U.S. DEPARTMENT OF AGRICULTURE

GRAIN INSPECTION ADVISORY COMMITTEE MEETING

WEDNESDAY
MAY 12, 2021

The Committee Meeting met via
Video/teleconference at 11:00 a.m. EDT, Matthew
Kerrigan, GIAC Vice-Chair, presiding.

PRESENT:

DAVID AYERS, Champaign Danville Grain Inspection,
Inc.
JANICE COOPER, Wheat Marketing Center
CURTIS ENGEL, The Scoular Company
NICHOLAS FRIANT, Cargill Inc.
MATTHEW KERRIGAN, EGT, LLC
RYAN KUHL, Northern Plains Grain Inspection Service
JOHN LINDGREN, United Grain Corporation
ROBERT SINNER, SB&B Foods, Inc.
ERROL BRENT TURNIPSEED, South Dakota State University Seed Testing Lab
JIMMY WILLIAMS, Grain Inspection Services Administrator
ALSO PRESENT:

LEE CAPPER, FGIS Chief Innovation Officer

ANTHONY GOODEMAN, Director, FGIS Field Management Division

EDWARD JHEE, Director, FGIS Technology and Science Division

KENDRA KLINE, FGIS Chief of Staff and the Advisory Committee Specialist

JESS MCCLUER, NGFA Vice President of Safety and Regulatory Affairs

ARTHUR NEAL, FGIS Deputy Administrator, DFO

DENISE RUGGLES, FGIS Executive Program Analyst

BRUCE SUMMERS, AMS Administrator
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MR. KERRIGAN: All right. Well, good morning, everybody. Appreciate everybody joining on the Zoom call here this morning. I know everybody. Hopefully this is all pat for everybody at this point. I'm sure that we will all have some technical difficulties going along the way. But just a simple reminder to everybody to try and keep muted if you're not speaking, it does help with the echo and everything else. I assume that as we get through this, Kendra has already set up the agenda, it was attached to the meeting invite. If you need it, let us know and we can get that out to you again.

We've got several, or a few items here, a lot of updates. I'm hoping that Arthur is going to be giving everybody, given it's been such a long time since we've all met, we've got a lot of new members. You know, we've got the officer elections. We've got a lot of good stuff here, you know. So again, just want to thank
everybody before I turn it back over. And just
one housekeeping item, I did not get any
volunteers to as acting secretary for this
meeting. So depending on what the rules of order
are, Arthur, we may need to take care of that.

MR. NEAL: Yes, sir. And we will take
care of that after we get through the initial
components of the agenda. And we'll stop and
take a break and we'll find out if we could
revisit that particular situation. So thanks,
Matt. So without any further ado I'd like to, I
think I saw him earlier, we've got, there he is,
Bruce Summers our Administrator. He's going to
bring some greetings to us on behalf of AMS.
Bruce, I turn it over to you, thank you, sir.

MR. SUMMERS: Thank you, Arthur. And,
good morning, everybody. It's good to see you-
all today, virtually. I hope that you have all
done well through this period of unique
challenges caused by the pandemic. I think at
AMS, we understand that you-all had to modify
your operations to ensure the health and safety
of you workforce. And that you might be seeing
some increased demand right now, there have also
been a lot of challenges with respect to
transportation and staffing and all sorts of
hurdles that we've all had to navigate during
this time period.

Certainly, at AMS, we've had some of
the same hurdles that you-all probably have. I'm
happier, relieved, not sure which word is best to
use there to say, I think the leadership of our
Federal Grain Inspection Service, Arthur and his
team, have really done an admirable job of, you
know, steering the Committee to make sure our
employees were safe and healthy and at the same
time balance that out with continuing to provide
the services to all of our customers and help
keep grain moving through the supply chain.

So I want to give a little shout-out
to the AMS team for work they've done and also
acknowledge all that you-all have done to work
with us during this is difficult time period.

You know, hopefully, hopefully, hopefully, the
positive developments that we're seeing around
vaccines and declining case numbers. Our numbers
across the Agency have gone down to close to zero
which is a tremendous improvement from what we
were seeing, certainly last fall and even in
January. So hopefully this means the next time
we meet with this Committee, maybe we can do it
in-person.

But, you know, really, the virtual
meetings have been pretty successful. I've been
in hundreds of virtual meetings and maybe
thousands by now over the last year. And you
know, there is that advantage of not requiring
people to travel and, you know, foregoing the
expenses of traveling to participate in in-person
meetings. And so one of the things I've kind of
noticed, I think in some of these virtual
meetings, you know, we have more people
participating probably because that flexibility
and sometimes reduced costs.

And so I would expect when we meet or
we may be in-person, we may have a virtual
component too just to maintain that flexibility for our folks and we can kind of keep everybody who wants to be able to participate one way or the other. So I feel like, you know, as we move forward, and how we reopen, and how we staff our offices, I think we're probably going to see a lot of flexibility and I think kind of a hybrid cross between in-person and virtual. But I am looking forward to getting back out on the road and seeing the real world again. I'm here in Washington DC, which few people would call the real world. I look forward to getting out on the road soon, hopefully see some of you-all.

At AMS, you know, kind of give you a little update on what's going on around here. We're continuing to welcome new leadership. USDA is, as the new administration continues to ramp up, I mean January may feel like a long time ago. But really it's still kind of infancy of a new administration. You may be aware that Jenny Lester Moffitt has been nominated to serve as the Under Secretary of the Marketing Regulatory
Program missionary. Which is the missionary that
houses both AMS and APHIS. At this point she's
waiting for a vote in the senate to confirm her
to the position. I would expect and hope that as
soon as she's confirmed that we can maybe start
talking about having her attend, you know, maybe
the next next Advisory Committee Meeting for this
group. So kind of look forward to that.

Right now, and, you know, in addition
to working and maintaining the delivery of our
inspection programs like FGIS, the issue
marketing in these reports, and all that kind of
normal operations we work on every day at AMS, we
are also working really hard. Tremendous effort
across the Agency to implement a variety of
pandemic assistance related programs that have
been authorized by both the Consolidated
Appropriations Act, which you may recall, asked
right at the end of December last year, and the
American Rescue Plan which was put in place in
March.

So between those two programs, a lot
of pandemic assistance and a lot of Federal
dollars. You've heard about it in the news,
right? A lot of money being pumped into the
economy. And those were the two Acts, two new
laws that are really impacting agriculture. Much
of the work around that pandemic response space
for AMS is related to grant programs. Both
beefing up of existing grant programs and new
programs. New grant programs that all intended to
provide relief to ag businesses, ag producers or
hit hard by the pandemic.

So you may have seen, if you were
watching the trade press announcements recently
on things like transfer, especially crop sector
and local food sector. Those are existing
programs that are being added onto, and sometimes
more than doubling in size. And we have a series
of new grant programs that will be coming out in
the next few weeks. We continue to meet with the
Secretary and the new leadership on all of those
as we ramp up. There is one, it's not a grant
program, but there's one particular issue I
really would like to raise for this group. And then we'll talk about that a little bit and then maybe open it up for some conversation.

But I would like to put to this Committee the possibility that you-all would consider responding to a Federal Register Notice that we put out a few weeks ago. It's related to an Executive Order that was issued by President Biden in February. And that Executive Order directs federal agencies to secure and strengthen America's supply chains. So to do that, AMS has taken the lead for the entire Department on this. And to do that, we're asking for public comments from all across agriculture to provide us feedback on what do you think the stimulus relief programs should look like. How you think spending related to food supply chain resilience can help increase the variability within the US food supply.

You know, we're asking for comments that talk about how stimulus relief programs and spending related to the food supply chain can
help with new market opportunities, facilitating fair and competitive markets, advancing efforts to transform the food system. If that's what folks think needs to happen. Meeting the needs of the agricultural workforce, supporting nutrition security for consumers. So it's really a wide open, broad discussion and we really do need public comments as we work on this over the course of the next year. We have actually one year to provide a report to the White House on a pretty big topic, right, the entire US agriculture supply chain.

And so I'd like to kind of put it to the Committee to consider whether the Committee would want to provide comments. And even to you-all individually, in your private sector role, to provide comments on and your perspectives about challenges to the US food supply chain we've seen during the pandemic, but even broader than that, just in general. So kind of put that charge in front of you. Happy to talk about it some more if you have any questions, but I'd kind of like
to stop there. Arthur only gave me ten minutes. So I've got to be fast and I certainly want to leave time for any questions, any feedback, anything like that you have from me. So let me pause there and, Arthur, let's take any questions if there are some.

MR. NEAL: Are there any questions for Bruce? Points of clarification.

MR. SUMMERS: I'm going to keep you-all on track. I'm not going to go long. Questions, comments, or feedback, if not, I would just say, and I always say this either at the beginning or at the end, you know, we know you-all could be doing other things, right. We're pulling away from your businesses, we're pulling you away from your farms, to come serve on these committees. You-all are representing grain sector at large. We couldn't do this without you. We really value the input that you-all give to us in these meetings. And the next two days, we know you're going to talk about a lot of important stuff. You're going to make some
recommendations for us to consider.

We really appreciate, and respect to the fact that you-all have taken this chore on and we're glad you're here. We need you. So thank you very much for being willing to help us out. And if there's no questions, comments, Arthur, I'll kick it back to you guys to stay on track.

MR. NEAL: Thank you, Bruce. Are there questions?

MR. FRIANT: Arthur, real quick, Nick Friant with Cargill. And, Bruce, thanks for the comments, appreciate you taking the time to, you know, welcome us and share the update. And your comments around the Federal Register Notice, I guess just to comment back to you, just raise the awareness. I do know that NGFA and NAEGA are both drafting comments around the whole supply chain issue. So just for your feedback to know that some of the trade associations are aware of it and are working on some comments back on that Federal Register Notice.
MR. SUMMERS: Yes, I would certainly hope that those major organizations would be participating and I would be disappointed if they weren't. So I'm glad you got the inside knowledge on that. But again, you may have some things specifically that you want to put forward and we would love to hear your perspectives. You-all have been in the forefront, front lines, whatever you want to call it here for last year. And from keeping workers healthy to finding a way to ship product, right, and all kinds of challenges this year, and we'd like to hear about those. So thank you, Nick, I appreciate that comment.

MR. NEAL: Any other comments or questions?

MR. SUMMERS: I hope you guys have a great meeting.

MR. NEAL: Thanks, Bruce, take care. So I guess, Matt, I'll go from here. So I want to say, good morning, everybody. It's good to see your faces. And for those who are hiding
behind names and black boxes, you know, hopefully we'll get a chance to see your face too today.

Ideally it would be great for us to be together.

The AAGIWA group met down in Nashville a couple of weeks ago, I think. And, you know, they they were bold and, you know, they had about 90 plus people together. And I think they may have been some of the first to get back to some normalcy.

And I was really hoping that I'd be able to get down there, but, you know, we haven't gotten a green light to travel yet.

But our goal is for hopefully our next Grain Inspection Advisory Committee Meeting that will be in-person. Able to sit around the table, you know, whatever protocols we need to put in place we'll make every effort to do that.

But I want us to get together again so that we can conduct business and feel like we're doing things in a way that allows us to interact and develop and enhance the relationships we already have. So just good morning.

I do want to take a moment to
acknowledge and welcome some new members to the
Grain Inspection Advisory Committee. And because
we do have a little bit of time, I'm going to
share some of my time, not a lot though. So
everybody take about maybe 20 seconds to
introduce yourselves as I call your name. We've
got Mr. Curt Engel, who's a new members of the
Grain Inspection Advisory Committee. Curt, could
you introduce yourself to those may not have an
opportunity to have met you.

MR. ENGEL: Good morning. My name is
Curt Engel, I work for The Scoular Company in
Salina, Kansas. And, excuse me, my job
responsibilities all of the asset businesses that
are in the Grain Division of The Scoular Company.

MR. NEAL: Thank you, sir. I'd also
like welcome Mr. Nick Friant.

MR. FRIANT: Nick Friant with Cargill.

Sorry, my video feed is not working well this
morning, so you're going to see me in bits and
pieces, I think. Sorry about that, I don't know
what's going on. But as I mentioned, I'm with
Cargill. I'm now part of our North American Regulatory Affairs Team. I also chair the NGFA Grades and Weights Committee, as well as the NAEGA Grades and Inspections Committee.

MR. NEAL: Thank you, Nick, Ms. Janice Cooper.

MS. COOPER: Good morning. Janice Cooper, I'm Managing Director of the Wheat Marketing Center. We're a research and technical training center and non-profit located Portland, Oregon, upstairs from the FGIS office and across the river from export loading facilities. So I keep an eye on all the wheat that's moving out through the Columbia River System. So happy to be back on the Committee.

MR. NEAL: Morning. Thank you. Mr. Robert Sinner.

MR. SINNER: Morning, everyone. I'm President of a company called SB&B Foods in eastern North Dakota. We are both a producer and an exporter of IP Food Grade, especially soil beans and specialty grains. I'm also current
Chair of the Specialty Soy and Grains Alliance, a national organization of IP, food grade commodities. Thanks, enjoying participating.

MR. NEAL: Thank you, sir. We've got Mr. Jimmy Williams.

MR. WILLIAMS: Good morning. Can everyone hear me okay? Awesome, all right. So again, my name is Jimmy Williams. I work with the Missouri Department of Agriculture. I served as the Program Manager for the Grain Inspection Program for approximately 11 years. I have also been very active in AAGIWA. My role with the Department recently changed back in January. I'm now serving as the Division Director for Weights and Measures, but I still am working closely with my peers in the Grain Inspection Program. So look forward to meeting some of the new members, getting acquainted.

MR. NEAL: Thank you, Jimmy. Thank you-all. We want to, you know, really express my gratitude for you-all expressing interest in being nominated, and also being selected to serve
on this prestigious committee. We're looking forward to leveraging the knowledge and skills and all of your experiences. And I also want to say good morning to our existing members that have been on with us for a couple of years now. We look forward to engaging in this over the next couple of days. We've talked to some people over the past few weeks, but not all of you and I just want to give you a few updates.

You know, since the last time we got together, and it's been a while, there's been a lot going on in the world. We've all been experiencing some highs and some lows, some anxieties, and some joys in the midst of it all. But I believe that when this COVID pandemic initially hit, none of us knew what to expect. Most of us were concerned about our health, the health of our families, the health of our employees and a lot of other things, the health of our businesses. But I'm thankful to say that, you know, we've made it thus far. We're still here.
The industry's thriving. Grain is moving at a rapid pace. We're moving 60 percent more grain this year than we did last year. We're moving more grain this year that we did our record year back in 2016. And folks have been working extremely hard to make that happen on all ends. You know, I just want to say thank you to all of those who are participating in this meeting as a Grain Inspection Advisory Committee member, as well as any industry participant. Just want to say thank you for what you've been doing to contribute to the successful marketing. Not just successful marketing, but also the marketing grain with integrity. Because of the integrity of the official system and the quality of US grain we have buyers, we have interest. And we want to say thank you for the role that you play in making that happen.

