

UNITED STATES OF AMERICA  
UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL MARKETING SERVICE  
FEDERAL GRAIN INSPECTION SERVICE

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GRAIN INSPECTION ADVISORY COMMITTEE (GIAC)  
MEETING

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WEDNESDAY  
DECEMBER 14, 2022

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The Advisory Committee met at the AMS National Grain Center, 10383 North Ambassador Drive, Kansas City, Missouri, at 8:30 a.m., Barbara Grove, Chair, presiding.

PRESENT:

BARBARA GROVE, Chairperson, Central Valley Ag  
ARTHUR NEAL, Deputy Administrator, Federal Grain  
Inspection Service  
JANICE COOPER, Managing Director, Wheat Marketing  
Center  
CHRISTOPHER FREDERKING, General Manager, Zen-Noh  
Grain Corporation  
PHILIP GARCIA, Grain Inspection Program Manager,  
Washington State Department of Agriculture  
JOHN MORGAN, Supreme Rice, Crowley, Louisiana  
CURTIS ENGEL, Senior Vice President, The Scoular  
Company  
CHARLES BIRD, Senior Director Product Management,  
Neogen Corporation  
ROBERT SINNER, President, North Dakota SB&B Foods,  
Incorporated  
JIMMY WILLIAMS, Secretary, Missouri Department of  
Agriculture

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ALSO PRESENT:

BRIAN ADAM, USDA

ANUJ CHOPRA, ESQPLUS

NICHOLAS FRIANT, Vice Chair Cargill, Incorporated

ANTHONY GOODEMAN, USDA

ED JHEE, USDA

BYRON REILLY, USDA

DR. KURT ROSENTRATER, Professor, Iowa State  
University

DENISE RUGGLES, USDA

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P-R-O-C-E-E-D-I-N-G-S

(8:30 a.m.)

CHAIR GROVE: Well good morning, everybody. It's just a few minutes after 8:30, so we will get started as we want to be conscious with everybody's time, both here in-person and online.

Welcome, everybody. It's good to see the committee back together again even though, you know, we had some Zooms and calls in the, in the middle of the year to update ourselves, it's certainly nice to be in-person here so we can, you know, feel like we're getting some good work done.

Welcome to the people in the live gallery. Thank you for being here and being a part of this as we're working on things for our industry. And, also, to you that are joining us virtually. Again, appreciate that you are here.

As always, a few of those pre-meeting clean-up things. If you have devices with you, make sure you have them in a silent mode so that we don't interrupt the meeting today. We can continue with our business. If you have to take a call, please

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make sure to step out of the room before you start the conversation. Again, we don't want to be distracted.

For those of you on virtually, everybody is in mute right now. But if, at any point, you have a question, a comment, any discussion you'd like to say, either raise your hand or pump that up in the chat, and somebody here will be watching that.

And when the time allows, or at a good break in the live conversation amongst the committee, we can call on you and you can be unmuted or, possibly, just go ahead and put your question in the chat.

I do want to start out here just with everybody on the committee to go ahead and introduce yourselves so that people in the live gallery and those online know who you are.

Dr. Kurt, if you would like to start.

DR. ROSENTRATER: Good morning, everyone. I'm Kurt Rosentrater from Iowa State University.

MR. FRIANT: Nick Friant with Cargill.

MR. WILLIAMS: Jimmy Williams, Missouri  
Department of Agriculture.

MR. SINNER: Bob Sinner, North Dakota  
SB&B Foods.

MR. BIRD: Chuck Bird, the Neogen  
Corporation.

MR. ENGEL: Curt Engel, retired, Scoular  
Company.

MR. MORGAN: John Morgan, Supreme Rice  
out of Crowley, Louisiana.

MR. GARCIA: Philip Garcia with the State  
of Washington.

MR. FREDERKING: Chris Frederking with  
Zen-Noh Grain.

MS. COOPER: Janice Cooper recently from  
the Wheat Marketing Center.

MR. NEAL: Arthur Neal, Federal Grain  
Inspection Service.

CHAIR GROVE: And I'm Barb Grove, and I  
will be chairing the meeting today, and I am with  
Central Valley Ag.

With that, I'm going to go ahead and turn

it over to you, Arthur.

MR. NEAL: Good morning, again, and thank Barb for, thank you for opening up this meeting with, you know, just a nice energy. Appreciate that.

I want to say thank you to all of you for being here. I guess June was the last time we met, and you could be doing a lot of other things right now. I know everybody's plates are full, but you've taken the time to spend, you know, with us on the next couple of days to share your expertise, your wisdom and your perspectives.

And we want to say thank you on behalf of the Secretary as well as leadership of the marketing and regulatory program. It really means a lot to us to be able to have you here so that we can discuss matters that help us facilitate the inspection of grain in a more efficient and effective manner. So, we want to say thank you.

As I share today, I'm going to start by providing update, and then we'll just kind of hand the baton over to various FGIS personnel and we'll continue to do the same.

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One of the initial updates I want to share with you all is about the GIAC, Grain Inspection Advisory Committee nomination process. In June of last, June of this year, we solicited nominations for the Grain Inspection Advisory Committee, and we only got a small handful of nominees.

We had to re-open the nomination process, I think, in September. As a result of that, we have a total of 11 nominees that are being considered for the committee. We have met with the Undersecretary concerning nominations and she's meeting with the Secretary.

We're hoping that we can get an announcement any day now. We were hoping that we'd be able to have some folks for this particular meeting, but that's not the way things worked out, but the process is moving forward.

In the same vein, we're also renewing the charter for the Grain Inspection Advisory Committee to operate. That process is underway. We had to start the nomination process, but we elected to start the nomination process first, so that we can ensure

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that we didn't, we did not delay getting members appointed and the charter expire.

So, if the charter had expired first, we probably wouldn't have new members until a lot further down the road. So, if we can get new members appointed before the charter expires, that helps us. As soon as we get the charter renewed, we can have another meeting when we need to have it, and we'd have quorum.

That was the other real concern, about making sure that we had quorum. So, that's the update there; that charter process, it's moving. We have been required to perform a barrier analysis around this committee's diversity. And so, we're in the process of doing that now.

We've done extensive outreach to various organizations and communities to generate interest in the committee. Timing, I think, was an issue based on the feedback that I have been getting this go-round.

Before the next round of nominations, we will be doing more outreach to ensure we can diversify

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the committee. And we're asking industry, also, to help us in that vein, as well.

Somewhat along the same lines, there was a recommendation; well, we're talking about, we mentioned the quorum. One of the things that we said we would do was find out how could the Grain Inspection Advisory Committee address a change in its quorum?

And we found out that the Grain Inspection Advisory Committee, at its next meeting, can put the quorum issue on its agenda to vote on whether or not it wants to change the quorum, and then we can update the charter accordingly.

So, that is something that can be done through the committee, and we will update the charter, okay.

CHAIR GROVE: So, that we'd have to wait for the charter to renew because in January the charter expires. So, we have to wait for that renewal, and then in the next meeting it can go on our agenda.

MR. NEAL: Correct. It can go on the

next agenda. You could, you know, if you've got everything worked out, you can take your vote, and then it will be changed.

Any other questions about that one?

MR. SINNER: Arthur, would you remind us it's three-fourths, right?

MR. NEAL: Oh, two-thirds; I'm sorry.

MR. SINNER: Two-thirds. You have two-thirds not three-fourths.

MR. NEAL: Yeah, two-thirds. Thanks. So, we talked quorum.

Another issue that we're making progress on, in the 2020 reauthorization of U.S. Grain Standards Act, FGIS was required to perform a review of geographic boundaries. We completed the review back in June, but it's been going through a number of reviews inside the department.

We're glad to say that, you know, it's at the last leg. We're, we're really expecting its finalization any day now. It's being reviewed for approval by the Office of the Secretary. And so, we're hoping that that will be an announcement we can

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make pretty soon. So, that's progress in that space in terms of meeting that requirement.

We started, some time ago in 20, I guess, '19 the advanced notice of proposed rulemaking for exceptions to geographic boundaries. We did a proposed rule in 2020, and we've been trying to finalize this rule for exceptions to geographic boundaries.

And for those who may be unfamiliar with it, we're trying to address aspects of U.S. Grain Standards Act that would create greater clarity around how decisions are made on when a customer can receive service outside of the geographic boundary assigned to that service provider for that area.

This rule has gone through a number of reviews, and it's still going through review. We just got feedback from counsel a few weeks ago, and we're making changes to it again.

I've heard, and I've got to confirm, that this particular rule may now be designated as significant by the Office of Management and Budget, which adds a whole different layer of review and

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approval to it, for those who are familiar with Federal rulemaking.

We're also working to ensure that we get our forms developed because with this rule, you know, customers would be able to make requests. And we're trying to develop a form that would accompany rule, as well as a mock website that the public would engage around the regulations.

All of that has to be approved before we can finalize this rule. So, there's a lot of work going around, going on related to the exceptions for geographic boundaries. We're making progress, but there's a lot of iterations and a lot of legal review.

So, I just wanted to give you an update there. The goal is to put it back into the legal review process by the end of this month. And so, we're hoping, we're hoping that all things will continue to move forward on that.

Along the rulemaking line, soybeans of other colors; most of you are familiar we had discussed that issue at our last meeting in June. We released a notice to trade late October.

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CHAIR GROVE: November.

MR. NEAL: Yeah, November, saying that we would undertake Federal rulemaking, public comment rulemaking to change the soybean standards by removing soybeans of other color as a grade determining factor.

We also mentioned that we were going to pursue and ask for comment on implementing such changes sooner than the one-year time period outlined in the U.S. Grain Standards Act. We're making good progress on that. We plan on having the first proposal submitted in for clearance, legal review, by the end of this month.

We're going to try to move that. Our goal is to have that rule; I said goal is to have everything finalized, hopefully, before harvest. The wild card in this is whether or not the Office of Management and Budget is going to declare this a significant rulemaking.

And what makes that challenging in, potentially, being able to do so is because we're trying to implement it sooner than the year. So, it

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could raise a flag for them that this could have significant impact.

So, we're trying to do everything in our power to keep things as contained as we can, and we will continue to give you all updates, accordingly, on the progress of that rulemaking.

I think that's all I have. I'm going to pause right now, and allow you all to ask me questions before we turn it over to Denise Ruggles.

CHAIR GROVE: I do, quick, have one question on that last update. So, if you're looking at implementing by harvest, it's a crop year; 2023 crop year would start April/May. This would mean the standard could not go into effect until the next year, if the crop year has already started?

MR. NEAL: The objective, the objective is finalized. That's the objective. Now --

CHAIR GROVE: Move to your mic.

MR. NEAL: Oh, sorry. That's the objective, but that all will have to clear a lot of legal hurdles.

MR. FRIANT: Arthur, could you help us

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understand; I think the term you used was significant rulemaking. Can you maybe help us understand what that bar is to be considered significant?

MR. NEAL: So, the bar for significant, and I don't have the dollar amounts in my head right now; but for a rule to be determined significant by OMB, it has to have a significant economic impact. And that threshold right now, Nick, I don't have it on the top of my head.

For the non-significant, initially, the exceptions rule was designated as non-significant by OMB, but based on what I'm hearing as of late here, it's not being changed to significant.

And that's primarily, I think, because with this rule, when you're talking about the exceptions rule, changing someone's geographic boundary impacts their business.

So, these things are very fluid, and I wish I had the mind of OMB, but I do not. But that kind of gives you a perspective. And we can clarify the dollar amounts and other criteria for you before we leave.

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MR. FRIANT: I think that would be helpful just so we have an understanding of what, what we've got to look at, both in terms of the exceptions. And then I think you said that that was also, potentially, a concern for the SBOC standard change, as well. That it could be determined significant?

MR. NEAL: No one has said anything, but it's in the back of my head that it's a possibility.

Any other questions?

Okay, I'll turn it over to Denise to give us the budget update.

MS. RUGGLES: All right, can you hear me?

Okay, good morning. I'm going to go over our financials as of the end of 2022's fiscal year. These are published on the website as of yesterday. We did get them up on the website.

There is one more previously requested slide that has not been posted yet. I'm working on getting that updated next week.

So, at the end of '22, you can see that the grain inspection and weighing program had an

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operating reserve of \$3 million, which is about one month of operating reserve; a little bit more than that, but not by much.

The official agency grain account was at 11.7 months of reserve. The rice account is at 6.8 months of reserve, and the commodity program was at 7.7 months of reserve.

In addition to the user fee funding, we also received \$16.1 million of appropriated funding after the rent portion was removed and overhead was taken out of our portion. So, this is, we got \$16.1 to spend as appropriated.

This is how we spent those funds in the different programs. Salaries and benefits, travel, moving, shipping expenses. Other services includes training and services provided by others such as maintenance agreements. Our overhead is also in that area.

And then, this is how the grain inspection program was for the tonnage information; how the national tonnage fee, the cost of that program and the revenue brought in. And the specific field

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offices, their tonnage.

And the hourly and inspection fees that we have and how those, how those programs ended. There's, of course, no tonnage on these.

And then, the non-export hourly and inspection fees is related to revenue and operating costs for the domestic field office and the scale testing program, registration program and the science and technologies division. Such as the bar and some of their other programs they do pesticide, pesticide testing. That's all I have.

Is there any questions about the slides? It's really quick and --

MR. FRIANT: I thought, Denise, that yesterday that the fees directive came out; is that correct?

MS. RUGGLES: Yes, the fees directive came out, adding a new rate code for the fecal matter assay testing. So, that when customers call in, they know what that test is going to run them for those services. That's the only change that was made.

Except for, I think there was a couple

other slight changes like the pesticide testing; we removed the revision on the rate code. We had a revision numbering in there.

So, on the fees, though, we are going to publish our annual notice so that next year we can have a little bit more time to get with the trade and industry on the fees for the grain programs.

So, there will be a notice announced for the revision account and the grain inspection account, a regular annual notice.

MR. FRIANT: And that would be where the tonnage fees will be discussed.

MS. RUGGLES: Correct.

MR. FRIANT: Okay.

MS. RUGGLES: So, we will have another one in '23 that will give industry a time to, to review and provide comment. With the cost of living increase that's, potentially, coming in January 1st, and then the rice one will happen, again for October next year, that's an annual one.

And we will be doing a full regulatory review of the commodity program to remove those fees

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from the regulation. Yes.

MR. SINNER: We made a decision, and help me remember, and maybe others do remember, to increase the fees sometime during this, this past fiscal year; is that correct?

MS. RUGGLES: We did a periodic review to, to increase the fees. More than the limited 5 percent.

MR. SINNER: Okay, so we did not increase the fees during the '22 fiscal year?

MS. RUGGLES: Yeah, they increased on February 1st the regular 5 percent.

MR. SINNER: Okay, February 1st. And so, the deficit is reflective of about five months of the previous fees; or maybe four months, right?

MS. RUGGLES: The fee increase went into effect February, so it would be February through September. So, it would have had, that was all the fees that would have; we had four months at the previous fees --

MR. SINNER: Sure.

MS. RUGGLES: -- for the grain account.

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MR. NEAL: And just for clarity, too Bob, the 5 percent increase that we've been doing annually is a, it's a maximum increase that we can make to fees without doing a full fee review and notice to Trade.

And it really doesn't cover the true cost of the deficit, and true cost of the deficit is based on us having reduced fees so that we could lower the amount of reserves that were in our account.

And so, we're going to have to adjust fees upward beyond the 5 percent at some point soon so that we can begin to address the deficits, and that's a larger conversation.

MS. COOPER: I had a question about -- can you go back?

Do you have a slide that compares '22 with '21, for example? Just so we can get an idea of what has changed, because every year it's so different from an export perspective.

MS. RUGGLES: I don't, but they are on our website, all of the years, multiple years. This detail is on for the different years, as well as the

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other slides; they're there for all the prior years.

MS. COOPER: In the future, maybe, it just might be useful to do a year-on-year comparison for us?

MS. RUGGLES: Sure.

MS. COOPER: Just so we can see what might have changed.

MS. RUGGLES: Okay.

MS. COOPER: Thanks.

MR. FRIANT: Also, just for clarity's sake, this information is posted on the, it's not posted on the Grain Advisory Committee website, portion of the AMS website. It's on the FGIS financial data portion of the website?

MS. RUGGLES: Correct. Yes, and there's two sections on there. The first section talks about the user fees, as a whole, which is the first. It has this slide and this slide right after it. And then the other section on there has this slide.

And then the next slide that will be posted there is the one that breaks down the inspection weighing program by each of the offices

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that use those, have those obligations by how they're using those with salaries and benefits travel. That will be posted next week for '22.

Any other questions? All right, I'm going to turn it over to Byron Reilly of International Affairs.

