.

FGIS recently issued a program notice and updated the equipment handbook with the technical details. For those of you in the room, if you could turn around and take a look at the back, that's what they look like.

(Applause.)

DR. JHEE: Let there be light.
Thanks, Charlie.

TSD will continue to explore research and development efforts to evaluate imaging

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technology that can add value to the official inspection system. In February, an FR notice was published seeking proposals for an R&D or research and development collaboration with FGIS to determine if imaging technology can support the rice industry. We received proposals from manufacturers, and two were selected for this R&D effort to give our stakeholders a choice that best matches their needs. Our next step is to enter in an agreement with these manufacturers that outlines roles and responsibilities.

Other current events. This past month, FGIS established a formal partnership with the U.S. Agency for International Development's Bureau of Humanitarian Assistance. TSD will be supporting their Food for Peace agenda by developing and implementing a full suite of analytical services for their grain-based commodities. We can now say that FGIS has a role in addressing world hunger.

Other current events of interest also

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include the FGIS approval of the DICKEY-john GAC 2700-UGMA moisture meter. This will replace the GAC 2500 which the manufacturer indicated is due to obsolete components.

Since the onset of the pandemic, the in-person quality assurance specialist seminars had been postponed. This year, the Board of Appeal and Review have begun in-person seminars to ensure alignment of subjective grading across the inspection system.

Then, finally, FGIS is working with FAS to evaluate the Infratec TM NIR instrument. That concludes the updates. I'd be happy to take any questions.

All right, thanks.

(Applause.)

MR. KERRIGAN: I just want to take another moment to thank all the FGIS staff for all them being here, taking time away from their day. Some of them obviously had to travel in for these updates. You know, as always I think

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they're always open door-open book, you know, should anybody have any questions, comments, concerns throughout the process outside of the GIAC meeting. I appreciate that once again.

At this time, let's go ahead and take our break. Somehow or another, Tony, you've managed to leave us ahead of schedule and not behind schedule. So let's go ahead and take the full 30 minutes. We'll come back at 10:15 then.

(Whereupon, the above-entitled matter went off the record for a brief recess.)

MR. KERRIGAN: If everybody would take their seats please? We're going to get started.

Okay, I think we have most of the group back here, they're filing in. Go ahead.

So we're going to go back to our meeting here. Arthur is still out, I believe on his coffee run. We do have five topics in looking at the agenda to get through the day. We obviously have lunch, we have a pretty hard stop,

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public comments this afternoon. So we've got plus or minus four hours.

I bring this up just, you know, in the spirit of discussion, what this committee, you know, really intends to do as far as, you know, discuss different industry-related items, issues, topics, have discussion on them, get updates, ask questions. Then, you know, really if there is a recommendation for support, change, something that we make to the Secretary, so those recommendations would come tomorrow, but we do want to make sure that we get through these topics today.

So as such, we're going to shuffle the order a little bit and we're going to start off with the FGIS Technology Review Process. I'm going to ask Dr. Jhee to go ahead and kick us off.

DR. JHEE: I appreciate this opportunity to come bring you guys more up to speed on the details of this process. I think

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what I'll do is I'll start off with maybe some of the revisions to the existing process.

So what's on the web right now is a version that I think when you wade through it, it is very strict. The language we chose for that particular version was must and you'll see that throughout the document. The guidance we received from our Office of General Counsel was to pretty much soften the language up because of considering two different paths: Do we want to go down the regulatory path or do we want to go down the path of more guidance? We chose the guidance route; thus, the user guide is a guidance.

I think the other significant change we made was to have an appendix that dealt directly with how the agency will protect confidential business information. This process has been reviewed by the FOIA office, and I think one of the most important things that we wanted to address for manufacturers was that we would

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have a robust process to protect that type of CBI, specifically under the Trade Secrets Act.

Other things that we want to accomplish with this process in terms of consistency and transparency, one of the ideas we have is to have kind of like an open solicitation period where manufacturers that wanted to submit a technology or an instrument for review, we would accept these proposals on a biannual basis. We would then issue a Federal Register notice that describes these proposals. We would have the non-CBI version of this on the website so they can see what the technology is about and what the intended use is for. Then we would seek public comment to address I think the first criteria.

I'll let Tim discuss some of the other key criteria, but the first one I think addresses need. That need criteria is put into several other sub-criteria such as demand, cost, et cetera. What we want to do is ensure that the

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agency is putting resources into evaluating a new type of technology or instrument that does add value and would be useful for the grain industry.

So I'll pause there to see if there's any questions or anything I can help clarify.

MR. KERRIGAN: I'm just asking generally, you had called attention to how rigid it is, and obviously there's a reason for that given, you know, what FGIS provides, being very partial to make sure that they're doing a thorough scientific review. Just going through what the LED lighting obviously as a non, you know, kind of plan, but a review, obviously there's a moisture meter which has been, you know, ongoing. Do you feel this is the right amount of scrutiny? Is it too rigid in your opinion? Is it that right balance I guess as a starting point? Because the last thing we want to do is put this out there and then have to make changes because nobody can actually facilitate it I guess.

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DR. JHEE: Actually, I think the guidance we received from our OGC is to kind of soften the language. So I think the document is largely unchanged, but what you will see is replacement of must with shoulds and may. I believe that provides a little bit more flexibility, but it does establish a strong framework.

I wouldn't say that it's going to be rigid, so to speak. I would just say that it lays a clear path, particularly with regards to some of the data requirements.

Tim, do you want to talk about some of the key other criteria?

MR. NORDEN: Yes. Can we both be on here?

MR. KERRIGAN: Yes.

MR. NORDEN: Okay, yes, good. So, yes, the framework itself is, we kind of designed it so that it will accommodate all technologies. So that was really the challenge, too, because if

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we think about putting together terms where you can talk about any technology, that can be really challenging. So as Ed mentioned, need was a key one. So for official inspection, we wanted to make sure that we document that, yes, there's a need and there's a benefit here.

Then some of the other criteria, as you probably have already seen in the document, of course there's accuracy. That's really always very important which includes a component of, you know, how true is the result? You know, is it going to hit the bull's eye? You know, that's part of accuracy.

The other part of the accuracy is how precise is it? So what range of results might we get from the whatever technology or test that we're talking about? Is the original inspection going to agree with the appeal inspection? So that's one criteria is the accuracy.

Another is quality control. So we want to be able to control the quality of the

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technology once it's out there. That's an aspect that we want to just address. Then there's of course the time it takes to do the test, and then the cost.

So those are all the, pretty much the criteria that we have out there. Again, we tried to make it flexible enough to cover any technology that might be submitted for consideration.

DR. JHEE: I think another example, maybe in the very near future, so I spoke earlier about rice imaging and the need for the California, in particular California rice industry to find an instrument that supports their inspection results because the current instrument has now become obsolete, and if it breaks, you know, that's probably not a good thing.

So in this particular case, Tim, I guess we would say that the agency is initiating this technology evaluation process ourselves.

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So the intent is, if we can get past this research and development effort to ensure proof of concept, the next phase would be to go down the path of fit for purpose. Then, we would then as an agency follow the procedure as it's written ourselves.

MS. COOPER: I have a question.

DR. JHEE: Yes?

MS. COOPER: Going back to the concept of need, have you, I mean, FGIS, you're the experts on the inspection process. We have heard of Arthur state many times in the recent past that you recognize the need for technology to improve the official system, the grading system streamlined, maybe make it less dependent on humans because of staff shortages.

So have you done any internal evaluation on which parts of the inspection process would be appropriate for shifting from human to technological response?

DR. JHEE: We haven't done a thorough

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assessment of that internally. I mean, we are hearing this and I think it's the reality of the current situation we're in, in terms of trying to find enough people and sustain a workforce that can achieve the results that we want.

I think, Janice, you asked a really good question, how do you balance the expertise of the human eye and many of the subjective grading factors with what something like an instrument could do. I think that's probably where that need factor is going to be important in terms of getting public input.

What we would actually seek comment on really is, if there's a proposal for this new instrument, it would be perhaps a replacement or to take part of the visual, subjective inspection process and then turning into an objective process. Well, does the industry want this? We would then make a determination, okay, the industry does want this, we are going to expend resources to make sure we can do a thorough

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evaluation.

If there is pushback against this, well, it's been out there. We proposed it should the agency put our resources into this, and if not we back out.

Yes, sir?

MR. SINNER: Ed, some of your field offices are doing biotechnology presence and some aren't. I'm wondering if the agency has done any review in terms of industry need. Is there a uniform process that you looked at? The way you addressed Janice's question, I think you've recognized that we've gone from a subjective human observation to electronic observation, and the same has happened in biotechnology presence --

DR. JHEE: Right.

MR. SINNER: -- and I'm just wondering what your agency has done with that review.

DR. JHEE: That's always a sensitive topic in terms of being able to detect unapproved

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or approved GE traits. Coming from APHIS actually, my former role in biotechnology, I understood the importance of this.

The agency, we have not looked into this more thoroughly. We have the capability, actually agency-wide meaning AMS, I know the North Carolina Science and Technology Lab has the capability for GMO detection. Our lab has the capability for detection as well. We do operate the, I guess quality program over the lateral flow test strips that are often used to detect the GE traits.

I think this probably requires further discussion with industry in terms of need. How do we meet the industry's needs especially when your customers perhaps are asking for certification of, you know, GE-free. I think another complicating factor, maybe not now but a few years from now, would be the new regulatory change that happened with APHIS in terms of the new secure rule. So the regulatory oversight may

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shift actually in terms of new products that are approved.

Did that help?

MR. SINNER: Yes.

MR. KERRIGAN: And just thinking about these last two remarks, you know, really this document is addressing the framework for review of a piece of equipment, piece of technology. It does address in there obviously fit for use if a manufacturer were to come for you versus R&D, you know, if it's something you do. But a lot of these questions seem to come from the evaluation of what we're currently doing and what we, you know, may need to look at in the future.

This framework aside, I guess not knowing what that may be or how the evaluation process would go, what do you see as a next step for trying to evaluate or the need for more R&D, you know, as we think about, you know, human resources overall, neuro-technology that's

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coming out? The framework I think is very well written and there's not a lot of questions that doesn't appear on it, you know, for that. But not knowing where we go is really kind of the next question, right? Because it's almost like we're having to do more R&D and sought after with that.

Do you have any thoughts I guess around how that would progress?

DR. JHEE: Tim, any idea?

MR. NORDEN: Well, we do have manufacturers approach us, to talk to us and have a conversation, and we will have that conversation with them. You know that manufacturers, they're constantly looking for business opportunities. So they want to have some imaging technology that replaces the human grain inspector, too.

I think the key thing for us is to engage with them, and we've done some of that, you know, already even this year. So when

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manufacturers approach us and they say like, hey, we maybe have a solution here, you know, we'd want to talk with them, particularly when they're at the R&D stage and let them know what, okay, here's our handbooks out here, here is how we grade, you know, what does your solution look like and just direct them. A lot of times they don't even know those things, you know, maybe they don't even know those grading handbooks are out there and they exist. When we can engage with them, you know, it helps them see, you know, what the solution, you know, maybe needs to look like.

Of course, this is complicated, too, because people have been talking about this for decades. I can remember when I started with FGIS, we were talking about imaging technology. And so it's been around a long time, but the solutions kind of seem to be few and far between. But I do think it's getting closer and closer to where there are technologies that can help us

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with specific things.

DR. JHEE: Thanks, Tim. I think another key thing that the agency will focus on is making sure that the industry is aware of this process. We have heard rumors and met with folks about maybe a different way to look at falling number, or a different way to look at mycotoxins, those types of things where it does appear that, you know, this type of technology could speed things up at the field location which would, you know, in turn add value to your processes.

You know, but there's still, what we heard is that they're still in the research and development phase. I think when they see this user guide, they will understand what kind of data they need to prepare for us to review. Then at that point, we come to you guys, we come to the public and say, okay, we've received this data package, we think it does add value to the industry, it addresses need, accuracy, cost, time, do you guys want this. Then we'd kind of

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go, we would have an open discussion that way.

MR. KERRIGAN: Okay, but kind of where this is at, it sounds like you've had several internal reviews you've sent out there. What would be the next steps for this document, this process, this framework in general to get it out there and get it released for you to start implementing it, you know, for everybody?

DR. JHEE: Right, well, we anticipate the Federal Register notice to be published soon. Mark my words, soon. The intent of the FR notice is to put this document out there, the revised document out for public comment so it's not just the GIAC that's had a chance to take a look at this. We want folks across the industry as well as the manufacturers to take a look at this process and give us some feedback.

Once we receive the comments, we may consider making additional changes or tweaks to the process, but we think it's pretty robust as well as fair in terms of what the expectations

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are. So once the comment period closes and the agency has made a determination it will move forward, it would become a controlled, publicly available document.

MR. KERRIGAN: Any comments from the GIAC?

Any other additional comments from anybody else?

Okay, sounds like things are moving forward very well. I appreciate the update on that, thank you.

DR. JHEE: Thank you.

MR. KERRIGAN: As we talk them out, we're going to shuffle this up a little bit. We'll ask Dr. Jhee to come back here in a little bit for another topic, but I would like to move on, Mr. Ayers, to the Grain Inspection Advisory Committee Alternates.

During our pre-work yesterday going over policies, procedures, our overall charter, you know, this really stemmed from a few meetings

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ago not having enough committee members available or even either nominated/appointed by the Secretary to continue this work. You put forward a kind of summary on, summary framework to maybe try and get some additional members to be used as alternates.

So would you like to kind of just summarize that for the committee? We'd likely, since Arthur is back here, need to discuss about what he knows about why the alternates were removed and what may or may not be feasible.

MR. AYERS: Thank you, Matt.

The concept behind the Advisory Committee alternate members is to maintain a workable, viable force for the Advisory Committee. The job is too important, to advise the Secretary of direction, possible direction that they should take. When we can't meet and because of the quorum, there needs to be something done.

In the past, we have had alternates,

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and now we don't. This proposal that, or recommendation that I wrote up for alternates is that there will be an alternate, which is at no cost, no additional cost to anybody, but it serves to show that alternates would be available for the major sectors that are mentioned in the Act and regulations so that each, the industry, the official inspection, and the other mandatory members of this committee would have an alternate available to them to maintain at least where we would have a quorum.

Then the additional part with this where if the government is, time-wise is not able to get new members put on, and when you lose five that puts you at the minimum amount for your quorum at 10, so it would allow for the people that were going off to be retained in that position until new people are appointed. I mean, there's many ways it can be done. You can submit it through the Farm Bill, you can do it through the re-authorization. It's just a suggestion to

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try and keep this as an important committee as it is invaluable.

MR. NEAL: Now, I agree, Dave, the reason why the alternates came off was through the charter, the renewing of the charter process legal review. They said because U.S. GSA did not provide for them, the alternates were not legal selections. The challenge that we have had with alternates though on the practical side is, because they're not necessarily engaged with the committee on all the work, they lose interest extremely fast. So when we have reached out to some alternates, not all, they have not made themselves available for the meeting. In some cases, they have; and so it varies. But I do think that this is a valid recommendation and something that can be put forward.

MR. AYERS: Thank you.

MS. COOPER: I have a question. The idea of keeping people in place until they are replaced by a new appointee, is that done for any

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of the other committees that are currently operational FACAs?

MR. NEAL: Help me clarify when you say keeping people in place.

MS. COOPER: Right. So if I roll off in October of '23 but there's no replacement that's been named yet, could there be, or do any other committees keep those people in place until the new appointees are named?

MR. NEAL: I'll have to check on that, Janice. I don't think, I think because the terms are statutory, it's pretty fixed, it's three-year terms. But I will check into that and see if there's precedent for it.

MR. KERRIGAN: Given that the both of you, I would assume it's going to go back to what was in the Farm Bill or the Grain Standards Re-authorization Act as far as, you know, how many appointees and such. After the FACA training yesterday and this meeting, I'm going to look at you, Arthur and Kendra, to make sure I saw this

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correctly, that the Federal requirements are 50 percent for quorum but we have a two-thirds requirement; is that correct?

So is the issue I guess with the fact that we're going above and beyond what the requirement is, that we need to have two-thirds which tends to be, you know, two years of the appointments completely, to where if that were maybe a different threshold that can be considered, maybe one less than the two-thirds? Could it be something that we, I guess could have control over versus waiting for a re-authorization?

MR. NEAL: Yes, we can make that change.

MR. FRIANT: And that would be a change to the charter?

MR. NEAL: That's a change, if I'm not mistaken, Kendra, to our procedures. Let me double check the Act, too, on that to ensure that that's what established for a quorum. I think

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most of our other committees in AMS, they are two-thirds.