For FGIS, part of the challenge of keeping pace with the demand for grain is keeping a healthy trained, kind of competent workforce, and committed workforce. And I can say that
through this COVID pandemic, our staff has been extremely committed to servicing our customers. We did not have many instances at all where our employees said, you know, they didn't want to go to work. Yes, at the initial stages, folks were afraid what would happen in this COVID environment. But no-one gave us any push-back to meeting the charge to our fulfilling the expectations of providing service. And they worked extremely hard in doing so.

So I want to publicly thank our staff for the work that they've done. And that staff that, you know, whether they're on the quality side, inspection, the weighing side, the management side, I want to say thank you, to all of you. Because they've given us the best that they've had. And I want to say thank you for our customers that they've serviced that have helped our staff stay safe because some of our customers, when they would clean their facilities, they would also take time to clean the lab space in which our staff was working. So
I want to publicly thank the industry for supporting us that way so that we can keep our staff safe.

Right now, from a staffing standpoint, FGIS has roughly about 500 staff. We have a goal to hire some more people because there's an expectation that grain is still going to move at record rates. So particularly in our Gulf area where the grain is moving very rapidly, we need to hire more people. But in part of hiring more people, we also have to make sure we can train them. We've had a lot of turnover and change over the past few months, particularly in our New Orleans Office and our League City Office. In New Orleans, the Field Office Manager, Ken DeWert, he has transitioned to a new job and he's working for the Department of Navy. So we'll be soon looking for a Field Office Manager our New Orleans Field Office.

Right now though, we are very grateful and thankful Mr. Ron Bundy, who is the Field Office Manager for our Domestic Inspection
Office, he's now acting down in New Orleans. And so we're thankful for that. We've got a strong team there, they're holding it together very well. But we will be advertising for a Field Office Manager in New Orleans. We also had a retirement League City. The Field Office Manager there, Mr. Alan Wadyko, who served FGIS I believe 43 years, he retired. I talked to him this morning and he's golfing. He's enjoining himself. But, you know, one of the things he said when I talked to him, he said, you know, I loved my work. And I feel that way about most folks who work for FGIS and that they loved their work.

But we advertised for that Field Office position and that closed, I guess a couple of weeks ago. And so we're waiting to hear back on who are the candidates we can interview and consider. So we're looking to fill that position real soon. But with that type of transition, we also want to make sure that we have the capacity in all other areas to train folks accordingly.
And we've got new quality assurance specialists in those Field Offices. And so we're setting up engagements with them and the Board of Appeals and Review. So we're just try to make sure we can get all of our training components tightened up before we start bringing on a whole lot of new people as technicians and as graders. But that's a small update here on some our Field Officers.

We are expecting some additional transitions later on this year. In Portland, we may be seeing a transition from one of our Field Office Managers. And, you know, hopefully we can convince him to stay a little longer, but we'll see. But there's talk that RA may be retiring. So there's some potential change there. So there's a lot of movement going on in the system, but we will voice to take advantage of it. Not only that, there's opportunity for those were listening to become a part of FGIS with the right experience.

And so additional change that we've
experience here at FGIS, as many of you know,
Karen Guagliardo, who was our Director for
Quality Assurance and Compliance, she retired
back in January. And Karen has spent close to 30
years with FGIS. We hired her replacement a
couple of weeks ago. A young lady by the name of
Ms. Karla Whalen. Karla, she's coming to us from
AMS's Transportation and Marketing Programs.
She's got about 28 years of experience in the
Federal Government. Over 20 of those being in
Compliance and Enforcement in the specialty crops
world and with US Commerce. So we hope to see
Karla soon. She'll be starting with us on the
24th of May. So that's an additional change here
of our staff.

We've also hired some new quality
assurance, not quality assurance. Yes, some
Compliance Officers in QACD. So for those who
are going through designations and delegation
reviews, you may have interactions with some new
Compliance Officers there. Cathy Brenner, is
another name that some of you may be familiar
with. Cathy ran our Inspection Branch in the National Grain Center, our Instrumentation Inspection Branch in the National Grain Center. She retired last year as well. And Mr. Jeff Vanfossan has taken her role there. And I think that's it for some of our more senior positions in FGIS where we've experienced some change.

We've got a lot of questions about when are we going to open up for business. And when can folks get back into the National Grain Center, meet with some of the staff. I want to get you the National Grain Center and meeting some of the staff. But we haven't opened it back up yet because things are still a little tenuous and we still have cases here and there. So until we get guidance from the White House that Federal Buildings can be opened up for re-engagement with public, we're just kind of holding tight. Our staff they're reporting to work in the National Grain Center. A lot of them are rotating in on schedules so just be mindful there.

And it looks like I'm talking too
much. I'm overtime already. There are other things that we can talk about. What I'll try to do is cover some of those things in our updates on recommendations. So I will pause there and I will turn it back over to Matt.

MR. KERRIGAN: Thanks Arthur. Does anybody have any, I guess, quick questions for Arthur? I'd hate to move on if there's something that's on the top of somebody's mind here. And he got off it easy that time. All right, well, we will keep pressing on here. Denise, if you'd like to talk about the financials.

MS. RUGGLES: Let me see if I can figure out how to share my screen here. Can everybody see my screen?

MR. KERRIGAN: Yes.

MS. RUGGLES: Great, thank you. Okay. So I'm going to go over the financials for FGIS and talk about our rules that we have out and also what we've published on our finances publicly on our website. So we have posted on the website, the public website, the financial
data up through second quarter for FY21. I'm also going to go over the user fee review and obligations by each account with the April numbers that we have from our status of funds plans. And then the fee reviews and the financial registers that we've had so far.

So for second quarter for fiscal year 2021, you can see that the Inspection Weighing Program has about $22.6 million of obligations so far and revenue of 20.2. Our operating reserve is around about 7.6 million. And then our official Agency Program, the obligations are at 889,0000 and then the revenues only at 474. So to bring up about that is because the fee was suspended through December 31st, of 2020. So it was just reinstated in January. And I'm going to go on and talk about the proposed rule that was out and the final rule where it's at.

And then the Rice Program just touching briefly, I know this is the Grain Committee, but the Rice Program for AMA where we are, it's about 2.9 of obligations and we brought
in about 1.4 in revenue. And the Commodity Program is about half a million and then we've brought in about 1.1 million in revenue. And I'm going to talk about the little notes about the CARES Act funding briefly when I get to those individual programs.

For a second quarter for the Inspection and Weighing Program, we break down how we're bringing our expenses or how we're accumulating our expenses by the different fees and the revenue that's brought in for those. So like the national costs is our overhead costs, and the revenues brought in from that national tonnage fee, the portion of the fee that we collect. And then the local tonnage fees for the Field Offices, and then their operating expenses for those local tonnage fees.

And then down below you'll see the section about our export hourly and Inspection Unit fees, and the costs and revenue for that, as well as the non-export hourly and inspection fees. And that covers such as the Domestic Field
Office, Appeals, Scale Testing Program, the
Expert Registration Program, and the Technology
and Science Division, the work they do on grain.

Board Appeals primarily is one of the items.

So historically, here's a picture of
the Inspection and Weighing Account. The purple
line is our export tonnage, metric tons. With
the right-hand side with the tonnage figures.

We're estimating that the tonnage this year will
be at about 140 million. And then what the costs
as of April are about 42.1 million with revenue
only bringing in about 3.4 million. So to give

you an -- to talk about that FY20 our four-and-a-
half months of operating reserve this program was
to have, was 13.4 million. When we closed the
FY20, the operating reserve was only 10 million.

So this did trigger a 5 percent fee increase,
which is the limitation we have in the rule for
increasing fees, it's like at a 5 percent maximum
increase or decrease.

The goal for 2021, end-of-year four-
and-a-half months is $15.8 million due to the
increased costs for the busier season we're having this year. The reserve balance is estimated at the end of this fiscal year at $7.3 million. So it's only going to have about two months of reserve. We have used some CARES Act funding to offset some costs that were caused due to the pandemic. Items such as travel costs that have been incurred to keep coverage and supplies for masks and hand sanitizers and things like that.

The Supervision Account, the tonnage fee is estimated to be about the same. Some of the tonnage is being shifted from the domestic market, of course, to the export market. And it's a little trickier to estimate those tons at this time. The reserve goal for '20 for the Supervision Account was $903,000 for six months of reserve. This year, the estimated amount needed is $824,000 with the estimated balance of the reserve going to be around $2 million or 14 months of reserve.

There is a rule, proposed rule that
was put out in clearance and we are working on --
in clearance is the final rule for that
formulation to make adjustments annually to bring
the reserve down to mirror the costs. So we are
working on the getting that rule out so we can
adjust those fees.

And then briefly on the Rice Account,
six months of reserve for the Rice Account was
2.9 million, at the end of FY20 was the goal.
And the goal for this year is up again, $2.9
million of operating reserve. And the estimated
balance of the reserve is going to be 4.6 million
or approximately nine months of reserve. We have
done our fee analysis and it's already been
published and I'll talk about that, it's coming
up in another slide. But the new fees have
already been projected, are already announced for
starting in October 1, of 2021. And that does
take into consideration adjusting those fees to
reduce the operating reserve.

And then the Commodity Account.
Here's the Inspection and Commodity Account and
he's about $1.2 million for a six months reserve
and that's what it was for '20 and '21. At this
time, based on information we have I and the
CARES Act funding that we have used for this
account, we are estimating we're going to have
about 169,000 or only one month of operating
reserve at the end of this year.

On the fee reviews, so the Grain
Inspection Fees were announced. Annually they're
announced with the effective date of January 1st
of each year. January 8th, we made the
announcement in the Federal Register 86, Federal
Register 1475, and we did publish a 5 percent fee
increase. If you can remember back to that
graph, I know it was really quick, as you can
see, we're not going to maintain our reserve that
we need for this program.

So we will have to have a conversation
about what we call rightsizing the fees where we
need to periodically review the fees that have
adjusted and determine what the correct fee for
those type of services. To give an example,
would be maybe Aflatoxin Services where the fees maybe are not even covering the cost of the service as well as, like, the test kit for performing that service.

The Grain Inspection fees, the proposed rule was announced in March 2nd, in Federal Register 86, Federal Register 12119. And that had the proposed rule to implement a standard formula to announce the fees each year with a January 1st, effective date. That final rule is in clearance at this time. We were hoping to have it published this month that we could have it effective this summer.

The Rice Fees, of course, as I just noted, we had our last Federal Register that had the fees that are currently published for this year. We had two consecutive 20 percent reductions for each year for the portion of FY20 and then all of '21, we had a reduction. We have announced in the Federal Register for the '22 fees was in Federal Register 86, Federal Register 20476. That does have the new fees that will go
into effect October 1st. And that uses the new formula for determining what the reserve is at, adjusting the fees based on that reserve need, and also the hourly rates. Now we have a regular rate, an overtime rate, and a holiday rate to mirror the other AMS programs, as well as contract and non-contract.

    And then a Commodity Program, we are drafting a new work-plan to adjust that commodity fees to cover the costs. And we are continuing to implement cost-saving measures where possible. We're also going to review the Co-operator Agreements that we have in place to assure that oversight fee we collect from the co-operators is appropriate for those services.

    That was a lot to go over. But is there any questions for me about the presentation?

    MR. AYERS: Denise, David Ayers, Champaign. Is it possible to get a file copy sent to the Committee so we can print it off and have it?
MS. RUGGLES: Yes, I believe Kendra --
Kendra, you are sharing that, correct, after the
meeting?

MS. KLINE: Yes, and it gets made
public. So it'll be on the public website.

MS. RUGGLES: Yes.

MR. AYERS: Thank you.

MS. RUGGLES: You're welcome. Is
there any other questions for me?

MR. KERRIGAN: Have there been any
initial discussions when you talk about the right
sizing, I mean, obviously we all see the numbers.
Costs is always a very touchy subject when it
comes to be it costs of services as it trickled
down and such. You know, on a percentage basis,
has there been anything floated, I guess, as to
what you guys would like to see knowing that 5
percent increase just went into maintain your
guys comfort cushion and the reserves?

MS. RUGGLES: We have not done a
detailed breakdown yet of the fees and what fees
would need to be adjusted yet, we have not done
that, no.

MR. KERRIGAN: Okay.

MR. NEAL: I think that was Matt, I'm not sure.

MR. KERRIGAN: Yes.

MR. NEAL: Yes. But one of the things people will have to keep in mind is that over the past, I guess four, five years, there have been constant, you know, continuous discounts to fees. So the fees have been discounted so low now, we got to re-adjust to account for just regular costs period. Because the whole intent was to use the reserves up. So it's not so much that FGIS's costs are increasing, They are increasing that's because we're moving a heck of a lot more product. But the revenue isn't where it should be because we've been discounting fees year over year over year. And so a five percent discount for, you know, to account for, I can't recall the total for sending discounts that we'd given the five percent discount. It doesn't bring fees nearly as close to what they need to be to
account for current operations.

MR. KERRIGAN: And then a little bit
different, I guess for, like, out here in the PW,
Portland Field Office, how much oversight does
FGIS have in, like, for instance all in all in
WSDA fees and how those are are rippled through
the industry. Because, you know, obviously on
our certificates there is a dual fee for the WSDA
services, but then also for the FGIS certificates
and such. Is that just part of the general
program overview or is it very interactive, I
guess, between FGIS and WSDA, for example?

MS. RUGGLES: Well, Compliance
Division does review their fee schedule that they
publish. It is reviewed by Compliance Division.
And, Arthur, I'm not sure if Compliance could
talk on how they do that analysis of those fees,
but it does include our fees and their fees.

MR. KERRIGAN: Okay. And my question,
just for clarity, does stem from, there's a lot
of the same discussions going on with WSDA
regarding fee structure because of the previous
couple of years of, you know, extremely low
volumes due to, you know, multiple factors and
things of that nature, and just trying to get
those operating reserves back up.

MR. NEAL: Yes, and I think part of
the requirements that in the review of the fees
we have to ensure that those fees are reasonable.
And I understand the position that WSDA's
probably in since like we are as we've been
trying to extend down reserves. We want to be in
a position where, you know, if we have a
situation where we're shutdown or we've got a
significant pandemic like we've had this year.
But we didn't have to tap into reserves per se to
stay in operation, but if we needed to, we would
be able to sustain service long enough for that
pandemic, whatever, to pass through.

We also want to make sure that we're
covering our costs such that we have the size of
workforce that we need to respond, nimbly to
demand. As, you know, sometimes the demand isn't
planned. It just it comes and it comes swiftly
and the request for service it comes swiftly. And we want to make sure that, you know, we've got the resources in place to ensure we've got the staff ready to go. So I understand where WSDA is with the low demand seasons and then you have a high demand season where you didn't necessarily predict, particularly through a pandemic.

A lot of other industries, they're not necessarily Ag, but in some cases, their demand went down, particularly for food, the demand increased. You know, so that's a good thing for us. And I'm sure everybody who was in a service-oriented business will be re-evaluating and looking at, you know, the cost for things. Look at what we're doing with gasoline now, that's unfortunate. But just the cost for services, we want to make sure that we are recovering the cost to provide the service that we're offering. So that's that.

MS. RUGGLES: And on that, it will take a Federal Register proposal to be able to
implement those rightsizing of fees. That's not 

--

MR. NEAL: And --

MS. RUGGLES: -- announcement.