MR. REILLY: I've been told not, I've been told not to touch the clicker because I'm a jinx. I've also been called the walking computer virus. So, I'll do my best not to mess up and make the whole system crash.

CHAIR GROVE: So, are you taking over Tony's comedic relief section of the program today?

MR. REILLY: Well, he has certain buttons that are taped, so we can't press those. So, yeah, he's my second in command.

The topic I'm going to talk about today is going to cover the latest international trade issues, our outreach that we've been doing, and update you on the quality complaints.

The whole Decree 177 from China is still our number one topic. We've had issues with GACC

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since they split up. The food safety exporters under Decree 248, the ones that handle grain such as food-grade sorghum and pulses, they have been kicked back to Decree 177.

So, I have been in consultation with FAS, who's been talking with GACC, trying to get more details explaining why. And particularly like the pulse guys who are registered under 248, which requires a lot of, I think, confidential business information they have to disclose. Does this mean, now, that they have to be registered, additionally, under 177?

And there doesn't seem to be less communication between the two divisions and GACC, the food safety and the quarantine inspection service.

GACC had been silent with USDA. We've had, in June, was the last published list of exporters, and we've been handing them, sending them monthly updates. Okay, we've added this, we've added that.

And we just, through pressure from FAS and a letter that was sent over there, they have

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updated through our September list. We've updated and sent a November list, which they have also updated.

Lately, we just got an e-mail back from GACC saying that hey, I've seen four exporters that need to be on the list. So, we're preparing to send another update. So, at least we shook the tree and got them to listen and provide updates.

Usually, it took about, you know, three to four weeks. So, we're glad that they're finally listening to us. I think they're still trying to get structured, reorganized.

MR. NEAL: I want to comment, too, and I forgot to mention this update, and it's connected to Byron's update on China Decree 177.

The last meeting, the Grain Inspection Advisory Committee also made a recommendation that MRP marketing and regulatory programs in Foreign Agriculture Service undersecretary create a task force to look at issues around kind of grain exporter registration issues so that we can have a coordinated approach.

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And so, Foreign Ag Service Animal and Plant Health Inspection Service and FGIS will have a minimum of two individuals that will serve on our kind of tiger team to address issues around grain exporter registration.

We have been, we had been meeting, anyway, before that. But just to ensure that with more communication around the topic, we're going to make sure that it's a standing agenda item at the Grain Inspection Advisory Committee meeting, and provide updates on activities that have surrounded or occurred around those issues.

It also allows the committee to, then, come prepared to discuss any matters related to it and make recommendations through the committee that could be taken back to FAS, APHIS and FGIS.

Before this occurred, you know, we had to do some homework around the whole 248/249 decrees. And FAS had already been engaged with the Food and Drug Administration around all of the issues. They were representing USDA across the entire scope of commodities.

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And I think what, and I could be wrong, I think one of the challenges that presented to the grain industry is that we had some food-grade grains covered under 248/249 that could, potentially, be addressed one way.

And we had Decree 177 that we were addressing another way. That reconciliation probably was not going to take place, I don't think, because that process is moving a lot slower and communication with GACC is becoming increasingly kind of void.

I mentioned this in another setting, and this is feedback from FAS; they were getting, FAS was getting more response from GACC around the grain issues than any other issues because they've been very quiet.

So, we've been making, I think, the most progress in terms of, and that's on the China side of the house. We know that there other countries that are developing exporter registration requirements, and so we'll collaboratively through those issues. So, that's how we're addressing that particular

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recommendation.

CHAIR GROVE: Okay, because I do think in the last meeting the discussion around that was with different forms of registration or different registrations that needed to be done for exporters. And me not being an exporter, somebody else in the room may have had a more clear definition of that.

But some of the paperwork being held up because of improper numbers, or not consistent numbers, so then containers were being held. And I think that was the biggest concern, is just efficiency of those processes maybe.

Because multiple registrations meant - - not always having the right number on the right form, and I think it was China's shipments, especially.

MR. NEAL: Yeah, it wasn't really clear. I don't think we've been asked for any numbers yet. Most of it is company names. Company names and addresses may not be pairing up. And as a result, somebody may be declared as not being included on the China exporter list.

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And us trying to work to get them included in rapid form, and it's a challenge, especially as we're going through a re-organization, but we work collaboratively with APHIS and FAS on all of these issues.

But for the purposes of, you know, other countries, including the one that, you know, imports a lot of our grain, China, you know, we'll be working more collaboratively with this committee around strategies and approaches.

MR. ENGEL: How do names and addresses get on the Chinese list?

MR. NEAL: Barbara, you can correct me if I'm wrong. So, we use our, the FGIS exporter registration list to populate the China list, as well as the, the exports locations that FGIS is providing direct service, okay?

And so, that's how that's been happening. But we don't control every, we don't, we don't know; let me say this differently. The U.S. Grain Standards Act requires anybody who is exporting grain to be registered with us if they're exporting over

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15,000 metric tons, okay?

But there could be pop-ups, you know, container yards, or container businesses that are starting to export grain. They should be registering with us, but may not be, and they try to export grain to China and they're not on the list.

And so, all of these, there could be various ways that this could cause a problem. But it's based on information we have in our system as to who has registered to export grain, and that's the list that we provide to China.

MR. ENGEL: Thank you.

MR. REILLY: Also, just checking; I see his light's still on.

We changed our registration requirements for China in that every year, starting in December, when you register again with FGIS as an exporter and under the exemption, our list that China has is wiped clean.

And the past we used to just keep adding all the new ones and not taking off the ones who no longer export or are out of business. So, every year

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they get a new one, and they're put in alphabetically on this list.

China requires that we have an Excel spreadsheet and a Word document which only highlights the changes, whether it be an address or company name and/or new registrants. So this, I think, has helped as far as China's requirements.

I heard, you know, in the past they would have loved to have had a number associated with each exporter but, as Mr. Neal mentioned, the only requirements are the company name, contact information and address, so we've been doing that.

Now, on outreach --

MR. FRIANT: Byron?

MR. REILLY: Yes.

MR. FRIANT: If you could back up one slide because I have a couple of questions. So, I note on your third bullet point that GACC moved pulses and food grains back under 177. Is it a correct assumption that the food grains include sorghum?

MR. REILLY: Yes.

MR. FRIANT: Intended for food use?



MR. REILLY: Yes. Sorghum, rice and other pulses, including potatoes or tubers.

MR. FRIANT: But if I look at your sub-bullet, it appears that maybe GACC hasn't really made either formal notification or confirmed that that's the case?

MR. REILLY: They've confirmed, through FAS, that that was what they were doing. But FAS went back with a formal letter hey, asking for clarification exactly. Particularly with the registration part.

You know, these guys went through a lot of detailed information on the GACC CIFER system to registration food-grade products. So, do we also, you know, if we place them back on the 177, or whether or not that would be done internally in GACC?

That they'll just know that those people are now under the jurisdiction of the inspection and quarantine. So, we have yet to receive a clarification why this was being done, et cetera.

MR. FRIANT: Okay, and then, sorry I'm going in reverse order. On your second bullet you've

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got an updated, that GACC posted an updated list in September. Does FAS filter back to FGIS the actual list from GACC?

So, in other words, my observation is every time GACC updates the list, it's a new website. And so, trying to find the list is difficult.

Does FAS communicate that website link back to FGIS?

MR. REILLY: No. We go back in on the Chinese GACC website and then try and locate it as to what number. You know, particularly since it's all in Chinese, and then find what section of the website do we hit for English, so --

MR. FRIANT: So, do you have the September list available that you can share?

MR. REILLY: Yes, we do, and I will -- go ahead.

MR. NEAL: So, moving forward we're going to attempt something. How long we do this, I'm not sure; it depends on how well we're able to keep it up. So, when we send updates to GACC, what we're going to try to do moving forward is to update our

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website with the most current GACC list.

Now, that's, that could, potentially, be a challenge depending on how, timing. We have to see how well all that works. So, we're going to attempt to do, put that out in our instructions for exporter registration; the places where folks will be able to find the updated GACC exporter registration list.

Is that right, Byron?

MR. REILLY: Yes.

MR. NEAL: Okay.

MR. FRIANT: So, I would say that's a positive change, and I commend the agency for trying to do that, because trying to find the list, as you alluded, Byron, is a nightmare. So, I appreciate that. Thank you.

MR. REILLY: Now, I'll talk about our outreach and training that we've done. FGIS initiated an educational training series with Foreign Ag Service. During COVID, they've hired a lot of new people, junior and mid-level employees, some without much grain experience, if any at all.

And thanks to Mr. Sinner, last Advisory

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Committee he suggested that why don't we plan a field trip and take these new employees at the mid-career level and take them to various aspects; show them the grain industry, snack products.

We took them to Mr. Sinner's facility. So, it was a rounding, very good success. In fact, FAS is now going to make that a yearly trip, visiting different aspects of agriculture and, particularly, focusing on exports.

FAS, several years ago we had a trip arranged for the junior members of staffing, and FAS has implemented that as a yearly trip, also.

We also just conducted a lab training series with the U.S. Wheat Associates in Santiago, Chile. We had to work with them to help calibrate their instruments virtually, which is a challenge, not to mention the language barrier.

But we were able to get their Dockage tester working properly and check tested. We sent one of our Spanish speakers down to Chile to conduct a one-week training seminar in the lab equipment and wheat grading for three major millers in Chile.

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U.S. Wheat would like to plan sometime next year to conduct a much larger training series in Panama, bringing together many flour mills from three different countries.

We had a recent call, well, Monday, with all USDA co-operator groups, U.S. Wheat, Grains Council and Soybean Export Council to talk about what are their plans for outreach for the coming year. So, they came up with suggestions.

They all requested that we have a Southeast Asia TDY for a month in September getting back on track. They already had listed several countries that they would particularly like to go to. So, that was a very positive step.

We have asked that the co-operators have individual trips, short ones that they could provide funding for FGIS travel costs, which the Chile trip was paid for by U.S. Wheat Associates.

Also with our outreach, we updated our older translated presentations. I circulated a list of different ones we have in different languages, including all those in English, to the USDA co-

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operator groups so they have an idea what's available, and that we can send them to them.

They're located internally on the FGIS website. We also have a list on our shared drive for any trade teams that will be coming to the field offices, which they can access.

They've asked us to develop videos explaining the grain processes. Although we have PowerPoints, but they would like an actual video close-up of grading. And also an explanation of the different divisions.

We've developed a PowerPoint, particularly for our new employees who are, you know, their first assignment is in the field office, grading grain or sampling or whatever.

And they don't really have a full understanding about all of FGIS and the different opportunities that may be available for their career progression. So, we've developed a very good PowerPoint explaining our overall roles of each division.

We also plan, we've developed a foreign

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travel training program in our SharePoint site. There are five training modules that we're going out with an announcement very soon to the field offices where anybody interested in doing foreign travel can take these training modules.

And then, upon completion of those, they will take a, you know, PowerPoint presentation to us virtually to see how well they are at public speaking, and knowing the subject matter.

And we're looking at, we developed a training module for containers inspections. We currently have it in French; that was the first one requested. So, we're looking at having that translated into other languages.

Now, on foreign complaints. This shows you from 2017 the volume, tonnage-wise at least, has been going down. Although we had, in 2019, we had nine complaints. So far this year we only have two, and both of them are from China. Surprise. And that's it.

Any questions?

MS. COOPER: Can you give us any

information about the complaints for our last fiscal year?

MR. REILLY: No, I don't have that. I mean, that was at the previous --

MS. COOPER: That was --

MR. REILLY: That was all of last year.

MS. COOPER: Okay.

MR. REILLY: It stayed the same at, we had six.

MS. COOPER: Okay.

MR. REILLY: One rate and five quality, but they were kind of diversified. Of course, China also made the list. Of course.

MS. COOPER: Thank you.

MR. REILLY: All right, next up, I believe is Mr. Jhee.

MR. NEAL: While Ed is coming up, I will add this to Janice's question. We are starting to see more concerns about official weights on vessels. And so, I think that's something that we're going to probably be looking at a lot closer.

Because that can start a whole other

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issue with respect to trade if folks feel like they're getting short-changed on weights for FY.

MS. COOPER: So, more concerns on the weight versus quality?

MR. NEAL: It's a new thing that we're starting to see but, yeah.

MR. ENGEL: Arthur, are the number of weight complaints increasing, or is the amount of weight that's, the variance increasing?

MR. NEAL: If I'm not mistaken, there's only two that we've gotten, but those two generate concern so that we know that we've got to make sure that we've got proper monitoring in place.

And also, that we're educating buyers that if they've got concerns prior to the vessels leaving, they need to let us know, too, versus just letting the exporter know. So, that information is flowing in a timely fashion. So, that's kind of what's happening.

MR. ENGEL: Thanks.

CHAIR GROVE: Byron's got an additional

--

MR. REILLY: Prior to the most recent that Mr. Neal has mentioned, the previous rate complaint was in 2019. And the ones prior to that were about one every 10 years. So, there were very few in the past.

MR. MORGAN: Arthur, are these complaints regarding weight, is that land to ship, like railcar to ship, or is that barge to ship? Because I know transloading barges, draft weights and stuff sometimes is an issue. I was just wondering.

MR. NEAL: Still going to research on the full flow. Some of it, we don't have the full details on how the ships were loaded. Some of it may not have been official.

Some of it could have been rice, and we're not mandatorily required to be inspected by FGIS. And so, we're still doing research on some of these things.

DR. JHEE: My turn?

CHAIR GROVE: Yes, I think you can go ahead.

DR. JHEE: All right, good morning,

everybody. I appreciate the opportunity to kind of bring you guys up to speed on activities within the Technology and Science Division.

I think one of the key updates was, that was a key interest of this committee was the status of the soybeans of other colors study that was conducted towards the end of the summer and through this fall.

One of the, what we found out was that there was no difference in protein and oil. The approach that we took was we collected 100 market samples that were representative across the entire United States.

We utilized our master NIR instrumentation within the inspection instrumentation branch as representative of the actual instruments that are used at all of the field locations. These are the master instruments by which the calibrations of all instruments in the official system are calibrated against.

One of the key aspects of the study was that we had all of the SBOC picked out of the market

samples. That way, we were able to kind of run pure soybean samples against those that had the SBOC included.

The actual ranges of SBOC that were used were between 2 to 7 percent. But, again, we were happy to find out that there was no difference in protein and oil.

One of the things I did want to mention was an expression of gratitude to our Chief Scientist, Dr. Tim Norton, Jeffrey Infosten in the Inspection Instrumentation Branch, and Brian Adam with the Board of Appeals and Review. It was their effort that was able to conclude this study.

In 2021, FGIS proposed changes to the mycotoxin test kit criteria to improve accuracy and align with FDA and codec standards. We reviewed and analyzed comments that were received, and the FR notice, which are response to comments, was published on November 10th.

Moving forward, we're only going to make two changes to the mycotoxin test kit criteria. We are increasing the number of readers to three, as

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well as the number of analysts to two to ensure that performance verification is met to the standards. For this effort, I wanted to thank Mr. Tom Wether, analytical chemistry branch, as well as the policy group within FGIS.

Now, this is a victory. The technology evaluation process. We issued a Federal Register notice for public comment. We did receive some comments on this process, and they focused primarily on the clarification of terminology as well as implementation process.

The minor edits were made to the user guide. We were able to get the document cleared by our office of general counsel, and it went live last week. So, it is actually within the FGIS website under approved equipment.

You will see a hyperlink to this user guide version 1.0 in terms of how the agency will review and evaluate equipment used for official inspection. For this project, I can't thank my team enough. It was 100 percent effort in terms of every unit within TSD that contributed to this effort.

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Energy and technology; where are we now?  
As I mentioned in the last meeting, we issued an FR notice published on February 15th. We are still in the process of partnering with manufacturers. We have signed what's called a CRADA, or cooperative research and development agreement with one manufacturer.

Currently, our focus is going to be a narrow scope on medium grain rice. Particularly, we want to be able to provide some options or alternatives for the California rice industry should this particular instrument become fit for purpose.

We'll continue to engage the rice industry to see if there's other solutions that are feasible, as well.

Other current events; I briefly mentioned last meeting that we're working with USAID, or U.S. Agents for International Development on the development of a full suite of analytical services to provide their humanitarian food aid program. We are well into this process.

I can't thank Dr. Candy Bell and the

Buyer Technology and Analytical Services Branch, as well as Mr. Tom Wether of the Analytical Chemistry Branch, on their efforts to stand up over 40 additional analytical methods associated to this. So, that we knew, with confidence, that food aid coming from the United States is safe for the world.