MR. FRIANT: And Matt, I think that would be a question for the committee, would we be comfortable changing that quorum requirement? So I don't know if that's a, it may not be a discussion we're prepared to have now, but I think that should be something to think about.

MR. NEAL: Yes, and as you think about that, check that against Robert's Rules of Order, because I think that's also what's the guiding principle for how the committee operates.

MR. KERRIGAN: What's the timing for the re-authorization for a recommendation of a change to, maybe a recommendation to the Secretary to make sure we get it added to, obviously I guess it wouldn't be to the Secretary, I guess it would be a recommendation in general, it could be added to a re-authorization of a Farm Bill. What does that timing look like?

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MR. NEAL: They have just now started Farm Bill discussions. So recommendations, we'll make sure the recommendations are shared and taken into consideration as the Department is having a dialogue with Congress on Farm Bill issues. With respect to re-authorization, I'm not aware yet of any conversations around re-authorization that have begun.

MR. KERRIGAN: Any other comments, dialogue?

MR. MORGAN: Given it's a re-authorization issue for this, it might be best that the committee members that are in their respective industries approach their industry representatives if we do want to go forward with it for the next Farm Bill discussion and debate. That would be my recommendation on how you proceed.

MR. AYERS: Yes, I know there have been changes made to the Grain Standards Act through the Farm Bill. It's been done in the

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past, and if the committee likes, I have both a senator and a congressman from Illinois that's on the AG Committees. We've had very good luck having them submit proposals that are sound and, you know, the Advisory Committee recommendation would go a long ways with it.

So if the committee so decides that something in this format would be appropriate, I would be willing, to either one who would be on the committee, to submit it to our senator and representative as a start.

MR. KERRIGAN: Okay, any other discussion for the moment?

MS. COOPER: Just a question. When we get to the point of approving the recommendation, will we have that language projected on the screen?

MR. KERRIGAN: We'll be doing that tomorrow, but yes.

MS. COOPER: Thank you.

MR. KERRIGAN: Yes. Okay, any other

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discussion on this topic? You know, I kind of stated I want to make sure that we give, you know, each topic ample time for discussion, you know, so that way then we can kind of think about it if we need to revisit some if we have time later today before we go into what recommendations we may want to draft language for consideration for approval.

Okay, let's move in to one of the big guys. Jimmy, are you ready?

MR. WILLIAMS: Absolutely.

MR. KERRIGAN: Let's go into Accessing Real-time Shuttle Train Data. I'll turn it over to you.

MR. WILLIAMS: All right, thank you, Matt.

Well, I hope everyone has had the opportunity to read the narrative that I submitted to the committee regarding shuttle trains and the challenges that we are facing due to a lack of real-time train location data.

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Before I begin, I'd like to preface my remarks by saying that we are very grateful for all of our grain inspection customers. Whether they go barges, railcars, containers, we're glad to have your business and this agenda item is in no way intended to be critical of those customers. On the contrary, we understand that this lack of real-time train data is causing our grain customers the same type of problems that we are experiencing as an official inspection agency.

David Ayers mentioned yesterday during our training session how grain inspection has evolved over the years. He talked about how official grain inspectors used to work a typical 8:00 to 5:00 work shift. That was definitely the case in Missouri in years past. Inspectors would go out in the field, they would take poke samples of railcars and barges, and those samples were typically taken back to the office for grading. There was no onsite grading and there was no

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shuttle trains.

Today, however, if you're a grain inspector, you're not working 8:00 to 5:00. You're working days, nights, weekends, and holidays. Now, that in itself isn't a problem. There are lots of jobs that require employees to work these types of hours. The problem is that grain inspectors who are required to work shuttle trains never really know when their shift is going to start or when their shift is going to end. To make matters worse, many times these employees are given a start time only to have it change multiple times.

Now, to be clear, again, this problem is not new. It didn't start overnight. This issue has been going on for years, and grain companies as well as the official grain inspection system has made the best of it and continues to do so today. However, it is becoming more difficult to find employees who are willing to put up with that level of uncertainty

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in their work schedule.

Yesterday, I requested updated data from our HR department regarding turnover rates for entry level grain inspectors who work for Missouri Department of Ag, and the numbers are truly shocking. We are seeing a turnover rate of 83 percent. Recent exit interviews are suggesting that the number one reason people are leaving these jobs is not money, it's the unpredictable work schedule.

Now, some of you may wonder if this is purely a problem with our agency or if it's a systemic issue, and I'm sure we'll discuss that in greater detail today. While I can only offer anecdotal evidence, I have had conversations with multiple agencies across the country and have been told that we are not alone in this problem.

In today's world, you can order an Uber and you can track the car on your phone. You can go out on the internet and you can pull up European railroad websites where you can watch

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trains move in real-time. The technology is there and it's been there for a very long time, yet it is not being made available to rail customers here in the U.S. Until it is made available, shuttle trains are going to continue being difficult to service, and grain companies and inspection agencies alike are going to continue losing good employees to jobs with more predictable work schedules.

I'm not suggesting the sky is falling today, but I sincerely believe that if workforce trends continue, official agencies are going to continue to struggle finding help and it could very well result in some agencies being unable to provide such services in the future. I don't think any of us want to see that.

The official system is unique in that it is a cooperative effort between state, Federal and private agencies. The diversity of this system is one of its strengths. But if we are to maintain this diversity, we've got to start

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making more efforts to attract and retain employees, just like any other employer or industry is trying to do right now. I think one way we can accomplish this is by improving the work schedules of the folks working these trains. That would be an easy lift if grain customers could simply track these trains in real-time.

So I would like to open this up for discussion to see if the committee feels that FGIS should take a stronger public stance on this problem by sending a letter to the STB requesting greater transparency by the railroad. Thank you.

MR. KERRIGAN: Thanks, Jimmy.

I think, you know, we all definitely have felt the constraints, you know, as of, I guess I'd say as of late but, you know, really that's being amplified, I would say a better word for that, you know, by COVID-related staffing issues overall. We're definitely all feeling it.

I don't remember hearing, obviously most of the STB hearings have been related to

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just overall service. I don't know that I, in tracking metrics, the speed metrics, hiring metrics, I'm trying to remember and I ask anybody else from the committee who has followed the hearings at all if there's been anything similar to this regarding data request other than just general metric staffing and such, that we were not, well, that we could either help the Secretary support or recommend support for an existing motion or duplicating.

MS. GROVE: I think listening to some of the testimony at some of the STB meetings, one of the requests was for, again, as you're talking about that service desk, the websites being so inaccurate or staffed in such a way that when you call in to find out that information, there isn't an idea. Somebody can't tell you this is where your train is at, this is where your lead car is at, or so far as saying it's sitting there, it's already there. You can look out the window, it's not, I know it's not here.

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So websites, maybe some of it how they track, tracking the power, and if they move the power, if you have to, short on power, pull power to another train, that's not updated in real-time. So a train may show it's there only because they've moved power, or a train has been pulled because they've moved power. So I think, again, that real-time change or the understanding in training with their people, is it a system or is it training?

As you said, you know, we can track a car throughout the city through a phone app and they can tell us when they're going to get there and it's real-time. I have not looked at European trains and so don't know that piece. But if we can track a cow coming out of Canada and where it is specifically in the United States as it moved through the system, how can we not track a piece of equipment as large as a shuttle train?

So I think there's twofold in that of

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systems and, as we are all facing, changeover in employees to have the training to be able to answer those questions.

MR. KERRIGAN: It brings up a good point regarding the power, because obviously Positive Train Control, PTC, has been a big safety initiative, you know, in the railroad industry, not just for freight, but also commercial and commuter trains. I hadn't really thought about that piece about the power being swapped because I believe that those are just on the locomotives as far as accessing that information of how it pulls in. You're thinking about the ability of implementation I guess or something like that versus just technology versus tracking cars.

MR. ENGEL: Jimmy, do you have, have you had any conversations with any of the railroad providers about whether they actually possess this technology?

MR. WILLIAMS: No, we haven't had any

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conversations directly with the railroads. You know, I mean, technically, the official agencies aren't their customers, so no, we haven't had those conversations with the railroad.

MR. ENGEL: Just a curiosity question on my part because, you know, I've had the opportunity to see a lot of ETAs, almost, but very few of them were highly accurate. So I'm just curious as to whether the technology exists to be able to achieve your intended outcome.

MR. NEAL: So the Transportation Services Division came virtually to our last meeting I think and presented. That group represents agricultural shippers as well as ties up the conversation, the briefings for the Secretary as they prepare to engage STB on these issues. The request that they made from the committee was to let them know what you're experiencing, what you see, what you think, because they are going to be the ones to package things up and make sure our letters get to STB.

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What you wrote I think is nice in the nice perspective, if they haven't already shared something like that for them to have on behalf of the committee, you know, signed, wrapped up, packaged so that they can include that in their communications with STB. If the Secretary or the Deputy Secretary will have further engagements with STB, they've got that from the committee as an idea or concept to share as they're engaging. Just as a thought.

MR. SINNER: Matt, I think it's a very, it's a really relevant issue. If you take it beyond the shuttle trains and you look at the inaccuracy of the information regarding container moves, ERDs and the higher detention to merge cost that had been put on exporters because of changing ERDs and changing ramp cuts, having this technology even on container which are generally full train moves would be relevant.

Now, the STB doesn't have oversight on inter-modal, so I'm not sure it's appropriate for

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STB but I think they would certainly be interested in it as well.

MR. KERRIGAN: Just trying to summarize a little bit here in thinking about these comments as far as the process forward. I mean, really what the committee is after is, and what Jimmy provided here in the write-up and discussion frankly is just, it's better ETAs with real-time data to confirm again instead of just grabbing a checkpoint, either arrive checkpoint, depart checkpoint with some arbitrary ETA on where it gets that, right?

So it's kind of twofold. It's a better tracking method, but then it's also, you know, how do you get to those ETAs with a tracking method. Obviously with, you know, pulling power, crew shortages, you know, things of that nature which are a lot of intangibles which I know this is impacting service which is obviously impacting the ETAs right, too. So it's almost a twofold issue of the industry would like to know where it

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is better, but then also, you know, we would request that they provide some better tracking plan.

I can say from an industry standpoint, we're in communication with the major railroads at least twice a day by no fewer than six to eight individuals for our one export terminal at different, you know, spots, methods, you know, all the way up to their corporate, you know, logistics offices which are running them. You get different answers and none of them are accurate, right? So it's definitely been longstanding but it has gotten worse.

So I just want to make sure that, like I say, whatever recommendation we put out there is going to not further convolute the issue but actually that we seal that end game that we're actually seeking.

MR. FRIANT: Matt, I would just add, you know, the questions around the technology and how it's done, you know, today you can get pretty

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accurate information on vessel arrivals, right? So there's some model and precedent there on how that's handled. I think the other key question, you've alluded to it, Jimmy, and others have commented to this, you know, where and how do we want to get data? What's the format?

You know, it's easy to say we want a website, but there's a little bit more behind that potentially. I'm not an IT person by any stretch but that data piece, you know, how do we want to access it? Where do we want to get it from?

MR. KERRIGAN: A lot of good discussion to think about here, you know, as we kind of move in into the next step. Is there anything else that anybody on the committee would like to speak right now?

MS. COOPER: Just a question on the railroad. Are there Homeland Security issues related to supplying information on location of trains?

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MR. KERRIGAN: You have to have a login issued by the railroads to be able to see that data already. You can't just, it's not like airplanes, you can't just, you know, kind of search what's in the sky. You know, you have to have, you know, very specific information that you're trying to track. You have to know what locomotive, what lead car information you're actually looking for.

The cars themselves have RFID tags on them, and that's why they give us that reader ID. We're not tracking locomotives currently, we're tracking cars. So much like we scan them in or scan them out of the facility because all that car information is on it, it's the same way that they're going through checkpoints.

So you do kind of have to, with all the thousands of cars that are in the system, have to know what you're looking for.

MS. GROVE: I will say that particular piece of information is where I think it gets, I

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don't know, convoluted in that tracking system. We are given that lead car. I mean, again, you have your specific login, you are given a lead car, but then when they start tracking it by power, that changes that because then they have now put that power on that car and then it's connecting that car. Then it's just connecting that whole system so it's no longer the car with that power. So when that power moves, now their information is inaccurate.

We have seen that multiple times, again, when the railroad, when you are calling the desk thing where is the train because you have now said it's here, or it was close now it's gone, what happened to it? It goes back to your issues, you know, how do you lose a train per se when it was showing it's just about there. So I don't know if, I won't say manipulation of system is very strong, but I think there is some of that in the information that sometimes we receive or that's being reported.

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MR. KERRIGAN: Yes, that's a real good point, Barb, and it's something that I thought about as well. Because as we track it from, you know, origin all the way through the system, we start with lead car, we go to locomotive and checkpoints, but then as we get into it, we start to go by the manifest number depending on which group you're talking to, which then goes into destination code and origin code which is a three to nine-digit section. So depending on which desk you are talking to depends on which piece of information you have to have in front of you to actually get the right, the actual right ID.

You know, and kind of thinking about this, obviously it's one thing to request information, but at the end of the day we all know what speaks volumes, right, is the fee, it's money. You know, currently, there are typically some incentives out there for how quickly we operate, how accurately we operate as far as loading and unloading, you know, within a certain

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time period. You know, it's something that I, you know, when anybody tries to ask the railroad for money, I think we all know what answer we get, you know. But when we think about what this is impacting, it's people's lives because of time, it's because of schedule, it's because we are given this very tight window to operate in from them.

You know, is that something from a talking point potentially to either the Secretary or the STB regarding, you know, further flexibilities from the railroad itself, you know, as far as how they incentivize us to operate? You know, but if they fail, you know, is there a mechanism for us to reverberate that back that could be, you know, helped with staffing?

David, you talked about, you know, just when trains arrive late at night, early morning hours, you know, they've been up all day waiting on that train to arrive. You know, there's always the safety factor there but then

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there's also the compensation factor there that obviously, you know, the grading agency bears, but obviously the loading or unloading facility bears as well because, you know, we are holding that staff there. Just a kind of question I guess to the group, you know, if there isn't some discussion around that as far as a mechanism, you know, on just some leniency, flexibilities, or having to enter the chat because of how their tariffs are actually set up, you know, for how they operate, but then that back in depending on if they can't get this piece in information.

MS. GROVE: I think that's a very interesting concept, you know, we all talk about it within our companies. It's something you don't say as you walk out the door just for fear of somebody being upset that you've mentioned it. But again, yes, we are charged fees, we are charged merge if we don't do our job. If we don't get something done by, they say we have put it here now, we have placed that car, placed that

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train, you know, if you don't have it done within the allotted time, here's your fees according to this. But there is nothing on the reverse side if they say we're going to place it there and now four days later, you know, and there's a lot of those cases. It's days, it's not just a few hours.

When you have somebody on call, hey, Friday morning you're going to be loading a train, oh, never mind, it might be Friday night, hmm, no, maybe Saturday, you've put people's, and not just one or two people, you've put an entire crew's lives on hold. What does the railroad do about that? You know, yes, we get incentives if we load so that they can move trains and then let it sit there for days. But I guess if I got my money that's okay if they don't move it, but we've had end users have to close because then they didn't receive that train.

I think there has to be some aspect of that. If we don't perform, we in a sense get

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fined for it or fees for it. Where is the railroad taking that cut? Like it is all about dollars.

I think if we listen to one of those hearings and they talked about some of the different railroad employees discussed, you know, power being taken out of service, it's about dollars. It's about the money, so money hits people's pockets. How can we help them see that?

MR. KERRIGAN: All right, as the committee moves forward here into this afternoon and tomorrow and thinking about this topic, you know, it's a good point that Arthur made in reminding us, you know, about the Transportation Services Division and, again, because of all the groups that are interacting with the STB, obviously, this committee, you know, interacts or, you know, provides recommendations to the Secretary. So, you know, as a committee ourselves, we cannot, obviously, sending it to STB, so I think that that is an interesting

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concept for, you know, something drafted to assist that other division to assist the Secretary.

MR. NEAL: In the years that we've been involved in crafting comments to STB, most of the perspective has been from the grain elevator, our eyes, AG shipper eyes. But I don't recall ever reflecting, until recently, the impact that it has on grain inspection. But this recent comment submitted by the Deputy Secretary, it did talk about the impact it had on our employees having to wait to provide the service. I think that type of perspective needs to continue to come from this group and not get lost, because it is a segment of the customer base or those that are impacted by those movements that needs to be taken into consideration.