MR. NEAL: -- nothing's going to be 

done rapidly, it'll be done in collaboration, and 

transparency with the industry. Any other 

questions for Denise? Okay. So I apologize, I 
got crossed up looking at the agenda and time. I 

wrapped up my comments sooner than I had to. So 

Denise leaves me with a little bit more time and 

I will share some more what's going on in the 

life of FGIS. We were talking about Field 

Offices. At one point, there was some 

significant work being done by Tony and his team 
in the Field Management Division particularly. 

Well, also PPMAB, Pat McCluskey and his team as 

well in partnership with the Ag Research Service. 

The wheat industry had been looking at 

trying to ship more wheat out of the Gulf and 

that's to China. And one of the tests that's 

required, the TCK test, those tests typically
take place out of the Pacific Northwest by the Wheat Marketing Center. I'm pleased to say that we have staff now trained out of our League City Field Office to perform that test for the wheat industry. So that if wheat does need to move out of the Gulf, we can take some of that burden out of the Pacific Northwest and allow it to move so through the Gulf. So we're thankful for that. That was a huge team effort between FGIS, the wheat industry and Agricultural Research Service. So tanks, Tony, for your leadership in that.

I also want to say regarding information technology and modernization, I know before I came on board, there was a lot of emphasis on, what's it called, Epic. And FGIS modernizing its ability to facilitate grading and inspection in a more streamline way using technology. A lot of things have changed, I think, since that time period. Particularly here at USDA, there's been a huge shift in its information technology staff and its structure where a lot of its now consolidated and
centralized. And it also impacts our ability to do some of the things that we need to do to continue with that type of project, that type of effort. Not only that, we want to make sure that where we are, we don't invest in areas that won't yield significant returns.

We want to make sure that whatever is invested, the industry, the staff, the program, the Agency, everyone can experience an impact or a return on that investment. And so right now we made a decision to ensure that what we have in place currently, we spend time maintaining it so that it operates well. And we'll be having more conversations internally and externally with you, our partners, around how we proceed moving forward. And there are a number of conversations that we know we need to have around forms and data collection and things like that. And so we'll be planning conversations with industry in the days of head around how we proceed collectively.

We did have an informal conversation
with the Grain Inspection Advisory Committee around technology. Not just FGIS Technology from the standpoint of its enterprise system, but also the type of grading and inspection equipment that's out in the world today. And having conversations amongst industry members about what they've seen, what they need. So we're making sure that we're in touch with those type of needs. And we're also taken them into consideration when we're having conversations with the Grain Inspection Advisory Committee as well our staff. And Dr. Jhee will have some updates around equipment.

A couple of the other updates I have will come later, but one update I do want to share with you is that there's some standards development work that's been going on out of our Field Management Division around we've opened up the standards for wheat. And so for those individuals who had interest in the wheat standards, make sure that you have an opportunity to review that call for input. We have some
other standards development work going on. Some of it's related to some of the GIAC recommendations, as a matter of fact, I might as well just go into those now.

One of the recommendations from the Grain Inspection Advisory Committee, oh, Kendra, can you pull up the recommendations for us, so everybody can follow along.

MS. KLINE: Just give me a second.

MR. NEAL: Yes, take a minute.

MS. KLINE: You guys see it okay?

MR. NEAL: It'll come in a second probably. Not yet. Here it comes. So one of the recommendations, the GIAC made was that it wanted FGIS to take steps to reconcile and consolidate instructions to ensure clear, easy to access guidance that would be basically helpful to the official system and provide more accurate, consistent autonomy service. We took this recommendation and we worked very closely with Pat McCluskey and his team, Tony, to update a number of the Grain Inspection Handbooks. So in

Those were three Inspection handbooks that we updated in 2020. They've been posted on the website and are available for use. We're continuing that process in 2021. We're going to be, I think they're working on some of the certification handbooks and a number of other items. And so Tony, if there's anything about that, in other words just an update process for 2021, you can feel free to jump in a to add any more information there.

MR. GOODEMAN: I think you covered, I think we've got, I think seven handbooks and directives last year, some or a number coming up this year. It's a continuing effort and recognize the interest in getting updated guidance out there that's easy to access. Continues to be a major priority for us. I think Arthur mentioned, the Certification Handbook.
We've got the Pea and Lentil Handbook, the Bean Handbook coming out. We've got the NRT handbook in the works. Certification being a major one, I've said that bout three times now. But, yes, still a major focus and we're receptive to feedback. We try and plan these out a couple of years in advance to try and get them on a schedule. So if there's anything that you'd like us to focus on or look at most closely we would receive that feedback.

MR. NEAL: Okay. Thanks, Tony. Part of that whole process to updating handbooks we're also taking a look at the website to see how we can cut down on some of the redundancy, organize it a little bit better. And it's tough because we're operating in a structure that was given to us from the last administration. All of the Agencies had to put their information into a certain structure and it was done corporately. So they just took the information from the old websites and they put it into an existing kind of container. And so we're trying to sort through
it to reorganize it to make it more useful to our
users and our stakeholders. So we're working on
it too and Kendra, and Shane, and Ruth, and
others are kind of leading that team up along
with Lee and and some of the folks in Policy
Branch with Pat. So I thank them for that
effort. Hopefully you'll be able to see some
improvements soon.

The next recommendation talks about
budget. The Advisory Committee recommended that
Office of Management in budget eliminate the
limitation on Inspection and Weighing Service
expenses. And if it's not possible, the
Committee recommended that $55 million limitation
only apply to grain export activities under the
provisions of the USGSA. This is ongoing
activity for us. We did have a number of
meetings internal to USDA with our Office of
Budget and Program Analysis to begin educating
our leadership regarding the $55 million cap.

And for those who are not aware of
what that means, through the appropriations
process, there's a $55 million cap that's being applied to FGIS across all of its user-fee activities. And what that means is that we cannot spend more than $55 million on all grain inspection and weighing services. The reality that we believe is that the $55 million cap, the intent was for that $55 million cap to be placed on grain inspection and weighing activities. But it's also capturing our activities under Rice and Pulses. Which sometimes puts, you know, it causes to be very, very -- we should always be very careful, deliberate, and targeted in our spending.

But sometimes it can create an unnecessary ceiling for us when we're trying to do more for Grain Inspection. So what we're trying to do is educate our leaders internally to see whether or not if we can only have that cap apply to our grain inspection and weighing activities, not are Rice and our Commodities activities under our 580 accounts. That process is ongoing. We did have some conversation with...
the Hill about it. But the process by which, you
know, they'd have to go to probably change this
would be extremely involved. So we're trying to
see if we can handle it administratively inside
of USDA versus opening up Pandora's box. So
we'll continue to provide updates on that.

The next recommendation is regarding
a systems approach or the Committee recommended
that FGIS execution of support for the USDA
soybeans systems approach should not compel a
change in US Grading Standards nor require FGIS
financial resources. To date, APHIS has
basically paid for FGIS's involvement in this
systems approach. They've been reimbursing FGIS
through a reimbursable agreement for any of our
staff time to work on this project. I think they
work until it's carried out for a third year.
And if there any other updates on that, I'll kind
of kick it to Tony because he will have the
latest on.

MR. GOODEMAN: This was a three-year
project along with it's the overall systems
approach. One component of that was a study of weed seeds a farm-gate survey that was implemented by APHIS at the state level. And FGIS had been assisting in that project by evaluating that and also by sending samples to the AMS Seed Lab in Gastonia, North Carolina. We are entering the third year of that study, the third and final year. And the actual analysis has not started yet, but the samples are all in waiting. We are not using any FGIS money for that project that is funded exclusively from APHIS. And we do have an inter-agency agreement with them to fund our portion of that study. So that's, I think that's the big update there, Arthur.

MR. NEAL: Thanks, Tony. Another recommendation from the Committee dealt with lengthening the terms of service for GIAC members. The recommendation stated that the GIAC recommends at the 2020, Reauthorization US Grain Standards Act establishes a five-year term of service for GIAC members with the utilization of
shorter terms and standard appointments. This process of appointing members serves to strengthen commitments, service established continuity, forms a collaboration, and encourage cohesiveness on the Committee. Members are eligible to serve multiple but not successive terms of the reauthorization of the 2020 USGSA extended terms service for GIAC members, the Committee recommends that the Secretary extend current GIAC members terms according to this policy.

So unfortunately, the USGSA did not get reauthorized until December 2020. By that time, we had already lost, when I say lost, some members their terms had already expired from the GIAC. However, the reauthorization did include an authorization for members to serve consecutive terms. Now, those consecutive terms are not automatic. Those members would still have to go through the nomination process for that second term. But the reauthorization does not prevent that member from serving a consecutive term
should the Secretary re-appointment them.

So their recommendation was made known
to Congress as they were considering the
reauthorization of USGSA, and they did accept it.
So you should feel good about that. Another
recommendation dealt with the review of
geographic boundaries. And it's stated that the
GIAC Committee recommends a comprehensive survey
of the market and scope of service fees in its
boundary for Official Grain Inspection Services
and the number of the official agencies.

Since FGIS was created in 1976, there
have been significant changes in the number and
operations of grain handling facilities and
official designated inspection agencies the
amount of grain and oil seeds handled and
processed within each geographic boundary and the
number of quality attributes and other quality
tests conducted by these agencies. The Advisory
Committee believes these changes in the domestic
marketplace necessitated that FGIS
comprehensively update information and data upon
which the geographic boundaries are placed.

The Reauthorization of the Grain Standards Act took this issue into account as well. And it does contain a requirement that after 18 months of the authorization, the approval of the USGSA, that we have to complete a geographic boundaries review. We've begun that review and hope that or we plan to have that review completed by, you know, early spring or mid-spring 2022. That's our goal and so we have started that process.

The next recommendation dealt with vessel storage exams and the Advisory Committee commended FGIS on its efforts to incorporate innovative technology by delivering services to her stakeholders while protecting the safety of personnel. The Committee strongly encouraged the approval and implementation of the pilot program for Barge Stowage Examinations via camera system. The Committee also recommends FGIS continuous studying its technological innovative programs for cost-saving, efficiency and operational
safety concerns as it relates to vessel storage examinations. That is UAV with our technology and/or camera when applicable. And I'm going to kick this with Tony for an update on that.

MR. GOODEMAN: Yes, so on that first about the Barge Stowage Exam with cameras, we did implement this. This was put in place via a program notice in the fall, I guess it would have been August of 2019, so that's available now. Implementation has been fairly slow, but we did also start the pandemic shortly after that. This involves a camera system. It's a site-by-site approval. There's an approval process and anybody's welcome to use this. We are definitely encouraging this for Barge Stowage Exams.

If you are a person on top of barges, could also result in lower rates long-term because it may reduce the insurance premiums paid by some of the official agencies for having more people working on barges. It is expensive. The cameras are very sophisticated. They're high-end security cameras that are needed for seeing this
far into the Barge and several thousand dollars, but not tens of thousands of dollars. So that's existing now and we're looking to continue to promote that program.

Secondly, we've got an FMD Field Management Division Project this year to look at just more of an exploratory project for Vessel Stowage Exams using cameras. And we're in the early stages of that, but we're really trying to benchmark and see what other efforts have already been conducted. What kind of regulatory restrictions there are for using drones or other cameras in the environments where we have vessel exams. We're also looking at our own workplace injuries and the cost to justify and to examine that expense, just from a safety standpoint.

So it's really early on and I would say that if anybody's got any good points to contact on this front, or anybody that really has tried this in earnest, drones or otherwise, we'd be interested in speaking with them to, again, try and get as much information as possible as we
evaluate what might be out there.

MR. NEAL: Thanks, Tony. Before we move onto the next set of updates, I want to pause here and ask the Committee if you have any questions on what we shared thus far?

MS. COOPER: I have a quick question to Tony on that last report. Did you say how long the pilot program for the Barge Stowage Exam is going to go on, and then, you know, what --

MR. GOODEMAN: Oh, yes.

MS. COOPER: -- evaluation process be?

MR. GOODEMAN: Great question. We ran the pilot program for, I think it was about 18 or 24 months, had great experience with it. And so we ended the pilot and implemented it full-scale. So the pilot is concluded and that procedure is now available to anyone that's on river barges we do allow cameras and there's an approval process. And that has been posted on our site and is publicly available.

MR. KERRIGAN: Is that both river systems, Tony, or is it only been tested on the
Ohio and Mississippi River?

MR. GOODEMAN: Just just on those river barges that are the flat bottom. We haven't looked at it for the self-unloaders out west. It's feasible. It's feasible.

MR. AYERS: Tony, David Ayers. How many cameras are in use currently?

MR. GOODEMAN: It's only a handful. I don't have the exact number, but it's a small number. I think it's less than ten still. We did start out with rail-car cameras that same way and now we have hundreds. So I mean, almost every rail-car loader is probably slow to start and then it gets momentum. And so I'm hoping that this one is similar.

MR. FRIANT: This is is Nick Friant. I'm not sure if this is a question for you, Arthur, or Tony, or someone else on the team. But on the systems approach, does FGIS have any sort of insight into who's got access to those, all the results of the analysis that's being performed? My understanding is a lot of
those samples are coming from port facilities.
So are any of those sample results being shared
back to the elevators that they come from or, you
know, any information on how those sample results
are being shared or not.

MR. GOODEMAN: That's a good question
on sharing back. I know APHIS is the point of
contact for that whole study.

MR. NEAL: Yes, Nick, I think APHIS
is, they're keeping that data on house. So it's
definitely not being shared wildly. So there
they have a PLC for the study. So probably have
to get in touch with him for that.

MR. FRIANT: Okay. Thanks.

MR. TURNIPSEED: This is Brent. I
have a question from the educational side of the
things with the website you're redoing that.
When they redo the e-learning part and maybe
they've already somehow have it where you can
download those grading tutorials where you don't
have to have an internet connection to go through
them. Could they make sure that that's possible
again? Years ago you could do that and you actually gave out the CD-ROMs of them.

MR. NEAL: Yes, Brent, I can't tell you the last time I saw a CD, man.

MR. TURNIPSEED: I don't want the CD, but I want to be able to download the tutorials.

MR. NEAL: Yes, I think the only challenge, we'll look into it. I think the challenge is I think it's almost impossible to download anything without having to have a internet connection.

MR. TURNIPSEED: Well, you have to have an internet connection to download it, but then to be able to use it without the internet connection.

MR. NEAL: Okay.

MR. TURNIPSEED: Maybe they've got that solved but --

MR. NEAL: I see what you're saying now.

MR. TURNIPSEED: Our classrooms have always had a good, strong internet connection.
MR. NEAL: Okay, we'll see, we'll take that into consideration.

MR. TURNIPSEED: So I always download other things all the time.

MR. NEAL: Got you. Any other questions or comments based on what we shared thus far? All right. Thank you for those that you did ask and we're going to move onto the next set of recommendation updates and we'll turn it to Dr. Ed. Jhee.

DR. JHEE: Good morning, good afternoon, folks. I appreciate this opportunity to provide some updates. This one, as far as HVAC, the Advisory Committee commends FGIS for researching an improved method for HVAC classification in durum wheat. The Committee recommends FGIS continues to research and develop a bleaching method to quantifying separate HVAC kernels from soft kernels of durum wheat to facilitate sub-class determinations. The Committee encourages FGIS to further investigate whether the same or similar methods can be used
to determine DHV kernels versus non-vitreous
kernels in the hard red spring wheat class.