Other current events that we are going to be taking on this year; we have some data that indicates there may be an impact of foreign material on the levels of paraquat, particularly in soybeans.

So, our scientists in the chemistry branch are going to take a deeper dive into this over the next year. We're also considering expansion of our ISO 17025 scope for buyer technology to add genetically engineered corn and soybean varieties.

And then, furthermore, within our inspection instrumentation branch, we plan to implement the national type evaluation program protein and oil calibration to reduce variability across the inspection system.

With that, I'll be open to any questions. You guys are taking notes.

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MR. MORGAN: Thank you, Doctor. Can you back, so on the food aid can you go into a little more detail on what type of analytics or analytes you're working on? Is this going to be a major change to what we're currently doing?

DR. JHEE: Not a major change to what we currently do. This is primarily going to reside within both our analytical chemistry branch as well as our commodities units.

For the past 40 years we've been supporting USAID on a number of their cereal-based products that we provide anything from microbiological SAs, E. coli; those types of analytes, to heavy metals, as well.

Where we're expanding is to rice products, fortified rice products, additional mycotoxin testing for the cereals and pulses and grains, as well, that's used for the humanitarian program.

MR. MORGAN: I think they've, haven't they released some new limits or something?

DR. JHEE: They're working on, I think,

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some new CLA; I think that's the acronym, requirements --

MR. MORGAN: Right.

DR. JHEE: -- for their products. We're working closely with USAID to make sure that the timing of implementation of those new CLAs aligns with the method development here within FGIS. Our goal is to have this whole full suite of tests ready for all of the U.S. producers by the start of the third quarter of this fiscal year.

MR. MORGAN: So, CLA new limits and testing, okay.

DR. JHEE: Correct.

MR. MORGAN: We'll be waiting for that.

DR. JHEE: Yeah, I figured you'd be with us on that.

MS. COOPER: I have a question on the technology evaluation. Can you kind of give us an idea of how you see, you know, what's next? How do you see this rolling out? What are you expecting in response to publishing that, that process?

DR. JHEE: Well, we hope that the

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guidance in this user guide is clear enough so that manufacturers that would like to seek evaluation and approval of an instrument to be used in an official system is clear.

We believe that the criteria laid out in the user guide emphasizes, not only the purpose and need of the instrument by, you know, the use and the practicality and pragmatism that could be applied to the official system. But also, it outlines a lot of the technical specifications.

And I think one of the key things that we wanted to focus on was the industry's need to ensure that there was no variability or reduced variability. I think the industry looks at instrumentation with open arms, but also cautiously because of the concerns they may have about variability in data.

So that's, I think, one of the things that we hope manufacturers do take a close at; close look at in terms of the user guide. Off the top of my head, I can think of two particular instruments that may come through this system.

I'm not obliged to be able to actually

publicly state that now, but I do know that we anticipate two manufacturers approaching us in the upcoming year.

MR. NEAL: And just to also comment on what Ed shared, are we expecting an increase? You know, I don't know. I'm hoping not because we need some bodies in our instrumentation branch.

So, if you all are aware of some good engineers and some scientists that are looking for an opportunity to help with this type of work, we'd like to have them onboard so we can facilitate more of these type of reviews before we get inundated with requests. That's one of the things we're hoping to happen, is we get more bodies to serve, but I think clarity was the number one goal here and that if someone wanted to engage the process, they knew how to.

DR. JHEE: And I think one of the key things I may have mentioned this summer was the importance of adding an appendix to protect confidential business information. That's one of the more robust aspects of this process, so that we're

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fully aware that any type of trade secret or proprietary information is kept confidential as it's reviewed by FGIS.

Anything else?

I appreciate it. I will turn this over now to the Field Management Division and Tony Goodeman.

CHAIR GROVE: Actually, we are scheduled for a break here at 9:30, a 30-minute break. I think we can still keep on schedule, just to shorten that break just a few minutes and come back at 10:00 o'clock and be prepared to move on with Tony.

All right, thank you.

(Whereupon, the above-entitled matter went off the record at 9:30 for a brief recess.)

CHAIR GROVE: All right, thank you, everybody. We're going to go ahead and have Tony go ahead and come up and give your update, and then, after Tony is done and any questions we may have for him, we are going to circle back through the top.

I think we have more questions in some different sections. And so, we may be bringing

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different people back up to ask a few questions on your sections again.

Kind of -- it went really quick this morning, and maybe our brains weren't thinking as quickly as we were talking, so we want to give ourselves time to digest a few of those things. So, again, we'll probably start and, Denise, after Tony, have you come back up to start. Okay, thank you.

MR. GOODEMAN: Good morning, everybody. Please, please keep your seats. Keep your seats. I thought this was a DJ booth set-up. I was going to get some walk-up music, finally. No fog machine, no nothing. Going backwards already.

I also thought when they told me to sit down before the break that Byron went wrong and I got bumped. So, speaking about it, what do you call somebody like Byron that promotes wheat and other grains around the world? A bran ambassador. Janice sits in that category, too. Yes, sir.

MR. REILLY: What if it's only protein concentrates?

MR. GOODEMAN: Arthur always gets

nervous when I tell these jokes and so, last week, you know, when I was preparing for this meeting, he says hey, Tony. He sends me an e-mail that said send me your jokes in advance. I said, Arthur, I said, I'm real busy working right now. You know, I can't think about jokes. He said that's a good one. You should use it.

Arthur pretends not to like the jokes but, you know, sometimes when I tell a joke in the office, half the time he rushes down the hall to re-tell it to HR. Sometimes if it's really good, HR calls me and wants to hear me repeat it myself, and if he really likes it, I get a time-off award. The letter doesn't say it that way.

No, but I appreciate being here today. Always good to show the updates. A lot of this information is pretty new and impacted greatly by the low water levels on the Mississippi River.

So, this is only going by a market year or fiscal year, depending on the slide. This goes by fiscal year here, so we've only got October and November worth of data.

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And so, with the low river levels, as you've heard about, a lot of the barges coming down the river, even if we have a decent number of barges, they might not be fully loaded. It's really hard to move the barges around and to source the grain. It's been a major challenge for us. Because of that, just in these first couple months, the fiscal year is tracking almost 21 percent lower than last year.

There's not much sophisticated analysis that goes into the projection. It basically says that if we keep the same track, where we'd end up. Not to say that that's likely, given the river level, hopefully, will return at some point and we'll be able to move some more grain out.

Here, our corn. This goes by market year. Corn exports are down 30 percent compared to last year and 36 percent compared to the five-year average. We do hear that given the tight river operations, in areas where people are forced to make a choice between exporting corn and soybean, right now it seems like the priority is on the soybeans. Mexico remains our number one destination for corn,

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43 percent of all exports. China, 32 percent.

Soybeans are pretty well on track. Down 8 percent compared to last year, but just down 2 percent compared to the five-year average, and we've had some record years baked into that five-year average as well. China remains our number one destination, almost 70 percent of all soybean exports. Mexico in second, Egypt in third.

Sorghum's off to a slower start, 65 percent lower compared to last year and down 58 percent compared to the five-year average. Mexico this year is number one. Now, this has been China, so this is a bit of a change. China's at 18 percent. Sudan, 17 percent. We've had slides, I think, in the last couple years where China would be like 95 percent, something like that.

Wheat is up 16 percent compared to last year, but just off of the five-year average. Mexico is also our number one destination for wheat, 18 percent of all wheat exports, and Philippines and Japan, second and third.

A quick update of the prior



recommendations. The consolidation of instructions is pretty well a part, ingrained in our philosophy for all instructions. We want to consolidate whenever we can. It's an ongoing project for us.

We've got, we'll probably be consolidating in the neighborhood of 15 instructions this year into smaller -- or not smaller, but into centralized documents. One of them, for example, is we do a lot of commodities under the Agriculture Marketing Act. And we're going to -- and they have stand-alone directives. There's a lot of similarities there, so we're going to combine those into one instruction.

You might remember a couple years ago when APHIS took on the systems approach, and part of that was a study of foreign material in soybeans. We were, basically, the contractors -- I wouldn't call it that exactly, but basically did that sampling and the initial FM separation work for them.

Before, we sent it to a different part of AMS, the science and technology group, the Gastonia seed lab, and they would do the seed analysis. And

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the committee recommended that no FGIS funds be used, and we can report that that did not happen. That was funded by APHIS through an interagency agreement with us, and so we were -- we didn't use any FGIS funds there.

On the MOU, the subcommittee had a number of recommendations. We have provided those to FDA, and we have made a little bit of progress. FDA has, initially, agreed both the CFSAN, the Center for Food Safety and Applied Nutrition, and the Center for Veterinary Medicine, CVM, were looking to set up a meeting. We initially targeted January, but some of the leadership is out on detail until the end of January. We're looking at February. And we also asked if we could include industry, like -- perhaps like you all in a meeting like that.

And we've made some traction there, and so they've agreed, tentatively, to do a listening session in February, and hopefully, we can get you all to participate and try to get some traction moving forward with the findings from the -- from the committee. Also from any other industry groups that

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might be interested in having some changes that are not grain, for example.

I talked about the Mississippi River levels. This is still a major impact to operations in the Gulf. Glad that the rail strike was averted. That would have been a pretty big disaster for the grain industry.

River levels still a big story down in New Orleans, and the inefficiency is a pinch. It's just -- it's no good for anybody because we still need a lot of the staff onsite. We're still working 24/7, in general. We're still unloading barges, but not be unloading full barges, might not be unloading them as quickly. It's really frustrating just to see that kind of inefficiency in the industry as a result of that low water, but we are still working. We are still working at places it does seem to be, hopefully, returning a bit.

Hiring activities. We are proud to announce a new manager in our New Orleans field office. That's the largest field office in FGIS. Her name is Sherry Williams. She comes to us from

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APHIS dog training facility in Georgia, and so, she came onboard in November. For anybody in the Gulf, please, hopefully she's been out to see you already. If not, she'll be out and around soon.

I'd like to thank Mr. Andy Ping who was down detailing as our acting manager for the better part of a year after the hurricane. So, thank you, Andy.

We continue to hire graders, technicians, supervisors and quality assurance specialists. We are in the process of hiring a quality assurance in our Pacific Northwest field office in Portland, and then also in our League City field office in Texas.

Our former quality assurance specialist in League City, Tim Hall, is now here in Kansas City. You might have seen him around the building. He's our assistant manager at our DIO, our domestic inspection operations office here just down the hall.

And we have an announcement out now, please tell your friends, for a technician. This is more of an entry level-type job to come onboard with us in New Orleans, Arkansas, I think Portland, and

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one other one that escapes me right now.

Soybeans of other colors. Arthur touched on the pending proposed rule that will be coming out. All of the slides I'm going to go to next are public information that are on our website now. We have a separate site set up for soybeans of other colors with a lot of this information.

A credit to our DJs in the back, these are our media group, and Kendra for setting that up. And it's got a lot of the frequent questions. And then, also, Lee runs reports, I think it's about every month or so, and updates the data online.

So, this is published on our website. This is as of November 28th. Some reminders to you before we dive into the numbers: these are total certificates, so it's not a perfect representation of quantity. One ship might get one certificate. One ship might get five certificates. A train might get 110 certificates. It might get one certificate. So, there is a little bit of -- if you have a submitted sample, it would be one certificate. If you do one railcar, it could be one certificate. So, it's

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imperfect.

And then, the percentage of No. 1 SBOC. This is the certificates where SBOC result only, not considering any other factors like FM or damage or anything like that, only looking at if SBOC would have been the grade determining factor, how would it play out?

So, we go back -- we looked at this, we presented this data back in June. And you can see in prior year, this was basically a non-issue. This goes back 10, 11 calendar years.

In 2011, for example, the amount of certificates that would make No. 1, just on SBOC, not on any other factor, was 99.7 percent, 99.8, 99.8, 99.9, pretty much a non-issue. There was a year in '17 where 99.2 only would have made it. And then we had a big change starting in the fall of 2021, where 92 percent would have made No. 1 based on SBOC alone. And then we saw that continue in the calendar year '22. Only 81 percent would have made No. 1 on SBOC.

And, perhaps even a bigger deal, only 12 percent, only an additional 12 percent would have

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made No. 2, and 5.7 percent would have gone No. 3, just on SBOC, with a total of 18.5 exceeding the No. 1 criteria.

Here's a visualization of the average SBOC over time. You can see it's almost nothing, and it's -- you know, we went with the proposed rule back in 2017 or '18, opening the corn and soybean standards, asking if there was anything that needed to be change or updated, and we got very few comments of some folks asked us to just pull back the -- the announcement. We took that as the standards are working as intended, and we made no changes. And so, you can say, well, we just opened them. Nobody said anything about SBOC. Well, it was obviously, you know, not an issue back then.

Then, all of a sudden, we get to the harvest of 2021, big spikes. The big story for today, and we'll probably be highlighting, is this big drop. Since our -- since our harvest this year, we saw it approach almost 1 percent nationally. And then, all of a sudden, now it's tapering off significantly.

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Now, this is, again, only certificates, only things that are officially inspected. If there was a whole bunch of SBOC out there, and somebody wasn't presenting it for official inspection for some reason, it wouldn't be reflected here. This could be weighted a little bit for the types of inspections that we do, but definitely going down.

This is kind of inverse of that. Soybean certificates where SBOC was certified and met No. 1, almost everything. We had a dip to below 70 percent earlier in 2022 and now creeping back up to above 90 percent for everything meeting No. 1 on SBOC.

So, the timeline by month. This goes from July, 2021 until the end of November. You can see the exceeding No. 1 SBOC, and, again, we saw it at the beginning of the harvest of the fall of 2021 and continue to increase to peak in the spring of '21 with almost -- or over 30 percent exceeding the No. 1 criteria, with only 6, 7 percent meeting. And then a big drop-off. Once we got into the harvest of -- we saw a lot of it, initially, in harvest, and that's what prompted a lot of concern, but it appears to

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have tapered off significantly.

And -- but not quite -- not close to prior years yet, but only 6.5 percent in November of this last -- this last month here exceeding the criteria for No. 1. And we have a lot of issues if it doesn't meet No. 3, because if it contracts at No. 2, it can usually get traded pretty well. But even -- this is really tough in these windows here, but now even less than 1 percent is exceeding the No. 3 criteria.

We were asked to break this out by reporting regions. We divided them up into the Northeast, Southeast, North Central, South Central and West. The colors are -- we do have the new high-definition projectors, so we'll see how that turns out. You know, we had the old-fashioned one. Colors come through great now. Actually, they are pretty nice.

And so, we see we had a good spike, a good spike in the Southeast. All of these numbers, though, have tapered off. The gray line is submitted samples, and so we saw some peaks there. This is a breakdown by Region, so --

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CHAIR GROVE: Can you go back to the previous slide?

MR. GOODEMAN: Sure.

CHAIR GROVE: I was just trying to correlate the coverage.

MR. GOODEMAN: This is the inverse of that. The number of certificates by region that would have made No. 1, and you see almost everything. And then we've got this, this period of noise in late 2021, early 2022, and even -- even in the Southeast, where we had this big spike, almost everything's down here now, much lower.

I'd be happy to field any questions, or -- how do we want to organize it for question on the transportation?

CHAIR GROVE: No. I think as you look at, I think, three slides back, just before your map, and looking at the change, once November when it seemed like it dropped away, I would say just an observation of operations and storage.

In the Midwest, as we looked at some of those states that had them, had been recording

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higher, so your Southeast and your South Central? Very dry. It was a drought, very dry crops coming in. And just movements of very dry beans, the hulls drop-off.

So, once they've been in storage and you're moving them, you don't see as high a percentage shipping outbound because the hull is broken, usually cracked off. So, you see it more in piles in your - - within your conveyance system.

And so, that makes sense because, again, I will say, very dry crop for soybeans -- well, for all crops this year in those areas and higher drought. So, to me, that number makes sense. I do want to -- I think this would be the appropriate place, yeah. Right. Because of the SBOC update.

Okay, any other questions anybody has right now?

MR. SINNER: Yes, Barb. I'm interested in your comments, and I was going to come back to Tony and ask him if he had any explanation of why the drop-off compared to previous year.

And I was interested in what you said,

that because the crop is so dry, the hulls were coming off and, therefore, it's not detected and not seeing it through the inspection.

Are you seeing the same thing, Tony?

MR. GOODEMAN: We'd have to go back and look at splits because if the hulls were coming off to that degree, then the splits would be pretty high. We'll have to go back and look and see if that's had an impact.

You know, I think that people are more - - anything I say is going to be speculation because I don't know. So, I really shouldn't --

MR. SINNER: I understand.

MR. GOODEMAN: So, I'll just stop there, really. I mean, you all know better than I do. We just aren't seeing it as much. It seems like people are getting more used to handling it when they do see it or segregating if they do see it.