So just keep that in mind as, you know, you continue to engage around the work.

MR. KERRIGAN: Any further discussion for the moment?

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I'd like to delve into getting the summary about the FDA/FGIS MOU. This was something that we do have a subcommittee that worked on regarding some draft reconditioning plans to try and have FGIS and FDA work on getting approval for. So that way, should one of these scenarios or actionable lots happen, that there is a clear path of potential remediation for what to do with those lots versus it being sealed for days, hopefully days instead of weeks before something can actually be done with it.

That subcommittee has had several rounds of drafts. I believe that there is a semi-final copy that was presented to the committee at the last meeting for moving forward. Unfortunately, we did not have a quorum to be able to do anything with it.

It does appear that there, and I guess we'll ask FGIS to comment, it sounded like there may be some updates I guess from FDA on either that interaction level, it may be a different

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department, different personnel they had been interacting with, and I guess before we kind of, you know, delve into this subcommittee's work, I guess I'll ask FGIS for an update as far as those interactions with FDA.

MR. NEAL: In terms of an update regarding interactions, we learned that there's another component of FDA that's involved in approving elevators remediation plans, and that's the Center for Veterinary Medicine. We were not engaging with the Center for Veterinary Medicine when we began the dialogue with the Food and Drug Administration. We had been talking to the Center for Food Safety and Applied Nutrition.

So moving forward, it doesn't affect the work that's been done by the committee, but moving forward we're going to need to facilitate dialogue between all of the parts of FDA that's engaged in this process as we also I think introduce them to the segments of the industry that's affected by the decisions. So that's the

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perspective that we're bringing today that's different than what we had in our last meeting.

MR. KERRIGAN: Has everybody in the committee had a chance to take a look at the draft reconditioning procedures that the subcommittee worked on? Is there any questions on that draft as it's been put out there? Again, the subcommittee also worked with FGIS personnel for their comments on what they've seen, how the interactions have been, and a lot of these were based on the already in place reconditioning plans with corn and aflatoxin using it as the basis.

So anybody from the group, any questions on those procedures as it's been put out?

MR. FRIANT: Matt, well, no questions from me, but I do know that there's a few new members of the committee that maybe weren't, aren't as familiar with the previous discussions. So I might propose that, Kendra, if it's possible

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for us to bring the document up on the screen? I've got notes from our unofficial meeting, I don't know what to call it, the meeting that we had in December, and it might be a good idea to run through some of those questions that came up with some of the newer members and give the other members a chance to ask additional comments or raise questions on what we talked about previously.

So unfortunately just by the nature of how we had to post it for the meeting, it's in PDF, so folks can't see the comments but I do have them here. So when we met back in December, one of the first comments that came up was how closely this SOP, and Matt already alluded to this, how closely this SOP mirrors the aflatoxin reconditioning SOP. So they are, as Matt said, we used that document as the basis for development of this document.

So I don't know that there's any specific action but that was one of the comments

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that came up previously, was how closely do these two documents align. It is very, very close because it took that document and then just edited it to be more inclusive of other actionable items.

The one question that did come out of that, and I do think that some discussion is needed by the committee, is do we want to keep the aflatoxin reconditioning document which is established, it's in the directive, do we want to keep aflatoxin reconditioning document as a stand-alone document and then this new reconditioning document with additional items as separate, or do we want to combine those all into one reconditioning document? So I throw that out to the committee for some discussion.

Perhaps to Tony or your team, in terms of difficulty, if we wanted to make it into one document versus keep aflatoxin separate and create a new one for the rest of the actionable items?

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MR. KERRIGAN: I guess maybe that's a question, I guess from the committee versus the FGIS/FDA. I mean, is that something that the committee really needs to define or is that something that we can, you know, as long as we agree on what we feel are appropriate reconditioning procedures we'd like to give back to them, what some of that document control work reside with that working group. That's probably a Tony question if Tony is in the room.

Does it matter to you? Doesn't matter to him.

MR. FRIANT: Okay, I didn't hear his answer, sorry.

MR. GOODEMAN: No jokes, I have a microphone now. Okay, it wasn't on? Okay, sorry.

Okay, so the question was what format do we want this in from the committee in order to run with it? I was not really joking, I don't think it matters that much. I think that's just

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a recommendation. If you have any insight that will be easier for the industry, that will be helpful for us. So that's a lot of trouble for a pretty short answer.

MR. KERRIGAN: Is there anything from your standpoint in the Field Service Division, from anybody in here, I think we've been very open with the subcommittee work all together, any current concerns, new concerns as Nick is going to be running through kind of the previous ones as the draft sits today?

MR. GOODEMAN: No, I think we've seen a lot of the same, some of these things are, you know, kind of year by year. We have worse aflatoxin years some years, we have worse insect years some years. So I don't think there's been anything new or different.

I think we heard in New Orleans some challenges kind of like what Arthur talked about with a different part of FDA when people want to divert to animal use and getting some different

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questions than we had gotten from before. So I think engaging with that group will be helpful in this process, but I don't think there's anything new or different.

I think that the subcommittee's work has been great on this, excuse me, and people on our staff, I mean, it's just been really positive, the amount of work that you all have put in. I think it's been very, very helpful. I think this is going to be really positive.

MR. FRIANT: Thanks, Tony. The next -- first of all, I should have asked, can everybody see this okay or does it need to be larger?

The next comment that came up during our last discussion was in the section here around wheat found to be actionable due to insect-damaged kernels and being allowed to directly divert into animal feed without reconditioning. The additional question that came up around that is do mycotoxins need to be

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addressed in diversion of high IDK wheat to animal feed?

MR. KERRIGAN: I would think that mycotoxins would be, I mean, there's going to be a sample that's tested per normal procedures, so I would think that if it came up in either lot of it, that it would need to be pulled up at that time. But just IDK as IDK is not necessarily being tested, correct?

MR. FRIANT: I agree with that, Matt, and as I was reading through the question and thinking about it from our previous meeting, mycotoxins were the only issue in this instance. If it was an issue with the sample rate, it would already have been identified as being FDA actionable because of mycotoxins today which would only be aflatoxin anyhow.

MS. GROVE: For wheat? I mean, if you're talking about --

MR. FRIANT: Yes, that question was only revolving around wheat found to be high IDK.

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MS. GROVE: Correct, and the previous reconditioning only addressed aflatoxin.

MR. FRIANT: Correct.

MS. GROVE: I guess you would say for an assumption you would be looking at the grade factors of an entire lot because the entire lot for all factors would have been graded along with checking IDK. So if there was a health and safety issue of anything, but again, it doesn't, we're not stating that, but all factors need to be determined I think before moving to animal feed if something is of safety concern in the rest of the sample. If mycotoxins were high and IDK was also high, you would have to look at FDA advisory for both.

MR. FRIANT: You would have to address both separately essentially, maybe not. Your plan might still be the same but you've got to manage both.

MS. GROVE: You've got two factors --

MR. FRIANT: Yes.

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MS. GROVE: Yes, you would have multiple factors. IDK may not be the only determining factor, this is the one that is being questioned but I would think you would have to address all factors of that lot.

MR. FRIANT: Yes, you're exactly right, Barb. The way this was worded was it was, and maybe that's what needs to be changed if necessary, you know, that this only applies if it's for insect-damaged kernels only. That's the intention behind what the working group or subcommittee wrote was if you only have an IDK issue, it could be diverted to animal feed. Any other potential actionable issues would have to be addressed separately.

So maybe that's what needs to be added here is a sentence at the end, or maybe not. Maybe it needs to stay as written and just that's what it stands for, it's only if it's actionable due to IDK.

MR. SINNER: Nick, it kind of relates

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back to some of the wording where it says at the very beginning FDA will permit, actionable lots can be. Is there any discretionary authority of FDA or is it all subject to the final reconditioning to make approval? So the wording basically says anyone can do this.

MR. KERRIGAN: Well, this is part of a larger document where FGIS is supervising this reconditioning plan to where we don't have to then go to FDA, that it's signed on from a higher level without bringing a local FDA jurisdiction to be part of it. So it's not necessarily that anyone can do it, it's still a very set process/procedure that's being observed. It's just trying to identify a few of those actual levels that we can pre-approve without having to get local jurisdictions to have a lockdown.

You know, in looking at the very top section that's talking about permitting the reconditioning of certain types, given that it's only listing, you know, animal feed with IDK,

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aflatoxin, you know, DLQ, I don't know that we need to call out those others because then we would have to, you may complicate it more than what it already is until it says that, well, if it's for IDK you would do this. But obviously if it's on the mycotoxin, then it would have to go through the full FDA route anyhow because, you know, I don't know that adding onlys, you know, is really providing any additional substance to it.

MR. FRIANT: Yes, I would agree, Matt. I think the piece that folks may not be familiar with is that this list is derived from the current MOU where it says if FGIS finds these conditions on officially sampled and inspected grain, then they have to notify FDA and we have to have a reconditioning plan. So that's why, to your point, Matt, it's specific to this list that's on there.

I think part of what I'm hearing through this discussion that we might need to add

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particularly in this top part is reconditioning the following types of actionable lots of grain at domestic and export locations, something along the lines of, you know, identified by FGIS or their designated agencies through official sampling and inspection procedures, or something referring that it only applies when it's done, when they're identified as part of the official system.

Then I think, Bob, does that help clarify the question I think you're raising?

MR. SINNER: Yes.

MR. FRIANT: So I'm not taking notes on this. Is Kendra or somebody as part of the group taking some notes on some of these? I know we'll have them in the written notes.

MR. ENGEL: Nick, isn't that implied that this is a piece of the official system? How would it have ever been identified in the first place?

MR. FRIANT: You're correct, Curt, it

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is. Probably what we need to do, because this was taken out of the aflatoxin handbook I think, so we might need to look at what, you know, this was --

MR. ENGEL: I think we borrowed heavily.

MR. FRIANT: We took it right from the handbook and just tweaked it basically. But I think depending on how this gets used by FGIS and then their discussions with FDA, for good order's sake, we probably do need to clarify it. If nothing else, because what --

MR. ENGEL: That's just a curiosity question, clarification from my standpoint.

MR. FRIANT: I think that was a good question, too, and it might be incorporated in other places. If FDA or someone else sees this in a vacuum, I think we want it clear that it only applies to officially inspected grain. I appreciate that, Curt, thanks.

MR. ENGEL: No, absolutely.

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MR. FRIANT: So, Matt, I notice we're getting close on time.

MR. KERRIGAN: Keep going.

MR. FRIANT: Okay.

MR. KERRIGAN: And as Nick is going through some of the other comments, I think, you know, the key piece with Tony, I think is, this is a recommendation for the process, you know, that there may be some, you know, some items in here that has FDA and FGIS, you know, get that final working document, you know, final agreement, that some of the only this, only that, you know, bullets numbering, where it actually resides can change. But the idea is that these are the items, this is what industry, both on the inspection as well as the elevator side, you know, feels can adequately, you know, recondition to better lots, you know, with a procedure for what to do with the others.

So as far as not getting caught up on some of these others, you know, it does still

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need to go, you know, to FGIS working with FDA, with these two different groups to make sure that everybody is in agreement, you know, of it. The heart of it is really the actionable lot with what we can actually do about it.

MR. FRIANT: So the next comment also was in this same section around diversion of high IDK wheat to animal feed. Well, it wasn't a question, it was a comment, to provide additional background to FDA on why diversion of high IDK wheat is appropriate or okay. In other words, don't assume that when FDA reads this, they will understand why it's not an issue to impact human or animal health, right, or a safety issue.

So I think based on that comment, probably what needs to happen is the subcommittee, well, I guess it's a question, Arthur, for you and Tony, do you guys need more information from the subcommittee on why it would be okay to do this for when someone talks to FDA?

MR. NEAL: Yes. As you've noted, we

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should not assume that they fully understand those impacts. Based on the dialogue that I have heard, it's in the substantive and preventive measure the reason why they're concerned about, you know, diverted feed going to animals and then coming back to the U.S. in the version of meat products. So I think that's a conversation that needs to occur with industry at the table, but that background and perspective needs to be provided in writing to prepare them for that conversation so we can hear their perspective as well.

MR. FRIANT: So I think based on that, my suggestion would be that the subcommittee works to develop some of that additional background. I guess if anybody on the committee or subcommittee disagrees, please speak up.

Okay, so we'll take that on, on behalf of the subcommittee, we'll take on some of that background work on this piece.

The next comment came up in the

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Section 6.5 around FGIS responsibilities, and it was around providing additional clarity for field office managers and delegated state officials. I guess the question would be, you know, for Tony and his team, the field office managers, maybe Phil from a state perspective, what additional clarity might we need in this section? I'm not sure that we can answer all those questions right now, but, Lee, I see you're raising your hand.

PARTICIPANT: That was my comment --

MR. FRIANT: It doesn't actually speak to delegated state officials. It just says field office managers. Yes, okay, so it's really an and.

PARTICIPANT: It's an and. You're likely wanting to allow Phil to make that call, not requiring the PNW field office to be that person.

MR. KERRIGAN: That's in the sub-level 1 for export locations. Do you want it up at top instead of just down below there?

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MR. FRIANT: Sorry, I didn't, it may have been added, but --

MR. KERRIGAN: Okay.

PARTICIPANT: -- that had been my comment.

MR. FRIANT: Yes, I think that's an easy enough change that we can add. Field office managers, and Phil, we can work with you on the right language there, delegated state agency managers or something along those lines, okay.

The next one was in this top paragraph here on the next page. We need to be clear on responsibilities and how FGIS is helping to facilitate FDA's work and maintain a streamlined grain supply chain. The further comment was should we add a cover letter or preamble to establish the purpose for the SOP which is facilitating consistency?

MR. KERRIGAN: Is something like that currently done or as part of this bigger draft MOU for the aflatoxin?

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MR. FRIANT: I'd defer to Arthur maybe on that.

MR. NEAL: So that comment, I'm not sure where it's coming from, but I think we do have to have some introductory language that helps us to stage on whoever is going to use it as we may have different people engaging in this process. They need to understand why this was done and the like. However, for the work of the committee and subcommittee, the focus needs to really be on the plans and kind of making sure that the issues or actionable incidents, all of them are addressed thoroughly, and that the subcommittee anticipates questions that FDA may ask and add clarity on to ensure that those anticipations are addressed in what's being provided.

MR. FRIANT: So I think what I heard you say, Arthur, and please correct me if I'm wrong, is that as long as the broader committee is comfortable with the items we've identified,

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the actions that we're taking, you have enough information to continue the conversations with FDA. Also we need to continue to work on some of the additional background and kind of justification information that can be used in those conversations.

MR. NEAL: Right, because we learned about the concern that FDA had about such grain going to animals, but I don't know if we had that context before fully.

MR. FRIANT: No, I do not think we did.

MR. NEAL: And so giving them perspective from the industry to further that conversation, conversation and engagement with them will be necessary because that is something that I think that lays a decision being made on a remediation plan, that particular, that principle that they have of making sure that such grain does not come back into the country by way of a meat product. So I think a dialogue should

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really occur around that to make sure that industry's concerns are heard, perspective is shared, and also FDA's concerns are heard, and then try to figure out if we can meet in the middle to help facilitate a decision more timely with common understanding.

MR. FRIANT: So the subcommittee will continue to work on that additional information.

The last comment we had was down in what's now labeled Section 6.7, Disposition Policy, and it's around the screenings not re-entering the human food channel in any fashion. The comment that was made during our last meeting was more commentary or direction on how screenings should be handled.

I guess I would open it up to the committee on what additional clarity or commentary is needed in this section in particular?

MS. GROVE: I just wanted to double check. This disposition is for all of those

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listed in 6.4, all of the different actionable items, or was this still going back to the wheat IDK?

MR. FRIANT: That's a great question, Barb. This would be for all actionable items, and No. 1 only applies to the screenings. So essentially what the reconditioning procedures that we've outlined here say is if you find one of these actionable items, you can recondition the grain, i.e., run it over a screener or some sort of mechanical separation to remove the actionable items. So that No. 1 is referring to those screenings, what gets removed.

The sound grain that's been reconditioned, as long as it does not exceed FDA action limits, it can be handled without restrictions. So we've got two separate pieces of this disposition, it's the screenings and the sound grain. Yes, it applies to all, whatever it was, five or six of those actionable items that we identified at the beginning.

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MR. KERRIGAN: This may be an area where we need to, knowing that the Center for Veterinary Medicine may go into play since we only call out human food channels, it doesn't state that it can necessarily has to go into feed, but that may be a question I guess on the FDA side from the screenings itself.