The update to this, the bar
investigated the viability of the bleach DHV HVAC
project for about two years. During this time,
it was determined that a consensus among
inspectors could not be made on kernels that
contain high amounts of fissures or cracks.
These fissures can create an appearance in a
kernel that make it appear soft when it's
actually hard. And they're formed on hard and
semi-hard kernels due to handling. After several
attempts to gain consensus among the inspectors,
the bar decided to suspend the project and focus
its resources on the possibility of supporting
imaging technology for DHV HVAC. Kendra, you
want to go to the next one.

Mycotoxin test kits. The Advisory
Committee urges FGIS to continue to identify
causes of variation in mycotoxin testing and to
develop a comprehensive plan to address these
causes. The Committee requests FGIS to
investigate, certifying and reporting at lower levels than the current limit of quantitation and report back to the Committee. What I'll provide an update on is the mycotoxin test kit Federal Register Notice. We published this Federal Register Notice on some proposed changes to the test kit criteria back in December of 2020 with a 30-day comment period. We did extend the comment period in February of this year, which concluded around the end of March.

We're currently analyzing the comments and we'll begin formulating responses this month. Our next steps will include internal deliberation of the responses to the comments, as well as internal discussions on what our plans will be to move forward. With regards to improving accuracy among test kit users, the Technology and Science Division, we will have discussions with Field Management Division on enhancement, enhancements, excuse me, to internal quality control and training and licensing improvements.

Next topic, new devices. The Advisory
Committee appreciates FGIS's recognition of the importance of encouraging competition in the official device system. The Committee urges FGIS to develop a comprehensive and proactive approach to identifying new technology priorities that may bring improved test results, greater efficiency, and/or lower costs. The Committee recognizes that any new devices must add value to the testing system and compliant with current guidelines. We, FGIS is in the process of developing a comprehensive process for evaluating new inspection technology.

The process will include approvals for technology for the official grain inspection system. As of now, this evaluation process does not apply towards research and development efforts that are necessary before the technology is deemed fit for posts. Here are some of our initial thoughts. That the process includes an initial evaluation to determine if the manufacturer's proposal meets requirements, demonstrating clear benefits for official grain
inspection. Furthermore, we have several unanswered questions so far, and we would like to engage the GIAC on input on this process. We anticipate having a draft of the documented process for GIAC input and discussion towards the end of this summer.

Next LED. The Advisory Committee recommends FGIS continue research in the most appropriate LED lighting solution that may include overhead or task lights. TSD and FGIS collaborated with official agencies, they have Field Management divisions, DIO, Domestic Inspection Office, as well as the bar, to develop a test plan for the possible use of LED bulbs in the inspection system. We established MOUs with ten different official agencies who volunteered to participate in the study. We had 16 grain inspectors at these different official agencies provide services for us.

The selected grain samples were sent to each participating location, as well as LED lamps. There were circulated to each location as
well. The inspectors graded samples under the
LED lamps as well as the currently approved
fluorescent bulbs. Once the official agencies
completed grading of the samples, all of the
samples were sent back to the bar for final
evaluation. They've all recently completed their
evaluation. And some of our next steps include
statistical analysis of the data and then a
decision based on the results of the data
analysis on whether LED bulbs produce equivalent
results to the currently approved fluorescent
bulbs.

Okay. Next one, Kendra, mycotoxin
test kits.

MS. KLINE: That's all of them.

DR. JHEE: Okay. Got you. With that,
I'd be happy to answer any questions.

MR. KERRIGAN: Dr. Jhee, regarding the
LED lighting and technology and the assessment,
you know, one of the big issues with the
fluorescent bulbs has been acquiring them.
Especially looking to the future, I'm assuming
that that is a discussion point because if I remember right, during our last in-person meeting, there was a lot of discussions regarding the lights that were being evaluated. We still had very, very limited supply, suppliers, and with some of the different supply chain issues we're seeing just around the globe. Has there, I'm assuming that the bulbs that were analyzed were still the ones that were kind of presented to us at the last meeting or has there been the addition of potentially some other bulbs that that could have a better supply, I guess availability.

DR. JHEE: My understanding is that the bulbs that we considered to use in this pilot study or this project were actually custom-made based off the specifications that we needed in order to align both colored temperature and then the same type of -- in order to produce the same type of range as the fluorescent bulbs. So I do understand that that may end up becoming an additional cost, especially for unique production.
of these bulbs. But I think right now we have
one producer in California that supplied these
bulbs for us that were of reasonable cost. I do
know that our preference is to probably purchased
from US manufacturers. We do know that there's
some oversee bulbs as well. But that'll be, I
think, part of the decision-making process as
well.

MR. KERRIGAN: Thank you.

DR. JHEE: Sure.

MS. COOPER: Ed, I have a question.

Good morning. Back to the HVAC report that you
gave, and the decision not to move forward with
the bleaching project. Could you give us a
little bit more information about the timeline of
the imaging technology and how that will roll-
out, what that will encompass?

DR. JHEE: Sure. So imaging
technology, we are actually currently exploring a
pilot project to determine the feasibility of
imaging technology for both rice brokens as well
as DHV, HVAC in wheat. Right now, internally,
we're considering what the scope of work would be for this type of pilot project. And our current thought process is to solicit participation in the pilot via the Federal Register. All of this is preliminary if you consider the scope of these types of projects. And our current thoughts are to consider what would be the performance criteria for evaluating imaging technology.

    We need to kind of really have a good idea of what we we're looking for. Lastly, we have been engaged with USDA's Agricultural Research Service, who has been working on a project to determine vitreousness in wheat using imaging technology. However, it's our understanding of this project it's still in its infancy. So there's additional discussions that we hope to have with ARS. Anything else, if not, Arthur, back to you.

    MR. NEAL: Thanks Ed. A number months ago, last year actually, we published in the Federal Register a proposed rules. I mean, Advanced Notice of proposed rule-making for
criteria around granting the exceptions to
geographic boundaries. Can you-all hear me okay,
or is it pretty light? I see my microphone bar
is moving small, I'm trying to figure it all out.
But we appreciate those who commented. An update
on that rule-making is that we have a proposed
rule but we got feedback from our Office of
General Counsel to make some adjustments to it.

    You know, part of the recommendation
you-all made to us regarding geographic
boundaries and the review of it, that ended up
going to include it in the Reauthorization of
the Grain Standards Act. You know, we really
started asking the questions, you know, what is
this, you know, what's the impetus behind it, you
know, what are we really trying to achieve. And
I really believe that we may be getting at the
root of geographic boundary situation in the
proposed rule on exceptions to geographic
boundaries. A lot of it dealt with customer
service issues and how to get those resolved if
one does not believe they're getting timely
serviced.

And so we're looking at those issues and we'll be addressing that in the proposed rule. That proposed rule has been put back into the USDA current process. And so we hope to see it move swiftly through that process. We'll keep you updated on its whereabouts. But we hope to see it come out sometime this summer so that we can make continued progress on exceptions to geographic boundaries issue. So that that is an update that I think I failed to mention earlier. That is still related to the recommendation for FGIS to conduct this assessment or review on geographic boundaries.

So I think team, if I have forgotten to mention anything else, you know, we've got a little bit more time left. Yes, we've got a lot more time left. I will open it up for anything that you-all have to share that you think I've forgotten and for additional questions from the Committee.

MR. KERRIGAN: Anybody have any
questions for Arthur? Or any other member of the
FGIS staff that may be present? Arthur, either
everybody’s forgotten to take themselves off mute
or I think you guys have a clearance pass here.

MR. NEAL: Well, we'll keep pressing
ahead, that's for certain. And, you know, if
questions arise, please let us know. But since
we do have time, Matt, I would like to pause and
address that initial question that you asked
regarding the Secretary. And so I want to make
sure that the Committee knows when we get into
the discussion component of the agenda, we really
need to have someone responsible for capturing
those critical areas of discussion and also
helping to summarize the recommendations that
will flow from the Committee.

Getting those recommendation crafted
properly is critical. From the last meeting,
there were two recommendations. I think one was
the exceptions recommendation, and the other was
the consecutive term recommendation for the
Committee. Getting that language right, took a
while. And without having that Secretary to help us think through that process and get it all documented right so that we can share it with the Secretary, was significant.

So ask that, you know, as we have a few moments that we reconsider that. And, Matt will have to pose that question again and ask for volunteers without a Secretary volunteering, you know, I guess we can take it, but if we do it, it's really not, you know, and it's not right, kind of not our fault either because we're not the Committee, you know.

MR. KERRIGAN: Yes, you know, you know, the biggest thing here, especially for the large amount of new members on here, is that really the Secretary is just trying to document it. And especially on the Zoom, you know, it would likely be a sharing of screen of what's been typed up within comments to revise it from the whole group. It's not not solely relying on on the Secretary to craft it by themselves, for instance. So, you know, I don't want anybody
scared off by that. You know, what we're looking
for is somebody kind of volunteer here for the
next 24-hour period, I guess. And then you can
kind of, I guess, decided if you'd like to put
your name in the hat for the next round.

You know, we do have a lot of examples
from the last meeting of the previous
recommendations to go off of. I will say that,
you know, those are a big help to see how that
wording is because again, these are
recommendations to the Secretary. These are not
recommendations or telling Arthur what to do, you
know, for instance. You know, but because these
are our topics, and this is really how this
group, I guess, creates value for FGIS, you know,
it's through these formal recommendations.

So given that we're kind of at that
mark in the agenda, Arthur, I guess maybe even
though we're about 45 minutes from lunch, what do
you think about maybe taking, like, a 15-minute
break here. We want everybody kind of think
about if they'd like to assist here. And we'll
come back, because we really, it's going to be hard to move forward if we don't have one and we'll start off with that in about 15-minutes.

MR. NEAL: Sounds like a plan.

MR. KERRIGAN: Okay. So me back here, I guess it would be 9:45 my time, which is about what, 12:45 Eastern Time.

MR. NEAL: Yes.

MR. KERRIGAN: We will come back and try and resolve that.

MR. NEAL: All right.

MR. KERRIGAN: Thank you.

(Whereupon, the above-entitled matter went off the record at 12:30 p.m. and resumed at 12:49 p.m.)

MR. KERRIGAN: Okay. So kind of just getting us started back off here to the GIAC members, would anybody like to raise their hand as Acting Secretary here for the discussion here for the rest of this time and then for tomorrow?

MR. TURNIPSEED: There's nobody else.

MR. KERRIGAN: Okay. Brent sent me a
note that he would attempt to assist as Acting Secretary. So if that's okay with the group, I don't know, Arthur, Kendra, do we need to actually take a vote for an Acting Secretary or can we take it as self-nomination?

MR. NEAL: You can take a self-nomination.

MR. KERRIGAN: Okay. Brent, thank you very, very much. We're all here to kind of help. Like I said, you know, you were a part of the last one. So we'll -- hopefully the intent here with the rest of our time, we can get through the majority of our discussion today. So that way we can definitely take the time offline and such to review the wording from the previous one so we can come in tomorrow's meeting with hopefully a draft to start off with so okay. Arthur, do you have anything you want to start off with, or do you want to just get right into some of these topics?

MR. NEAL: So it's up to you. You might as well go ahead and get right into it.
MR. KERRIGAN: Okay. Nick, do you have good enough internet connection to talk about the corn borer items since that now has your name on it?

MR. FRIANT: Yes, I think so. I understand from Kendra that my voice is coming through fine. I don't know why my video isn't. It's probably this Zoom gov connection giving me fits, probably should pay more taxes or something. But yes, for sure. And if my voice does not come through very well, somebody please just stop me. So I guess Matt, just a question from a process perspective, how do we want to handle this, just an overview of the topic and --

MR. KERRIGAN: Yes, Kendra, do you have the summary write-up that you could potentially share the screen on and put up for everybody. And then maybe we'll have Nick give a brief overview to the entire group. And then with kind of, I guess if, you know, kind of where where the group is at and maybe if there's any FGIS feedback, you know, on concerns with this, I
MS. KLINE: Sure, just give me one second and I'll get it pulled up.

MR. FRIANT: I think, Matt, if it's okay with you, while Kendra's pulling that up I can start in on the overview. So the issue at hand here is hearings on Corn Borer Certification. And if folks aren't familiar with it for grain that originates east of the Rocky Mountains, corn, I should say specifically hey, that originates east of the Rocky Mountains heading west of the Rocky Mountains, particularly Arizona, California, Idaho, Nevada, New Mexico, Oregon, Texas, Utah, Washington, the grain has to be screened or scalped to over a certain size mesh to remove any cob, cobs or stalk joints that could harbor European Corn Borer. Because there's allegedly no corn borer west of the Rockies.

And what happened, and now this is getting to be a little bit of an older issue, back in 2018, as you can see here on the screen,
in about the second or third paragraph down
there. Minnesota Department of Agriculture, had
identified some grain elevators in Minnesota that
we're shipping those receiving States. And the
screening wasn't occurring as required. Either
it wasn't being done or not through the
appropriate screen sizes. And so it raised a
bunch of questions around what, well, in short,
what can be done to address it and were there
some different options to help manage it and for
the facilities, right.

So part of the part of the question at
hand is, look, if I'm operating facility and I
need to put in a screen or a scalper, to manage
this, it could be a fairly expensive costs,
right. And you can see down there in the, I
think that's not the fourth paragraph right
before the next steps. It talks about, you know,
just the equipment itself could be upwards of
$200,000 and this was, that $175,000 number was
about three years ago. So could be even more
than that today plus any of the, that's just the
cleaner, scalper equipment that doesn't include any of the additional belting or drags or facility modifications that would be needed to actually run that piece of equipment. So you can be talking several millions of dollars potentially.

And so the point of this was to say, well, what are some options that could happen here and what role could FGIS play in supporting this. And you can see in the short-term options, there was some discussion initially around, you know, was there some sort of possibility for FGIS to provide some sort of official certification where if the grain was officially sampled and inspected, now FGIS or, you know, potentially the official agencies could issue a certificate saying that no live European Corn Borers. No, pieces of cob or stalk joints that could harbor European Corn Borer were found in the sample, something along those lines.

And then another piece, and this is probably a little bit more specific to
facilities. Maybe not necessarily an FGIS opportunity, but allowing facilities instead of purchasing a brand new scalper or screener for their facility, could appropriately assign mesh screens put over the dump pit to screen the incoming loads while it was happening. So again that shorter term option probably not as applicable to this group. The question really at hand here was because of some option to work with FGIS at some sort of certification procedure or process for a short-term solution.

And then longer-term, which I think some questions in my mind, what role FGIS and the Advisory Committee has to play in this longer term option. But eliminating the quarantine program for those States west of the Rockies. Again, not sure how the Agency might be part of those discussions, but that is one of the longer term solutions from a grain handler's perspective, there's interest in exploring. So that's the Overview. You can read the full details there and I think it's also posted on the
Advisory Committee website, if I remember correctly, too.

The one other piece I wanted to share with the group on this particular issue is this, as I mentioned earlier, this topic got a whole lot of attention in 2018 when Minnesota Department of Ag found these facilities that didn't have the proper equipment or weren't properly scalping the corn. I would add just from an industry perspective, since that time, and since somebody's initial discussions occurred a couple of years ago, the issue has not been a major topic for the grain industry. We haven't heard a lot of concerns either from handlers in Minnesota, North South Dakota, Iowa, Nebraska, any states that are are heading with corn west of the Rockies.