You know, we did quite a bit of travel this fall, and I would try and look hard for it. And sometimes you'd see some beans with, you know, indication, but it's not like it was everywhere. It

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seemed like there's some pockets, still, that were really tough. Yeah.

CHAIR GROVE: I was just going to say -- so, it was, I'll say, through -- through our trade territory, just direct center Midwest, early harvest was higher. We were seeing it at a higher rate. Shipping, I would say, we were probably shipping greater than No. 2, definitely. But as harvest went on, I would say we weren't still seeing it in those areas that our ability to ship with, and actually most of our contracts are No. 1. So, it was a matter of having enough volume to be able to blend to a No. 1 in some areas.

But again, I will say with the excessive dryness, we were -- we see that a lot, depending on the structures. Flat building structures, we see the evidence of the hulls. It's a lot easier to see that they're breaking off, especially in longer-term storage, but with the dry storage this year, it was a dry crop.

MR. FRIANT: I know in several conversations that we've had, whether it be the

industry workshops or with the last budget committee meeting, there's also a lot of discussion around training and education of the official agencies and staff.

Do you -- is it possible that any of that change could also be clarification during inspection on what truly is an SBOC versus what just had some slight discoloration to that?

MR. GOODEMAN: You know, if anything --

MR. FRIANT: I guess my question is, was there a lot -- as we talked about, having much more education outreach. Did that occur, and do you think that's how folks were inspecting the beans got just clarified?

MR. GOODEMAN: I think, if anything, you know, we talked about this before. If anything, and Brian is our Chair --

MR. ADAM: And maybe let me take a crack at a little bit of that, but yeah. It's on. Okay. So, I think -- yeah. I'll bend down a little bit.

I think most of it, when we see the training, we actually see the opposite. So, people

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would actually be, in a general sense throughout the program, actually missing a little bit. So, I don't really think that's the issue. It could have been a few things where we do see less -- more awareness by the elevators, better blending.

It seems like as we go up north we see a little bit less of it, as well. I know that for the board, we've seen a dramatic drop in board appeals. So, we went from about 20 to 30 a month to about two or three since September.

So, it could be weather having an impact on the crop as well, a little bit less. But if there's a genetic component, there's also a weather component that may agitate -- may create more SBOC. So, I just feel, from what I'm hearing, it just doesn't seem to be quite as bad.

So, I can't pinpoint one thing or the other, but I think in terms of just more awareness, I think with everyone, has helped. And if you're getting soybeans in from one part of the state and there's no SBOC, and another part of the state there's a little bit, and you blend it. So, we may see some

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advantage to that, as well. Where the previous years elevators really weren't aware of it and, and maybe they're doing a better job segregating the differences in the soybean content.

So, I think from my perspective, that's about all I know of possible reasons for the recent dip.

CHAIR GROVE: I would agree with you, Brian, that -- that the training made people more aware. And I think, again, recommending, you know, in June as you discussed, the training and having the quality control people from all the offices to come down and do training. I think that was vital.

Because -- and we've also utilized our, to say -- to be able to go to the inspectors and say hey, can you help us with our people? And identification was very key, also. But I agree with that statement that the awareness probably made the findings higher.

Because we knew what truly constituted -- I will say, in -- in our -- in the Midwestern areas that I saw at higher, they also had severe weather

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patterns, a lot of hail damage, wide-spread hail damage that affected a lot of different things, and it actually was higher in the SBOC. Is it just the weather pattern that correlated with it? I don't know.

MR. NEAL: And Tony, correct me if I'm wrong, too, some states where -- in 2021 where it was really high, I think it was -- I think it's the Northeastern region. I can't remember exactly. But we didn't, we didn't see a lot -- no, Southeastern region, yes. Yeah, Southeast, where we had a few states that had some high SBOC content. We didn't see that at the back end of harvest.

MR. GOODEMAN: Yeah, maybe not as high.

MR. NEAL: Right, not as high.

MR. GOODEMAN: Right, right.

MR. NEAL: So, it makes the whole environmental impact, whatever that is on that decoat color, maybe it's just evolving. I don't know for sure.

But I do know that, through the collaboration we also paid for, not for these

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numbers, but some of the grain that may be moving and being inspected unofficially, I think the material put out to help people understand what SBOC is has not made a difference.

Because some people didn't understand that, you know, that range that typically is associated with this particular variety was not SBOC. And I think that also made a difference for the unofficially inspected stuff, because I think that was also causing some consternation as well.

CHAIR GROVE: Yeah, I think the updated visual reference card was a big help and it gave some great examples. Again, it wasn't just here's what it is, but numerous pictures showing different variances. That was helpful. I know we utilized that in our training.

Any questions for Tony, again, about the inspections?

Okay, thank you.

MR. GOODEMAN: All right. Thanks, everybody.

CHAIR GROVE: No -- no closing? No

official closing for us?

MR. GOODEMAN: Do you want one? I've been told before not to ask a question you don't want to hear the answer to, you know. I'd be careful.

Since there was a request to have a grain inspection joke, by special request: how much grain does it take to fill a railcar or a ship? A lot. For the grain inspectors in the room, you go by lot, subplot.

CHAIR GROVE: Okay, I'm going to have Denise come back up. I think there might have been a question that you can help us -- and if you would --

MS. RUGGLES: Do you want me to --

CHAIR GROVE: Yeah, go back.

MS. RUGGLES: Don't get dizzy.

MR. FRIANT: So, Denise, I have a question.

MS. RUGGLES: Did you want this slide or --

MR. FRIANT: Yeah, this will be all right. I was having a little bit of trouble keeping

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up on my notes. So, if I see correctly, the inspection and weighing column basically only has a one-month operating reserve.

MS. RUGGLES: That's correct.

MR. FRIANT: So, does that give us a concern with the start of a new fiscal year and any front-loaded expenses we have in the fiscal year? Is there concern about the agency, particularly the inspection and weighing account, starting this new fiscal year with only one-month operating reserve?

MS. RUGGLES: So, for front-loading of cost, because we're under a CR, we're only applying the CR level across all of our accounts. That includes the appropriated accounts, so we're on a 21.1 percent of appropriated funding during this continuing resolution. So, we're applying that same amount to the other agreements.

CHAIR GROVE: Can you, just for everybody both online and in the audience, explain you're on the CR? Explain that.

MS. RUGGLES: Continuing Resolution. So, Congress has not passed a budget for the Federal

Government. You probably see it in the news, talking about a shutdown. During that period, as we're waiting for our full-year funding, we're on a limited amount of prior year funding.

So, we are applying that percentage across the user fee accounts as well. You really can't load a contract and say oh, just this line only can be this amount and the other lines are the full year. It just doesn't work that way.

MR. NEAL: And to also add to what Denise has shared, Nick, I think we're less concerned about the front-loading that has to take place just because of a full year of operation. You know, we'll catch up. Now, the big concern is just that we've got one-month of reserve left. That's the big concern.

MR. FRIANT: Just the overall concern about not having big enough reserves.

CHAIR GROVE: Any other questions on the financial for Denise? I think John?

MR. MORGAN: Just a quick question. The fiscal year is October 1 through September 30th?

MS. RUGGLES: Correct.

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MR. MORGAN: So it's as of September 30th?

MS. RUGGLES: Correct. It may have a little bit of two weeks into October. Where we have payroll, we have estimates put in at the end of this fiscal year, and then they actually come through, so we hold off on reporting until those have cleared.

MR. MORGAN: All right.

MS. RUGGLES: So, this is the true full year.

MR. MORGAN: All right, thank you.

MS. RUGGLES: Is there any other questions?

DR. ROSENTRATER: I'm just curious, being new to looking at these types of budgets, if a 5 percent increase were added like we were talking about earlier, have you done any projections in terms of what the financial -- assuming that the volume is the same next year, what is the potential for net revenue or net loss?

MS. RUGGLES: I do have those, but I can't speak about it right now. We're reviewing them

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again tomorrow, but --

DR. ROSENTRATER: Okay.

MS. RUGGLES: -- I have done them, yes.

DR. ROSENTRATER: Okay. Okay, and the reason I ask is because do we need to start thinking about the bigger increase?

MS. RUGGLES: Correct, and that's --

DR. ROSENTRATER: Sooner rather than later.

MS. RUGGLES: Correct. So, we're going to have to get out the initial notification of our annual, and then we will have to do a follow-up. What we're doing in that is right-sizing the fees, is what we call it, where we look at the actual specific test and confirm that we are recouping the cost to perform those tests. So, it's not just a straight line.

So, some fees might go down a little bit because maybe they've been increased unnecessarily, and other ones will go up more because they're, you know, their costs are more. And we're also going to look at removing some that we haven't used in 10 years

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to reduce the fee schedule from being so large.

MR. FRIANT: So that -- the first stage, if I can use that term, the first stage will be the annual review for how to include all service fees and tonnage fees?

MS. RUGGLES: Correct.

MR. FRIANT: And then, once -- so that will be published around the same time it normally is, the first part of the calendar year?

MS. RUGGLES: Yeah, it's --

MR. FRIANT: And then there will be a secondary review after the start of the new calendar year that will be a more comprehensive review. And that will also include all fees plus tonnage fees?

MS. RUGGLES: Correct.

MR. FRIANT: Okay. Thank you.

MS. RUGGLES: Yep. And then also, next year, we will also have the commodity program because those fees haven't been done since the early 2000's. And then, of course, the rice fees will be published around April or May, the normal annual one that we do along with all the AMS programs. And the -- the

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annual review we'll be doing with the grain inspection, the inspection and weighing, will also include the official agency review.

CHAIR GROVE: Any other questions for Denise on finances?

Okay, thank you. I appreciate you coming back up.

MS. RUGGLES: Yep.

CHAIR GROVE: Yeah. Any other questions now?

We're just going to open it back up, and if we need somebody to go back up to their slides, you can come forward. Otherwise, you can probably answer from the microphone there in the back.

You know, Arthur, this one may be for you. So, we talked a little bit about, earlier, SBOC and the public notification that it will go to public comment. Can you just go back and give us, really, what -- what is that scope? What's the scope of the request for comment on the U.S. soybean standard? Is it just SBOC? Can you give us a little more detail on that process there?

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MR. NEAL: I can't go into too much detail, but it's really what we said in that notice to Trade. That's what we're focusing on in this rule.

We're focusing on the soybean standard as it pertains to soybeans of other colors as a grading criteria, and we'll have to adjust whatever components of our regulation attached to that so that we can propose removing it as a grading criteria, as a mandatory grading criteria, and making it more of an optional criteria for those who still want it. And they're also commenting on the timeframe for implementing such changes. That's really the scope of it. The root of it is, anytime you open up the standard, people can comment on anything.

Let me also make this comment because Kendra did get -- we mentioned about the office of management and budget and their criteria for deeming something significant or non-significant. And so, this is the criteria that they use. And we're speaking to this in reference to the exceptions rule and, potentially, soybeans of other color.

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So, they deem something that's a significant regulatory action that is likely to result if -- that may have an annual effect on the economy of \$100 million or more, or adversely affect, in a material way, the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety or state, local or tribal governments or communities.

It also includes an action that may create a serious inconsistency or otherwise interfere with an action taken or planned by another agency. It also includes an action that may materially alter the budgetary impact of entitlements, grants, user fees or loan programs, or the rights and obligations of recipients thereof, or an action that may raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in an Executive Order.

So, it's broad. And because our action, I would presume, affects competition, it could get captured. I'm hoping it doesn't, but without a few clarities, we have not, I have not had any

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conversations with OMB about it yet.

Like I said, this was a recent conversation that I had in which that terminology was used. I've not gotten anything in writing that it is deemed significant, but we've got a few clarities if it is that it just introduces some complexities to our process.

Any questions there? Jimmy, you look like you got a question. While you all think about that -- oh, go ahead.

MS. COOPER: I'm just curious about process. So, those criteria are so broad that OMB could decide virtually anything was significant. So, how often is it applied, and how much time does that typically add to the process?

MR. NEAL: Great question. I can't answer how often it is applied. In my previous years where I've done a lot of rulemaking, everything was significant, just about, with the exception of one point of some materials that we used to add onto a list that the organic industry used for, you know, for processing, production handling purposes. They

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had deemed that that would be non-significant.

I'm not sure if that still stands, but they deemed most of the regulatory actions that I've been associated with as significant. There was an article -- not article, but a report written by GAO mentioning how it's not very clear when they make that determination and working with agencies to try to make it clear.

So, you've captured the essence is that, you know, it's very broad, and what they deem significant versus non-significant, you know, we don't fully understand the logic, but the process gets more lengthy. OMB will probably, a minimum, you can probably attach three months, minimum, to their review process.

CHAIR GROVE: So, that review process starts before or after public comment?

MR. NEAL: Well, review process is before public comment.

CHAIR GROVE: Okay, and that is why I know I had reached out to AMS to ask has it been deemed when the public comment period will be open,

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and the response was just that no.

MR. NEAL: That process -- the public comment period is not really established until that rule is about to get published, so we don't have that answer. We may have in mind when we want it to be, but through the various numbers of reviews, that time can change based on anybody's input.

When I say anybody, the Secretary may have a desire to have it a certain time period, the Undersecretary could have a desire. It just depends on what the goals are, who's controlling, you know, what issue is trying to be addressed, the level of significant impact it has on achieving the end goal. It also could be affected by OMB's comments because they're typically the last to review in the process before we can publish, if they get involved.

MR. SINNER: Arthur, aside from the process in the U.S., is there anything being done on the customer side in FAS to educate or discuss this, the issues, with customers?

MR. NEAL: We have not, based on my understanding. FAS has not raised this as an

alarming situation to other countries because as we see the numbers, it's evolving. What they have done is assess whether or not countries have made -- have been alarmed internally regarding SBOC to bring the information back to us, and based on what we've gathered from their intel, no one has raised this as an alarming issue in my trading partners.

MR. SINNER: All right, good.

MR. NEAL: Any other questions about SBOC?

I do want to provide a separate update. The grain inspection budget committee at the last meeting did make a recommendation regarding shuttle trains and steps that could be taken to attempt to bring more accountability to that process and improve service. That recommendation was provided to the agriculture marketing services, transportation services division that developed a USDA position that is shared with the service transportation board regarding the perspective that STE should consider when addressing these rail service issues, these competition issues, and the like.

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So, that was provided just as an update to them as they develop speaking, talking points for the administration on these, on these matters. So, I just want to pass that along to you all, that we did give that to them.

CHAIR GROVE: Any other thoughts here from the committee for the updates that you heard this morning?

MR. FRIANT: I want to go back to -- it's, I think, for you. In your recap, you talked about the work that was being done on the rulemaking around exceptions and the boundary studies and whatnot, and I thought what I heard you say was it's been going through the legal review process, but -- and what I didn't quite understand was, what issues were holding the process up of moving it forward? And if you said it and I missed it, I apologize.

MR. NEAL: I didn't say. I can't really -- I can't share the contents of it because it could all change, and it's pre-deliberative, and most of it is to ensure that what we are proposing does not contradict the U.S. Grain Standards Act and that our

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implementation of what we are -- when I say proposing -- are finalizing can meet the OMB requirements for information collection and the paperwork, the Paperwork Reduction Act.

So it's just, there's more -- it's making sure we're held accountable for all of the other -- in addition to USGSA, making sure we're held accountable to implementing this with respect to the other acts the govern Federal rulemaking.

Now, ideally, you know, we want to make the changes and get it implemented, but there are a lot of things that go with the rulemaking that could cause other analyses to have to occur.

You know, like I said, if something like OMB gets involved, they could potentially ask for greater economic impact analysis where we've got to do more research now on a potential burden this is going to cause to industry. If someone wanted to -- if we didn't make a good enough case about the potential impact on a tribes, we could potentially have to do an analysis on the impact it's going to have on tribes. It just varies, the process.

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But in this particular case, it's right now more about USGSA, us being within -- us not, you know, finalizing anything that goes beyond the USGSA. Competition is probably being assessed as well, and then, us conforming to the requirements for information collection and paperwork reduction.

MR. FRIANT: Thank you. Maybe the follow-up question to that -- that really -- and anything that we've asked in the follow-up questions here, is there anything that this advisory committee can be doing to help support the agency in some of those efforts?

Any -- and maybe you can't tell us what recommendations, but anything you would suggest us to deliberate on as a committee that we could bring back to the agency?

MR. NEAL: I'll be honest with you. Right now, I think, I think we're in good shape. I think things will be well on -- we're talking about exceptions, geographic boundaries. Right now, in my head, there's nothing I think that needs to be done. We just have to address the concerns that have been

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brought to us. And if all things go well and we get through the, you know, following up with those clarities, and once we submit it, it will be about implementation at that point.

