Grain Inspection Advisory Committee

Field Management Division

Anthony Goodeman, Acting Director

September 5, 2018
FGIS Field Management Division
Overview
FMD Overview

8 Field Offices, PPMAB, and OD
437 Full/part time employees
Service Delivery arm of FGIS
Plan, Develop, Administer, and Manage

Mission Statement:

FMD is the front line of FGIS, providing impartial official inspection and weighing services, standards, and instructions to facilitate the domestic and international marketing of U.S. grain, rice, and pulses for the overall benefit of American agriculture.
Fiscal Year Total Export Grain Inspections

- Thousand Metric Tons
- FGIS
- States and Agencies
Fiscal Year Total Export Grain Inspections

- Overall export grain inspections for FY 2017 were 90.9 million metric tons (MMT) for FGIS and 55.1 MMT for States and Agencies.

- The FY 2017 totals surpassed the FY 2016 record by 10%!!

- USDA is projecting grain export to be approx. 140 MMT for FY18; down about 4.1% from FY17 (May 10 USDA report)

- Soybeans on contract to China that have not yet shipped. Rumors in press that China may cancel contract orders or roll to next market year (the 140 MMT projection assumes orders are fulfilled).
Export Corn: FGIS, States & Agencies

Cumulative: Thousand Metric Tons

5-yr Avg 2016/17 2017/18
Corn exports down 9% from the last year; however they are up 15% compared to 5-year average.

Due to the dry conditions in South America and the relatively low price for U.S. corn, demand has surged higher.

- Mexico makes up 24%, Japan 22%, and S. Korea 10% of U.S. corn exports, accounting for 56% of the total.
Export Soybean: FGIS, States & Agencies

Cumulative: Thousand Metric Tons

5-yr Avg
2016/17
2017/18
Export Soybean: FGIS, States & Agencies

-Soybean exports currently 7% lower than last MY, but approx. 13% higher than the 5-year average.

-Argentina soybean crop damage – August 10 WASDE report showed a decrease in soybean production of about 33% from last year.
-Argentina has been importing soybeans from U.S.

-China, U.S. number 1 importer of soybeans, has currently imported 51% of all soybean exports. This is down from the 5 year average of 60%.

-However because of the trade talks putting pressure on the prices of U.S. soybeans, we have attracted nontraditional buyers creating the current trajectory.
Export Sorghum: FGIS, States & Agencies

- Sorghum exports are currently 13% lower than last year and 20% lower than the 5-year average.

- China accounts for 87% of all U.S. exports.

- Since the highly sensitive trade talks began, there has only be one sorghum shipment to China. (Notice the flat line on chart)
Export Wheat: FGIS, States & Agencies

Cumulative: Thousand Metric Tons

- 5-yr Avg
- 2016/17
- 2017/18

Agricultural Marketing Service
Creating Opportunities for American Farmers and Businesses
Export Wheat: FGIS, States & Agencies

- Wheat exports 30% lower than last MY and 28% lower than the 5-year average.

- Strong competition from the EU, Canada, and Australia has dampened export sales. However, Australia is currently experiencing a severe drought.

- Currently Japan makes up 12%, Mexico 12%, and Philippines 10% of U.S. wheat exports, accounting for 34% of the total.
Australia Drought Map

Below are the 15 countries that exported the highest dollar value worth of wheat during 2017:

1. United States: US$6.1 billion (15.7% of total wheat exports)
2. Russia: $5.8 billion (14.8%)
3. Canada: $5.1 billion (13%)
4. Australia: $4.7 billion (11.9%)
5. France: $3 billion (7.7%)
6. Ukraine: $2.8 billion (7.1%)
7. Argentina: $2.4 billion (6.1%)
8. Germany: $1.6 billion (4.1%)
9. Romania: $1.1 billion (2.9%)
10. Bulgaria: $772.7 million (2%)
11. Kazakhstan: $660.8 million (1.7%)
12. Lithuania: $604.4 million (1.5%)
13. Hungary: $501.9 million (1.5%)
14. Poland: $538.9 million (1.4%)
15. Czech Republic: $479.9 million (1.2%)