MR. ENGEL: We should be able to break that down because the components of those screenings, a couple of them like the aflatoxin level needs to be verified before it can go anywhere. The IDK piece is about, you know, wheat cleaning so to speak that are unacceptable to a flour grower but may be acceptable to a feeder. The excreta and the rest of the DLQ key parts of it absolutely don't go anywhere. I mean, can't we just spell that out?

MR. FRIANT: I'd open that question to the whole committee, what are your thoughts on that? So, Curt, what I think I heard you say is perhaps the disposition of the screenings needs

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to be a little more prescriptive than what it has today; is that accurate?

MR. ENGEL: Absolutely, because I sit here and I can mull that over in my head and there's really components of what's being removed from this that just need to go into the garbage, so to speak. Some of it still has some type of use, but it needs to be validated as having that use.

Does that make sense?

MR. FRIANT: Absolutely, yes.

MR. NEAL: On that same note, I think that kind of goes to my comment about anticipating what they don't know. Hearing that come from is that they may not have an idea of what that process even looks like. For that reason, it slows the decision-making process down. So anything to help them visualize what that process looks like, what happens to the byproducts or the screenings, I think it's helpful for them to accept what we're presenting,

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what you're presenting, well, what we're presenting more readily.

MR. FREDERKING: I think there's a bit of a difference, or in my mind, you were talking about remediation plans. Certainly there is a reconditioning process, that I hope this is the purpose I guess of this document is to standardize the reconditioning process, whereas the diversion plan on the screenings can be really complex like Curt said, depending on what results are actually seen in those screenings. So just keeping those two things separate and not getting lost I guess in some of the CBM confusion on where these screenings can go would be important.

MR. KERRIGAN: Yes, and I was going to agree with that intent, Chris. You know, really the idea of this is to get that actionable lot released as an actionable lot so it's not locked up somewhere, export terminal or interior, you know, to tying that bin up, that we can

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hopefully move it along the process. Maybe the disposition one for the screenings is not delineating each individual actionable lot but maybe it just needs to go back to, it needs to meet FDA guidelines, you know, for that, that there's not an actual pre-approved plan for what's removed. Maybe we still, you know, because of all the unknowns, because of the testing, because of the various levels, maybe that just still resides with we need to get in touch with FDA for that portion of it, but at least it keeps everything moving through the process.

MR. FRIANT: Now that we've gotten into this discussion, it's coming back to me slowly. But you're exactly right, and the intention was you still may have to go through the full diversion process with FDA on what to do with the screenings. The one caveat being that I think that the subcommittee threw in was if it is screenings for aflatoxin, as long as you're

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going to go to the appropriate animal species, you wouldn't need to go through the full diversion plan for aflatoxin, in corn screens for example, but the rest of the actionable items you most likely would have to go through.

So maybe that's some clarification we need to add, particularly to this No. 1 is, we've already said it's not going to go into human food channels, all other actionable items except the aflatoxin you have to go through the full diversion request process. Aflatoxin, as long as it's going to the appropriate animal species, can go. So that gets it clearer but still keeps it relatively simple.

MR. KERRIGAN: And should provide I guess a big portion of that clarity that you think the FDA is going to look for, for why this is okay. I think we probably still need to add a small piece to why the reconditioning plan of screening, you know, is sufficient. But then that should then, you know, leave that back in

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their court for what to do with the --

MR. FRIANT: So from a process perspective, I think this subcommittee maybe has a little more work to do before we go for any sort of final approval from the full committee, is that --

MR. KERRIGAN: I think we can do one of two things, given that there exists a couple of minor clarifications depending on timing this afternoon and tomorrow. There could be an opportunity to potentially clean some of this up, run it back through the committee depending on a couple of these other action items, see if they wanted to keep it moving. It doesn't necessarily have to go back as long as the committee comes to a language in items that they are comfortable with and addresses all the concerns. Otherwise, if time does become a constraint or does get to be very convoluted or complicated, then I would suggest that then it would kick back at the end of tomorrow's meeting.

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MR. FRIANT: So I don't want to speak totally on behalf of the subcommittee, but I'm happy to add some of the additional language and clarification, and as a subcommittee we can have a chance to take a look at it very quickly. I would prefer we try to bring it back before the committee tomorrow.

MR. KERRIGAN: Okay.

MR. MORGAN: One clarification. Conversation with you yesterday, Arthur and Matt, do we need to take rice out of this document?

MR. KERRIGAN: I think we already did.

MR. FRIANT: There's still some reference in the --

MR. KERRIGAN: There's still some reference?

MR. MORGAN: Okay, I just wanted clarification. I know we, we're going to have to work on our own plan, so we're going to probably piggyback.

MR. FRIANT: Yes. So I think you're

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right, John, it probably should come out. But that was the wording right out of the MOU where it lists, you know, rye, wheat, rice and pulses.

MR. MORGAN: Yes, our major remediation plan is to re-nova rice, and typically once we re-nova, they can go into almost any channel unless we have an aflatoxin issue or something like that. Thanks.

MR. KERRIGAN: That's good to know. Thanks, John. We thought we caught all of them.

MR. NEAL: So speaking of that, I'm trying to think of a decent time for us to target having a meeting with the different components of FDA around this topic, hopefully face to face such that we can, you know, begin that dialogue. I'd like it to be done with all of the sectors that we service.

So I know that, John, when you all have an opportunity to look at the remediation plan and the work that the subcommittee has done, it may be good to get an idea of when rice could

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be able to have a plan, that when we talk to FDA everybody can be at the table at the same time.

MR. MORGAN: Thank you, Arthur. I'll reach out to our representatives, and we're meeting in July, so hopefully we can come up with something pretty quick.

MR. KERRIGAN: Any other questions for our Subcommittee Chairman Nick on the draft plan?

Okay, with that, let's go ahead and break for lunch. We'll come back to, well, we have one more topic to begin initial discussions on regarding the grading soybeans of other colors, as well as coming back to see if there's any more information and discussion points on the other three, primarily the Grain Inspection Advisory Committee alternates as well as the shuttle train data, specifically regarding furthering those conversations.

So let's go ahead and take a full 90 minutes here. Be back at just after 1:15 or

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right at 1:15.

(Whereupon, the above-entitled matter went off the record for a lunch recess.)

MR. KERRIGAN: Okay, we'll go ahead and reconvene here. We are in the middle of our industry issues section. Again, a reminder, we do have at least a hard stop at 3:45 to make sure that we don't have any public comments via online.

But the one area that we have not discussed yet is grading soybeans of other colors. I would like to turn this initial request discussion point over to Barb with the expectation that Dr. Jhee will probably be pulled in pretty quickly.

MS. GROVE: You might as well come up. I think the majority of the people in here have, in some way, shape or form, been pulled into conversations or had conversations within, you know, whether your own companies or other agencies or committees concerning this.

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Because it is across the board. Grading soybeans of other colors, the issues, domestic receipt, movement for export shipment. Before commission, so many different variations of this. Because we wanted to make sure that, as a committee, we had the ability to really talk about what can we truly do?

So to be too specific wasn't going to help the conversation and to help us come to some conclusions. That the last three to five years, a particular trait traded soybean has shown to be more susceptible to viral stress. So in that end use of that comes, it comes out as soybeans of other color.

And more considerably, the smoky gray type of coloration. Or we'll call that, that's our new phrase, I guess, or new coloration term. This is whole only. So when dissected, it's a quality -- soybean. So we just wanted to facilitate discussion here.

And what do we feel we can do for the

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industry? How can we help? We all know, I guess you know, as you do studies and research, we all know research takes time to fix this, this issue or correct whatever the deficit is in this trait. So, you know, what are those things that we can do short-term and long-term for SBOC?

MR. KERRIGAN: Dr. Jhee, I'd ask you to step up. I'm not sure if you are aware, I guess, of this coming up. If you had any advance notice or not on it. Is it going to be a yes or a no?

DR. JHEE: I'm getting briefed.

MR. KERRIGAN: Okay, so what I needed Dr. Jhee was the comments that were submitted officially from an elevator operator. Obviously, with your previous work and current work with genetics and different USC trials, GMOs, things of that nature, there's a lot of things moving --

DR. JHEE: Right.

MR. KERRIGAN: -- and it does appear

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that there is a specific trait that, you know, is impacting it, and I think where the industry's at is a couple fold. Is, we want to make sure that there, if we go down the route of pushing for either different grading characteristics, standards, quality; you know, whatever that may be, that there's, obviously, no ill harm scientifically.

You know, before we go down that, I think we all want to be educated on what's happening. Is it a side effect or is it a real issue, which is what soybeans of other color, the grade factor was based on, right? So that's kind of the first tier where we're at.

The second tier, then, would be you know, if it truly just is a discoloration with no, you know, no other, I don't want to say downside, but no negative impacts to the quality content of the bean itself, enter into that discussion of, you know, what can or should we be doing? Because this is impacting grade search

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for export as far as that goes.

So I know you're not fully up-to-speed on it, but I would, I guess ask, you know, your opinion; what you know, what you don't know. And if there's anybody else, maybe, in the room, the attendees group or something, that may be seeing it has some comments.

DR. JHEE: Okay, I know there have been extensive conversations with the industry, as well as with the developer of this certain product. Going back to, I guess, my previous role with the Animal and Plant Health Inspection Service, I'm pretty aware of this trait and the stacks of herbicides that are in this trait.

While I would not run the risk analysis or risk assessment team that actually reviewed this for non-regulated status, I think based off of its current non-regulated status, it would not pose a risk to the environment or any other human health impacts.

I think what we're dealing with is

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probably and environmental issue, meaning some sort of stress is put on the beans, and it could be a leading to the discoloration. I think that's what I'm hearing from the industry.

Another question I think that would be something to explore, perhaps in the long-run, is you mentioned the quality. Now are we talking about the subjective quality or are we looking at protein oil, those types of qualities? Because I think, I think that's what the buyer would be most interested in, wouldn't it?

MR. KERRIGAN: Yeah, and that's, typically, when we get into discoloration issues, is it's been my experience that the quality starts to be impacted by streaky oil. I, and again, this is purely in the hulls. The hulls are removed prior to the crushing, so the oil is not impacted irregardless.

You know, the quality beyond that is just making sure that, again, it's part of the grade standard currently. So obviously there was

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something that went into that of why we're characterizing soybeans of other color, you know, as a designated unit.

So if there's a quality that went along with that gray factor initially, I guess the assessment in my mind would be does this meet that definition, you know, of an SBOC; of why it's identified initially?

If it doesn't, but just has, you know, could be confused or, because of the testing standard or grading standards of how we're calling out SBOC versus this, is there a way that we can differentiate between the two, if there is not a quality, because it is showing up on grade certs and certain applications as it's being graded.

You know, we're not aware of any characteristic quality issues to protein oil, things of that nature that I'm aware of. It seems to be how it's being identified, and I don't want to say confused because I think that the

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grade standards and procedures are accurate.

Other than we have this issue that it looks like what the standards, you know are there. So, you know, we definitely, as a committee don't want to make a recommendation, push the Federal Grain Inspection Service into changing something if there is, you know, another issue or hazard that could be there.

But it's also how do we identify this? How do we separate it? Because the standards, obviously, take a tremendous amount of time to change, and require a lot of effort to make sure that they are being changed for the right reason.

DR. JHEE: Right, understandable.

Brian, could you speak more about the recent engagement that we've had with the industry?

MR. ADAM: Yeah, so generally what we're seeing is is it the SBOC. So it only affects the seed coat; it does not penetrate into the endosperm or the meat of the kernel, and it

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is a little bit different than some of the traditional SBOC we've seen in the past.

Generally, SBOC is expressed, the vast majority of the time the whole kernel is discolored solid, either a black or brown. What we're seeing with this particular type, whether it's the environment or a new variety, is kind of a brown, and sometimes it is expressed as a smoky gray discoloration.

A band that generates from the hilum, generally, all the way across, and back into the other side of the hilum, and then some discoloration on the side of the soybeans. So part of the requirement from soybean of other colors, a minimum discoloration which is shown or expressed are visual reference images SB 12.0.

The other requirement is 50 percent coverage. So what we're seeing is the decision that has to be made by our inspectors in the field, generally, is the coverage. Because the discoloration more than meets or exceeds the

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level of discoloration required for SBOC.

And so generally what we're seeing, at least for the Board of Appeals review, that the board appeals we're seeing about an average of roughly about four percent in our samples that we're getting. And, generally, we're only seeing that right now from one location. So we're only receiving board appeals from one location right now.

We're been in discussion with, let's see, the last one was USSEC, the U.S. Soybean Export Council. We've been working with our quality assurance specialist. We are currently toward the end of our annual meetings, and we're really working on getting everyone aligned.

I know when I first heard of this I was concerned that maybe this was something that we were over-assessing. Because, historically, this has not been an issue. I've graded for around 30 years, and I don't, thousands of lots of soybeans, and I don't think I've ever

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downgraded a lot of soybeans due to SBOC.

So this really is something that is new, and we've been working with both our quality assurance specialist and inspectors. We feel that there is good alignment. Maybe a little bit of bias to under-picking. So not quite maybe getting everything; that's kind of across the board, yeah across the board.

So we're kind of working on that but, yeah, the major concern that I first had was maybe we were over-assessing it. That doesn't seem to be the case. It is out there, and now we have to find a way to deal with it.

MR. NEAL: So from the FGI's perspective, when talking about grading, it seems as if grading the soybeans is occurring in a fairly consistent manner. The challenge that we think we have is now just, and when I say we, is the marketing of the soybeans.

I'm not quite sure how fast this SBOC issue will go away; you know, the greenish,

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grayish color, smoky-colored soybeans. But from a marketing standpoint, soybeans moving the way that they should, I think some consideration has got to be given to that aspect of it.

We're doing what we can to ensure that official agencies, Federal inspectors are grading according to the lines. We're also trying to make sure that we've having conversations with different groups to understand that we've not changed the grading standards.

But we're open to working with all groups to figure out how do we minimize impact. That's just kind of where we are, and I think the group thought will really be around the marketing side of the house.

Because some contracts are already established for '22. But the word on the street is that more of these soybeans will be planted this year at a larger rate that will impact '23. And so that's kind of where I think we are at the moment.

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And we don't, we're all in this for different reasons, but the core is really the American farmers, you know, farmers are producing the soybeans. We want to move it, but if the farmers start getting penalized at the farm gate because of soybeans, that's going to even be a bigger issue.

So I think that's kind of what we're dealing with, and we've got to try and figure out how to maneuver this current situation.

MS. GROVE: You know, your comment on the marketing side is very, very definitely, you know, a thought. And, you know, again, the market share of this particular traded bean, again, for 2022, was larger.

And a question asked from somebody is if the producers know if it has a tendency towards this trait, will they stop using it? No. Because right now the return on investment of what they get out of using this trait; the efficiency in their operation when the majority,

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I want to say the country is not discounting.

So there is no reason to not plant, and I'm not advocating that anybody do. I know from a personal cooperative perspective we are discussing it. What do we do? Because we have had, we had shuttles all through last fall and in December, when this first came up, sitting.

They're loaded, and the only factor that's causing them to be outside of that contract a No. 1 soybean was SBOC. So they were sitting, waiting for a buyer to determine will I even take it.

So when you have something sitting there, you know, it goes back to that whole supply chain, back to the issues with rail. If that train has to sit 24, 48-hours for somebody to make a decision, then plus taking monetary discounts, that's, I think, where we're sitting right now.

Because, again, you're paying, if you want to say, not necessarily a premium; you're

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paying a standard, a good standard price for a number one bean if we are not discounting for it, but we are paying for it on the outbound.

And that's, that is where we feel what can we do? What can we do, both short-term and long-term to help, say, minimize that impact?

MR. SINNER: One of the concerns I have is that it sounds like this isn't, necessarily, genetic, but it's environmental. It's environmental that caused it, even though it's something genetically about that variety or that event.

So the question from the customer is always going to be well, how is this going to affect my end product? On the food side, is this going to affect my taste? Is this going to affect the performance of my final retail product?

In SBOC, you look at brown soybeans, and those are yellow in the middle; that's a genetic mutation, and the black soybeans, they're

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grown as black soybeans. So do we know enough about how this end use is affected, if at all? I mean, this is the first time I've seen this.

DR. JHEE: We, how do we characterize the engagement we've had with the developer in terms of getting information from them, and they've looked into this issue themselves?

MR. NEAL: So they have research on the issue that I believe has been shared with various groups. They have participated in some, they've not necessarily been vocal, but they've been participating in the meetings with our industry around the issue.