There hasn't been a lot of attention this particular subject, so not sure, you know, how that might or might not play into any of our Advisory Committee discussions. But I did want to make sure that this group could hear that
update from grain handlers/industry perspective.
I think with that, Matt, I think I can open it up
to any questions that folks have about it or, or
comments.

MR. KERRIGAN: So I will say as an
exporter I should probably know this question,
but since it actually predates my time in the
industry and I've always known it to be an item.
This quarantine program is this a state-by-state,
is this something that was rolled out from one of
the Government Certifying Agencies? Was this due
to export on the west coast? Does anybody, I
guess, anybody shed some light, I guess, into how
this, I guess, originally started as far as, you
know, for us to kind of look at it from the, you
know, from how we get past it if it's not an
issue anymore?

MR. FRIANT: So I can certainly give
some of that answer, Matt, and absolutely welcome
others to jump in as well. Part of, you know,
part of it is, yes, it is a state-by-state
requirement. And so I know I've spent some time
along with Jess McCluer at NGFA, having some conversations with some of the various State Grain Feed Associations and looking at the actual regulations. And, yes, basically, each state has their own European Corn Borer quarantine requirements. And so it is a very, you know, state-by-state specific how they may or may not change their rules.

The other piece that you, I kind of thought you were going to include as well based on your questioning, was this balance between domestic and export. And I don't know how every state specifically manages it. I have some experience with Washington, Oregon, and California, where generally speaking, and I don't mean all the time, but consignments destined for export don't necessarily have to have this what's referred to as a Corn Borer Cert.

So movements that are just in transit and are going from the train through the facility to the vessel, oftentimes, it's not required and/or facilities are not getting the Corn Borer
Cert for those shipments. So that's I guess my
high-level understanding of it. If anybody else
wants to jumping in that conversation?

MR. SINNER: Nick, this is Bob Sinner.

That was a question that I had as well is if
you're bridging these states for export, it
wouldn't apply. But the question I have is on
the certification program. Who's doing the
certification? I'm assuming that FGIS is not
involved in that. Is that all through the
Department of Ag of each state. And then,
because it would seem to me that if the group
wanted to endorse the idea that FGIS be
responsible for some sort of a certification on
that particular shipment that one or the other
could apply.

MR. FRIANT: Yes, so your first
question is a really good one. And based on my
understanding of it, it's usually the State
Department of Ag, yes. There's various, my
experience is there's kind of some various
different ways, right. So the Minnesota
Department of Ag example, they had the particular branch and I don't remember the particular branch off the top of my mind. But they had some stuff changed in their Department where they started sending a number of people, inspectors out, to check these scalpers or screening systems that locations had.

I know some other states like Nebraska, it's more of a, it's almost like a survey that they send out. And then the facilities have to have someone inspect their screens. So it is a little bit of a patchwork in the origin states on how it's managed and who certifies it, and who issues the Corn Borer Certificates. I know, I think if my memory serves correctly, in some states it might be and I don't know, Matt can, if or Arthur, can we leverage some members of the public that are on the call and in my case, particularly if if possible, I'd like to leverage Jess McCluer with NGFA since he's helped with this, if he's back on.
Or I think some of the States, it might be the official agencies that provide some sort of a certificate that they know the grain was scalped during loading. So I guess I say all that to say the origin states is as much of a patchwork of regulations and process as the destination states are.

MR. WILLIAMS: Hey, Nick, this is Jimmy Williams. You know, I can only speak for Missouri, but I know working for the Missouri Department of Ag that our State Entomologist is the key person who is responsible for making sure facilities in the State of Missouri are certified. And that certification process, I mean, from what I understand, they will send an inspector to that facility once a year and they'll look at the screens and, you know, I don't know, do whatever they do. And one time a year and then they get a piece of paper saying that, you know, that they're certified.

So, you know, that's how it's done in the state of Missouri. But it seems to me that
the folks that definitely ought to be involved in this conversation would be the folks at APHIS. Because if you've got a patchwork of rules and regulations, you know, with the western states, you know, it seems to me that the entity that can bring all of them together would be APHIS. You know, if this is no longer a problem, I would think APHIS could play a huge role in helping make this go away.

MR. KERRIGAN: I don't know. Tony Goodeman, are you able to comment at all on on what the Field Ops in those various states are doing or not doing, I guess, from the FGIS perspective.

MR. GOODEMAN: Yes, I remember when this first came up back in 2018, it was summertime and I was in Ohio, on leave, great State of Ohio. And a message came in, and I said corn borer, like, of all the things, like, you know, we don't deal really with corn borer, hadn't heard about it, maybe except in passing. And I guess I had some extended family around
that were corn farmers, I said, do you guys deal
with the corn borer still. And they said, no, I
thought that was gone years ago with Bt Corn,
that was a thing of the past.

And so yes, looked into it more and it
is a state-specific program. This is the western
states that require, that have the quarantine
unless there's that certification. So we aren't
really involved in it, no. It is definitely a
fiber sanitary type issue. There is, I do want
to offer and be upfront, that there is, like, we
can measure things pretty easily. We can look
for, you know, insects pretty easily if they're
identifiable, you know, if we don't need to send
them off to to an expert.

So if somebody needed to know if there
was pieces of corn cobs or stalk that were of a
certain measurement, it's feasible that we could
set up something like that, you know, with the
statement to either put on a letterhead or or
something to talk about any findings of cobs or
stalks, but we don't want to go down that road.
And one of the reasons that we're looking for the Committee is feedback. If it doesn't mean anything to the receiving state, you know, it might be all well and good to have this. But if it's not going to be acceptable by those western states, then it's kind of all for -- or if it's not used or acceptable by the origin states for those programs to issue that certificate. So I do want to throw that out there. We can measure things as long as it's pretty prescriptive and easy to do. We could look for live insects if they were easily identifiable. But that's as far as her involvement, right now.

MR. KERRIGAN: And --

MR. ENGEL: This --

MR. KERRIGAN: I'm sorry.

MR. ENGEL: This is Curt.


MR. ENGEL: Well, this is Curt. As someone who's been doing this for a really,
really long time, you know, this is a quarantine issue, not an inspection issue. And I believe the background to all of this quarantine activity over time is this goes back to when corn was shelled by shellers. And the cobs were broken up in very large chunks and the stalks and that kind of thing. And all of that ended up being shipped. Quite frankly, I believe in boxcars. And there was active corn borer. There were corn borer activity that did end up making it to the feeders and consumers of corn on the west coast and the mountain states.

You know, the physicality of scalping all of this product particularly is very large train loading installations. I mean these scalpers are enormous, and they're incredibly expensive. And to be able to go at speed, you know, if you're loading a train at 50, 60, 70,000 bushels an hour, this equipment is incredibly large and it's hard to get it in the grain mainstream without, you know, doubling, well Nick was trying to refer to earlier, double and triple
elevating all of the product. You know, there
was some comments about putting screen over the
dump pits that would be sufficient to do the
scalping exercise.

Well, as I understand it, its half-inch square screen is the standard for knocking
out the cobs and stalks that would be harborages
for European Corn Borer. You know, I've never
seen one and I've been in and around loading a
lot of corn trains. So I think the quarantine
piece could be, I don't know how to say this
correctly, but I think this Advisory group could
recommend some kind of action to end this
quarantine corn situation in the states where
this corn's being shipped.

But I couldn't begin to think of how
FGIS could influence whether or not the corn
scalping activity was being done or not being
done, and have a validity to a statement of that
mixture without being included in the
accountability for that. And one other comment,
everywhere I've ever been involved in this, it
was the State Boards of Agriculture, in one manner or another, who were the certifying agents for all of this scalping capacity. And I'll be quiet now.

MR. MCCLUER: Chairman Kerrigan, this is Jess McCluer. I just was going to, I mean, I know there may be others that may have comments, but I'd be happy to, you know, add to what Nick was saying earlier if no one else has anything else to add.

MR. KERRIGAN: Any other GIAC members have any comments or current questions before let other members speak from the public?

MS. COOPER: Yes, this is Janice. Just a couple of thoughts. It sounds like if the issue is not related to exports, then that might indicate maybe it's not a primary role or inappropriate role for FGIS. And someone mentioned that APHIS would be a more appropriate entity to get involved. It also sounds like this is a state issue. So I would hesitate to put the Committee on record on this particular issue
unless somebody showed that there was an
appropriate role.

I know that our Charter is to advise
the Secretary. But I think it's really focused
on FGIS activities. So that would just, that's
based, I don't know a lot about it, but it's
based on the discussions so far, that would be my
reaction. But Jess, you may be able to educate
us as to why it is a concern for this Committee.
So I'll drop off.

MR. FRIANT: Well, and this is Nick.
I'll add part of the reason because I was
involved in this when it came up originally in
2018. Outside the Advisory Committee, part of
the reasoning behind potential thoughts for FGIS
was an alternative to get a certificate rather
than having to install the equipment and some of
the stuff that we heard from handlers was, you
know, if we can have some sort of official
certificate that would be accepted that might
eliminate this need for the equipment. But Tony,
you raised a phenomenal point that no guarantee
that the destination states would even be accepting of an FGIS certificate certifying, you know, no live insect and no FM above a certain size. So that's where I think there could be some potential FGIS involvement. But I think you're raising a good point, Janice, that is this really the right forum or not. And I think that's why we should be having -- that's the exact discussion we should be having here because it may not be the right forum anymore.

MR. MCCLUER: And Nick, is there anyone else, Matt, that, or --

MR. KERRIGAN: Go ahead, Jess.

MR. MCCLUER: Okay. So for those don't know me, my name is Jess McCluer, I'm with the National Grain and Feed Association. I know many of you that are on the call. But Nick had referenced me and the Association. We had obviously been very involved in this with the Minnesota Grain and Feed Association. And just a little background on this, I can tell you that it has primarily been the State of Minnesota and the
Minnesota Department of Ag that has been very involved and really pushing this issue. And when we had discussions with our other NGFA State affiliates in California, Texas, Washington State, Nick, correct me if I'm wrong, but it was difficult finding staff at those levels within those Department of Ags that were very familiar with this. It was not a priority issue.

Okay. And I think from the Minnesota Department of Ag standpoint, there was some other issues, I think, leading to them pushing this. And some of you may remember there was an issue of several years ago that came up in Minnesota with a general manager of a co-op that had been embezzling some funds. And it was a very controversial issue and I think that led to a lot of the increased inspection and enforcement of this based on what happened there.

So as Nick was saying, this issue initially came up, we had discussions with FGIS about this. We had a joint NGFA NAEGA Committee Meeting and Austin right before the lockdown when
this issue came up and these proposals that Nick was mentioning. And then of course, with the lockdown, everything was tabled. And thought this would be an opportunity to raise it with the Advisory Committee. But in the meantime, since this discussion began, it has been very quiet. There has been really no activity. No, I would say this issue is not been raised by a member or by the Minnesota Department of Ag.

And so in that sense, along what Janice said, you know, it might be, you know, obviously it's the Advisory Committee's decision, but, you know, something to consider would be maybe this might want to table this for now until there is any further development that may need input or advice by the Committee on this. And obviously, if there is any new development that's something that Nick, or other members might provide input. The only other thing I would just add to that, it's something that might be very helpful in line was what I believe Curt had said, is that, you know, something to consider as far
as this, you know, obviously this corn borer issue is still out there.

I mean, these rules are still required, but maybe something to help, I would say that would strengthen the case in repealing these requirements might be a study to show that the corn borer issue, and a study by a university, or a study by an agency having the data to show that this is no longer the issue that it was 20 years ago. And I think having that type of data available might further strengthen the push to maybe eliminate the requirements. So that's just further background information on the issue. So Nick, I don't know if there's any anything else to add to that or hopefully I was on track.

MR. FRIANT: Yes, no, nothing else from my perspective.

MR. KERRIGAN: Okay. Just a quick question for you just because you mentioned obviously, that NGFA, they get involved back in 2018, to a certain degree and obviously has, I
don't want to say a loose or affiliation but a
ability to work with the various State agencies
and such, you know, where we're in this
discussion about FGIS. Is it NGFA's current
position that it's kind of let sleeping dogs lie
since it hasn't come up again or are you guys
actively thinking about pursuing that, I guess
from the Trade Association standpoint?

MR. MCCLUER: From the Trade
Association standpoint, this is, I would say, we
are on the let sleeping dogs lie standpoint. We
have reached out to our State affiliate, the
Minnesota Grain and Feed Association, and we
haven't really heard anything back from them
about this. They were the ones that initially
raised the issue. They made a presentation to
our Grain Grades and Weights Committee about this
issue. We started working with them on putting
together this material, reaching out to FGIS.
And it has been very quiet since. And so since
it's been quiet, in light of everything else that
we're dealing with, this does not seem to be a
priority. So we would just let it -- from an
Association standpoint, we're going to let it sit
until there's any further development.

    MR. KERRIGAN: Okay.

    MR. MCCLUER: Okay. Is that correct
Nick, you're the Chairman of the Committee, I
want to make sure.

    MR. FRIANT: Yes. No, I would agree
with that position from the Association. So I
guess Matt, my question back to the Committee is,
what is do we have a procedural steps that we say
that we're just going to table it or we just --
how do we handle it from this current
perspective?

    MR. KERRIGAN: Well, so from a
procedural standpoint, I mean, it's a discussion
item, you know. And out of that discussion and
we can put it back on the agenda for future
meeting. We can try and come to an agreement
to make a recommendation to the Secretary. Or,
we can have the discussion and we can move on is
kind of the three options. You know, there's
nothing that says that we have to have a
recommendation. You know, this was a requested
topic to discuss. You know, we don't have to, if
the entire Committee, you know, feels that the
correct approach is to let it be, then that's the
the Committee's decision.

I did want to follow up here, I guess
one of the benefits of Zoom, while there's not
that many of them, is I was able to reach out to
one of our head traders and he has confirmed that
the co bo certificates are only needed for
domestic markets from their perspective. While
we get all of them from an export standpoint,
because we don't always differentiate or IP
what's going to domestic or export, it's not
currently a requirement for export in general.
So just to confirm that I realized that, you
know, that's one exporting company on the west
coast and not trying to speak for everybody by
any means, but that has been our experience so
far.

So I guess for the Committee, my only
kind of question is, you know, it could be an
APHIS, it could be a Department of Ag, for the
individual states, you know, what does the
Committee think about, you know, while -- all
right, Arthur, you have your hand up. I just
happen to see your hand, Arthur, do you have
something to add to this?

Maybe, maybe not. Okay. You know, as
far as the Committee's concerned, you know, while
there are obviously, you know, a lot of various
government agencies that, you know, if we wanted
to, I guess make a recommendation that the
recommendation for FGIS is likely not to take
direct action, but it could always be to interact
with the other agencies. Again, it is also with
the Secretary to potentially reach out, you know,
again for that APHIS group as well. Or if it's
the individual states, again, I agree with the
group that from my standpoint, I don't know that
that's a whole lot of, you know, of action from
recommendation. It looks like we have a couple
of questions out there. I apologize how I've got
my screen, I'm not seeing all of them. Brent, do you have a question?