The listed 15 countries shipped 92.7% of all wheat exports in 2017 (by value).
Hiring Plans

- Field Office Manager
- Marketing Specialist
- Quality Assurance Specialists
- Front line
  - Supervisors
  - Graders
    - Internal promotions
    - Recent Graduates
  - Technicians
Outlook

• Volume, Trade, and Expansion
  • All-time records
  • Uncertain short-term future
  • Industry investments in capacity

• Services Offered
  • Future needs

• Training, Licensing, Monitoring
# Standards

## U.S. Grain Standards Act

<table>
<thead>
<tr>
<th>Grain</th>
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<tbody>
<tr>
<td>Barley</td>
<td>Sorghum</td>
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<tr>
<td>Canola</td>
<td>Soybeans</td>
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<tr>
<td>Corn</td>
<td>Sunflower Seed</td>
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<tr>
<td>Flaxseed</td>
<td>Triticale</td>
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<tr>
<td>Oats</td>
<td>Wheat</td>
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<tr>
<td>Rye</td>
<td>Mixed Grain</td>
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</table>
Standards

U.S. Agricultural Marketing Act

Beans  Peas
Lentils  Rice
Standards

Three Federal Register notices:
• Canola
• Corn
• Soybeans

Request for Information
• Published June 29, 2018
• 60-day comment period (August 28, 2018)
• Request to extend the comment period
• Dockets prepared and submitted to extend for 60 additional days
D/T Power Supply Lockout Switch Compliance Requirements

**Background:** Instructions for authorizing, testing, and approving DT sampling systems are found in the FGIS Mechanical Sampling Handbook.

- Handbook revised April 2017
- Included clarification for control of hazardous energy sources (lockout devices) for D/T samplers
- Equipment disconnect(s) must be installed within close physical proximity and visual line of sight to the primary sampling system
- Enhance safety during D/T checks

**Currently:** Through an implementation partnership with AAGIWA and NGFA, and in response to concerns raised by stakeholders, FGIS has given facilities and agencies until January 1, 2020, to make necessary changes and obtain FGIS approval. Noncompliance will cause FGIS to suspend authorization of the sampler for official sampling.
Digitization of D/T Sampler Approval Package Files

Digitization Project was a collaboration between FMD, the FGIS Chief Innovation Officer, and the FGIS Online group

- Project encompassed the complete digitization and archiving of nearly 2,000 individual D/T files
- Archived files were uploaded to the FGIS Online Equipment Capability Testing application (ECT), and are available for electronic viewing

The main goals accomplished by completing the digitization project
- Centralization of all D/T files within the ECT application
- Increased efficiency with regard to archiving, reviewing, and approving D/T sampling systems
- Cross divisional use by our Quality Assurance and Compliance Division (QACD), when reviewing F/O and O/A D/T equipment record files
Camera Barge Stowage Exam Pilot Project

• On March 24, 2018, Eastern Iowa Grain Inspection began pilot project using a camera to perform a barge stowage exams (in conjunction with an official stowage exam service)
• Objective: to assess effectiveness of a camera when performing barge stowage exams and is safety enhanced
  • Modeled after successful rail car camera stowage program
• Current Status
  • Pilot ongoing
Training Programs

• Industry Perspectives
  • New Initiative
  • Appreciative to NGFA and NAEGA

• 2018 Recent Graduate Program
Training Programs

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  - New Initiative
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- 2018 Recent Graduate Program
- Official Agency Managers
  - 2018 – 3 Sessions – 56 Managers
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- Quality Assurance Specialists
  - 2018 – Six 3-Day Sessions – Every QAS attends
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Training Programs

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- Supervisors
- Technicians and graders
Performance Appraisal – Technicians

- Performance Appraisal System for Agricultural Commodity Technicians
  - Quantify performance
  - Identify the best ACT
  - Correct non-uniformity
  - Ensure we are performing each job duty to the highest standard
Performance Appraisal – Technicians

• How to measure?