And next time we'll hopefully have a conversation. When we're back together, we're talking about, you know, questions and answers. How do we -- you know, how does this work? And, you know, what else? That type of thing. Hoping we don't get lost in what-ifs, but it's more about implementation.

With respect to SBOC, I think the industry has done what it needed to do. Raised the alarm. Expressed those concerns to the Secretary and Undersecretary. Collaborated well in information sharing, so everybody's got an understanding, including us.

We know what the desire is from a good, you know, section of the industry. And it's being ready to comment to facilitate just the rulemaking process. Hopefully, what we will submit for review will be clean enough, simple enough that it doesn't

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get overly complicated. That's the goal: to keep it simple. The more complicated we make it, the more difficult it becomes. So, that's our goal right now. Am I wrong? Just try and keep it simple, right, with SBOC? Yeah, just keeping it simple. We're not trying to complicate it.

And so, to be honest with you, if -- I can't say that. So, yeah, keeping it simple is the best thing I can say, and so that may be something to -- to discuss when that comes out.

CHAIR GROVE: Yeah, I do appreciate that when we think about the implementation side afterward. There's a whole lot of records out there and documentation that needs to -- needs to be updated after that to make sure everybody is on the -- when you think of -- when you look at that standard and, like you said, the regulations, all of the explanations within everybody's handbook, and making sure that that has been put out to the public. That's an important piece. So, understand that. Thank you for some of the clarification.

DR. ROSENTRATER: Just a quick question.

I'm not sure, Arthur, if you're the right person or, Tony, if you're the right person for this.

Looking at the study that's on the SBOC web page in terms of the protein and oil as end-use functionality, I'm curious, is there any desire to dig deeper and understand root cause for this? I know we've got a lot of observations of, you know, whether it's flat storage or conveyance or drought conditions. Is there any desire or need, or should we consider digging deeper and trying to use more data and analytics? Or even a secondary study, to try to -- because even though the trend is positive at the moment, that could change.

MR. NEAL: That's a great question. Great question. Based on demand, we do not think, from FGIS perspective -- I'm not speaking on behalf of anybody else other than FGIS. We don't think that that would be the biggest return on investment in terms of common resources because our trading partners have not raised the alarm bell regarding the issue.

And the study that we performed was

really to affirm other peer review research that was conducted on this topic because we don't have the capacity to do the end-use research. And I think I was speaking with James earlier this morning, and he was sharing how, in Canada, they have capacity in their lab to do more end-use research versus what we do here in FGIS at our grain center. We focus a lot more on ensuring that inspection results are -- have less variability and are more accurate versus how end-user uses the product.

So, I think, short answer, no. We don't think that that's something we'd want to take on.

CHAIR GROVE: Good question, Kurt, because isn't that what we're all wondering? If, like, how can we keep it from happening?

And again, the research, actually, on the production side is an important piece. I think the Grain Inspection Committee last year, I think, went -- in June, went with the proper route of the research on functionality because until you can show it isn't going to change those things in the process, we were never going to be able to go forward. Well, we could

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have, but it would have been a lengthy process to go forward with changing a standard.

And so that research helped, at least, in what is already a complicated process. So, I -- I think that was a great call from this committee because our original discussions maybe were a little more broad on that, and we brought ourselves back to what needs to happen first.

MR. NEAL: Well, it was fast. It was neat. It was quick work on behalf of the committee as well, and that did -- that did come up, the process by which we have to engage to get to that level of results. We'd still be in the process. And so, yeah, a great question. I agree.

CHAIR GROVE: I don't see any questions have come through on our virtual meeting attendees. How are our in-person gallery back there? Any questions?

Go ahead. If you would like to come to the microphone and state your name, please, because we all --

MR. CHOPRA: Sure, thank you. Good

morning, everyone. Just a quick one on the SBOC. What do you think would be the color impact, if any, on CSB or CSB-plus? Would there be an impact or would there be no impact? Just an open question to all of you.

CHAIR GROVE: Just again, I do want -- can you please state your name?

MR. CHOPRA: Anuj Chopra from ESQPLUS.

MR. FRIANT: And maybe -- Anuj, for the group -- what CSB and CSB-plus is?

MR. CHOPRA: Oh, I'm sorry. Corn-soy blend and corn-soy blend-plus. These are two products which are exported as aid to USAID. I'm a subcontractor to USAID and assist them on the supply chain and quality of the supply chain.

And these products have been sent by USAID as aid through different PVOs and directly to various -- various aid countries, so I wanted to know if there was an impact.

So, that the receiving folks at the other end suddenly see a color change, and they start different shading it. So, I'm not sure if there was

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an impact on that color of the corn-soy blend, CSB, or CSB-plus in this space. Thank you.

CHAIR GROVE: Any exporters in the room or processors that have experience with that that can help answer that question?

MR. FRIANT: I think maybe to back up a step. I'm not sure -- Brian, what are the inspection processes, or Tony, for CSB and CSB-plus?

DR. JHEE: I can probably make a comment, but I do need to probably seek clarification on this.

So, my understanding would be the two cereal products that were just mentioned would be processed with the hulls removed, so if the hulls are removed, there wouldn't be any discoloration. So, I think -- but that's, again, probably confirming with colleagues within USAID.

MR. FRIANT: And I think, Tony, a question for you. Does FGIS inspect corn-soybean blend? And, if so, how compared to the normal just straight corn or straight soybeans?

MR. GOODEMAN: Yeah, this is Tony at FGIS. So, the corn-soy blend, it's a process. It's

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basically ground up cornmeal, soybean meal blended together. I think there's some other additives may be in there, too, but they're emergency food aid-type products mixed with, I think, water, and it's like a cereal. It depends on the contract. Previously, FGIS or one of our cooperators was required to take that sample and then send it in here to the technology and science division.

They do a number of tests on it, including bacteria and other quality factors. That's changed recently. I think now it's a, they can use other sampling entities, or self-sample and send that sample in to TSD for the analysis.

So, it's not, it's not graded like other product, other commodities under the Grain Standards Act or the Ag Marketing Act, but there's a number of tests that TSD performs on the product. Yeah, we consider it a processed commodity; it's ground up.

CHAIR GROVE: All right, I'm going to ask one last call for any other questions. I think we've kind of slowed down with those, but good circling back on some of those; getting some clarification.

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If we have no more questions, we are going to break early for lunch. Yeah, so we would, it is 11:04. We're going to call our break for lunch at this time. Come back and be ready to start GIAC business after lunch. All right, thank you.

(Whereupon, the above-entitled matter went off the record at 11:04 a.m. and resumed at 1:00 p.m.)

CHAIR GROVE: All right, good afternoon. Welcome back everybody.

So, in this portion of the program, we are going to talk about some industry issues that were turned in prior to the meeting. And what we would first like to do for each of them is let the presenter or the group, the subcommittee kind of go through their whole process first and then ask questions after it. That way you kind of hear the full amount, especially with the subcommittee groups as there's three different members of that subcommittee. Let's them get through kind of their background of what they did before we start this.

So, the first issue that was presented

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was on destination origin versus destination grades. And this was, then you should all be able to read it there, but the background is officially certified origin weights and grades on the, so again, on the origin end there's some inconsistency then at destination with a regrading of them. And of course, everybody wants inbound grades. It is now in your inventory, you want to know what you have so you know what to do with it.

But some inconsistency at times, again, with an original certification. It has seemed more prevalent in the recent past than it has in the past five to 10 years. And some markets maybe have a higher rate of what we see as inconsistency. And, you know, a couple of things to touch on, time of transit, certainly, can affect that.

So, what can this committee do? What can we help work on to look at that consistency? And as put in here, actually with the other topic, there could be some things in the other topic. So, what we see is those things that may seem subjective, color, odor, and again, time of transit does affect

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the odor more than it would the color. Color is what it is.

But those seem to be from the industry standpoint of, I guess, the companies that reached out, seemed to be their biggest issue. Again, does that change the official certification? No. But that also doesn't mean that the export facility needs to accept it or accept it without renegotiation of a contract because of the appearance of a change in grade or a misgrade.

So, I'm going to open this up for some first thoughts or even maybe further questions because what I have thought to is have the inland market has reached out and this seems to be something that we are seeing more regularly inland.

So, I am going to give a little bit of, I don't know if it's a caveat, but some thoughts as the industry about this is something we had in our last meeting, in transportation issues, time of transit certainly affects this.

Now, is that something that is in the works by numerous different associations, numerous

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different government groups? Yes, that is a conversation, not one that we're going to fix here, but it does affect issues like this. Grain in a steel box depending on its destination, time in that steel sealed box weather, heat certainly can affect it. That can change your grade factors.

So, I don't think it is necessarily felt that it is mis-grading. That could be. Again, we don't, this is the conversation for us to have in thoughts.

MR. NEAL: Thanks, Barb, for that background. And just for consideration as you all discuss this, because we've heard anecdotally some of these types of different grades at origin to destination, some of the things to also consider: who's doing the grading at origin? Is it being performed by, you know, an official service provider? Are the issues subjective or are they quantitative? Are the processes being employed the same? Are they official processes? Do we even have a real sense of the problem, how widespread is this? Is it concentrated?

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And the various things you just noted, too, Barb has isolated, too, more the inland arena and you talked about transit issues and how are they contributing to the potential change in the product. So, I think those are some of the things that you can consider when you all discuss this.

MR. MORGAN: Is this primarily rail, or is it rail and barge?

CHAIR GROVE: Primarily rail.

MR. FRIANT: I would say that we also see the issue on barge traffic, you know, and would welcome your comments on that.

MR. FREDERKING: Yes, we certainly see I would say moisture variance probably more than a lot of other factors, sort of like when it comes to barge origin destination, but there can be times when there's degradation of the commodity in the barge that usually is explainable with transit times and/or loading conditions or conditions at the time of loading.

Maybe it's harvest and it's pretty hot out, higher moisture when corn or soybeans were

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loaded, but typically, it's easily identified by origin and addressed with that origin. But there are specific areas, I would say, that do have official grades that we see significant moisture variance.

CHAIR GROVE: Thank you.

MR. ENGEL: Chris, have you spent any time trying to identify or understand the sampling techniques as opposed to the grading techniques that you start out with?

MR. FREDERKING: Yes, we've found that they're following proper procedures using diverter type samples and have even followed it down to the sample bags that are being used to transport the sample from the facility to the State Agency.

MR. MORGAN: I mean, Barb, outside of, I mean, the way we deal with it is we deal with the shipper and the buyer deals with us. I mean, outside of that you're looking for ways that, I mean, because it happens. Weights are another issue, especially draft weights on barges. There can be quite a bit of variance. But once you unload it, I think some of that is related to the negotiation of the purchase

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and sale too, so how are you going to handle it?

CHAIR GROVE: I think one of the reasons this has come up in some of the direct conversations I've had with different marketing groups with different companies has been around competence. And you definitely want to have competence in certifying agencies. They are grading your grain, you know, again an official origin certification you have that assumption that this is a cert. It was officially graded. If it was done in the proper process, this is what it is. But we all know, again, storage time, time in a different container changes that.

I will say I do feel, again, this isn't about that, but with SBOC there is an immediate response to an official inspection on training people. And I think that happens. I think that happens, again, a stepped-up focus on it. You know, Tony went through that. No, not Tony. Yes, Byron talked about, again, training people, Byron did. So, I think that focus is very important and that helps with the confidence knowing that.

MR. NEAL: Let's use moisture as an

example. There's a difference between moisture taken at origin by an official agency and moisture destination, let's say, taken by us. I think this is for staff. Are examples retained in such a sense that we could compare if there's a, you know, a desire to want to make sure to confirm that the results are accurate?

So, that may be one thing to take into consideration is that if you are receiving different results around the quantitative, or I guess, even subjective factors, you know, making sure we can compare if there's something done at origin the official agencies will still have a sample that was taken on hand so that we can do a comparison.

CHAIR GROVE: So, did you want to clarify then against sample retention to make sure I accurately have a 10-day on domestic, 30day on export, or does it depend? A few of the, you know, when I have asked that question, and again, it's individual agencies, that's kind of been the response.

Tony?

MR. GOODEMAN: Yes. Is this on?

It depends on the carrier and the movement type. I'm going to look towards the back of the room to confirm, but we've got 10-days on outbound rail and for barges 30-days. Yeah, so we've got an instruction. I think I ought to know. Our group publishes this, the measuring division, but there are about 10 different categories.

So, yeah, outbound barges, 25 days, excuse me, and outbound rail, which I mentioned, is 10-days. Those are the two big categories there. I would say we have several tools if there's ever a concern. So, keeping those retention periods in mind, if you experience an issue there are several things we can do in the existing tool box, so to speak, I think.

We do have random monitoring. That doesn't always catch everything. We monitor less than, our systems monitor less than 1 percent of all the samples, some random, some more targeted. And so, we're not going to, we might not always see everything in the same way that you do.

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So, if you experience an issue and want us to look into something, you can do that very candidly to our field office. So, we've got the manager of our domestic office here and also the bar, great resources to reach out to if there ever is a concern. We can pull more samples and look into that kind of thing and see if there's some fire where that smoke might be. You could also request an appeal, even at origin if you're an interested party. Any interested party can request an inspection or an appeal.

There are retention, I'm sorry, there are time limits around that that can be waived between buyer and seller. There's options, too, for beneficial inspection at origin at your spot, which it sounds like you're doing a lot of that already. But there's so many variables, it's best to, when we have situations like this, it's good to have a conversation. And we can talk about different options and whether you want to do that formally, like through an appeal or an appeal on future shipments or something we can look at, you know, with

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file samples or training or sending out samples after the fact. We have a lot of options there.

As far as the committee is concerned, like some of those restrictions I talked about are regulatory. So, those are, you know, public and for public review, as well. So, if at that point, like, we have a restriction once the carrier's left that you can't get an appeal on it unless the parties agree to get an appeal because, Mr. Moore, we talked about risk and risk management, you don't want to send something off.

Okay, I've fulfilled my part. I have a grade. It's official. It's good. And then, the customer or someone else two days later when the train or the barge is halfway gone and you don't have control over it anymore all want a re-inspection on that boat and it went from a 1.9 to a 2.1, it doesn't meet contract anymore and now what do I do? So, those things are all, you know, regulations now for those reasons. But, you know, if there was a big interest, I'm sure you all could look at something like that. It really just depends.

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Like you said, when you put, when you put the grain, and then, I know all the grain that we handle here comes straight out of the Garden of Eden, goes into these carriers. It, like a fine wine, only gets better, right? That may be not always the case, but you're right, it doesn't usually, it doesn't usually get better with time. The color, though, like that shouldn't be changing a whole lot. That's something that shouldn't degrade, but I don't want to, I don't want to minimize that.

MR. GOODEMAN: Yeah, that's a great point. So, Ron mentioned, thanks, Ron mentioned, Ron mentioned the retention points in our instructions are minimums. So, the applicant for service could ask for a longer retention period if they want. We do see that sometimes in the container market. We talked a lot about, too, extending the retention time for containers. We haven't gone through that process formally. But you could ask for, say, on your barge shipments or your rail shipments, say instead of a 10-day retention, we want a 15 or 20-day retention period. That's a possibility there.

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Thanks, Ron.

CHAIR GROVE: That's a very good comment. Thank you for that, because when we looked at, again, issues outside of our control, transportation, if you have rail delays, that 10-days that samples could be gone, like before we said, hey, let's compare samples or audit samples. I would say especially when we look at the food grade cars, 10-days is enough. So, thank you for that. That's very good.

MR. GOODEMAN: I just want to clarify, just to throw it out there. We do offer a service, sure, we do offer a service called Official Commercial Inspection Service. We developed this in conjunction with the industry and the official agencies 20-something years ago. It's a modified inspection that the applicant agrees to.

It's most common on inbound trucks. We have a lot of truck labs where we do that. But it is possible, conceivable that you could do that outbound at an official commercial inspection that might have a different inspection procedure or retention timeframe, but just for awareness on that.

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MR. MORGAN: We've used Official Commercial and taken official delivery-of-shipment receipts off the boards, so it was helpful. The other thing, I don't know if these grading specs are, one thing I've always looked at is are they in tolerance or not? Because the same people grading the same sample and you get two different results.

So, are they in tolerance or not in tolerance? I think it's a key thing when you're looking at comparing sample-to-sample, as well. And also keep in mind from a moisture standpoint the storage of the samples could affect moisture, as well.

These, in going through, I think there's a lot of tolerance, a lot of tolerance data that they did when they approved the grading of the lab equipment.