MR. TURNIPSEED: Well, one thing I just want to mention, I work at a university and I hear the talk about the corn borers and everything from our entomologist. The issue will go away for a while, but it's going to come back probably because I hear from farmers, they don't want to buy the Bt Corn now, pay that extra because it's so expensive. Because they don't have any problems with the borers. So some of them are going back to planting non Bt corn until the problem increases again. And then they'll swap back. So this is not going to go away. So I don't think, I hate to see us, I think it's more of an APHIS issue as well, as along with Janice there. That's just my two cents on it.

MR. KERRIGAN: No, that's a great feedback there, Brent, on that, from a different perspective. Any other comments or questions or discussion on this?

MR. NEAL: Hey, Matt, this is Arthur.
Sorry, I faked you-all out with the raised hand, my connection dropped. I just want to provide some clarity to on today's agenda talking about discussing these issues. You-all don't have to take them up for recommendation today because that's on the agenda for tomorrow. And so you can decide tomorrow whether or not you want to table them.

MR. KERRIGAN: Okay. Arthur, can you maybe shed a little bit of light, I guess for discussion purposes regarding, and really kind of thinking about the intent of the group, you know, to the Secretary while obviously our primary liaison, you know, it's with yourself and the FGIS, you know, group and such. And it actually, it looks like Jimmy Williams actually just kind of posted up everybody regarding your guys interaction with APHIS. Can you describe kind of how that is or if there was to be a question to reach out to APHIS. So what that could look like or how that interaction could happen?

MR. NEAL: Yes, I mean, jimmy Williams
hit it. You-all could make that recommendation that, you know, FGIS reach out to APHIS to help facilitate conversation with industry around this issue to see, you know, what steps would be taken to address the patchwork effect that could work. I mean it's going to the Secretary and so we can definitely convey that message Aphis and FGIS or AMS, we're under the same umbrella Marketing Regulatory Programs. We have the same Under Secretary, Deputy Under Secretary. And so we can definitely convey that recommendation to the Secretary and to our Under Secretary. So it's not in vein.

MR. KERRIGAN: Understood. Thank you.

MR. NEAL: Yes.

MR. KERRIGAN: Any other discussion from the group while we're actually in the middle of discussions here. Okay. I just happened to notice, looking at the time here, and I apologize because I am on a three-hour different time zone than everybody else. It looks like it appears to be 1:25 Eastern Time and we have scheduled lunch
for 1:15. If there's no other discussion on corn borer, it could be my recommendation here that we would take a break for lunch and then come back to hit the other topics. Again, that's assuming that that are current corn borer discussion has been exhausted. Is there anybody else from the GIAC that has anything that they'd like to share or add to this discussion? Okay. Arthur, I'm not hearing anything so I'm going to recommend that we take a one-hour, we're a little bit ahead given that the corn borer is discussion appears to be at through. So let's come back at, you want to say 2:25. Okay. We'll see everybody in an hour. Thank you.

(Whereupon, the above-entitled matter went off the record at 1:26 p.m. and resumed at 2:26 p.m.)

MR. KERRIGAN: All right, I'm seeing 58 people. We definitely had some some that have dropped off that joined back again. Given that I'm not seen a lot of videos. A few more people popping in. It is 12:25 Eastern Time or 12:27
Eastern Time. And I feel like my grandma right now, I'm trying to figure out what time it is for everybody, but I don't know. Does anybody have any comments on anything that we've discussed this morning, whether it be any of the FGIS, you know, item or updates, the previous GIAC topics that had been talked about, you know, recommendations in the past that we've got an update on or the corn borer topic?

MR. NEAL: Hey, Matt, this is Arthur. I did seek some clarity on the corn borer topic and I'm corrected in that the GIAC should not take a formal action on it as it does not pertain to issues that fall under the scope of the USGSA. However, you know, a letter can be submitted to FGIS asking us to help facilitate a meeting, you know, by the industry, you know, with APHIS.

MR. KERRIGAN: Okay. That is very good information to know, I appreciate that Arthur.

MS. COOPER: I have a question about some of the recommendations from the last meeting
in 2019. I see there was a hemp rule-making item. Were you going to report on that?

MR. NEAL: Was not taken up as a formal, it was a recommendation, but we're not, because it does not fall under USGSA, we don't have anything to report out on it. It was us bringing AMS to the table to update the GIAC on AMS's rule-making activities pertaining to hemp.

MS. COOPER: Thank you.

MR. KERRIGAN: Anything else from the group? Okay. Hearing nothing, if we can, let's keep moving on, on the agenda items for the discussion. Next one I see there is, Average Inspection Flexibilities. If Kendra is able to put that write-up up on screen, that'd be great. If not, everybody should have received a copy of it already. I'm going to take the lead on this one as it was submitted by me. I've had discussions with with a couple of the GIAC members and hopefully everybody has had a time to take a look at this.

But essentially we'd run into a
situation where our export customers, usually and
most typically on the wheat, are asking for very
specific tolerances and grade factors that not
all of them are, I guess, are being governed,
governs not the proper word there, but not being
watched by FGIS. And so in the example, the
second one there is a customer will ask for a
protein average of 14.0 or more. But there will
also be a requirement that each sublot has to be
a minimum of 13.8. Again, every, you know,
different grade factor here has different reasons
why the FGIS is only looking at one factor or the
other.

But that 13.8 minimum per sublot is in
the elevator, the loading facility's
responsibility under a, quote unquote, elevator
instruction on the load order. Which then, you
know, requires the shipper to provide that
documentation, as well as self-manage, you know,
should we still fall within the actual 14.0
average at the end of the lot, with a sublot fall
below 13.7, the actual grade certificate issued
by FGIS, you know, will show that it met all the
requirements. You know, however, if there was
one that fell below 13.8, the loading elevator
would have to EER it. There's no ability for re-
inspections or anything of that nature.

Again, this is giving the example,
just asking for, as this kind of request, because
these are all factors that are currently being
graded by FGIS. And it's more in the application
of how that grade is issued. And so, you know,
my I guess, request and proposal is kind of a
discussion regarding the utilization of the of
the elevator instruction piece, you know, versus
if those can be incorporated to the actual FGIS
certificate and graded. John, I believed you had
her hand up?

MR. LINDGREN: Yes, Matt, my
understanding was the 13.8 for each subplot is
required by WSDA to follow. So you couldn't put
a 13.7 on board, it would be a material portion.
The average is what we show as what is the
responsibility of the loading elevator. Anything
the average is our responsibility, but that minimum, 13.8 per sublot, we've been instructed that WSDA will lower that.

MR. KERRIGAN: So they will do it either way. You can either state on the load order that you want an average of 14.0, and then the elevator instruction is the minimum of 13.8, or they will look at the 13.8 and then it's our responsibility to do the 14.0 at the end. The key piece here is that there's no meshing of a min-max in an average on the same load order peaks.

MR. LINDGREN: Okay.

MR. KERRIGAN: So yes, and so that seed damage, that's protein. Those were the two examples that come up, I feel like, quite a bit for us. There's also the typical one on Western and club pits because of how some of those requests one a specific level of club which is either above or below but before the opposing into a different classification. So kind of the question is, is really from the FGIS a handbook
side, I guess, you know, is there or what are the limitations regarding mixing some of these to kind of help us watch and market this, you know, these load orders and grain that we're selling for our customers. What does that mean from that application standpoint, from the FGIS standpoint. And, you know, one of the thoughts are, as far as, you know, could we get some mixture of it to help manage that. John, do you have something else there too?

MR. LINDGREN: No, I just think I just haven't put my hand down.

MR. KERRIGAN: Okay. So I don't know if Tony or even on the standards standpoint, I believe it was that Pat, Arthur, from your side that may be able to speak? I don't know if you guys have have taken a chance to kind of consider this, think about it, or maybe educate me a little bit.

MR. GOODEMAN: I'm happy to speak to it. This is average quality right after lunch, get your popcorn ready. This is inspection
plans, this is tolerances. So this is exciting stuff here.

MR. KERRIGAN: Hey man, it's day in, day out, for us.

MR. GOODEMAN: Right, oh, I know. I said it halfway in jest, but really, it is really the bread and butter of exporters trying to meet requirements. Okay. So just for an overview. Generally, we have a couple of inspection options when you're loading a vessel. In one hand I'll certify it as one lot, you can do CUSUM which is the traditional loading plan and that's intended to achieve a set minimum, at a minimum quality throughout that lot. And there's a lot of restrictions on that. You can go a little bit over on certain factors, but in general, there's not much leeway there. We have average quality, which is become more and more popular, especially in corn and soybeans. I don't know if we put out exactly what percentage of lots go to, I don't think that's sort of public, but its popular. And then we've also got no sublot to exceed.
Now, what we typically will come across is applicants that want the best of both worlds. They want to say average quality, so they've got full leeway to load almost anything. And as long as the average works out at the end, they're in good shape. I know Arthur's entertained, and I'm glad I'm entertaining Arthur, get the hand motions going. So average quality is very, generally speaking, very shipper-friendly. Now I guess the buyer might get a better price on that, so maybe it's, it's friendly for everybody. But generally, if you want, if you get a loader for US number 2, about our yellow soybeans, you can have FM anywhere from zero up to several percent, as long as the average works out in the end, lot of flexibility.

Now what shippers will sometimes ask for and try to get the best of both worlds, they want the ability to blend wherever they want, but they also want a re-inspection on the stuff that goes over, from things that are -- and we have, as our policy, if it's average quality, if it
meets, if it's good according to the inspection plan which for average quality, almost everything is, then it's not eligible for a re-inspection. And so that's one angle that we work in our instructions to try and address. That's why we say, that if you've got average quality, if it's accepted by the plan, you're not eligible for re-inspection. If you want to have some kind of a self-imposed limit, that's fine. But the elevator responsible for maintaining that.

We're happy to maintain it as like a no sublot to exceed or some type of a set value with use intolerances. But if you want the benefit of the average you can have those peaks and valleys, then you can maintain any of the self-imposed limits. Now, the items on this sheet here are actually more restrictive than some of these sort of things. It's actually not, I think when his first came across, we're expecting, you know, something that we see, you know, a lot of times. This is actually more restrictive --
MR. KERRIGAN: Correct.

MR. GOODEMAN: -- so I do think there might be some options here for the heat damage. You know, the heat damage is more complicated one because I think that I think the grade limit for number, we just went over this yesterday in preparation and the bullets are escaping me, I don't want to misquote the standard, the grade chart. But you could ask for a maximum per sublot, you know, no sublot to exceed and then it's on you to maintain that average. Kind of like what John was saying one or the other. The protein average is interesting. I'm wondering if there's something we couldn't do within the CUSUM to tighten the tolerance of what would, you know, exceed a break point. Because again, if you asked for you, if you just asked for a 14.0 on CUSUM, I think you'd have, or looking yesterday, about five tens to play with. You can have a sublot that was 13.5 as long as you brought it back and the average worked out at the end, you could potentially have that.
I'm trying to think if there might be some options to reduce our CUSUM tolerances if the applicant requested something like that. And then with the white club, that's an interesting going to it is correct that we do not allow kind of grain or class or subclass except where it's a specific reading factor to be averaged. The reason being we didn't want to have corn going into soybeans in the last, you know, sublot or having all the, you know, the white club, you know, being put or or subtracted in various points. We do have some parameters in place trying to, you know, maintain the integrity of the shipments to a degree. But the --

MR. KERRIGAN: So for clarity on this, these are specific trade terms that our customers have versus from us. So yes, I 100 percent agree that these are more restrictive. And so from a shipper standpoint, we're not trying to get additional flexibility. We're just trying to get the assistance --

MR. GOODEMAN: Right.
MR. KERRIGAN: -- in keeping with what we sold, I guess.

MR. GOODEMAN: Yes, and one thing I think is maybe stated here, maybe we had it in conversations previously, was just some assistance in flagging sublots that don't meet these criteria. From our standpoint, our primary concern is if it's eligible for a re-inspection or not. If it's not eligible for re-inspection, you just want us to have it show up red on the log so that somebody hasn't loaded aboard by mistake. There might be some options there, might require some development work. I don't know. Our expert on that, Lee Capper might be able to share how cumbersome that would be. But in general, like for us to have it wide, you know, more as a safeguard might be possible. Again, so long as it's not eligible for a re-inspection because that make sure --

MR. KERRIGAN: So how this initially started, was about 18 months ago, I guess, when we first started talking about this. You know,
it was really I thought this was going to be a technology piece in the flagging. Yes, but my request is not so much focused on the re-inspection piece. It's more about having assistance because of how most exporters, you know, have a duplicate screen available, you know, with each sublot coming up with the grades and everything's green or gray or red, right. And if, you know, as we're doing various lots and and again, moving the tonnage per hour we are, if we're, you know, those operators they're seeing green --

    MR. GOODEMAN: Green means go.

    MR. KERRIGAN: Green means go, but then also from, you know, from, in our case WSDA standpoint, it releases the interlocks to allow us to load it.

    MR. GOODEMAN: Okay.

    MR. KERRIGAN: And so then if there's a mistake made and everything's loaded and we show it to the buyer and he says, hey, you missed this, then there's usually one or two options.
One of them, which is, is a monetary compensation to the buyer.

MR. GOODEMAN: Right.

MR. KERRIGAN: But depending on the buyer, it could mean unloading that entire lot of that vessel and starting over again. So that's really our concern is, at least, you know, from my perspective, is the flagging portion of it to help watch it because we've gotten caught or some of us had been caught or very close to being caught of not watching it because we're seeing all those greens and we're so used to the system and how it works.

MR. GOODEMAN: Right.

MR. KERRIGAN: And that when we put it in the elevator instruction, it's you know, it is solely on us. And we understand that. I think what I'm asking for is just can we get some assistance because we're relying on your guys grade and program to help moderate this?

MR. GOODEMAN: Yes, that's a great question. And then with the white club, the not
less than 25 percent average. There are some
options there, but probably would likely include
putting that on the CUSUM for 25 percent then it
kind of limits the flexibility you'd have to go
really low. Like you wouldn't be able to put on
I think you'd have several percent to work with,
but probably couldn't put on, you know, even
something that met western white, you'd need to
put on a sublot of 10 percent probably be so far
below that 25 percent on the CUSUM, that would
probably kick it out.

MR. KERRIGAN: And so with at grading
of obviously CUSUM to average, you know, I
understand it's about trying to find that piece
in there, but it's really it's those trigger
points that are customers are looking for in a
phrasing. Well, yes, it would be nice to if, you
know, if everything handled like corn and beans,
let's face at right. But they do tend to get
very, very specific. And especially again, I use
wheat as an example because there are just so
many grade factors that are traded on, you know,
instead of just a number one, two, or three, right?

MR. GOODEMAN: Right.

MR. KERRIGAN: Does anybody else from the GIAC, I guess, have any comments on this? Either from, John, if you have any more comments that maybe I have misrepresented or maybe haven't. Any examples that you're aware of that this could be beneficial, that we want to get out there?