So they're engaged, and I think there's even future engagement coming down the pike in which they will be participating. I think Bob asked a great question around end use which we won't be able to answer, not FGIS.

I think that's where hard work comes in, in my opinion, between buyer and seller to guarantee the buyer that there's no change in

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what you're getting, other than the fact of this SBOC, but knowing what the buyer intends on using the soybeans for.

MR. SINNER: Well, and then you get into is this damage? Is it mottling, rather than SBOC? And I don't, I mean, they have to rely on your department to say well, this is the category it belongs. And so then environmental can be, can cause damage, right?

MR. NEAL: Well, it's a good question. So the developers go into problems that really need to confirm the cause. They created it, and they've probably done the trials and the like for that purpose of why this is happening.

But at the end of the day, regardless of why it's being caused, for contracting purposes for product flow, is it going to impact my final product? Whether it's meat; you know, whether I'm using it as feed for meat production, or if I'm using it for a processed product. Whether it's for oil.

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Somehow, somehow, I believe there's got to be some type of documentation to help those buyers, whether they've already contracted or will be contracted in the future, to know this will not impact whatever it is you're doing.

MR. FRIANT: So I think a key question that I have for FGIS is there a role to play for FGIS in facilitating that research on functionality? Because I think that, I think, Bob, that's what you're getting at is, in my opinion, everything we've heard so far is anecdotal.

It doesn't impact functionality. It doesn't impact oil. It doesn't impact protein. But I'm not sure that there's been that what I would consider basic research to say, definitively, yes, functionality is not impacted.

And so is there a way for FGIS to help facilitate that research into the functionality? You know, is that a role that FGIS can help with between, because it gives, you know, there's a

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level of trust in data that the developer would provide.

And then, there's another level of trust in data that would be work that's done in conjunction with or through a Federal agency like FGIS.

MR. NEAL: In short, yeah, think it through. The short answer is yes. We may not conduct the research ourselves but, yeah, we can definitely play a role to help facilitate the research around the impact of this particular SBOC on the quality of the soybeans.

I think what gets tricky, and could potentially lengthen the research, is if we go down rabbit holes of all of the potential uses of the soybeans, and trying to figure out how everybody's going to use it. I think that there could probably be some preliminary assessment and assumptions made.

But if there's going to be research conducted for every potential use, that's going

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to take time. Think about how long you have to figure out whether or not the SBOC is going to impact the color of meat. It'll take a long time.

But if that's, you know, personally, the functionality of the soybeans in terms of the natural soybean itself, may be able to assess without the SBOC impact data, I think we can do, in partnership with someone very, you know, fairly quickly.

When we get into end uses, that could potential extend that research longer than what I think we want.

MR. MORGAN: I mean, Arthur, I would think you would turn to your research community for these answers. Universities. Research councils. It seems like it's more of an academic issue than a grade standards issue right now.

MR. NEAL: You're thinking along the same lines as we are. Like I said, we wouldn't do it ourselves. We'd partner with the land

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grants, more than likely to help facilitate it, but I think the scope of the research has to be pretty clear, because we don't want to send anybody down a rabbit hole.

We want it to be very clear and focused on what it is you're trying to achieve. Not to shape outcome, but to make sure that they have clear instructions on what they should be trying to test.

And if end uses is included, we should be clear on what end uses we want to look at, but if we're trying to cover every possible use, that's where the challenge could be.

MR. FRIANT: You're definitely right, the scope of end use is huge. I don't have the firm numbers to back it up, but I suspect the vast majority of soybeans handled in the U.S. and export in the U.S. go into soy processing and oil. And a small percentage goes into food beans or other application.

So I think that's part of that

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discussion is where it's done. Putting the good of the majority, right. And you're correct, the scope needs to be clearly defined. And I think that could be done if we look at soy processing as kind of a key focus area. That's the direction I would look at to your research.

MR. KERRIGAN: I just want to come back to something you had mentioned about the Board of Appeals. And you said roughly four percent of what you're seeing has come in associated with it.

Is that soybeans of other colors, in general, or soybeans of other color that appear to be this specific seed coat generated this year?

MR. ADAM: Okay, yeah, so we've received about 30 board appeals. And the average SBOC content has been four percent, and it has all been this what we call newer type of SBOC with the ring, and not the traditional all black or all brown soybean.

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So, yeah, so everything that we've currently seen roughly over the last year I would describe as this newer type. And the average of all those 30 board appeals that we've seen, the SBOC content has been four percent.

MR. KERRIGAN: And then, getting to the grading standard and, again, I'm just clarifying. Is that, do you feel that the way the standard is written currently, although obviously through the Board of Appeals, but that it is being graded accurately per the current standard for this new --

MR. ADAM: Yeah, yeah. So we've looked at it, and we've done a lot of testing of our inspectors. We feel that they're very accurate and tuned to this, though there is a slight bias to under picking.

So like, for example, for the 30 board appeals, if our average was roughly four, maybe the original was 3.5, 3.6. So close, pretty close.

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MR. KERRIGAN: All right, one of the other items I'm hoping that you can speak to a little bit, regarding the actual standard itself, is SBOC versus mottled. Can you speak to, maybe, how those are, those two items are viewed, tech graded. And maybe how it's different than what we're seeing now?

MR. ADAM: Yeah, so the purple model is not considered part of the SBOC standard. So that's depicted on a general appearance print, and it is assessed on 400 grams. SBOC is assessed on 125 grams, and it's an actual grading standard. Purple mottled is a special grade.

So it doesn't affect the actual grade, but it would be noted on the grade line. And it would be something that would be, a buyer could discount.

MR. KERRIGAN: And I apologize because I'm not 100 percent versed in, I guess, the standard. Is that called as a separate kind

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of section in the standard, then, for how that purple mottle is graded and why it's not?

MR. ADAM: Yeah, correct. It's a separate, distinct from SBOC, and its own standard, visual standard.

MR. KERRIGAN: Asking these questions, I guess, obviously, lead to, you know, some of those questions that, you know, if there, if it's found that, obviously, that there isn't a quality, you know, dysfunction to it, you know, for the end user and such, what the end game could possibly look like.

I guess, you know, from just internal discussions, if it is different than the traditional, you know, all black or all brown, you encounter something of that nature, you know, of what that could look like, I guess.

But I'm assuming that anything of that nature, since it's part of the standard, would have to go through the full standard review process, even if that were to come about; is that

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correct?

MR. NEAL: Yeah, if we were to change the standard, it would engage the public process.

MR. FRIANT: Timing on that, roughly, from when you took it to --

MR. NEAL: I mean, you're looking at minimum 18 months. That's minimum. Why? Because you're going through a proposal, public comment. And before you even get to the proposal, you've got to draft it.

It's got to get through the full Federal clearance process. That's internal. That's office of General Counsel. That's agency. That's office of program, office of budget and program analysis. The to the Federal Register.

We don't control some of those other folks' timelines. And then, you have, after the comment period closes, you have to assess the comments. Respond to the comments. Draft a final. And it goes back to a clearance process again.

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MR. FRIANT: All right, so I'm pretty confident I know the answer to this, but there might be folks in the room that don't know the history as much. Is there another example of dropping a grade determining factor, and dropping it from being grade determining to being informational or other criteria?

MR. NEAL: I'm going to turn to Brian on this. I think that there is, but you have the history better than I do.

MR. ADAM: Yeah, test waste in soybeans, now 12 years ago. So, yeah, I mean, that's something that could be done with SBOC if it was determined that 90 percent of end use is not a concern.

If the industry thought it was appropriate, it could be pulled out of, out of the grade determining factor and be contractual or informational, yeah.

MR. FRIANT: And is that process, potentially, quicker than the full standard

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review because there's a precedent, or does that change the process any?

MR. NEAL: Brian, how did that process work for dropping of the test waste --

MR. ADAM: I think that was done by policy. So I'm not really sure how long that took.

MR. NEAL: So if I'm not mistaken, if Pat's in the room, Pat you can come up, but if I'm not mistaken, it would follow the same process. And the reason being is because it still requires a change in the standard, but Pat, you can confirm that for me.

STAFF MEMBER: That would be the exact same process that Arthur described. It has to go through a Federal Register notification to notify the public about that. Comment period. Draft a final. Put that in the Federal Register.

And then, remember that grain standards, because we do this according to the Administrative Procedures Act, and this is in the

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regs, grain standards have a one-year set-in before they take effect.

So we would try to publish that so that it would, that new rule would take effect at the time of the harvest. We try to do that that way. So 18-months to maybe get it to the point of appearing as a final rule in the Federal Register, plus a one-year set-in.

And that's so merchandisers and everybody in the game can get their inventories positioned. So that when we flip the switch at midnight, we don't destroy the value of something.

MR. FRIANT: Would there be any, again, assuming that this was the direction the industry wanted to go, would there be any path forward through some sort of emergency, I don't know if waiver's the right term or declaration.

But is there a path forward there through the undersecretary, Secretary level? Kind of analogous to the emergency declaration

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with Hurricane IDA but, of course, a different situation. Is that a, is there any path forward through that process, while it works through the clearance process?

MR. NEAL: Great question. I think an interim final rule could be pursued, which allows for faster implementation. However, if I'm not mistaken, if comments on an interim final rule that oppose the change, it would require us to start the process all over again from scratch.

It would push us back further than where we would have been. And you can't control comments that come in from anybody.

MS. GROVE: So with that, what you just said, I think, Brian, you mentioned, you know, with changing it, if 90 percent of the end use was, and maybe it wasn't you, so I should say. But 90 percent; so if you tried to go through the emergency temporary standard, any negative comment could push it back.

Where, if we would just go with, let's

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look at that possible 18-month, plus the one-year setback, at least if 90 percent agreed; okay, maybe I misunderstood that.

MR. NEAL: Go ahead, Brian. Then I'll clarify the other part of it.

MR. ADAM: Yeah, I was just using that as an example for end use. I don't know what the percent would be, or the percent of agreement by industry. So that was just --

MS. GROVE: Okay.

MR. ADAM: -- kind of an example of why it would possibly make sense to pull it out of the grading standard.

MS. GROVE: All right.

MR. ADAM: Sorry.

MS. GROVE: Right.

MR. NEAL: And just FYI, Barbara, there is no numerical threshold that has to be met in terms of comments agreeing on something before the Federal Government would implement a change.

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MS. GROVE: So I ask, well, I am going to ask. If you can answer has there been work on a new visual reference image? And you were mentioning it, and I was trying to write it down, and I missed a little bit.

But one showing this particular; I was just looking up online, and what I, the last I saw was 2016. And that didn't really even show that, that full black coat or brown coat. Those were really --

MR. ADAM: Yeah, so we've actually, with Digital Media Group, did produce a new image that we've shared with our -- at the seminar. And we're maybe looking at some other technologies, like video.

But for the actual grading, official grading, the only print that is approved is the SB 12.0, which shows the minimum amount of discoloration needed for the SBOC. And then, of course, the coverage is 50 percent or more coverage.

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So really what the inspector is looking for when he's grading, to make his determination, because the vast majority of these beans are dark enough, is the judgment of does this cover 50 percent or more of the bean?

MR. KERRIGAN: Moving a little bit forward to this, as well, we talk about, obviously you know, interior to the U.S. grades. Is that maybe going to export, things like that? Have we seen this come up on the export receiving nation country side of any direct concerns, complaints?

Obviously, we know that as we're exporting we need to meet our grade fact ourselves. I'm not saying that we're shipping something that's not properly graded, but have we, have you guys received any indication from them about it?

MR. NEAL: To my knowledge, we've not gotten any complaints about SBOC from other countries. I do think we've heard, anecdotally,

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from shippers that they've had some issues. Well, the product's still on domestic.

It hasn't, it's still in England. The product had not been exported yet; having some challenges with their soybeans meeting contract specs. But nothing has sailed, that I'm aware of, to a destination and been rejected because of SBOC.

MR. REILLY: I haven't heard of any complaints --

MR. NEAL: That was Byron Reilly saying he has not heard any complaints from other countries, for the record.

MR. FRIANT: So I'd kind of like, Matt if we're okay, I'd like to take the discussion a little bit; a different question, but still on this topic.

One of the conversations I've had with folks is, and I do not know the feasibility of this, but because it appears to be a seed coat issue only, is there any sort of reconditioning

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process that could be used to knock the seed coat off and be re-graded?

Either after grading, or remove the seed coat prior to grading. So I'll just throw that out there for some discussion.

MR. NEAL: Great, outside-the-box thinking.

MR. FRIANT: That's why I said it.

MR. NEAL: I think, I think, and this is me talking off the top of my head right now. Does that, is that sample now, a representative sample of the lot, because it no longer contains the seed coat? That would be my question.

Does it change the, change our procedure and our standard for taking a representative sample?

MS. GROVE: So not particularly on the reconditioning, can we recondition a lot? But we do find that it happens naturally, in a sense, through movement through the elevator at harvest. Again, through the fall and December, a lot of

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our shuttles that were held and highly discounted, hey this is fresh.

But as the beans are in storage being re-elevated and then loaded, you're seeing the hulls sitting in piles, you know, in a structure. They are knocking off as the beans dry. It's, I guess if need be, if that's our only alternative.

It's a somewhat expensive one because you look at re-elevation, if your knocking the hulls off most likely you're causing yourself a higher percent of slit and things such as that.

But I won't say that it's a process, but it occurs during elevation anyway. So if that's happening, in that somewhat naturally throwing movement, I wouldn't say that it's changing the structure of that bean.

Because then, as its being graded and loaded, it's not being graded as not a, not a whole kernel because the hull is no longer there. We're not, that's not a concern in the loading. I guess that's what I see.

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MR. NEAL: That is good rationale. We're just asking questions as the concept thrown out. The, and I lost my thought for a second.

When we're talking about that seed coat, the question I think, also, that's still a challenge for us, even if we did do a reconditioning is the definition of U.S. No. 2 yellow soybean, No. 1, because it's based on the seed coat.

If the seed coat's not there, and we're trying to confirm or attest to that soybean moving U.S. No. 1, No. 2 yellow soybean without a seed coat, I'm not quite sure how that all complies with the standard, and this is just me talking out loud.

MR. KERRIGAN: And, honestly, as you're talking about that, Arthur, to Barbara's point in knowing that seed coats do fall off now, I would say unintentionally. That could be the basis for a standard change of it being a not-for-classification, you know, but informational

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only. Knowing that it happens already, right?

I mean, because I would say that if a samples comes and there's, you know, some beans without the seed coat on it, you're probably not looking for that or not viewing it any differently. You know, it's still yellow.

I mean, I could tell you what the percentage is, other than knowing when we look inside the bins, I'll agree with that. You know, all around the edges, that's all it is is like hulls, right?

MS. GROVE: To this, to add on to that, would it be different, is it any different than dockage in wheat? Dockage is not a grain standard, but contract factor. You know, FM is a grade standard in grading wheat, but dockage depends on what the end user wants because it can be mechanically taken out of it.

MR. KERRIGAN: Brian, and getting back to just kind of the existing standard with soybeans of other colors, can you maybe walk

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through the process, I guess, of identifying it? Is it purely a visual? Do we cut them in half?

Do we confirm anything to the black ones versus dark brown versus the mottled? What standard, I guess, practice, process?

MR. ADAM: Yes, it's purely visual. So there's no cross section involved like for damage by heat or heat damage in soybean, and we're just assessing that outer coat. That's all we're looking at.

And we're determining whether it meets or exceeds the visual print for discoloration and 50 percent coverage. So it's pretty straightforward. And readily identifiable in a sample. So you don't have to pull out suspect samples and cross section them like you do for green damage or heat damage.

MR. NEAL: This is a question for probably Tony or anybody who's been grading out in the field. Is it common for us, when we are looking at a sample, soybean sample, is it common

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for us to find that the soybeans we're looking at at the time do not have seed coats?

MR. ADAM: Can I give my opinion, as well? Generally, the soybeans do have seed coats. They can break off sometimes, and sometimes we do; of course when that happens it usually expresses itself as a split, a split soybean. So it'll break off in two halves.

So generally you don't see a lot of soybeans that are still connected that don't have the seed coat.

MR. GOODEMAN: Yeah, same answer. I mean, once the hull comes off, it's not going to be intact for very long, I wouldn't think. And so we count the hulls and the split soybeans as split.

So, I mean, unless you find a way to segregate only the ones that were SBOC and try to de-hull them, potentially, you know, it would take an awful lot of; you're going to create a lot of splits, I would think.