CHAIR GROVE: Any other thoughts on this particular discussion? Because some of it, I feel, may roll into the next. And we can always come back to it in thoughts that go with this. But I do think there may be some things on the technology group that

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might be relevant to this same discussion.

Again, any thoughts or comments from the group or committee on this particular one?

MR. FRIANT: Well, I just have a question and it made me think of it when Tony was talking about the available process. In any of the conversations that you've had with folks, was there ever a case where there was a discrepancy at the destination and then the origin went back and requested a review inspection or an appeal inspection by FGIS to see what the results were on that origin grade?

CHAIR GROVE: The ones I've discussed it with it was, I'll say State Agency to Federal Agency in a sense. I don't think a re-appeal was or a re-inspection was then asked for.

MR. ENGEL: Nick, was your question in the form of how many of the grades held as opposed to how many of the grades failed?

MR. FRIANT: No, it was more about when there's a discrepancy of destination and the destination challenged it at the origin, did either the buyer at destination or the seller at origin say,

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hey, we're going to go back to that original inspection and ask for an appeal or a review inspection on that original to see how that compared to what they got at destination on that same rail car?

CHAIR GROVE: Yes, in some cases, yes, it was, they went back to their file samples, which would be what they have, but they still varied from what the destination felt that they were. And I would say especially in the odor category. No, it doesn't have odor at origin, has odor at destination, now what?

I'm going to go ahead and pull up the next discussion point and then I think that will help this.

MS. COOPER: While Barb is doing that, I'm going to go ahead and give you a little bit of background on how we approached this topic. As you all know, many personally involved, but also looking at the list of resolutions from the last 10 years or so, the GF has long expressed support for incorporating new or improved technology into the

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official system to help address a variety of challenges.

The need for improved consistency and accuracy of results, to streamline the grading process, to produce results more quickly as customers are demanding results ever, ever more quickly. And grain shortages, either current or anticipated, if we can find a technological solution to part of the grain system that speeds things along and doesn't require humans, than perhaps that's a benefit.

So, with the development and now recent approval of the User Guide, by which FGIS will identify and approve new technology, we thought it made sense for this meeting to bring forward some ideas from industry on priorities or specific needs where technology could help. And so, asked for volunteers and Nick Friant and Curt Engel said that they would participate. And the three of us sort of chatted, decided on a plan and you can kind of see there what our objectives and discussion topics were.

We started from a position that anything we wanted to propose needed to maintain the

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integrity, transparency of the official system. So, kind of based on that, we went out to a wide spectrum of industry and agency participants and just talked to them about the general topic of how technology could help improve the official system.

So, what we wanted to do today, I'm sure you've all had a chance to read this report, but what we want to do is just the three of us present then a few highlights in what we heard from the people we talked to and then really open it up to discussion on what your ideas are and then with the objective, if appropriate, to come up with a recommendation for the committee to consider.

So, with that, I'll turn it over to Nick to summarize the comments that he heard.

MR. FRIANT: And I think before I get into summarizing my comments, and Janice, I apologize if you mentioned this already. I was pulling it up from my screen. But one of the, part of the conversation that we had was that we were focusing on the technology piece, the grading equipment technology piece, and not so much around the IT

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systems technology, which I think over the years, Tony, has been part of your project, right? So, we were focusing on the grading technology equipment.

But we do need to recognize that the systems, the software, the IT systems are an important part of that as we were talking about earlier today. If you have vision technology that can grade damage based off of someone that's got a pencil and paper and has got to write it down and then type it into the computer, we haven't gained anything with the technology. So, that is a key part of this discussion, as well.

And the other piece is that, you know, we were focusing on the technology, not so much changes to the standards, but that could also be a part of the discussion down the road. So, I was tasked to have some conversations with two of the primary industry associations for the graining business, the National Grain and Feed Association and the North American Export Grain Association. And I think that the key point to share with that is overall, both groups are supportive and see the need for

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technology in grading equipment. Very supportive of it and recognize that if we don't find ways to be better, quicker, especially as we look at staffing, you know, today, we have to look at the automated processes and what equipment can be brought in. So, very supportive of that.

A little bit more into some of the details of those discussions, and you can see the bullet points on the screen, as well, but first of all, you know, what some research around what technologies are available, what technologies should be focused on, is it existing technology that could be adapted or adopted? Is there a new technology out there?

It's almost a, almost an inventory, if you will, of what is available or what may be needed which kind of fits with that second bullet around are there specific equipment manufacturers that are doing stuff today that, you know, would fit into new technology to bring into the system? Or are there, are there new players out there in this space that could bring new technology? So what, who all is even

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out there? And some of them I think we know because already equipment providers in the system, but what's out there? What's available?

Also, I think there was a strong, strong comments around use the opportunity to partner between the government and industry. In this case, we're referring to the grain handling industry, right? So, be talking to grain elevators about what they see, where the opportunities are and what improvements, as far as technology goes, would they like to see at their facilities, so that could be something that would help?

And then, I think maybe the last two pieces that I'll mention for my part, and I think it's a very important one, especially as we looked at the finances early this morning whereas any financing that will come from this if we need to be doing research, of there's, whether it's research on what equipment is available or research on is the equipment acceptable for use in the official system, the funding, where does the funding come for that and what's the mechanism for that?

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And then the last piece I think I would like to point out is, you know, is there kind of in that same vein, an opportunity for partnering with the Land Grant universities and where they might have some of that additional technical knowledge or one of the ideas that came up in conversation is could this be some sort of graduate school project for, like a master's degree level student that they could spend some time working on, as well?

So, I think maybe that's where I'll leave it for my part and pass it to Curt.

MR. ENGEL: Thanks. My part in this endeavor was to reach out to industry contacts, agencies, excuse me, and primary focus when I started this was everyone's out of people. And the opportunity to think about changing the way this process is accomplished involves thinking about changing the standards, not necessarily the absolute value but the manner in which this grain gets graded. And I can, and I can, you know, it's coupled with examples of that.

Tom Meyer, many years ago, suggested to

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me that someone should design a machine that you could drop a sample in and it would give you what's your test grade and protein before it fell out of the bottom of the machine. The standard needs to be changed relative to how moisture's taken, relative to weight, whether it --- or not. I mean, that would be one example of that.

From an industry standpoint, there's a real move afoot to eliminate as much human contact and interaction as possible in this scaling and binning of grain facilities because of the consistency of having the personnel available to get the same repetitive answer where we're grading this grain as it comes through the seal. It takes, it takes training, and it's a process.

If the mechanization of this, where technology can be applied in manners in which it takes as much of the subjectivity out of it as possible, it improves everyone's situation in life. The agencies, you know, I've been at this for 40 years. The agencies struggle to keep up with us. They're working for the railroad. So, the timing of all of

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this is so incredibly subjective that it's difficult for everyone to try and communicate with the workforce that is available to train right, period.

Thinking about that and all through the process and then thinking about some of the great factors that are subjected, if you will, to other technologies, and one thing that comes to mind very quickly is optical, you know, scanners during corn damage. Now, you know, I don't have a lot of experience with that but I've seen a lot of optical scanning equipment that can do things, you know, that I would have thought of as magic, you know, when I was a young man in this industry.

Now, is that technology available to identify germ damage in wheat? Likely not. That's probably still the hand grade, but those technologies exist today. I know one of my favorites is a Carter Data Dockage tester. What a great piece of equipment, but is it the right piece of equipment? And that's a form of a question.

And I've got a couple of examples of the grading factors today. And the SBOC would be one.

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Test weight in soybeans is one that is no longer a grading factor because the industry didn't see it as necessary. And, you know, I grew up in the universe of DHV and wheat and it disappeared. It was not an important factor anymore. So, are there, is this an opportunity not only to embrace some technological applications but, you know, examine some of the standards, some of the factors for their usefulness and meld the two together?

I think that the message I heard across the board was consistency. Just give me something to work against so that I can work with every day that's not, you know, that's not a moving target. Combining some of these functions is humanly possible so that, you know, not only speed the market but it produces more consistent results.

I talked about the optical scanning. People issues are the huge driver in this regard. As this process could and likely would occur, there'll be other things that other people find that will turn out to be opportunities rather than impediments. I think I'll just stop there and pass it to Janice and

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we can revisit any of this as anybody needs to have a conversation.

MS. COOPER: I focused on delegated states and designated agencies in my outreach and heard, of course, a lot of support for the official system and also concerns about availability of the needed labor. So, they're open to new technology. Didn't hear a lot of specific recommendations or priorities because they're sort of waiting for the official system to tell them what they can use.

Meanwhile, they are doing as much as they can to improve their delivery and their customer service. So, they're trying to automate their back office systems, improve their training programs for their personnel and, you know, just trying to do everything they can do within their power to improve how they provide service. There was one device called the MCI auto-picker that was mentioned in a couple of phone calls. I'm not personally familiar with it, but of course, I went and Googled it right away.

And so, just an indication that there is equipment out there being developed that will be able

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to combine tests or functions, but it needs to go through a more formal process to make sure that it meets the need and the specs as defined by FGIS. And then perhaps it can be considered for inclusion. And, of course, there Nick said we didn't focus on the IT side of things, but there were a lot of comments for the need for improving the handling of information, not having to enter it more than once, get rid of paper and pencil, get rid of paper hand tickets, that sort of thing that might be adopted to improve just the data collection and sharing.

I think we've seen the success of the concept of adopting multiple technologies for single tests through the micro-toxin test kits and the moisture meters so that the idea of bringing competition to the system, I think has been validated through that experience. And it think that it can only help if you have multiple vendors for, like a filing number or other kind of test because then you get both competition for both providing a better piece of equipment and also maybe cost savings.

So, there were comments in favor of that

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approach. So, and of course from the agencies who provide this service, there were also some concerns about not going too far and replacing all humans with technology, both from not wanting to lose their business but also feeling that humans were still important to the integrity of the system. So, those were kind of the overall comments that were received, but I think I agree that general support for the idea of streamlining and automated with pieces of the grading system.

So, we'd love to hear your comments and questions.

MR. FRIANT: I think I would just like to add on, Janice, if you look through the bullets, you know, one of the things that came out of the trade associations was engaging the industry. And then some of the comments that Curt heard from the folks he talked to was kind of that same thing, right? Engaging processors and exporters, engaging the operators, so I think that's an important point for us to consider, recognize it. And we've heard this, you know, we've definitely heard it from Arthur and

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others on the team, ways we can continue to better partner between FGIS and industry.

So, I think that's a good point to call out that we saw that in different conversations that our group had with folks.

MR. NEAL: So, as I listen, and thank you all for the work. Thank you for the background paper there. As I'm sitting thinking about approach, there are a couple of things that I've thought about we've discussed with all of you in different settings and we've discussed inside the USDA, but I think we're going to have to strategize on the approach to learn in an organized manner what is out there.

AMS has this cotton and tobacco program which is probably one of the most mechanized grading programs I think we have in the agency and they use super highly engineered technology to grade cut, to cut down on manual labor. They did it through a lot of research, a lot of specialty design, but it cuts down on their time significantly and insures consistency. And they can monitor all of the results on screens.

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Darrell, who's the Deputy Administrator for that program, at the start of the year around March, has started to visit a few other equipment manufacturers in other industries just to see what type of technology that they're using. And he got more ideas. He also talked to, you know, TSA, the type of technology that they use for scanning, you know, people's luggage because you can see everything in there. He says, well why can't that technology be used in cotton grading? So, he's thinking outside of the box.

And I'm thinking, we're going to have to develop a strategy to assess what else is being out there in Ag industries, you know, be a benefit to us if we garner enough interest or if it already exists what you already have outlined there, but we've got to do it in a structured way. One thing we talked about in October with Melissa, the Associate Administrator for AMS, was potentially piggy-backing on a conference to see if we can entice equipment manufacturers for all of the commodity programs in AMS, maybe come together and have a discussion around

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what is being used. We learn from each other.

That's something that possibly could be explored because we're all so busy. We've got limited visibility into some of these areas that we want to see progress being made in. We've got to pull people together so we can learn. That also gives us an opportunity to engage industry stakeholders, get feedback. They're here. They ask questions, too. And so, just, you know, I'm not throwing this out as a recommendation. I'm throwing this out for consideration.

Maybe we need to work towards some type of convening like that and be organized and designed in such a way that is not necessarily making pitches, but for us to learn how are certain industries, you know, currently leveraging technology to insure consistent, repetitive, accurate quality results. You know, if you look at wheat, small grain, you look at raisins, small fruit, technology being used in that space. Can some of that technology be used? And we don't know. Is it picking up color? Don't know.

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You look at what, all of them are pretty small sorters, pretty small, not quite sure what resembles that in another commodity, but I think they are conversations we should have with industry. I'm going to make some contacts especially with crops industry just to touch base with them and get some kind of introductory understanding in some similar type of commodities, what they've got going on.

But maybe that's a starting place for us is more learning to see if we can focus our attention because some of the things I'm hearing, one of the things I've heard repeatedly is, you know, HVAC THV, you know, in wheat. That's something that's a factor that can be subjective, that can create challenges when it comes down to loading a ship, a vessel in a timely manner. It would be great to have some technology of some type of solution around that.

Odor, different ball game, but it is a challenge, subjective at times. So, that's an issue I'm hearing that, you know, I don't know if there's a technology that really addresses odor. We didn't mention this today, but animal dropping, animal filth

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is something that we work in collaboration in industry, particularly Cargill and TSD and they finalize a chemical process by which we can, you know, get animal filth is detected in a lot and it's caught, it can be tested using a chemical test to confirm it rather than just being a subjective, you know, visual assessment. So, that's progress there.

And there could be other areas where it presents a regular challenge. We try to load vessels in a timely manner or load railcars in a timely manner. If we could find the right type of technology that takes some of the subjectivity out as you mentioned it before. Not necessarily replace humans, because you probably always want a human there to validate something that may be out of whack with a piece of equipment. But we may want to think about orchestrating some type of environment for us to learn what else is being used out there.

CHAIR GROVE: I kind of like some of your assessments there, some of the same similar notes as I was writing down. It, you know, there's always a concern if you use technology you're trying to get

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rid of the people, and that isn't what it's about. The biggest thing is right now we're all struggling with having the people. So, we're not replacing people. Right now, we can't find what we don't have in the first place.

And then also, again, the validation; that is always needed. Machines have errors. Machines get backed up. We still need people, but as the industry goes, we're getting incentivized or pressurized to load faster. Both of them. So, to load faster, somebody's got to grade faster. You can only do so many steps in a certain amount of time.

So, I think technology is that way to help being efficient in that, in a sense, in the loader and agencies be able to work together and not have the frustration. Because there is frustration, you know, on the loading side. There's frustrations if something is not happening fast enough, you know? And that is, again, pressure from others. So, I think this is a great call for this.

And again, I do feel it relates back, the work that you guys have done and again, the input

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that you guys got really can go back to the other problem, also, some of that. In some of those, some of the issues, whether it's moisture and moisture wasn't one that I had thought of, but again, that is an equipment process, so in validation of equipment.

In your thoughts or comments on what this subcommittee has put together, I think you guys reached out to such a wide variety of people. And that was great, to get the input already from so many others.

MR. FREDERKING: I'll just add, I understand the overall intent. And certainly, Nick was talking about as far as, you know, looking at ways to automate the grading process. But still to use some of the other comments in here, it seems like there are still some low-hanging fruit in regards to data that can be exchanged between systems and between customers and FGIS, specifically as an exporter who's using AWMS and dealing with weights logs and that weight log, you know, being stuck within that AWMS. Is there a better way to export that out and get that information to the customer without

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having to follow a very manual process, which is to print it out and scan it?

You know, we talked about getting more efficient and doing more with less people. Those little kind of improvements, we've had some traction not that long ago as we ran into some roadblocks and between the weight log, probably some barge certificates, getting that data automated and sent out to customers would be some real benefit there. Certainly, the grade log and how that is given to the customer as well, there's probably some improvements that can be made there.

So, I just don't want to lose sight, certainly, of some other areas that we can look to improve technology, increase our efficiencies, cut down on the amount of time it takes to get grades and information to the customer.

MR. FRIANT: And I think if I could just add, it's almost, like parallel projects that are combined, right, because we need the technology. We need the IT systems. And then, we also need the technology to talk to the IT system. So, I mean, I

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think they're both very important aspects and we don't want to lose sight of them.

MR. NEAL: Let me comment on that. Very tricky situation. I'm going to acknowledge I think they have to be looked at in tandem but at the same time there could be a point where there's technology that exists that could be deployed but because of internal processes to get things onto our systems and get it, you know, approved, there's some things we don't control.

So, I'm not saying we can't do them at the same time, but I think there's also going to be a decision point in that process that is do we wait fully until USDA approves something that can be put on our network and use? Or do we employ technology that can still produce an accurate result comparatively and continue to work to get it approved for our network? I think that's a decision point in a process.