MR. LINDGREN: Well, I think in the end, what this average comes down to versus the things that are allowed in the CUSUM plan or the no sublot to exceed or below, it does come down to, like, Tony's mentioning, whether it's an ability to do a re-inspection or not. Because the example you just used with club, you only get 5 percent on club. So you were to put a minimum, you know, if you'd use a CUSUM plan on a 25 percent, you can put anything but 20 on board.

MR. KERRIGAN: Right.

MR. LINDGREN: And then it's some of
those that are so subjective, that's where the
challenge lies. And getting DHV picks or club
picks, which are the ones that we're talking
about on class where you can't average, you know,
below a class and things like that that are the
challenge. But I don't know, there seems to be a
lot of discrepancy on how the load orders need to
be written to meet what our customers are asking
for and what FGIS can issue load orders as. The
difference between the average and minimum or
maximum, you know, soon as they see the word
average, you throw out anything with min-max and
it becomes the elevator's responsibility.

To your point, we, as well, you have
been right on that cusp of whether or not you put
something aboard that's not in a, like grade, you
know, when we're trying to track it. And the
responsibility is solely on the elevator. So if
there is a system that can flag instead of the
green to go, or allowing it to go, make sure that
the communication is there of where you're at
with your average, that's self-imposed. CUSUM, I
think is pretty straightforward or the no min or max, you know, per sublot. But it's when you get into these averages that the challenge is there.

Even as Tony, I'm sure you're aware, and Matt, you can even have the CUSUM plan. And with some of these lots that we do, you're within the CUSUM plan, but it's not a material portion. And it doesn't make grade and there's no reports for the elevator to even do a re-inspection because it's not a material portion. I think one thing somehow to, and I know this was clear back to long time ago when I first started, material portions used to be anything that was in that CUSUM plan you you could re-inspect the sublot. Didn't necessarily have to be the one that kicked it over. It could've been anything that's involved in that sublot or in that material portion range.

That's being said, I think from the export standpoint, I know they would like to have more flexibility on possibly re-inspecting things that are subjective, the club picks, when it's an
average and you get below a certain point. I don't know. I don't know that we can get there because that's basically it's the plan that FGIS has. And just that it's becoming more and more difficult to meet the customers' needs on what they want and to try to line it up with what FGIS load orders need to read. So all this being said, I don't know that there's a great solution because what's currently there. I think we understand but we were just looking for some help to avoid a disaster. But I know it's our responsibility to do so.

And I don't know if we can only ask for, in our case, you know, Matt and mine, WSDA and other locations that have FGIS, their aid in making sure that we know where we're at, ten minutes accurate. We at United Grain actually don't have a slave monitor that has that green to go. We are relying on communication in a different fashion from that. I don't know, Tony, whatever, you know, we're just looking for a little more guidance on what we can do to help
facilitate the loading of these crazy load orders
that we get all the time and they, they're
becoming more and more challenging.

MR. GOODEMAN: Right.

MR. LINDGREN: I mean, a customer
that's going, well, I need this, this, this,
this, and we can't even meet some of that so --

MR. GOODEMAN: I'd be curious what
options we have internally with our own software
that we use, the Inspection Testing and Weighing
Application in FGIS for any kind of flags and
what that might look like for us, I don't know if
that's easy or hard. From a policy standpoint,
we talk about, you know, some of the subjective
factors, or even some of the other tests. I
imagine from the shipper's standpoint, you'd want
to re-check the ones that you thought might be
too high or too low but without those set
criteria.

You know, like for example, what would
the buyer want to be re-checking again, you know,
one that might have been really high or really
low, you know, and their viewpoint. So if you've
got to average, you're cherry picking the ones
that you want to have checked again and then
including those all on the average and not re-
inspecting everything else. A little bit
debatable there without, you know, the confines
of a set loading claim like the CUSUM plan.

I would also add that, you know,
certificates don't look any different. We do
CUSUM, we do average quality. The certificate is
the same and I think that's something, you know,
whenever we're looking at, whenever a policy
group whenever we look with the Field Office, we
want to make sure that certificate tells an
accurate story. And if we further water down
what that average quality could be, and then
allow further options for re-inspections of ones
that are selected by the shipper only, I think it
would dilute, I've concerns about diluting, you
know, what, that certificate says, just in
general with an average quality.

MR. KERRIGAN: I know that the grade
log gets sent on many, if not all of the
shipments to our customers --

MR. GOODEMAN: Sure.

MR. KERRIGAN: -- and that they're
probably looking at that more from their
standpoint where the certificate is more for the
financial side, frankly, of who's getting paid
and banking and such.

MR. GOODEMAN: Yes, that's noted.

MR. KERRIGAN: So, you know, without
trying to make this, you know, overly
complicated, given that the original intent was
some sort of flag in the system --

MR. GOODEMAN: Yes.

MR. KERRIGAN: -- what, in your eyes,
you know, what can we ask you to do. Obviously,
you've got some background work, you know, what
do you think is even feasible, I guess, from the
flagging side or maybe because, you know, what I
don't want to do is, is say that we need to open
up every handbook.

MR. GOODEMAN: Right.
MR. KERRIGAN: And change this because the items in red, I believe were sent back to me from WSDA when I passed this along to them and that was their response and reasoning for why they weren't. And so that's my concern, is it a handbook issue or do we think that it's a technology issue in that program, or possibly both, I guess.

MR. GOODEMAN: Yes, I would say I would say just, you know, my initial response will be both. That because typically when we flag something, it's either in-process, it's green, which means that it met the loading plan or its red like is rejected and you have some options to either re-inspect it or reject it. You know, it's pretty confined. So it's, I'm not committing or promising anything, but it is feasible. I mean, it sounds, you know reasonable. This request sounds reasonable to look at.

Policy options just for some kind of a flag just so everybody, you know, so it doesn't
get loaded. But not allowing the re-inspection necessarily. But then of course, that would require some type of an update. And that is the part that I'm not sure if that's really easy to do or really complex. You know, if some people spend a couple of days working on it or this is like a big, big, big overhaul.

MR. KERRIGAN: Well, nothing simple and in the systems, right. You know, but that's kind of the point of it to, John's comment is these requests aren't getting fewer and fewer. And we all know this. But they all seem to be around trying to tighten these windows around average, you know, the CUSUM and things of that nature. I think everybody understands it's kind of that combination of them being able to tighten up the actual average. Not that that helps or hurts, you know, and this is getting into the weeds a little bit but, you know, we have a green and red and maybe there just needs to be a yellow, right.

You know, like I say, to your comment,
you know, we understand that that if it's not allowed to have a re-inspect without some major changes. And there's obviously a lot of rule-making that goes into that to make sure that the integrity isn't compromised. And we fully understand that, you know, but but just, you know, to flag either for WC, FGIS side for communication, would that be from the monitor or just, you know, how are the communications done today?

MR. GOODEMAN: I would say if you're looking for it, like what would be the most easily digestible for us to receive some information like that, I would say consideration of an option to flag those self-imposed limits. Not necessarily with a re-inspection option, but just to flag them in some manner. I would also consider like if these criteria, this load order criteria, contract criteria are tighter and even what are CUSUM would allow. Maybe ask us to explore options there to set up a loader with tighter specs than what the CUSUM would give you.
Like for the protein example, there is a good example.

MR. KERRIGAN: You're killing me.

MR. GOODEMAN: I'm sorry, I'm trying to give you what you want here. Just say, yes.

MR. KERRIGAN: Yes, I mean, I think everybody understands CUSUM. It's very tough on a mathematical side to get it honed in, right. And it's all about the homogeneous product. And so CUSUM could be an option. I don't know that I'd like to raise my hand and say that sounds like a great option because CUSUM tends to be a little bit of a bad word on the exporter side. Because of, you know, how restrictive it is, how confusing it is for everybody as far as what that next, you know, item, you know, or sublot needs to be.

Especially, and that typically comes frankly on the commercial side with a premium, you know, because of how the blending is, because of how the high-speed is, you know, as we're actually doing this loading. So, you know, it
absolutely could be an option, but, yes, definitely --

MR. GOODEMAN: I understand.

MR. KERRIGAN: I would rather see a flagging system than --

MR. GOODEMAN: I got you.

MR. KERRIGAN: -- you know, these average with min and max to a CUSUM.

MR. GOODEMAN: Because you're right, I mean, even if you put, even if we tightened up the CUSUM tolerance on the protein to be, you know, in specific situation on the applicant's request to be 13.8 instead of a 13.5, you still couldn't have a bunch of 13.8s in a row. You'd probably only be allowed to have one 13.8 and you have to make sure the next one is 14 or 14.1, you know, bring it back so --

MR. KERRIGAN: And all year that protein is high and there's not a lot of value to, I mean, some if these vessels do go out over a broad for instance.

MR. GOODEMAN: Yes.
MR. KERRIGAN: You know, to where you would be able to put, you know, 15s on. I mean, most of the time the customer would love it, right. You know, but if you have that tolerance because you still have that upper range as well.

MR. GOODEMAN: Got you.

MR. KERRIGAN: Does anybody else from the GIAC have any comments or questions? I know this is tends to be very specific on the exporter load order standpoint. Like I say, I have spoken to a few of you, you know, but as far as questions on, kind of what we're looking at here, or maybe if there's any concerns or applicability or similarities, I guess elsewhere throughout the system?

MR. FRIANT: This is Nick Friant. Oh, go ahead, Janice.

MS. COOPER: Oh, thank you. Just really a comment, Matt, this is, I mean, wheat is so complicated from the time you're growing it to the time you're selling it and and loading it on the ship. So I just wondered if you had checked
with US Wheat Associates on these issues because they're the ones that deal with the customers and try and educate them on how to contract more effectively for what they're looking to buy. Just wondered if you had had a chance to consult with with any of the US Wheat folks?

MR. KERRIGAN: I actually have not. That's not a bad idea. You know, from my -- it's probably a good discussion to have, but, you know, what I will say is that, you know, the commercial side and all the buyers and the countries, that tends to get to be a bit of a can of worms when we start talking about changing grades. Because then it seems like we don't want to supply what they feel is in their head. But I can definitely, because obviously, you know, here in Portland such would be open to kind of discussing this to see if maybe some of the culprits or primary culprits, you know, would look for some of these other options. That's a great idea. Nick, did you have something as well?
MR. FRIANT: Yes, actually, I have two things now. Thanks, Janice, for bringing up the the US perspective. I would tag on too, Matt, that this might be an opportunity to bring this to the NAEGA Grades and Inspections Committee, because I think it'd be something, you know, we've heard comments from John as well. I think it'd be something that a number of NAEGA membership would be interested in having some chance to talk about and maybe provide additional input and support. Just I think that's commented like to make from that direction.

And the other one is when I was reading through the one-page summary and thinking about it, and it's kind of been brought up here in a couple of different comments, kind of this question about when it says average grades or average not to exceed or not less than a certain number depending on the factor. I know that one also creates a lot of confusion in this space. And I think, you know, to your point, that some of these customers, the requests that they're
making and the industry interpretation of it
versus the FGIS rules.

Around like John alluded to, you know, if it says average, and then a max or a min, you know, the way FGIS automatically looks at that and disregards or includes it, you know, it depends on the situation. I think that might be part of this discussion as well, that, you know, whether it's clarity in rules or a change in rules of this direction, that we would happen to go. I think that's another piece that to me fits in this discussion, and, you know, folks can disagree with that for sure, but I think that would be a part of this one as well.

MR. CAPPER: This is Lee Capper with FGIS. And Nick, if I can add to that, I think part of what's here is we don't currently have a specific Load Order Form that is common across the all the shippers. And so some of these questions could be more clearly answered by having, you know, specific options that are available in, you know, a great deal of
description about what that option means. So there would be clarity around what's being requested for grading versus, you know, potentially these other flagging scenarios.

So we may want to consider a recommendation around it. You know, more fully exploring what does flagging means as well. You know, is it subplot based, is it overall load basis, you know, and just understanding more nuances that will be requested there as well.

MR. KERRIGAN: Those are all very good comments.

MR. NEAL: Let me, this is Arthur, asking a point of clarification as well. If customers can submit load order requests or make all different types of request with no parameters around it, that will make it pretty difficult for us to kind of standardize things across the system, right. So piggybacking a little bit off of Lee's comment, would it make sense for us it think about standardizing, as best we can, load order requests? I don't know so that we got a
little bit more certainty and control over how 
these requests come in, such so that we're not 
doing acrobatics every time we get one. That's 
just a thought.

MR. KERRIGAN: Well, we kind of have 
that now with probably more informal unofficial 
what we're told we can put on a load order and 
what we can't. You know, which is, you know, 
then how we either self-impose it or to be 
honest, we bring in an independent 
surveyor/grading agency to provide their 
certificate to do that. And, you know, 
unfortunately, you know, that's a little bit 
counter to the mission, you know, of facilitating 
trade. Because if, you know, which I understand 
that this could get really broad, you know, but 
there are some very specific items here that are 
already being graded by FGIS, which is, like, if 
we're already looking at them versus maybe items 
that aren't being looked at on a regular basis. 
You know, if there is a way to monitor that as 
well is is where I was going with that.
MR. CAPPÉ: This is Lee again. Yes, I mean, I think certainly everything's within the realm of possibility from a technology perspective. But again, given how nuanced we all know, ship loading is, especially in wheat, we would want to be, you know, very, very clear about what it is we want to have offered and not offered.

MR. KERRIGAN: So and this is a little bit in to tomorrow's, I guess, session, but kind of with that, given that I just gave a couple of examples here. And this a little bit of the policy or the kind of meat and potatoes of how the GIAC works, Arthur. But would this group be able to almost like with what's going to come up with the FDA MOU, kind of maybe take a step back to kind of, you know, try and gather these specific items while maybe FGIS is taking a look at the system and handbook kind of concurrently without necessarily a recommendation to the Secretary. Is that a potential for this group as an end result, I guess, as I think about this?
MR. NEAL: Yes, I mean, it's still may be open for, you know, as a business item, agenda item. Homework can still be conducted on it on both ends. And you revisit it to see what kind of progress we make and whatnot a recommendation needs to be made down the road. Or, we may come to some kind of resolution in the meantime, and then you can close it off, close the agenda item out at the next meeting or the meeting.

MR. KERRIGAN: Okay. Yes, because the last thing that I would not want to do is we get very specific on two or three items. But then as soon as that's done, right, there's another two items that we hadn't seen for a while or forgot about or didn't get an accurate poll of the industry or something of that nature to where it was very limited and, you know, requires extra work on everybody, I guess.

MR. NEAL: Yes, and I mean, it sounds like this one's pretty involved, it will require some extra digging, and it makes perfect sense though.
MR. KERRIGAN: No further questions or comments? This is a great discussion on this, appreciate it.

MR. GOODEMAN: I did get a note, and I appreciate Dave in Portland for pointing this out too. Sometimes it looks like in our CUSUM log for things that are set up as CUSUM factors like subclass, then perhaps the running average isn't shown in the column next to that result like it is for average factors. So that could be an enhancement potentially. So I think it just shows how far you are into the CUSUM which is critically important, but it may not show again the running average. So again, just the, I guess the awareness everybody knows where they stand, I think is really important too, from industry standpoint.

MR. CAPPER: So Tony, to follow-up on that, I do believe the running average is shown at the bottom on the view side at the bottom. So it's not shown to the inspector, but it is available to the customer if they're viewing it
or the elevator.