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And those have a grade standard, as well, you know. So it isn't nearly as tight as SBOC, but the more splits you create, the more FM you're going to create. There's other, other outcomes. Yeah, considerations, yeah, thanks.

MR. FRIANT: I have a couple other ideas to throw out, but I don't want to leave this topic, this portion of it until we're ready. Is there any opportunity to look at the, either the waiver process or official inspection service process?

So in other words, today there's, I don't know if it's a waiver or an exemption for high quality, especially grain exported in containers. So is there a route; one of the things that we've heard is that container shippers are having a lot of issues with making grade because of SBOC.

Is there a route that the container shippers could use that exemption or waiver; sorry, I'm not looking at which section it's

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under, to essentially have the sample, all factors graded except SBOC, and still get a certificate that says all factors meet U.S. No. 1, you know, those soybeans? And SBOC simply excluded.

So, Arthur, that question, it kind of goes back to some of the discussions we had. Yeah, so for those we aren't aware, there was previous discussion around opportunity for buyers to buy No. 3 soybeans, but all factors for No. 2 and No. 1 except SBOC, all right?

And there was some negative connotation to that from the industry that it would be a lesser product being sold, even though operational, we all know it's still going to meet those grade factors for No. 2 and No. 1.

And so the thought process behind this is it kind of takes what appears to be a negative connotation to buyers and turns it to be a more positive. Where it would show all the grade factors meet whatever it is; U.S. No. 1, U.S. No.

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2, and it just excludes SBOC.

And so is there a way to leverage that, that exemption that's currently in policy for this situation?

MR. NEAL: Great question. I will need to discuss that one, look at it closely, but it's a very interesting perspective. If you don't mind, Tony or Pat, what's your perspective on that?

MR. GOODEMAN: Yes. We do have an existing exemption in the regulations and in our instructions for high quality specialty grain export in containers. That's actually, I think, what Byron was referencing earlier for that SSGA program for high quality grain like for Japan for the FIDO issue there.

It has to be No. 1 or better or organic. And so the caveat here is it's not No. 1, right? If, or, you know, if SBOC is high, then it wouldn't meet that criteria for better than No. 1, necessarily.

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So as it's written, you know the black and white of it, it might be kind of challenging, but I understand what you're saying there.

MR. NEAL: Not the specialty grain. It's the official commercial inspection.

MR. GOODEMAN: Yeah, the official commercial we allow. It's a modified procedure. It was developed in I think the mid- to late-90s; Mr. Ayers might know off the top of his head.

So that official agencies, you know, they're not allowed to do anything unofficially. Once we give them that license, they have to follow all the rules for everything.

And so it was a way for them to compete with unofficials on like truck lines, for example, to use modified procedures, smaller portion sizes; to take some shortcuts that everybody was aware of. And then we could modify the certificate.

We don't allow that for export. And so that's kind of a caveat, at least for the

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mandatory stuff. So, but again, I think with something strange and new like this, this is great discussion. I don't want to be like saying, you know, I'm just trying to describe what we have.

And then, talking about the grade line. So it's a statement that we allow already. If something is No. 2 or No. 3, we'll put in the remarks, if somebody asks for it, this would have graded No. 1 except for FM or for whatever factor.

And so we try to be very up-front about what the actual grade is. In this case, it might be No. 2 or No. 3; and not be deceptive and say oh, it's No. 1, but in the fine print say it was actually No. 3 but, you know, because of other things. But I definitely, I understand what you're saying.

PARTICIPANT: Sometimes it's kind of you. Can you get an official export certificate, and then turn around and get an official commercial, as well, disclose that factor?

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MR. GOODEMAN: The official commercial rules I think were set up to not try and circumvent the official export inspection weighing requirements. It's kind of, kind of different. I mean, it wouldn't prevent somebody from taking a submitted sample, you know, and it might be getting into some more gray areas there with -- but that's, it a fair question, yeah.

MR. KERRIGAN: Back to your comment about the fine print. I guess, you know, if there's a factor, you know, thinking a little bit to Nick's comment there, you know, about this grade factor met one, two, you know, it seems like the grades themselves.

Is there a better or different way that we can put them all on par. Even though the average grade is still the average grade. But instead of just calling out the one grade factor, you know, showing, you know, No. 1, No. 1, No. 1, No. 2, No. 3, No. 1, No. 1, you know, it would, in essence, show that slightly developing color,

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you know, out there, but it maybe would show, basically, everything else there.

Just thinking for something, I guess, potentially interim here, you know, that is, you know, industry or grade inspection, whatever. All that testing that may need to be done, just to highlight a little bit better, you know, what is actually in that shipment?

MR. GOODEMAN: I think that so long as the grade line; I'm just looking at our current instruction. If we had this request right now for a shipment that went out, how would we approach it?

I think as long as the grade line was accurate, in this case it would be No. 2 or No. 3, and then somebody asked us to delineate each factor in the remarks section and what it would have met. I think that's reasonable.

I think that's something we'd consider doing now. If that came up on a Friday afternoon, we'd try and work through that, and

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try to find a solution there.

I think our biggest concern with out existing instructions is that the grade line is clear and accurate and reflective of what the actual grade was. And then remarks you have a lot of flexibility on, or side letters, things like that. Whatever can help that, help facilitate the transactions.

MR. FRIANT: I guess the one thought that comes up in my mind is, you know, continue to have some discussion around ways to think outside the box and find solutions for the supply chain.

A thought that I just had now while Tony was talking about it, what I could foresee happening is the mandatory, have the mandatory inspection and contractually they'll sell third-party.

And so we have, I think we have potential to erode trust in the official system if we don't find a way to work through this. And

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folks will start selling third-party grades and the official mandatory grades will go in a drawer.

And that's, we don't, we've heard that for years, right? FGIS is the gold standard. We don't want to undermine that. And so I think we need to be thinking about that when we think about potential solutions and ideas.

Is to make sure, you know, we don't unintentionally make things more difficult for the official system.

MR. NEAL: I would agree with that. And so you know that we are open and willing to sit down and try to figure it out. Because we don't want to see, we don't want to see disruption happen at any level.

Agriculture, you know, rarely gets, I say rarely, but anytime that we have such demand such that it is, we have to capitalize on that demand while we can, because we don't know what comes next to impact that. And while we have the

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opportunity to continue to move U.S. grains, we need to do our very best to continue to support its movement.

So we'll continue to work with you all to think through it, not to be obstructionist about it, but to try to, you know, be as creative as possible within the framework that we have to operate in. That's the objective.

So we'll continue to listen at the creative ideas, sort through it and our reality. But also, you know, try to be as open-minded as possible.

MR. KERRIGAN: You have thoughts, discussion, comments from the table, back floor?

MR. GOODEMAN: I forgot to mention something else, too, kind of in the brainstorming category. Things, something we had kicked around, too, you know, we're talking about yellow soybeans. That's why we talk about soybeans of other color counting against that standard.

But you also have a class of soybeans

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called mixed soybeans. So if somebody truly doesn't care about the color, and just wants mixed soybeans; they don't even look at soybeans and what colors are necessarily there, we could find some, I think an opportunity to help that fit with policy.

Our current definition for mixed soybeans is something in excess of 10 percent soybeans of other colors, but we do, in our instructions, allow for better on that. And so there could be an opportunity there.

If somebody truly doesn't care about the color, maybe we ought to, and again, it wouldn't yellow soybeans, it would be mixed soybeans. But there could be an opportunity there; you'd say mixed soybeans, and then have the soybeans of other colors report on the certificate still, and it could be No. 1.

MR. NEAL: Thanks, Tony. That still goes back to an earlier comment about the education process between buyer and seller.

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Because you know that mixed soybeans, out of the house, they're not familiar with mixed soybeans.

We need to make sure they understand what it means. It doesn't impact their quality; it just gets impacted by the soybeans of other color factor that's currently being assessed.

And if there's anything that the industry needs from us on that educational process, we'll be willing to, you know, do what we can to participate in that. So that's just another aspect.

And I don't think we want, you know, there's nothing wrong with U.S. soybeans, so we don't want to create that perception. We just, we don't want the current standard to impact the, you know, the acceptance of soybeans that are being harvested and marketed today that reflect this trait.

We don't, we don't want the current standard to hamper the movement if we know that the quality of the soybeans, in terms of oil

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content, protein content, you know, moisture and the like it meets U.S. No. 1, No. 2. We trying to figure out how to navigate that, this hurdle.

MS. GROVE: I think something to, you know, what Nick then said earlier about research, which you addressed you would have somebody else do that anywhere you partner.

Yes, the, if you want to say, current producer of this traded soybean, I'm sure, is doing or will be doing, or hopefully is doing their research on that functionality for the safety and quality piece of it.

And again, I think that goes back to the visual impact, or the industry impact of FGIS backing or validating a research thing. We feel this process; I think that's very important.

MR. NEAL: Listen, before you started talking, I was smiling in my head because I'm thinking to myself trust. Who are people going to trust? And whatever research is carried out, folks have got to trust it.

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And so that validation component becomes a big deal. Which adds a little bit of time, too. So we've got to think through the design of that so that we can do it effectively with a high level of trust.

Because the consumer of the research cannot feel that the research was done in bias with the intent to persuade or, you know, lead them astray. They have to, they have to believe it's unbiased research that has been validated.

MR. KERRIGAN: Anything else for the --

MR. NEAL: I'd like to say thank you all for the created ideas. Nick I think has got a book of magic tricks under the table, but no, thanks you all, for the discussion.

MR. KERRIGAN: Okay, very interesting discussion. Obviously, time is always is of the essence with things like this. As we go into the market year and have things come up. So I do appreciate all the, you know, the facts as you

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guys have seen them, which is really what it's based upon; is just trying to figure that out.

So at this time I'm going to recommend we take a break. We are pretty good on schedule here. When we come back, I'll give everybody a little bit more time to kind of think about these issues, recommendations, further discussion or refinement before we get to the public comment period.

So let's go ahead and take 20 minutes. Be back here at 2:45.

(Whereupon, the above-entitled matter went off the record for a brief recess.)

MR. KERRIGAN: All right, we're going to go ahead and get re-started here again. We've got just under an hour before we need to break for the public comments.

So we've gone through all of the industry issues, in general, I guess. Obviously, a lot of good robust discussion around this latest topic. There's a lot of, lot of, I'd say

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more questions than answers right now with where we're at.

What I'd like to do, and at risk, it sounds like we're on a Teams call; but I would like to circle back to the beginning, and work through these issues kind of one-by-one to kind of see where we're at, as a committee, as far as next steps.

You know, knowing that we'll have a little bit of time in the morning before actually finalizing any recommendations and moving on. You know, as well as leading to officer elections and things of that nature.

So I want to start back at the beginning. We don't need to hammer them out, other than more of getting kind of a feel for, you know, what report we've just been given. What we've heard.

And where we may want to go, as a committee, from a concept standpoint so we can then continue to move everything forward here.

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Sound good to everybody?

So let's go back to the FGIS technology review process. It looks like there's a pretty good framework in place, would be my interpretation of that. It sounds like they're working towards a Federal review, a Federal Register notice to start to get that formalized, as Dr. Jhee had mentioned.

Is there anything from the committee standpoint that anybody saw or wanted to publicly comment on, recommend, change, support, add; anything of that nature where we need to consider?

I know, you know, a lot of this had really started several years ago of getting this process around for equipment. I know, Arthur, there's been some discussion before about just overall software and just kind of how everything talks together.

You know, I don't know if we need to have any discussion about starting to kick that

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off now that we're starting to get some good traction on the mechanics, frankly. Is a potential jumping off point here for some additional conversation?

MR. NEAL: It's up to you all. What Dr. Jhee shared, that Federal Register notice is probably, it's almost like an any day now-type of thing. It's at the very last stages of getting signed off and approved.

But from a prospect standpoint, once it's published, I think the committee would need to decide on whether or not it wants to comment as a body on that document publicly, endorsing, making recommendations to enhance it, whatever it may be.

But even, in addition or simultaneously, it would not hurt to begin dialog around what area or areas, or probably more area.

But what does the committee, in consultation with the various sectors or segments of the industry that they represent, what would

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you want to see pursued through this Federal Register process as technology to be explored that would have the biggest bang for the buck in enhancing our official inspection efforts?

And it's not just really official inspection; just inspection and weighing, in general. I think that's a relevant conversation that needs to take place. And we've been having this conversation with different parts of the industry, as well to you know get them to start thinking, too.

You know, is it, you know, is it HVAC? Is it, you know, for soybeans, wheat and corn? I don't know. But that's the kind of dialog I think that you all can begin to have about, you know, what functions would you like to see be enhanced, or what technology? Because that process would help to facilitate a prioritization of that work.

MR. SINNER: Arthur, I have a question. Is the agency actively researching new

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technology? Or are we relying on the industry to bring it to you?

MR. NEAL: It's a combination.

MR. SINNER: Okay.

MR. NEAL: Some things, when you say actively researching, some things that we learn about from industry as a challenge, like with the rice imaging, we learned about that challenge through the rice industry in California.

And the impact of California rice not having that imaging technology available to them would create a disruption in rice grading, rice inspections for that region. And so that's a huge impact by the loss of that piece of equipment.

So we are actively pursuing, you know, replacement technology for them. We not hearing of that type of challenge in other areas. And so we're not necessarily going out and saying hey, let's go, let's; well, let me correct that.

We are actively working, too, because

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we've been talking with our sister/brother program, the cotton program, as they use a lot of imaging technology to help them grade cotton.

And we started, they started conversations with the manufacturer that uses technology, imaging technology in the specialty crop industry for a host of products, that does it very rapidly; 360 degree imaging, and also internal.

To look at damage. To look at color and things of that nature. And so we're looking at that, but we still will have to facilitate a process that makes it fair and transparent. So the answer is yes.

And what spurred a lot of that is the fact that we have our elevators are saying hey, we'd love to have our grades faster. We're taking that into consideration. You know, we work with our staff and make sure that the can do what they can do as best as they can, but we also realize that we working them a lot.

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And so production times could be impacted by how long they're working. How do we assist them, not replace them fully. How do we assist them with technology so that we can do what we do faster, even more accurately.

So those are the things that we're actively pursuing, but we're going to try to put it through a process.

MR. GARCIA: Yeah, hi, Arthur. It's Phil. What about falling numbers? I know in the PMW it's kind of an ongoing problem. We haven't had it in a couple of years. Some of the things I hear from my stakeholders is a rapid test so they can, you know, a low, falling numbers during harvest.

Or, for the exporters, so we don't hold them up, are you guys pursuing any alternate technology outside of the present falling number machine?

MR. NEAL: I'm not going to be the expert on this particular answer, so I may get

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some back-up. We're aware that there is some technology that's being developed to attempt to enhance falling number testing results.

I don't know if it's been requested for evaluation or anything like that for the physical system but, if so, it would be through the process that we're, we published.

MR. GARCIA: So, absolutely. I think speaking and representing the PMW, I think that's something that we're interested in. Not only as the official system but also stakeholders, specifically inland, during harvest.

I think they brought up something called stirring numbers of some sort. It was repeatable. It was 90 seconds. It worked really well. At least that's what they articulated to me, but ask FGIS would be the falling numbers and technology.

MR. NEAL: This is an aside comment. While we're talking about this process of evaluating technology, if anybody is aware of

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scientists and engineers that are looking for jobs, we need some people.

MR. KERRIGAN: Just a little bit different comment, questions and just on the equipment standpoint, but we're seeing an awful lot of our bills of lading, different financial payments. As, you know, paperwork is transferring back and forth it is now moving to a industry accepted block chain.

Different sorts of universal language-type stuff; however, grades certs and even information in the interior as far as the research, things of that nature, are still very heavily paper-based.

Or we may, if we're lucky, have a screen, you know, kind of set up a duplicate to what's kind of being graded at the time so we can kind of, you know, work I guess on that basis. Are there any thoughts to, you know, kind of updating of that? I know we have talked before about the -- and even the weight and grade logs;

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about those systems.

And, you know, they were designed quite a long time ago. I don't know if anybody's aware, but software is getting out-of-date very quickly. A lot of them, a lot of it is not backwards compatible.

You know, as we, at an industry standpoint, is, you know, it's our responsibility to keep that up and running. But with having to continually keep, you know, the older versions going to keep everything matched up is becoming more and more difficult.

MR. NEAL: That's a great observation and comment. So I'm trying to figure out the best way to provide perspective, but we do need to put this on the agenda and for dialog and collaboration. So at USDA we have undergone a significant consolidation of IT support. And it, it presents us with a number of hurdles.