So, I'm not negating either but it's not always simple when you pull our networks into it. And I understand the weight logs and so forth and we

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can definitely look at the low-hanging fruit and see how those types of things can be prioritized.

MR. FREDERKING: I certainly understand the need for network security as well as plant control security and all the intricacies that go into maintaining that balance. But certainly, we think there's opportunity there to revisit and try to get some of that stuff pulled out.

DR. ROSENTRATER: There's something I think I'd like to throw out to the group. I think I mentioned this at our meeting last time. The work that the group is doing is really great. I'm also thinking about this as a teacher of students and engineering students in particular. And students are really excited by sensors and instrumentation and control systems and computer programming and all this fantastic stuff that you can do all of these tools and integrating the data collection and management and analysis.

And something we shouldn't forget is the cyber-security aspect because we've had increasing incidents of different co-ops that have been hacked

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and shut down. I think that's something we should consider building into the discussion from the beginning as opposed to a post-hoc approach.

CHAIR GROVE: Very good observation. Again, we do know. I mean, organizations have been taken down and still a year to two years later have not regained. So, that's a very important thing to keep in consideration.

Thank you for that, Kurt.

I like, Chris, your comments because we think about, I guess, about observation, I guess, in watching the official process happen that there are still a lot of manual pieces of paper processes and if there's that ability to streamline that, it makes it visual to both sides. I do feel in that process, at least from experience with different state agencies that there's at least a good verbal flow of information when it's happening or at least a hey, I hope you know this is what we're seeing. You may need to adjust things.

So, at least there's good communication there, at least from the loading side inland, but

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that doesn't necessarily, again, go to efficiency of the visibility. Some of the things you guys talked about, going again back to the destination and origin grades issues, I think very much tie together. And I think that we're looking at possibilities in some ways of some of the things we'd like to propose going forward I think will connect to both of them.

I know thoughts from others in the group where your personal experience you see a technology piece that we should be working on because I like what Janice said on the MCI auto-picker, you see that put in a lot of places, again, where people, don't have the extra people or just adding the efficiency of the product. But I also look at that in the process of test weight is not currently a machine function, correct, in the official process? It's a manual process.

What does the Agency need to be comfortable with the machines in an official process? You know, something that's manual now could be, there are machines out there now doing it and a lot of people rely on those machines already. That's

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devil's advocate.

So, it's a very quiet group for really a big thing here. Technology's very important. Arthur, I like the approach of, as you talked about, strategy with manufacturers again, not again for their --- but what is already there. Can some of these processes probably work, again in the processing side, maybe more so in rice color sorting as used a lot, can that be added to the grading process?

I think, again, reaching out to see what people are using. What people are using from the processing or the production side, I think that's a very good aspect. You know, we'll talk about later in adding, because if we don't know what all equipment is out there, we aren't all communicating daily, weekly, monthly, about hey, this is what we're using, and I think is where this starts.

People that are doing the grading, the agency side, what are some thoughts?

MR. WILLIAMS: Arthur, I have a question. If I'm a manufacturer of new technology, what's, can

you walk us through the process of what I'd have to do to get FGIS to pay attention to me and what I would have to do to get my process evaluated?

MR. NEAL: Interesting question. So, I'm going to start up here. I'm not quite sure if FGIS would typically be the one to pay attention first. On the new equipment evaluation process would be something, that's how they would engage us around a piece of equipment. However, just because someone has developed a piece of equipment doesn't mean that the industry's ready for it. Doesn't mean that that piece of equipment is going to be in demand, repeatable, is it going to introduce variability into a system that's just not desired.

And so, that's why that, that evaluation process is in place. Because what we do once they come to us with their quote unquote, request for evaluation. We check to see whether or not they meet standard check boxes. There's a process where we then also engage industry to find out their perspective on this piece of equipment that's been brought to us.

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And we've got to take that into consideration regarding factoring prioritization. But it also has to meet the USDA standards and regulations for, you know, the standards that we have in place for that particular commodity that piece of equipment is attempting to provide results for.

And so, we're not in the business of trying to say, hey, everybody, bring us everything you got. We don't have the capacity to look at it all. You also need to be able to demonstrate that there's demand, already developed demand, for what we have. And FGIS want you to evaluate this because we have limited resources to prioritize equipment.

MR. JHEE: Well said, Arthur. And Jim, I think you raise a good question. It's who asks who? Should the agency be asking the industry or should the industry be asking the agency? Meaning, I think what we're getting at is in certain instances, like we could probably go back into history where the agency has identified a need.

I think what we heard about two years ago, two-and-a-half years ago when I first came on

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board was an example in California with the rice industry, the medium grain rice industry, a very specialized one. It's a niche, but the instrumentation that's being used there, it's been obsolete for over 10 years. Meaning the company will not replace parts. Whatever's left is what's there.

And if these machines start to fail, you have an increased time of inspection, because it has to go to line graders, right? And so, in this particular instance, the agency went out and solicited manufacturers of emerging technology. And that's what I spoke to this summer and one of the slides was about, in terms of exploring, a technology that uses a scanning technology or something like artificial neural network, ANN. And so, we're working on an effort like that. Where we identify on behalf of the industry, a situation where technology can hopefully add value.

Now, if another manufacturer were to come out where there's already an existing instrument or plural, already existing instruments, that you guys are using and they come to us for evaluation, if they

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pass all of the criteria, and we evaluate the instrument and deem it to be fit for purpose, I think the choice is now on the industry because we don't exactly know if there's going to be a bias from one instrument to the next. I think what you guys probably see out there, in terms of moisture meters or grain analyzers, there's a bias, but it's your choice on what you're using.

And I think in going back to the origin and destination question, that's what I hear is an industry concern. So, long-winded answer, Jimmy, it's not an easy question to answer. I mean, sure we can say the door's open in terms of evaluating new instrumentation. But I think it is also a shared responsibility to see what's out there and what would be pragmatic for you guys.

MR. NEAL: And just to add to what Ed shared -- there you go. To add to what Ed shared, it has to be responsible to the integrity of the official system, because for us to be responsible for the integrity of the official system because let's say we do have a host of instruments out there that

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do the same thing. Somebody's got to be responsible for insuring that we're monitoring the performance of those instruments and such that the variability is not all over the place because that grain is going from one hand to the next. And the, the less you can control that variability, the more difficult it becomes to insure integrity of the official system.

MR. MORGAN: Arthur it's John, I'm thinking back to, you're talking it's like the chicken and the egg, right? I mean, moisture meters are kind of a top down push down from FGIS over the years as part of most of the work I've seen done, as far as for equipment from this facility. And it's improved moisture testing, I would think in rice. I'm not sure in other grains, but definitely in rice.

The other issue was several years ago when I first came on this committee, there was an effort by a manufacturer and a small group to change the rice milling tester unbeknownst to the industry, So, and that particular piece of equipment we felt introduced too much variability into the results. So, that's something that's also, some methods are

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simple stupid proven and it gives you a consistent result.

Some of the more sophisticated technology has a lot of variables that go into it, specifically, some of the milling, this milling equipment in the lab basically calculates how much head rush you have in rough rice and stuff. We also use the fall screen analyzer. Extremely accurate, but it needs a recipe. It needs a program for it. FGIS has been, has not been able really to provide one. But industry participants have provided one, and I think one particularly large buyer of rice is kind of standard for the fall recipe, as well.

So, we've also spent a lot of time looking at optical grain analyzers, of which we're surprised that when you guys were working on California, that Sitaki, they didn't submit their equipment. I guess that's on me for not following up because we have some Sitaki equipment in our labs that we've used. But, then again, it all depends on some of this equipment and technology is like a computer, garbage-in-garbage-out. You've got to

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have the right recipe. You've got to have the right people running it. And you've got to put the right variables in to get a consistent result. And that takes time and effort.

On the optical stuff, there's a lot of really interesting technology out there as getting firms incentivized to provide it. But there's a lot of ways you can do that. I would think with some of the grains that we talk about in this room, it might be easier to use optical technology. We've had varying results in the southern market because we have so many varieties we use for rice and a lot of variability and just what's considered a long-grained versus a medium-grained. In California, it's very consistent.

So, I would think they should be, it should have been easier to get that optical technology done, and we've seen that. The official system had to move from one manufacturer to another in rice in the last 15 years and it was a challenging move over.

But once FGIS got involved the

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manufacturer of the equipment, everything fell way, got extremely better. But the specs, the equipment, the reliability, everything went up once you guys got involved with CIBRO on the Grainman equipment. So, all those things are, it's like the chicken and the egg, like I said. Some things, some things probably can be top down for existing equipment. But for new equipment, I think the industry is the one that has to take the lead on it because people have to buy into it.

DR. JHEE: Not only the user has to buy into it or the industry, but the manufacturer. I think one of the challenges we faced when we solicited manufacturers for the rice imaging was the southern production and the variability that's there and that you have more of a harmonized or a more uniform production in medium-grain California, but it's a niche market. And so, from a corporate standpoint, I would be personally thinking, well, is it really, where is the return on investment? And so, there's that other balance that needs to be struck, as well, in terms of raising the awareness of what kind of

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instrumentation is out there, who the manufacturers are, but what would be the utility at the end of the day?

MR. GARCIA: It might be that would be the capital investment. So, we bring this equipment in and then we ask the official agencies, well, you're going to have to use this wonderful equipment that will replace a human, but you need to invest \$2 million to buy that equipment. And that's a, you know, that's something that needs to be considered at the time of implementation, and that would be my concern. I think it's all fine and dandy and wonderful, just money talks.

MR. NEAL: One of the key words that Ed used was return on investment. And for us that becomes even more critical when you look at our budget. I'm just being honest with you. So, whatever it is we take on, you know, we are held accountable to the industry. We have to spend our resources wisely and if we invest, then we expect a return. So, whatever we take on, whether it's low-hanging fruit, big fruit that's still high up on the

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tree, we need to be in agreement on the approach, the strategy for getting to where we want to be.

MR. ENGEL: Arthur, would it make sense to you that FGIS can be the clearing house on the front-end of being the industry contact to kind of determine the value proposition?

MR. NEAL: Repeat the question?

MR. ENGEL: Which things are important? What's important and what's not important? And be the group that's, that sets the specifications to industry for the equipment and then if that, in fact, is viable and is economically accessible, FGIS also is the qualifier of the equipment?

MR. NEAL: So, some of that I think exists, but maybe not exactly as stated. The value proposition for that piece of equipment is joint, you know, I think it's us in addition to industry. Because, you know, yes, we may purchase it if it passes, it may not because especially if there's another piece of equipment that we're already using. I mean, I think --- yes, we didn't just go out and just buy them. They were approved, but we still had

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some that we were using. So, just because it's approved doesn't mean that FGIS is going to buy it.

And that kind of goes to what Ed was saying also is that some manufacturers when they realize, you know what? There's not enough buyers in this space for me to actually introduce this piece of equipment. That becomes a real thing. I think the standards, we set the standards. The standards are in the regulations and the performance of the equipment. We have to develop methodology forward. I'm using the wrong word. Yes, criteria, for it. And so, we set that. We assess and evaluate that equipment according to that. We share the results, what we can share so that, you know, industry will have the opportunity to then engage in our review process. This committee will likely then comment on the piece of equipment, as well, so that we've got some perspective as you all represent various sectors of the industry.

And we can take that into consideration through the approval process, but it also at the end of the day, the ultimate decision is going to be about

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whether or not that piece of equipment is meeting the standards in the USDA.

MR. FRIANT: I think I've asked the same questions, Jim, but maybe just a little reversed. Have any technology providers reached out to you and said, hey, we've got a new piece of equipment that we think FGIS would like to evaluate? And the number one example that comes to my mind that James mentioned was the MCI auto-picker. So, has anybody come to you from technology and said, here's the auto-picker? We'd like you to evaluate this to see if it could be used in the official system.

DR. JHEE: Can you hold on one second while I grab my notes?

MR. NEAL: While Ed is grabbing his notes, in the past, that's how it's been done. You know, manufacturers come to us and ask us, hey, we've got this piece of equipment. We want you to take a look at it. A lot of it has been something that's probably already been in play, and just been upgraded. Some of it's new.

DR. JHEE: Okay, so Janet, thank you for

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putting that document together earlier because I was able to kind of explore what new world is the MCI auto-picker. Phenomenal device, phenomenal. It's about the size of maybe this room. But, it's not that big, but it's really a conveyance system of one instrument to another instrument to another instrument. Our understanding right now it's actually going through NTEP approval for the National Type Evaluation Program. And the difficulty, I think, that our engineers are having is that they have to go on site.

We can't just have an instrument or this auto-picker come here. The auto-picker name is the entire system. The components within the MCI are, like the moisture meter, the grain analyzer, the test weight apparatus, et cetera. Let's see. So, here's what our engineers had mentioned. If it passes NTEP evaluation, it doesn't necessarily indicate that the MCI auto-picker will not be an NTEP approved device.

Excuse me, the auto-picker will not be an NTEP approved device even if it passes NTEP evaluation. Basically, what the engineer is saying

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is that the MCI auto-picker is compatible with an existing NTEP approved grain analyzer such as an existing NTEP moisture meter can be installed on an auto-picker and still give accurate results. So, I think what Jason, what my colleague is trying to say is that the auto-picker is the overall system. And that you could have an NTEP approved moisture meter that is within that system.

It's not actually the MCI auto-picker that's going to achieve full approval. That's because you could have more than one grain analyzer. You could have more than one moisture meter that's already achieved NTEP approval that becomes part of that conveyance system. So, it's a little bit complex.

CHAIR GROVE: So, to that with the pieces of equipment that are part of it, since it is a conveyance system, what that is is a person moving it from the moisture machine, you know, it's maybe replacing the compartmentalized diverter it's got within it. So, instead of, you know, a divider putting it into multiple dishes that different people

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take that.

So, I think going to what Janice said is that type of a process, if the pieces of equipment that you attach to the conveyance system make a few of the processes, again, the MCI picker does not assess damage, but it is moisture and because it is moving it back through the system, it will assess the moisture, drop it back through to re-assess to take then out the FM and to re-assess it back through for those who are doing test weight with the machine versus the cup. So, I think the test weight piece would be the part that is not part of the current process.

So, you would wait for, to see if the NTEP approval happens before you might consider it, review it in your process?

DR. JHEE: I don't know if there's an easy answer to that because the auto-picker is a system. It is a conveyance system. And I believe that the manufacturer has indicated that you could make an option, the user could have an option of gravity-fed or pneumatic-fed. And there are

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differences in terms of how the actual instrumentation would be able to receive the grain and thus, analyze it and then it would proceed the conveyance to the next instrument. So, that's pretty complex, I think.

But I think the concept is for it to be, to allow for streamlining, and I get that. And I appreciate the fact that there is thought behind the streamlining of the process and trying to avoid hand-offs, because hand-offs is where, you know, from a SIG-SIGMA perspective is really what you want to eliminate.

Barb, I don't know. I think only time will tell to see if this corporation would want to knock on our door and say what would it take?

PUBLIC: Hello, yeah, recap. So, one of the things to consider is I mention a system and as we check test equipment, we also test systems. And so, the individual outputs of each of the component of that system would also have to be regularly tested to insure that piece of equipment results mirror the results near the results that the equipment is

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actually producing.

And there's a whole component of --- and our records management and our team management processes that has to be gone through as well with these various systems. In this space, we often consider information system our computer. But from the Federal records point of view, an information system actually is a filing cabinet of paper. So, it all fits together to deliver those results appropriately.

CHAIR GROVE: You know, I like something you said earlier I felt it was interesting, Arthur. You said, you know, will a piece of equipment add value that the industry is not ready for? That is also a very interesting, I will say the new technology in moisture machines. Very much needed, but there are still, there are still so many gap 2000s out there. It is, you go back to the financial piece of the equipment even though the new technology, when people understand what it will do for them, what will help in an operation.

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grain preservation process over drying, shrink, aeration, all of those, but again, it's do you still have the funds to buy the equipment? And there again are a whole lot of old pieces of equipment still out there. So, again, in what you talked about in kind of a joint, or finding just an industry collaboration to see what's out there, I think that's very important because as technology comes about, if we aren't communicating well, what are its benefits? You don't get good buy-in.

I will say I think with, again that with the new technology and the moisture meters, I think it was put out there before people understood it. And so, it's a long tale for people understanding the value. And I think that's very important, even for manufacturers as they're trying to submit something. If they can't explain well its value and what it will give to somebody in the industry, give to the user, of course and the financial benefit. And there's a lot. It's not just the purchase of the equipment. It's is it going to help you?