• Two part system
  • Supervisor monitors ACT’s procedure
    • Assigns 0 or 5 points for each step
      • Some steps are so critical they are pass/fail
      • Fail results in immediate corrective action
    • 80% of final score
  • Supervisor monitors ACT’s timeliness
    • 10 minutes to process from time sample is available to grader’s desk
    • 20% of final score

• Frequency of Reviews
  • Once per week
Performance Appraisal – Technicians

• Pilot Implementation at Two Field Offices
  • League City - Cargill
  • New Orleans – Port Allen
• 7 Functions included
  • Sample Processing
    • Sample Break-down, TW, M, and DKG/BCFM
  • Mycotoxins
  • NIRT
  • Stowage
Performance Appraisal – Technicians

**Technical Procedure: TEST WEIGHT**

- Test Weight Apparatus is level and appears to be in good working order (based on supervisors experience and knowledge look for things such as; does the bucket appear to be centered under funnel, is funnel 2 inches above the top of the bucket, and so on) - Performed 5 – Not Performed 0
- Striker stick is in good condition - Performed 5 – Not Performed 0
- Three smooth full length zig-zag motions were used (begins at edge of stick) - Performed 5 – Not Performed 0
- Striker is held with two hands at the correct angle during performance - Performed 5 – Not Performed 0
- Grain is not allowed to settle in kettle, such as (perform other functions, agitate or bump kettle after filling) - Performed 5 – Not Performed 0
- Test weight was recorded in correct significant figures (tenths, or whole/ halves) - Performed 5 – Not Performed 0
- Test Weight result recorded is supported by supervisor - Performed 5 – Not Performed 0

Test Weight

Points Earned _______/ 35 max
Performance Appraisal - Graders

Separation Summit

- Internal Program Review
- Kansas City- Feb 2018
- Support for Revision
### Comparison

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<tr>
<th>Current System</th>
<th>New System</th>
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<tbody>
<tr>
<td>• Save All Separations</td>
<td>• Save a Fraction of Separations</td>
</tr>
<tr>
<td>• Typical Shift 16 separations</td>
<td>• Typical Shift save 1-3 separations</td>
</tr>
<tr>
<td>• *Assumes 30 min sublots</td>
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<tr>
<td>• 60 Factors are Critical</td>
<td>• 47 Factors are Critical</td>
</tr>
<tr>
<td>• QACD makes PAS selections</td>
<td>• Supervisor / QAS makes PAS selections</td>
</tr>
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## Comparison

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<tr>
<td>No Timeliness Requirement</td>
<td>Timeliness Requirement</td>
</tr>
<tr>
<td>Performance Measurement</td>
<td>Performance Measurement</td>
</tr>
<tr>
<td>Accuracy</td>
<td>Accuracy</td>
</tr>
<tr>
<td>Fully Successful – 80-89%</td>
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</tr>
<tr>
<td>Exceeds – 90-100%</td>
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<tr>
<td></td>
<td>Timeliness</td>
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<td>Fully Successful – 80-89 % of inspections in 30 minutes or less</td>
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Performance Appraisal - Graders

• Separations Reviews
  • 1st inspection of each shift
    • Supervisor discretion – Cursory Review, Over-the-Shoulder, PAS
  • 1 inspection per 4 hour period
    • Supervisor discretion – Cursory Review, Over-the-Shoulder, PAS
  • Save all separations for samples that are meaningful, such as not making contract for PAS
  • Minimum of 1 sample from above per shift – required for PAS
• Weekly QAS will pool all PAS samples and select 1 for PAS scoring
Performance Appraisal - Graders

- August 2018
  - Discuss at supervisor meeting
  - Issue memo to field outlining program
  - Host conference call(s) with field
  - Formally notify Union
  - Confirm profiles accesses in FGISonline
- September 2018
  - Update applicable performance plans
  - Conduct training with field
  - Industry outreach
  - Soft open
- October 1, 2018 - Implement
Official Weighing and Inspection in Texas

- Amarillo
- Plainview
- Enid
- Midsouth
- Unassigned Area
- Beaumont
- League City
- Corpus Christi
- Westlaco
League City Export Inspection
Tonnage All Grains (FY)

Cumulative: Thousand Metric Tons

- 5-yr Avg
- 2016/17
- 2017/18
Questions?

Thank you!