However, I do believe that the issue that you've brought forward we do need to have

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collaborative discussions around about approach so that we can begin to trot out our strategy for how we pursue it, and I think that's the main thing there. We do need to have that dialog; how to make the transfer and sharing of information more secure and efficient.

There's a comment that came in, or a question that came in from one of the other GIAC members, if you don't mind me sharing this one, Kurt Rosentrater, that's similar.

He asks, when we're talking about new technologies, we should also be considering cybersecurity. Several grain elevators have already been hacked this year. And so he's right.

And that goes along the same lines about sharing information; is that we do need to probably figure out how we elevate cybersecurity in our dialog. Probably may even been a regular discussion point for us, and what can we do assist in sharing information.

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I don't know, FGIS has been doing a good job of promoting cybersecurity training and information that's being shared by other partners. But we also probably could take that a step further, as well, with respect to FGIS data and figure out what we can do to enhance that.

MR. MORGAN: Yeah, -- rice mill in Louisiana, we got hacked. And it's scary, but we only lost about a half a day or a day because we have back-up systems. But we have all start back-up systems with 24-hour security, but is; when you lose your data, even for a day, it's frustrating, but it's real.

It's out there. I've experienced it so it's some we should be looking at. Also along those lines of keeping current technology up-to-date, even manufacturers of equipment.

We went through a switch-over and the original manufacturer of a certain machine went bankrupt, and then we were starting to buy from

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another company that was producing, supposedly, the same equipment.

And if it wasn't for FGIS stepping in and, once they adopted that equipment themselves, and get them to get everything within spec, we saw a tremendous increase in quality of equipment once FGIS got involved.

So I want to point that out, that thank you for that, but we were having a lot of problems with it because we were wearing out equipment faster than the -- and it really helped.

MR. NEAL: I appreciate that, John. I didn't know we had helped, but I'm glad to know that.

MR. MORGAN: Yeah, it's been a while but, believe me, it was a huge, it was a huge contribution to what we were doing.

MR. FRIANT: If I could build off of Matt's comment around the, I guess, what I'd call the IT systems. You know, I noticed we didn't,

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there wasn't and hasn't been an update in a while on things like FGIS online, my FGIS.

And ensuring that the, because that is part of the technology, right? It's not just grading equipment, but it's also access to data, as users, how we can get it. Ease of access. Being able to ingest data into our own systems and facilities.

And so I think that's an area. I don't know if that's something that you need the recommendation from us, but some way to; and I understand the challenges with integration with AMS and whatnot.

But if there's something there that we need to help the agency, you know, through a public recommendation on it, don't forget about the IT systems piece.

MR. NEAL: So, great, another great observation. We've not talked a lot about FGIS online. We talked a little bit about it in '19. But I, personally, when I walked into FGIS, you

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know, FGIS online and the modernization was already going.

And progress had been made, but as we make progress, things would always evolve. And Lee and his team, they're doing a great job, but we had to make a decision regarding funding, because it costs money to have contractors build systems.

And we don't have a lot of money to spend. And so we had to make a conscious decision on what do we focus our resources on. And so we made a conscious decision to pause modernization and focus on making sure what we have works.

And making sure that the security of our current system is up-to-date, patched up, and things of that nature. So we made a conscious decision to halt that until we can stabilize what we had and figure out where we need to approach.

I think we have the concepts of what we want to do, but how do we do that in a cost-

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efficient manner is a totally different story. Considering, you know, nobody's wanting to see a lot of increases. And you all have more flexibility than we do in terms of how you can use your revenue.

We've got a \$55 million cap. So whatever we spend it on, it's got to be purely for core services. And so we will need to re-engage that dialog, revision together, as well as trot that path regarding cost.

So that's the reality. So that's just an update. I appreciate you raising that. I'm sure Lee appreciates you raising it, too, but that's, that's the reality that we're in. And our current structure, too, makes it complicated for us to, I think, implement.

I think it makes it difficult for us to implement changes that we want to make because, okay, because of that, because of the consolidation effort. So we don't want to waste time or energy because we don't have a lot of

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people that do multiple things at the same time.

And let me share another perspective on the FGIS online and improvements. Anytime we try to modernize our system, we've got to test it in the field. That means we've got to use our graders and our technicians and admin folks to participate in that.

And the more we have them do that, that means the less, you know, it's more work that we're asking them to do and they get frustrated, too. So whatever we pursue, we have to make sure that we know we're going to implement it.

We know that this is the right thing for us to do, so that we're not asking them to do a whole of things outside of what they're doing for you all.

MS. COOPER: Mr. Chairman, it sounds like, back on the topic of the technology review process; I know you were about to go there, weren't you? I believe the committee is strongly

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on record in favor of that process.

And with giving the timing and the imminent release of that Federal Register notice, I just want to confirm that there would be a way, once that notice is out for comment, that we could somehow reconvene, maybe online, and put together some official comments on behalf of the committee. Is that possible?

MR. KERRIGAN: I believe any official comments need to be done in a meeting setting; is that correct?

MR. NEAL: So in case of responding to opening Federal Register notice, you all can, you know, get together just like you would for a regular, you know, offline committee meeting, draft your comments and submit them officially for the record. It does have to be done in this setting --

MS. COOPER: Okay.

MR. NEAL: -- because that's an official open comment period. And so as long as

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you have your agreement and your signatures on that comment, it's an official comment on behalf of the Grain Inspection Advisory Committee. And it's going to the Secretary, and that's a public forum. That's why you can do it that way.

MS. COOPER: I know that, individually, as separate entities we can comment, but I thought it would be particularly, have an impact if a committee were to get together and submit comments. So I'd like to see if we can maybe have that as part of our intentions. Thank you.

MR. KERRIGAN: So I've kind of marked that down as a future I'll call it agenda item. Because it would be future meeting once, obviously, that does go public to reconvene.

A lot of the discussion around the IT aspect; everything from cybersecurity to software updates, whatever it may be, I think let's have that as a future agenda topic. That, you know, we can, if it goes along with technology, rather

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than splitting those into two issues now, now that the first review process is well on its way.

Anything else? And then, obviously, you know, Phil's note. Like I said, unofficially, I don't know that we need a recommendation. You know, falling number is a major, major market item, as well as the timing for a good section of the country.

Obviously, if there's anything, you know, that down the gulf, you and Nick, Chris and anybody else, feel free, like I say, officially, unofficially to kind of start putting, you know, any area, obviously, on the radar.

I know that the, obviously, subjective qualities are always out there; to try and make them more objective, instead of subjective, but that's been out there for quite a while. So I know that if you guys heard of anything I'm sure you would probably be taking a look at it regardless.

MR. NEAL: And just for the record,

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too, when we talk about new technologies, one of the things that we are definitely trying to be extremely cautious about is not introducing anything that's going to create instability and inconsistency across the official system.

So just because it's new technology, that doesn't necessarily mean that it's going to be what's best for us at that time, because I think the example that was shared is when we introduced the two moisture meters. And we had, you know, differing reading of results across the country, and the process to calibrate things was a challenge.

And so we want to make sure that whenever we do introduce technology to the official system, that we hedge against that as best we can.

MR. KERRIGAN: Okay, I want to move on just to get this scratched off; the FDA/FGIS MOU. We wanted to give Nick some time this evening to make a couple of tweaks.

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And we will take a look at that first thing in the morning to see if that needs to go back to subcommittee or not. Instead of trying to push him today to actually work through that. So we'll take a look at that one.

Next --

MR. FRIANT: I do have one question from the committee. I didn't have, I don't recall if we got an answer to this. Did we say we feel that we need separate; well, I think Tony said it didn't matter, separate documents for aflatoxin and other actual items?

MR. KERRIGAN: I think what Tony said, and what I interpreted, was it doesn't matter how we present the document. It's the concepts on the reconditioning plan for everything individually that matters.

Whether it's a separate document, inclusive document, where there's some grammatical issues, things of that nature in there, that will get hammered out through FDA and

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FGIS. It's really the plan itself that this committee needs to worry about.

MR. FRIANT: Okay, perfect.

MR. KERRIGAN: Thank you.

So next, let's go to the GIAC alternates discussion. There was a few things discussed regarding making recommendations for changes, either via the Farm Bill or the next re-authorization.

There's also the potential for our own internal policies and procedures, depending on how that's written with Roberts Rules of Order regarding if we do need to have two-thirds, or if that was self-imposed.

Does anybody have any thoughts, comments on what they would, or a recommendation? It seems like the committee understood the challenge. I guess it's more about how they go about it.

MR. ENGEL: Question. The alternate scenario, to the point made about not being

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involved, not being interested, not really being connected to what was going on.

And someone, we talked later about having those that were rolling off stay on, you know, to keep the continuity and keep, you know, keep the committee functioning. And I think someone was going to see if that was, there was a precedent for that anywhere else in the Federal system.

But I, I think we should have something that addresses that in that manner as a proposal to go forward because, you know, the committee needs to function. And the Secretary needs to do what he needs to do, and sometimes they don't get in the same room.

MR. KERRIGAN: I believe, and correct me if I'm wrong, Arthur, but the time limits are pretty specific as far as somebody staying on, and that is in the Act. We tried to get those extended once.

MR. NEAL: Right, the Act says three

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years. I'm trying to figure out how to phrase this. I hear what you're saying, Curt. I think it would not hurt, for discussion purposes in USDA, that in case appointments are not made within, you know, required time, that the committee, that the committee shares what it believes should happen to sustain the work of the committee.

It doesn't hurt to say that. And Kendra would probably have to check for me to see what the recommendations said before, in 2019. I think the recommendation was mostly about the terms, the five-year terms.

So from the perspective of what you're raising that hey, in the case, you know, Secretary appointments aren't made in the timeframe that allows the committee to have enough members, you know, such members can, you know, should be allowed to stay on until they're replaced.

You know, I'm not sure --

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MR. ENGEL: Somebody here to continue to function until the --

MR. NEAL: Yeah.

MR. ENGEL: -- or something like that.

MR. NEAL: So I know what you're getting at. I don't think that hurts for the committee to go on record saying what they would like to see happen, and then we walk it through and see what can be done, but --

MR. ENGEL: Okay.

MR. NEAL: -- I would still check on precedent to see if it has been allowed. My assumption, purely assumption based on my past experience is that it's not been allowed, but I will definitely check again more formally.

MR. ENGEL: Thank you.

MR. KERRIGAN: How does everybody feel about the extension versus requesting formal alternates versus policy procedure change?

MR. AYERS: I don't see a real

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difference as long as the committee has a functioning group that can actually do their job. Whether it's an extension or alternates. Alternates gives you a little more flexibility in case some, you know four people leave the committee for whatever reason.

So the alternates have a plus there. But either way, it's fine with me. I can live with either one. It's just give us an option to keep this a viable group.

MR. FRIANT: I would agree with Dave's comment. So I think if I had to rank them, I might rank extensions and then alternates. But to your point, Dave, if somebody's set to roll off the committee and say, for example, they say it's my last time, they may not want to be extended, right?

And so we would still be stuck a little bit in the lurch without having a person, but I do think that that is a good alternative, being able to, if folks are willing, able and

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interested, the option to extend them.

Again, and Arthur I think it gets back to is the precedent, is that a viable solution that might be an easier path forward.

MR. KERRIGAN: Question for Arthur and Kendra, in this event where we had two members that decided not to continue with their terms, could those vacancies be re-appointed mid kind of cycle? Or once they're off, there's no filling it again?

MR. NEAL: So, no, the vacancies would not be appointed mid-cycle; however, I do not think, so it looks like the running -- and correct me if I'm wrong, Kendra, would probably doing GIAC Committee nominations every year.

So if somebody falls off mid-cycle, and there's an opportunity for us to make the Secretary aware that, in addition to the five, we need two more, that could be possible, because we'll have a slate of nominations that's coming in. And he can make that, or she can make that

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determination then.

So I think that's how it works because, otherwise, the process to get the nominees, the nominees and get someone appointed is lengthy. We definitely don't control that timeframe.

MR. KERRIGAN: Okay, any other discussion?

MR. MORGAN: I guess we're just not going to consider procedure change? Because that was one of your option --

MR. KERRIGAN: We need to take a look at it. So that's kind of a technicality that I've tried to look at on my phone here, and I can't seem to get to the right link.

So I think we just need to verify that as, obviously, the easiest path forward, knowing that we need to do a little homework to see if that's viable or not. Because that wouldn't necessarily be a recommendation to the Secretary. That would be internal rules, I believe, that

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this committee develops on their own.

And I'm fairly certain that's what Arthur is trying to take a look at here, as well. And he's finding the same web pages I am, so --

MR. NEAL: Yeah, and I've got to look at the charter, because this quorum may be established in the charter. Because Roberts Rules of Order, if I'm not mistaken, says that the board, which in this case would be a committee, does not have the power to establish its own quorum. So I would look at that charter, too, to make sure that that's the case.

MR. KERRIGAN: But in any event, we will take a look at some language regarding either extension of appointments or alternates, actually, with the re-authorization obviously be the most difficult there at the last, I'd imagine.

So we need to take a look at that, and come back tomorrow. Hopefully, we have a little more information on that, okay?

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Okay, now back to the fun ones. Real-time shuttle train data. We had a lot of dialog. Jimmy did a fantastic job of laying out the concerns, both in writing, as well as, you know, verbally.

I think, I think from what I'm gleaning from not only this committee, but also just in the industry, in general, is that there is a movement within the STB that they are hearing in industry. They're hearing different groups that there are issues.

And that we need to kind of, if we're having issues, as well, that's a little different than what's being presented, that now is the time to put it in front. So that way, as changes are being made, at least the voice is being heard.

There's a few different ways of doing that, and I think the best way is going to be to make a recommendation, laying out the points that Jimmy has identified. But also some considerations for the Secretary to, potentially,

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submit for the STB to consider, as well, with that.

Some of the items that have been laid out, obviously you know, real-time, real-time tracking, whether that be on a car or that be on a train.

Better estimating, whether that be employee training, whether that be, you know, even just showing more, more information. Obviously, they're making estimates on it with crewing and any locomotives, but they're not showing us kind of, you know, what kind of delays would be in there as far as sharing that information versus just a day and a time.

There has also been some discussion around, you know, even a penalty in their own tariffs. That, you know, say if they're within 24-hours of their estimated ETA, you know, should they have to pay? Should they vary by, by one way or the other?

You know, because of what that's doing

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to staffing and being, obviously, home life and things of that nature. Those are the big ones that I had heard.

Are there others that had come up in discussion that we need to document, you know, and maybe try and recommend for consideration?

MR. KUHL: I'm not sure on how this would work, but I was thinking of possible spot time leniencies. I don't think any of us care if it comes at midnight or noon.

But if it comes at midnight, if we had a four-hour leniency, six-hour, whatever it shall be. I think we're all up for doing the work; it's just a notification of all right, now it is here, you have the four-hours, six-hours for a start time.

MR. AYERS: We actually have a six-hour. When they notify us a train's been sent, we do have a six-hour current show-up, where we're required to be there within six hours, or they can go and have another agency come in and

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do it. So that's already there.

MR. KUHL: That's on the inspection side, though, to the loading facility, correct? Not for the loading operation, as a whole, to the railroad, correct?

MR. AYERS: It is for when our customers notifies a train's ready to load, we have six hours to get there, and most of these on-sites are all grades. It's not just sampling, so it is already established.

The downside is if your customer has to wait six hours for your showing up, you're going to have a hard time. They're not going to like it.

MR. KUHL: Well, and that might be, like I say, certain groups, I guess, on the grading to the customer, or certain states. I know this way if we had an agreement with our grading agency, and in Montana that's the same way, I think we'd be making a switch.

So which, to your point, which, you

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know, the whole loading right? Obviously, this side of it is on the inspection side but, again, that six-hour leniency you're going to lose business, regardless.

MR. KERRIGAN: Any other considerations on anything else that Jimmy needs to add to his write-up before we take a vote on it tomorrow? Okay, I was really hoping that was going to take a little bit longer.

Kendra, it's 3:45. Have we received any requests for public remarks, public comments?

MS. KLINE: Only the written ones.

MR. KERRIGAN: Only the written ones. Do we need to wait until 3:45 to see if anybody joins who would like to make a public comment? If the answer's yes, it's fine.

MR. NEAL: Yes, we need to wait for that time. So you can either break or continue to work.

MR. KERRIGAN: Tony, I've got 10 minutes. How many jokes do you have in your back

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pocket there? All right, let's break for 10 minutes here, so we can get to the public comment period before we jump back into the soybeans of other colors, please. Thank you.

(Whereupon, the above-entitled matter went off the record for a brief recess.)