I think we need to help manufacturers

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understand that piece of it, too. If somebody wants to see the need. I like what you said, John. Hey, there's something old out there that just works. Why change it? Unless somebody can give us a good value on why, it's hard to show the need for it.

I think at 2:30, I'm going to go ahead and call a short break because I'll let you come here and talk. And then we'll have a break because it seemed last time it helped us give time to think of a few things we may want to add. So, we'll take a short 10 minute break after your comments. And then come back and kind of finalize any other thoughts or discussion that we might have for these topics.

MR. GORDON: So, I think ---

CHAIR GROVE: First, can you state your name.

MR. GORDON: Tim Gordon with FGIS. All right, Jim, I think you asked a question and like, how would we approach something? And I was specifically thinking about new technology. And so, part of our process is identifying the reference method. And so, the reference method's always going

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to be what we currently do.

So, visually, when we think about the imaging technology, it's probably the greatest, you know, possible implementation is imaging. And so, but when you look at what the reference method is, it's very well optimized for what the instrument might want to see.

I mean, one example is vitreous kernels. So, right now, where's the bar do? Well, if there's any soft spot in that kernel at all, anything, even a little spot, it's soft. And also they slice the kernel some times. So, there's like really challenges. So, a reference method is really clear. It has to be because it's already in the standards. So, we can't change that easily. And yet, it's optimized for visual, human vision.

So, you know, when these imaging manufacturers come to us, and we know who they are, I mean, it's a pretty small set of manufacturers. We know who they are. We reached out to them even with the rice thing. So, they all knew that our thing was going to get announced. So, even that, you know, the

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idea that a broken kernel is three-fourths or two-thirds, Ryan? Three-fourths. So, if it's three-fourths, you know, if it's more than three-fourths of a whole kernel, then it's a whole kernel, but if it's less than that, it's broken. Even that is subjective.

So, but the machine is going to do a better job of consistency once it's done, but it may not line up perfectly with the inspector. But anyway, there's a lot of challenges, but if I'm the guy, if I'm a person that wants to sell an instrument that's doing imaging, I don't want to sell something for one factor. I want it to do a bunch of stuff. And that becomes just a huge challenge because now we're talking factor by factor, you know, heat damage in corn, you know, whatever it might be, vitreousness in wheat.

And so, they want to come to us and probably sell all those factors, but each one we want to demonstrate that it does line up with our reference method which then becomes tied to the standards. So, that's just an additional kind of challenge for the

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committee to kind of think about.

CHAIR GROVE: Okay, let's break here for 10 minutes and then come back and see if there are any additional thoughts or comments on these topics. Thank you.

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

CHAIR GROVE: All right, thank you everybody for coming back in. I am just going to then open it up to the committee if you have any further thoughts again, and comments on the two that were represented today that you can help add to possible resolution writing this evening. Again, your input, your varied experience, is very important to what we'll be working on for our resolutions.

MR. FREDERKING: Yes, I would add on the technology piece. So, certainly understand the comment from John and the desire for industry to give feedback to FGIS on different technology initiatives. But I also wonder as we are not grading near to the extent, nor handling samples near to the extent that HEIS personnel are, has there been any process to

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formally poll workers that are within HEIS to see where the greatest benefit or where they would benefit most greatly from any sort of new technology.

And could that, should that be everything from, of course, the grading aspect to even sample preparation, sample handling and export housing. There's hundreds of pounds of sample handled for each sub-line. So, is that another area that could be, could be ripe for improvement?

MR. NEAL: Great question and some of my historians in the room, FGIS historians, I think back in the day, FGIS actually developed a sample handler. Anecdotally, I heard that it worked well, but somehow it was put in, some heads are shaking, some are not. But it never really made it to prime time or manifested itself where it would be implemented. So, I think everything is up for consideration. I don't know that we polled our employees. I'm sure that some discussion has been had, but not since I've been here.

And so, we'll take it into consideration from our end on what we can find, what we can do,

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what we can implement, utilize, to become more efficient on our end. And like I said earlier, it's kind of like a two-edged sword with us because of the data, the data housing, data security, also networking capabilities, all of those are aspects to the factor, we have to factor in, to certainly consider that.

CHAIR GROVE: And to add to what Chris said, again, that was very good, but to do the jobs what are their thoughts on it not just Federal inspection, Federal, State and contract, if those are some of the people that we are relying on for our grades, I think that's, including that entire grouping as a possibility.

MR. NEAL: And we have talked to a lot of the inspection agencies about it before, same type of topic, the wheels turning, trying to get the juices flowing to get their input, their thoughts. And I think it's a mixed bag. Also someone has stated that because of the USDA threat, you know, am I going to be displacing people? Is that going to also impact our ability to provide service to certain areas?

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It's variable. So, we did have some vibrant dialogue around it but nothing conclusive came out of it.

I think personally FY23/24 we're going to be really -- have to start making some, some steps toward identifying possible direction in this space. I just do because other industries are utilizing and leveraging technology. I don't know why we can't. And I do know our grading standards are complex. And so, programmability, I think, is a big challenge for us, too.

We've got so many different grains that may come in, like in loading ships, you're switching out the next day or so and, you know, you're running trains. Same thing, running different grains and you're trying to use the same piece of equipment. You know, how well is that same piece of equipment able to be programmed between commodities or do you have to have different pieces of equipment?

Trying not to make sure that there's a competitive disadvantage for, over commodities, too. You know, we want to be able to be efficient in the majority of the commodities that we are handling.

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And so, we're keeping all of these type of things in perspective.

DR. ROSENTRATER: To follow on that thought, I think the committee has done a really nice job on summarizing ideas and input especially from different industry stakeholders. I would challenge our overall committee to say, you know, in 20 years, 30 years, 40 years, where do we want to be? What's our future state?

And then maybe then you can ask the questions, how do we get there? Whether it's human, machine or combination thereof, where do we want to be in 20 years? It's going to take a long time to, not just develop the technologies further than what we have now but also implement those.

MR. NEAL: Great comment; great statement. That also requires taking a look at the U.S. Grain Standards Act, because even when we talk about technology, you want to make sure that whatever that future state looks like, if you see that people are involved in it, how does it impact what's currently authorized in terms of who's doing the work

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and how the work is being done? So, just keep that in mind, too.

CHAIR GROVE: So, any other thoughts or comments from the committee at this time that you feel may help in our work for resolutions?

Again, I know that this is at this time it's stated a little later in the day for public comment, but I think that the committee has given all their statements and thoughts at this time. Is there any public comment, then, in our gallery that you'd like to add to give us a little help in what we're going to be working on for tomorrow?

PARTICIPANT: I would encourage the committee to consider what data standards you need. I heard, you know, Christopher talk about ZENO. Right now, we give a lot of certificates. We give pictures of results via screens. The data standards, I believe, are going to be the railroad tracks, the drive, the cars, the equipment, the communications to go forward. So, think about how you want to use the information and what you might want to do, given the thought about 20 years from now. How do you drive

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towards, you know, new innovations onto the standards? What are the standards that are missing? What would you like either the industry or us to take a look at? Thank you.

MR. NEAL: So, on that same note, let's go to Chris's comment. Even on things like low-hanging fruit, you know, stuff that we do repetitively all the time that, you know, we believe we, it would be beneficial if we could, like transfer or share that information more easily in an electronic manner. If that's, if those are things that, you know, we can prioritize, it would be our responsibility to share how that can potentially be done with you all in a way that makes sense economically and also practically so that we've got agreement on how we move forward. So, those types of things, I think that the dialogue can be had around those.

MR. CHOPRA: Thank you. Good afternoon. Great discussion. And, again, I'm Anuj Chopra from ESQPLUS. I'm a contractor to USAID. We are looking at the full supply chain and the quality of grading

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as it's going through the USAID process to see how can we maintain grain quality and the other challenges we are seeing. When we're just talking about bin preparation or even railcar preparation and the level of cleanliness and prep which is happening, we can tell you that we are finding foreign grains in cargos.

So, that means there's not, if you're carrying yellow split peas, we are finding corn in yellow split peas which becomes a failing point for that cargo at the receiver end. So, that is a big challenge.

Second challenge which we're seeing is -- bugs coming in beans. There's a migration of bugs which are coming in which are not associated with the grain you are carrying. As an example, as recent as Monday, we saw rice weevils in hard red wheat. How could a rice weevil survive in hard red wheat? You know, so there's some, so maybe there's something for you to consider in that space, what would be the best practices which could be developed so that this sort of cross migration or that the cleaning of the bins

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is done a little bit better so that at the receiver's end the commodity point goes that we don't have challenges. Thank you.

CHAIR GROVE: I do appreciate those comments because while outside, maybe the two very specific things that were brought up this afternoon, they are still a very important process in our grade standard. We talked about mixed grains. And also a very important process in our trades. So, thank you for that and things for us to talk about, at least add to future agendas or work on in our own practices. So, thank you.

And Jess?

MR. MCCLURE: Jess McClure with the National Grain Aid Association. One of the issues I know that was discussed in the beginning and before I get into that, I just want to thank the leadership for FGIS and USDA for their attention to the SBOC matter. I know that's been an ongoing issue over the last several months. And I think the input you've received from the stakeholders on this and prioritizing, I really want to appreciate that and

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the leadership within the USDA.

I think one of the most important issues really is where the advisory committee could come in here, is a resolution to help expedite and prioritize the approval process for the SBOC notice. I know that that is currently going through the internal review process at USDA and I know that it could take some time once it is finally approved and going to the Office of the Federal Register for publication. I think, obviously, we would like to get this printed and commented on so that will give you enough time to then analyze the comments and hopefully have this go into effect before the upcoming harvest.

So, I think from the advisory committee's standpoint, I think having a resolution to address those issues would be very important.

MR. NEAL: Just to comment on that in reply to you, Jess, it's a priority. I'm taking the phone calls and e-mails on it. So, I'm not quite sure if we need too much more pressure.

CHAIR GROVE: You know, for stated public comment how they were two specific comments that were

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posted for public review before this which remain the only two topics that we will be working on for possible resolution suggestions. The input from the public to what are some possible future agenda items, what issues do you see within your trade or your area, are very important to this committee.

So, even if you're not prepared to do so today, there is still public comment period tomorrow, and there's also the ability to contact the group as we look for the future. It is constantly, it isn't just us that needs to determine those topics, but we need a full public to help us with that. How can we make, whether it's just the State, or how do we make trade better for the entire industry. So, again, welcome those possible topics for the future.

MR. FRIANT: Barb, I have something to bring up to the group, recognizing that we can't necessarily make a recommendation this time but perhaps for the next meeting. It might just be some comments from FGIS staff. The immigration of the former FGIS website into the AMS website and trying to find FGIS-specific information is a nightmare,

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just to be blunt. So, I don't know if that's a conversation to have outside that or something for us to discuss, but it is not easy for the public to find information since the website has been integrated.

I think there would be some great opportunity. I don't know what that looks like. I don't know what's possible in the new structure, whether it's an FGIS-specific section or there used to be a quick links that was available that's now been taken down, but some way so folks that need to find the information can find it a bit more easily. Because it has been a struggle.

CHAIR GROVE: I do really feel this may go back to something Byron talked about earlier in a sense in, you know, looking at the GACC. You're saying, how do we find it? He also said it's buried. So, I think this is really a continuum maybe of that because we're talking about websites.

And the information and the learning, sharing, so if we're talking about training, learning, I think without another agenda item, it may be part of their, a good part of their continuation

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of learning, Byron, in the training industry alert.  
Does that make sense?

So, again, I am also someone who likes to use the FGIS website and there are some pieces that I may have used for our own people for training that, like Nick said, are hard to find now. So, I think it's really more of a public education type of piece of where to go.

MR. NEAL: It's gotten, it's gotten bad. Just being honest with you. It's easier to find items on our website by Googling what you want to find than going to website and seeing a natural link and tree to the information that you want. We've taken at least two stabs at trying to clean it up from what it was. It was worse than what it is today, and trying to figure out how to say this the right way.

The USDA website goes through iterations every time somebody new comes in, and USDA is huge. And this is a one, what is it, one kind of format for everybody to just it in and the challenge with FGIS was, there was a reorganization that took place after

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that had occurred.

And so, FGIS was not part of a AMS organizational planning because FGIS was not part of the organization at the time. And so, everything FGIS, everything in FGIS just got migrated into AMS, budget, IT, website, you know, processes, everything changed and catching up to that. In addition to, you know, transitional leadership data, then we try to bring people on board, it's, we're trying to catch up. I'm not making an excuse. I'm trying to give you insight.

MR. MORGAN: To your defense, Arthur, MAS, FAS, all a disaster, as well, since they were integrated. It's hard to find export sales reports and just, yeah, so you're not, you are not alone.

MR. NEAL: So, what I think we should commit to do with you, maybe not necessarily in this setting but in the off kind of GIAC calls that we have, they just gave us the time for discussion about the areas that you all used to use, that you used the most and us kind of getting that input and then trying to figure out how to prioritize, organizing that a

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little bit better and we can make progress over time. I think that's, that's a helpful approach at us helping, at you helping us help you because we've done a couple of clean ups, at least two, I think.

And we're still working on it like the stuff Byron talked about when we were putting the instructions out for export administration for '23, coming up for '23, initially we had a link to the GIAC website and I clicked on the GIAC website and all I saw was language that I couldn't interpret. So, that's not going to help nobody. And I clicked on the English version and the English version totally transformed that website to where wherever we were trying to direct somebody to find the GIAC for registration, it was no longer there. It was a totally different website.

So, I figured it was best for us to just let us do work, try to update the list, put it on our website and we just have to be responsible and careful to do it frequently. And we'll put in, I think, two locations on our website which is basically mirrored so that it helps you all find who's on that current

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list for the exporter registration.

So, things like that we try to do. It's an iterative process, but I appreciate you bringing that up. I don't take it personal. I don't try to not, you know, USDA AMS is just a process that happened and it's unfortunate that it happened with a lot of stuff. And we're going to do our best to serve you all better. Thank you.

CHAIR GROVE: I guess what that says to us is that we valued the material that FGIS had for us to utilize and so when something's no longer there, we miss it. So, it tells you, again, the value of the product that was there was very beneficial to us. So, thank you and thank you for that suggestion. I think that is very good. Again, those things that we use we'll schedule that another time. Thank you.

Okay?

MR. NEAL: Nobody got anything to talk about trains? I'm just teasing, Jimmy.

CHAIR GROVE: So, then you did say again for a quick little update you snuck in there about a previous resolution. I think that factors into other

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things that we talked about today. So, still very, very important piece of whether the exact resolution we presented earlier in the year, that was maybe to put a little bit of focus on the government side of how it's affecting people. Yes, it's affecting people. It's affecting service. And as we come to the use of technology, issues with grades, some of it rolls back into that.

So, that is a very important piece that is outside our individual or even a collaborative group. It's very outside our control. But to be able to again add our voice, I still think is very important because the effect on all trade really relies on not just service, but I think as we were talking about, talk about websites. We were just talking about this, the traceability, even just having better traceability so we have that communication is very important.

MR. NEAL: So, on that same note, from our conversations with transportation services and with AMS, you know, I can't remember everything verbatim, a couple of components you all recommended

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was about GPS, global positioning and penalties for those railroads that aren't delivering on time. They used that in their comments to the Transportation Safety Board. So, what you all have shared and the impact, as well, on the official service providers' ability to have staff available when those trains arrive, the impact that it has on those organizations, so, that has been conveyed.

So, I just don't, I don't want you to think that what you all have shared has disappeared. It's being used. It's being discussed in conversations. So, you know, congratulations on adding value.

CHAIR GROVE: All right, we've had kind of a final call there. Everybody is quiet for the day and I think we have some good feedback for us to work with. Again, with no final comments, no more public comments, I think that wraps up our industry issues discussion for today. And I think I will adjourn early and look to convene again tomorrow morning at 8:30 with the preparation to be able to bring resolutions for discussion in these comments.

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MR. FRIANT: And, Barb, just a point of process. We can only bring recommendations relative to these two discussion topics.

CHAIR GROVE: These two discussion topics for resolution for tomorrow, yes. All right, thank you for reminding me. Yes, so as we had some public comment today, we can take those into account for conversation tomorrow for future agenda items. So, as we feel we have hammered out some resolutions tomorrow, we can talk about further items. Okay?

All right, thank you, everybody for coming to day and the participation. Again, we have public comments section open for tomorrow. Closing of discussion today doesn't mean closing of discussion. So, if you think of anything tonight, we will welcome those tomorrow. The same with the committee.

See you all tomorrow morning at 8:30.  
Thank you.

(Whereupon, the above-mentioned matter went off the record at 3:25 p.m.)

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