MR. KERRIGAN: Okay, just as an update regarding the last item there for alternates and votes regarding the quorum. Kendra wasn't able to find the document that it's in. She is asking for clarification regarding if that's something that can be modified, cannot be modified.

Hopefully we'll have an answer back, hopefully in the morning. If not, we will be prepared either way for it. So appreciate that.

Kendra, I'll go to you. Do we have any members of the public that would like to make comments?

Kendra's shaking her head no, and says there are no members of the public who would like to make comments, so we'll move on.

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Soybeans of other colors. There's been a lot of, I'd say, just creative thinking about this issue. I think we all realize that there's an immediate challenge here. There's some steps that, scientifically, we don't have all the information on to go down certain paths.

We've got another path that would help from a marketing standpoint that would still provide the same information, but that is, at minimum, an 18-month lead time.

So, you know, that being said, I think, you know, really where a lot of the questions, comments come from; I'll open it back up to the floor is, you know, really just I want to discuss a little bit more with FGIS staff on the interpretation of the current wording.

So, you know, what I'm hearing is the seed coat, and Brian I'm going to attempt to poorly summarize what you have, what you have, you know, allowed us to, information to have there.

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Is that the seed coat is definitely discolored. It meets the more than 50 percent. It's not really a yellow. It's not really a brown. It's not really a black. It's not really a green. Dull gray. Again, a lot of variation, depending on the environment and on the seed.

It does not appear to penetrate into, or out of the seed coat into the actual bean meat itself. It's still a yellow meat inside. Would that be a fairly correct characterization?

MR. ADAM: Yeah, that's correct. We, color-wise, we do kind of see a brown or a grayish-green, but yeah, that's correct overall.

MR. KERRIGAN: Okay, so some of the discussion, and again, this isn't, I will say this for everybody as we're talking about it. This is not a critique. It's meant to, I guess, ask how we, how it's quantified what's brown, what's gray, what's black, what's yellow.

Obviously, there are reference charts. What's dark enough, what's not dark

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enough, but then also in looking at the reg regarding a soybean of other color, you know, definitely specifically what type of seed coat defines the brown and black and green. There's not a reference to gray.

And, you know, how we classify that as a soybean of other color versus a mixed soybean, for instance, with the reasoning of a soybean of other color threshold is at one level for a No. 1, 2 or 3. But going from a yellow to a mixed, that threshold is a 10 percent.

And so just kind of spit balling here, I guess, as to how you guys have determined, you know, that threshold for, I guess, a gray-brown versus a yellow, and why, I guess, it's classified as one and maybe not the other, either historically or currently.

MR. ADAM: Yeah, so I really can't speak, historically, to how these visual standards were set. We do reference our visual reference image, and we can send this around to

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everyone, and this is the standard that all inspectors use at all locations that grade soybeans.

The depiction here is of a brown soybean, a neutral or non-SBOC color blend. And then, I think this last one is the grayish-green; we kind of use that descriptor for it. I did bring some actual soybeans that we're actually seeing.

This kind of newer type are how it's expressed on the soybean itself. And I did bring an example because we asked, there was a question earlier about the purple or mottled stained soybeans, and this is print we use for that.

So I can definitely pass this down the chain, and in this box here is just an example of how we train our inspectors. So when our QAs and inspectors come down, this box is certified by the board.

So all six board members will actually vote on each kernel here, and assign it either

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it's SBOC or sound. And then, the inspectors or quality assurance specialists would use this print and, to gauge which ones are damaged. And that's how we work on alignment for our inspectors out in the field.

MS. GROVE: I just was just curious; can I, would you have an idea of the current SBOC that we're seeing, how many types of steps do you have, how many inspectors, both Federal, state agencies do you feel are getting through training to help recognize what we're seeing right now?

MR. ADAM: So the Board of Appeals, we directly train the quality assurance specialists. So I would say right now we're probably on track to have 75 percent or more participation from the different agencies in that regard.

And then, it's really up to the quality assurance specialists to go back and train their inspectors. The bar, from time-to-time, does provide training for inspectors.

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That's generally for our Federal field offices.

And it just, a lot of it comes down to staffing, and we simply don't have the numbers and we rely on our quality assurance specialists to train the online inspectors.

MR. AYERS: Brian, do you have the movers which you guys are identifying as SBOC?

MR. ADAM: Yeah, so we would have it. I didn't bring that with me, but the bar would have a key for those, for that box, yeah.

MR. AYERS: Okay, I would be curious, as a licensed inspector who has not gone through the training, which ones you would consider and would not consider.

MR. ADAM: Okay, yeah.

MR. KERRIGAN: I know there's been a lot of other conversation. Kurt, John, Ryan, anything that hasn't been discussed here as we're looking, I guess, talking, exploring.

MR. KUHL: As an official agency, the line is kind of set by FGIS. We're trained by

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that line of how to inspect each factor, SBOC being one of them. We do send our QAs down for the training, and then our QAs come back to the agency to review what was done, completed at training. So the line of SBOC that is set is how we inspect.

MR. KERRIGAN: I guess for the group, you know, really we, there's still a lot of conversation, still a lot of kind digging into this. And there's not any apparent, immediate option in front of us right here without some significant research. Either testing, policy change, things of that nature.

Obviously, this is one of those areas where there's some subjectiveness; obviously, the color. You know, we all have high confidence in, you know, how those standards are out. How those reference charts, you know, how the consensus has come to be, as well as the training going down.

I don't know that anybody knows how big of an issue this is going to be, you know,

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whether the genetics could even mutate. Whether they can commute to, you know, form with the environmental factors.

If it's a heat stress. If it's a drought stress, you know, as we know, there are climate changes happening. But definitely, something that is impacting currently our interior operations as they move throughout the U.S.

Specifically, then, to be looking for export. You know, and as we talked about different challenges with our destination countries, especially, you know, I don't know how we take a look at this.

So I don't know if there is an immediate answer here, other than making sure that we facilitate enough discussion here today. You know, we do anticipate having a little bit of time tomorrow. That if there's anything that happens overnight; any further discussion or research that we did, we'll have an opportunity.

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But I want to make sure that there is ample, you know, time here to put it on the table. Because, again, time is of the essence as we get into the middle of a growing season currently. You know, this will be on here before we know it for export again for the 2022 crop.

MR. FRIANT: I'm not sure if it would be useful to the group or not, but I know in some previous conversations, FGIS has had some analysis of grade results and the impact of SBOC. Is that some data that could be shared with this group either now or tomorrow on some of the statistics?

MR. NEAL: Tomorrow.

MR. FRIANT: Tomorrow, all right. And do we know; I think I know the answer to this question, but do we know how much of that is due to the slight discoloration versus an all-black or an all-brown seed coat situation?

MR. NEAL: I don't think that data is going to differentiate, but from what we're

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hearing and what we're kind of seeing in some of the south what's coming into the barn through -- a lot of it is the newer variety, and not the common SBOC. We're not even seeing the common SBOC out in the field as much anymore.

MR. FRIANT: Okay, thank you.

MR. KERRIGAN: Any further comment or discussion on this topic before we move on? Like I said, we'll come back to this in the morning, just know how fresh of a topic it is.

A couple housekeeping items here. I'm told that the notice of nominations is going to hit the press tomorrow, I believe. So put it out there, spread the word. Maybe somebody you want to see back on here, poke, prod, convince.

You can't volunteer them, but you can at least highly suggest. So that will be coming. That way this group does not have another alternate vacancy issue.

I will, I'm here to ask, again, nominations for officers tomorrow. Be thinking

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about it. Again, you know, I am currently Chair. I will be rolling off. Janice is currently Vice Chair and Nick is currently Secretary.

Those are the three offices. We talked about them yesterday. They are in our policies and procedure manual. You can see how much work Nick is doing. You can see how much work Janice is doing. So just be thinking about that as far as time requirements and commitments.

Anything else from anybody? Peanut gallery, put some mics back on for you.

MR. MCCLUSKY: So as we talked about a couple things; we've had a couple conversations today about wanting various information sets; Service Transportation Board, grades. How do you get that data, the format you want it, is important to how you integrate that going forward.

The world is full of APIs right now. We might want to set up those APIs in grain yet. Something to think about. Service

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Transportation Board, how do you want those rail cars? Just things to keep in mind.

MR. KERRIGAN: Thank you. We have still some time here. I will ask, you know, obviously, IT is one agenda item moving forward. There's obviously a couple other items here regarding SBOC. Obviously, you know, hopefully it's resolved from some of the training data set, some of the recommendations.

Are there any new topics that we know that we can't act on, from a recommendation standpoint, that we know that we'd like to either consider, talk about or, at least, get that conversation started to make sure that we're all thinking about it for the next meeting to make sure that it's effective, briefly?

MR. FRIANT: I'm not sure if this is new business looking forward, but I question back to Byron's presentation when we were talking about the intra-agency coordination.

Is there any sense of, one of the

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things that I think that you mentioned, Byron, was some trying to work on a consistent approach across agencies and within FGIS. Is there any sense on who's taking the lead in those conversations?

Is that you, or is it somebody else? And ensuring that those dialogs are happening between, you know, International Affairs Division, QACD, FAS, FDA? So who's leading that work?

MR. REILLY: It's been a coordinated effort between QACD and International Affairs dealing with registration. We've had several meetings identify SOPs between who does what.

And working with, my office has been working with Farm AG Service in China and in the U.S. to get them on the same playing field as what we are. And we've come to a decision to send monthly updates by the 27th of the month.

So we have established, realizing that we're getting requests from different exporters

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saying oh, I just put two new facilities online, and they're not registered, but I want them in the GIAC website. So we've worked with FAS and working with QACD to get that going.

My other interaction with FDA had been, initially, with 248. I have not since had any communication with them since, you know, that's a food product-based versus our feed-base which is on 177.

But I have weekly conversations with FAS Plant Division in D.C., and they have weekly meetings with FAS in China. So we keep the communication flowing between us. So they alert me to new issues, and I also alert them to new issues that I have discovered.

MR. NEAL: And also just to add to what Byron is sharing, it's evolving. And it appears on the issues, you know, with USC it's a large organization, and our effort is to try to reiterate at the staff level and leadership level when issues arise, that whoever it impacts, let's

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just get everybody to the table so we can discuss it at one time versus having discussions separately and rehashing the same issue differently. And maybe having conversations that exclude others, you know, unintentionally.

So it's an evolving effort on this Board of Registration component. As you see, when the discussion occur we try to bring everybody to the table. That's the objective. So that everybody, whether they have something to say or not, hear it. So that they're part of the discussion and can contribute if need be.

So I don't want to put it as who's taking the lead because we try to make it become natural. That somebody's first response is that hey, if something comes up and you know it impacts FGIS and someone special is coming in to talk to you about it, then bring it to the table.

Let it be a natural response. That's the objective there.

MR. REILLY: Yes. So on other

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issues, too, besides China, I have open communication with FAS and APHIS. So like Mr. Neal said, we keep the communication going. It's great when we have everybody in the same meeting so there's no misinterpretation of what was said.

MR. FRIANT: Well, I think, Byron, you made a great point. The discussion here is all predominantly around China and Decree 177 and 248, but they're not the only country starting to ask more for registrations. So I think it's an awareness of, but this might just be the first one that we've had the most conversation about. Most likely not the last.

MR. REILLY: We've had notification that Saudi Arabia is also going that route; however, they want a lot more information than what China does. So we had enough push-back from USDA on that, FAS. So nothing more on that country, but that's what they're proposing.

MR. KERRIGAN: Anything else?

MR. SINNER: Matt, I think that

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another issue that we've experienced with the difference in the determination or the interpretation of broken kernels on grain; there's a difference between FGIS and, for example, math in Japan.

And I think this was a surprise. Art and I talked about this. I think we'd like to, I'd like to see us, you know, try to get that resolved so that either way that we're consistent, and maybe we can talk about that in a future meeting.

MR. KERRIGAN: I think we can definitely note that down. And again, the intent here is exactly that. That way, moving into the next meeting, you know, I will give -- partner and his entire staff credit, taking this conversation and commentary in the meetings very to heart, as far as being prepared for the next one.

MS. COOPER: Depending where we are on the technology review, certainly would like to

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keep that on the agenda for next time. And just whatever makes sense to discuss at that time, we can evaluate that as we get closer, but that's certainly an ongoing issue.

MR. KERRIGAN: Absolutely.

MR. ENGEL: Is there any merit to engaging either TEGMA or NGFA relative to this shuttle train ETA issue? Because the customer is the only people are going to get the railroad to pay attention and, you know, everybody works for the railroad.

You know, so the grain companies work for the railroad and FGIS works for the grain companies as well, which work for the railroads. Now, NGFA and TEGMA, in particular, are two organizations that do represent the, you know, the bulk of the grain shippers.

And TEGMA, in particular, represents most of the terminal operators. So I don't know where I'm going with this, but if I think there's a path, at least in my head, that's the best path

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to go to try to get some, you know, information and some resolution to this issue.

MR. KERRIGAN: I'll speak on my own here; not for the committee, I guess, but from what I've seen in my experience, you know, NGFA definitely has already provided comments to the STB directly.

And I think where the conversation around this is, especially with Secretary Vilsack already engaging with the railroads and STB directly, I think this provides an additional avenue.

On top of NGFA, who's representing the operators, but also representing the inspectors and inspection process, specifically, as a government-impacted avenue for Secretary Vilsack in addition to what NGFA has done, as well.

Not to take away from that, because several of us are members, NGFA members, and are in tune with grain grades and weights as well as, you know, their association as a whole, that I

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wouldn't be surprised if we don't come up with a recommendation to the Secretary that they are more than likely to, additionally, support it, depending on what that may be.

Not necessarily a co-support, because we're separate, but anything that would go to the Secretary that they, they would support. I can also see them mimicking that support separately.

MR. NEAL: And just for perspective, AMS works closely with NGFA when we're developing our thoughts and gathering data for our comments, so that we have knowledge or one another. Since we're both, we're kind of representing the same stakeholder group.

The difference between the GIAC is that you make recommendations to the Secretary. So we'll be having, we'll have, as an agency, kind of feedback, insight to NGFA, but what the Secretary will not have is insight into GIAC.

So I can tell you, personally, the comments that are crafted for the Secretary's

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engagement with the Surface Transportation Board did not, initially, have the input from the GIAC until it was inserted. And so that's the significance of your voice.

MR. KERRIGAN: Anything else? Great discussion here.

MS. GROVE: I think for future consideration, I've had some concerns or, you know, not just recently, but I'll say longstanding, of different, difference of not grading, per se, but difference of outcome from an inland origin to export destination grades.

And sometimes, in fact, if it's sold origin weights and grade to get to destination, you know, then there's a lot of, I don't want to say negotiation, but a calm word for that.

But I think looking at that and talking about that and how can we come together on that, because it's pretty significant sometimes. Some of it may be impacted due to sometimes the rail service.

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Something sitting in a steel box somewhere for weeks before it gets somewhere certainly impacts the quality, but where does that responsibility lie if it was loaded, graded officially on one end?

MR. KERRIGAN: I know what Arthur's comment is going to be is that's the market portion of it. I would actually throw some of this discussion into actually Phil's court because, you know, as part of WASDE, directly.

I know we've had a lot of discussions about, you know, the same sector, same grader. We're not talking about only Illinois. We're not talking about EQI, SGS, anybody in the other, Eastern Iowa. You know, we're talking WASDE to WASDE, and we've had a lot of those discussions, you know, on grades without timing as well.

And I think that, you know, it definitely is going to be an ongoing topic, but some of the strides that FGIS has been making the last couple years for training, especially with

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our new employees, and a lot of the standardization has come a long way.

We can definitely put that on the list for updates. Obviously, Tony typically gives us implement and training updates. I think that that can be a subset of that, frankly, if there are some areas of concern, specific grades from specific areas. I know that they have dug into those, as a result of that, as well.

MS. GROVE: And I'm not saying that it's necessarily somebody grading something wrong, either. It is what it is at a particular moment in time, and how do we work with that?

MR. KERRIGAN: Okay, I've cleared up as much as I can off of tomorrow's agenda. Unless anybody wants to make any officer nomination at this time, we will happily take and consider them. Otherwise, let's go ahead and adjourn for the day. We'll meet back here and start promptly at 8:30 to jump in.

I appreciate everybody's work today.

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I appreciate everybody's comments from the bright light gallery back there. And like I said, we'll come ready to go in the morning to continue on with soybeans of other colors, as well as some of the recommendations.

(Whereupon, the above-entitled matter went off the record at 4:20 p.m.)

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