MR. GOODEMAN: Okay. Thank you.

MR. KERRIGAN: Any further discussion from GIAC, FGIS or members of the public? Okay. I'd like to move onto the next agenda topic, which is falling number. I believe John Lindgren, I believe you are taking the lead on that one?

MR. LINDGREN: Yes. Good afternoon again, everybody. Welcome back from lunch, it's just about lunchtime out here. I've had some conversations over the past 18-months with several different people when falling numbers was first kind of at our last actual meeting. And there's been a lot done, I think to already get the recommendation. The biggest concerns that I had back in the day was the inconsistencies, at least the proceed inconsistencies on how the test was run, whether it was everybody was running it on that 14 percent moisture basis.

And I know the shake-o-matic has come into play where everybody's doing that. I think
all of this has helped align things, it is
better, the last year-and-a-half than it was a
year-and-a-half ago. As far as origin grades,
meeting what destination expects, there's still
some inadequacies, I believe. And obviously when
there's good falling numbers like there has been
lately, the concern isn't as high, they seem to
repeat at the higher level. So until we get back
down into the struggles with white wheat at below
300 and the spraying winter wheats, not much
winter wheats, but the spring wheats that get
down in that 300 range as well. I think we're
just looking for consistency on how the test is
run at origin.

In my recommendation, I think part of
the biggest problem was not everyone was doing 14
percent moisture basis. And that will change the
falling number quickly if you're not running it
that way. The two tube method, and somebody can
correct me if I'm wrong as I'm going to here, but
from an expert standpoint, you have to run the
two tube method. Domestically I don't think
that's a requirement. And understand that running two tubes instead of one, cuts your production in-house because everybody likes to run two tests at the same time if they can get away with it. Which makes complete sense to me.

If you're doing a 115 car unit train, and if you'd have to run 115 tests as opposed to, you know, 65, that's a big difference in timing. So I don't know what the best solution is on the one tube, versus two tube. But in the end it's basically tests need to be run the same at origin as they are at destination to give yourself a chance for repeatability. We all know that falling numbers is enough of a challenge without tests being run differently. So it's about accurate information. Hopefully testing is done better.

I had a conversation with Mr. McCluskey and Mr. Easy, I'm not sure if that's how Greg pronounces his last name for sure, a couple of months ago. And I think FGIS has made great headway in helping solving the issues that
MR. KERRIGAN: And to clarify, John, the biggest thing here is making sure that there are accurate results between origin to destination to the actual results that are actually there versus getting a grade from origin then having it turned around and maybe put that product directly on the vessel for destination and we get something completely different, correct?

MR. LINDGREN: Yes, it's mostly about you have an idea of what you've got coming at you, and you're thinking it's going to make grade and when it gets here, there's a, you know, a 50 to 60 point difference which as you know, is impossible to make grade at times depending on the quality.

MS. COOPER: I wonder if if someone could clarify the requirement for the double tube method where it's required and where it's not and what the reasons are. Can someone, Tony, maybe you can discuss that or someone?
MR. GOODEMAN: Yes, so the falling number test, let me back up a little bit. In general, when official agencies are licensed or when they're authorized to perform tests, if they're designated for those services, they can only do it the official way. If they're going to grade corn damage, if they're going to do soybean, they can only do it by our instructions. So that's one thing. There is, I'm not going to call an exception, but that's under anything done under the US Grain Standards Act. We say that they can only do it officially.

The falling number test, however, is run under the authority of the Agriculture Marketing Act because it was originally developed for flour. We don't really run on flour anymore, but that's how it was developed and we've set up all of our instructions and rules under the framework of the Ag Marketing Act, which does not contain that restriction. So when you doing things under the AMA, you can do, if you're an official agency or a co-operative, you can do
things officially if you want to and put it on a FGIS Certificate. Or you can do it unofficially and put it on Tony's grain Inspection certificate, whatever that is.

So if you run it unofficially, you can, it's very, very loose, you can do it with one tube. You don't have to do the barometric pressure correction. And it's very, very much, you don't have to use a shake-o-matic, it's very loose. And that is something we definitely are considering to make sure there is greater clarity in lining this under the US Grain Standards Act to say that, okay, if you're an official agency, a co-op, or wherever you are, if you're North Dakota Grain Inspection Champaign, Danville, State of Missouri, whatever it is, you've got to follow these official procedures if you want to run this on this test.

There's concerns there because it's a huge advantage to just do one tube both for the producers that are paying for the service and for the agency in providing timely service. So we
would maybe consider using official commercial
inspection services, which we can use some
modifications under a different certificate,
under a different protocol to maintain the one
tube, but require other the other procedural
conformities. But that's a long answer to a
short question. So yes, anybody running the
falling number tests can do so unofficially under
their own company name, letterhead, whatever.
But if they do it officially under an FGIS
certificate, it's got to be run with two tubes
and with all the barometric pressure correction,
everything else. All the other exact word-for-
word procedures, you know, or instruction.

MR. NEAL: And, Tony, the two tube
method along with the barometric pressure
adjustment is to ensure greater accuracy.

MR. GOODEMAN: Absolutely, yes. If
the barometric pressure correction was a change
in what was that early 2019, to a type where
greater uniformity because we talked about this
before, but there can be even at 500 foot,
elevation changes, there can be differences in
the falling number results. And so our previous
instruction only implemented a correction
starting at 2000 feet, when in reality you can
see variation much lower increments than that.
Kansas City, I think, is at 1000 feet, versus,
you know, a lot of those locations at sea level
and the PMW locations and higher country in
Montana. So I don't know if that answered the
question, Ms. Cooper?

MS. COOPER: It answered, but also
opened the door to many more. It's a complicated
topic. So is there some consideration being
given, I wasn't quite sure, and what would the
process be to move that particular test from the
AMA to the Grain Standards Act cover?

MR. GOODEMAN: You know what, this
topic is really (Audio interference.) got it.
You know, now that we made that change in 2019,
we saw and probably what this topic is speaking
to in the fall of '19, we saw some differences
that I think are attributable to that moisture
basis. If somebody wants to be really creative or if they have the leeway in their contractual terms, you can get some bonus points by lowering the moisture basis. So just in general, thanks to Greg for pulling this up real quick, the standard moisture basis for falling number is 14 percent. And it's talking about pat, it seems like the standard for flour testing in general. So 14 percent.

If you were to do, if you had a sample that was 292 seconds at 14 moisture basis, if you said, hey, I want the certified at dry matter basis, so all the way down to zero moisture, the falling number is going to be 340 seconds. If your moisture was around 10 percent or so and you need it as is, so instead of being 14, and be reported at the as-is moisture of whatever the result was, a 10.2 percent it would be 305 seconds. So you can have a lot of manipulation just in reporting the moisture basis differently. And we don't obviously like that in wheat protein. That standard moisture basis is 12
percent.

And for any other alternative moisture basis, you have to report the 12 percent first. And then you can report if somebody wants to know what the dry matter or as-is basis is or alternative, we can show that as well. So we're looking at several policy options to continue that greater alignment in the falling number test. I think that we made some good strides in 2019. TSD and ARS did a lot of great work with the barometric pressure correction and shake-o-matic requirements. But I think there's probably more to be done just so the certificate is clear, kind of like we talked about earlier, making sure the certificate tells the accurate story.

Not that it's inaccurate because it says what the moisture basis is, but if you're not going to catch it, if you've got somebody involved that, you know, or if it ends up on a spreadsheet somewhere, you know, it sort of get says, okay, you know, during the 20 that, you know, 320, you know, and then it shows up at
export and it, you know, doesn't having trouble making grade. So we're looking at policy options to clarify that. What would be needed, it's definitely going to be public process in some manner. But I think this is one of the first steps and that is engaging you-all.

And the report in the moisture reporting doesn't necessarily need a move to USGSA. We could do that, I think through an instruction. I think when we moved the wheat protein to be a standard 12 percent and mandating that standard moisture basis on the certificate. I think that was actually done through the Federal Register, but that was decades ago. I think it was sometime in the 90s. I'm not sure if we have to go through that or not.

MR. KERRIGAN: So if I'm hearing you correctly, Tony, that the ability for agencies to report it, I guess unofficially, is because what the falling number testing requirements under ANA versus is USGSA, right?

MR. GOODEMAN: That's correct.
MR. KERRIGAN: So, you know, to try
and get apples to apples to reflect all of the
hard work that you guys have done to try and get
this as accurate as possible, you know, it's
really that that movement piece because it then
incorporates all these changes, all these
updates, all these trials that you're doing
because it hones that in, right, from your
perspective of how that reporting is, correct?

MR. GOODEMAN: It would, yes, but
perhaps with some other side effects,
consequences, you know, as far as efficiency,
price, price to test, if we were require them to
use the two tubes, that's correct.

MR. KERRIGAN: John, with you being
the champion of this, and obviously, we all
understand the time and money involved with this
testing, especially on the origin side, what's
your feeling or thoughts on that movement to
fully official versus having a flexibility? Is
it is it a reporting issue of somebody being
clear or is it just that, you know, that FGIS has
done a lot of work to try and make this better, but there's no requirement for the unofficial to actually follow-up?

MR. LINDGREN: Well, I think in the end what it is, and that was actually a topic that Pat McCluskey and Greg and I spoke about too, was the movement over to USGSA. And it would require the origin to run at the same way as we do on export. So that would help get things tighter in my opinion. To Tony's point, I don't know how difficult it is to move that over to USGSA. The impact that it has, it makes sense to be under USGSA. Because that's what we all use it as and I think that's what the expectations are.

But as far as, and I don't know, running one tube or two tubes, I've looked back on several shipments. We get a copy of the falling number log that shows how many times when you're running the two tube method, if you go outside 5 percent, the test has to be re-run. So I went back and looked at several shipments on
how many times two tubes actually go outside 5 percent. And it's probably less than 5 percent of the time. So would one tube be as accurate? No. Will it be close enough from a speed standpoint to allow that? And I don't know if you could have the choices of running one tube or two tube.

The one piece in my recommendation where I said, where possible run the two tube method, we all know that that means, okay, I have an out to run just one tube. I think it will make it, it's definitely going to be more accurate if everybody is, for lack of better word, to run two tubes. But that is going to impact how quickly you can get results. So from, I think, the exporter standpoint, the accuracy is important, but I don't know what the cost actually ends up being that will be put back on them if they need it run on two tubes.

And another piece that Tony mentioned, if it can at least be on a certificate on how it was run. I mean, sure, it says 14 percent
moisture basis, but does anybody really look at that or do they just see the result? And then the same thing, was it run on two tubes or, you know, on the certificate can say that it was? And I don't even know if that's an option that FGIS would think about is giving you the option to run one or two. Right now, if it's under the official standard, it's two tubes.

MR. KERRIGAN: Yes, just as far --

MR. LINDGREN: So to play with those options, I'm not entirely sure the best route to go.

MR. NEAL: And this is Arthur. And I think also to take into consideration is still ponder on the challenge, the impact it has on exports if customers receive wheat run off of one tube, and it doesn't meet that expectations. And then we end up dealing with complainants. So we have to take that into consideration too that we've done everything within our power to try to ensure that the official system yielded the type of results that customers expect.
MR. KERRIGAN: Well, it's complaints, but then, you know, I'll be honest with you, I don't know that I've actually checked our certs to know when we've had issues, whether it's been an official falling number cer or an unofficial you know, cer when all of a sudden it comes in because it's complaints, but it's also monetary on what was purchased or what was expected, right.

MR. KUHL: This is Ryan Kuhl, from Northern Plains Grain Inspection in Grand Forks, North Dakota. We run quite a few falling numbers with the spring wheat in our area. And we do official falling numbers the two tube method, as well as the unofficial method with the one tube. We do use the barometric pressure calibration or the formula. What we see when we're loading the shuttle trains is the time. We all know that it takes time, but you run into probably eight to ten minutes a test by preparing your sample. And then letting it come down, or come out.

I don't see a probably an issue on the
argument side if we can get those results to the
loader quick enough to know what to put in the
next car or the next car. So I would say, for us
to give that information in a timely manner, the
one tube method is still important. I cannot
argue, I guess agree, that the two tube method is
better and more consistent, it's just the time it
takes.

MR. NEAL: So this is just me just
talking again. What I hear, I hear an efficiency
concern. I also hear an accuracy, concern.
Trying to meet the expectation of the loader and
also trying to meet expectation of exporter who's
trying to meet the expectation of the customer.
And I think as we think this through, you've got
to factor all of those in along with the process
so that we get to a place of reasonability as
well. That's a lot of expectation.

MR. CAPP: This is Lee again. And
if I just piggyback, you know, one of the things
as an analysis over the last several years
describing that method of performing it, the
specific tests as part of the certification, you
know, I think is something that potentially we do
need to consider. There are multiple factors.
What we have is some varying methods where if we
do it, and the sort of certificate just states
the actual result without disclosing either on
the log, inspection log itself, or on the
certificate, you know, what was the method.

MR. KERRIGAN: So if I'm hearing
you're right, Lee, that, you know, as kind of
balance is it's maybe not so much a change in the
process, but a sharing of the information to what
exactly was done, so that way everybody
understands potentially.

MR. CAPPER: Correct.

MR. KERRIGAN: With that residing
under AMA so if that was a case that the
unofficial certificate needed to show that
information would it be an unofficial, is there a
way to, you know, a way to govern now or is that
just a requirement that would have to be on the
buyer to request that or to require that?
MR. CAPPER: In the current system?

MR. KERRIGAN: Correct.

MR. CAPPER: Yes, whoever's involved in that transaction would, if you mandated that the test had to be run officially and you want it on a, you know, an FGIS certificate and they have to follow all the protocols which would right now would be two tubes. For mesh pressure correction, shake-o-matic, everything like that.

MR. KERRIGAN: Because the other of that, that is the unofficial method, there's really no way to govern them requiring to state what they're doing if they're doing it on unofficially; is that correct?

MR. CAPPER: Exactly, I mean, if you can think of unofficial, it just be like, you know, like, an NQI, an SGS, Russell Marine, it's companies like that don't have to, aren't authorized by us, don't follow our rules. Basically an official agency, we allow them to wear that hat under the AMA so that they can issue something on their own letterhead, their
own company name, their own company certificate. It can't be FGIS, but it would be kind of along the same line as one of those other unofficial companies. And it's just really within their own rules or however they design that certificate, if they even report a moisture basis if they, you know, would do one tube or two or whatever procedures they follow.

MR. KUHL: I have spoke with, this Ryan Kuhl, and I have spoke with a number of agencies around us, North Dakota, South Dakota. And, yes, we all do the official method as well as be allowed unofficial method. And I would say probably compared to NQI which we don't know, official agencies are basically doing the personal metric with the shake-o-matic. We have all the equipment, so we use the shake-o-matic wheat grind, what is it, 250 grams. We're just cutting back to the one tube to save time. Now, like you mentioned, Tony, NQI, SGS what they're doing, we don't know.

MR. GOODEMAN: Right.
MR. KUHL: So maybe, and is this even something that we can discuss with it being on AMA side, or is it something that would be easier to get on the GSA side first and prepare it that way?

MR. GOODEMAN: Yes, I mean, you right in reality, the official agencies that currently offer this test unofficially are using the same people, same equipment, same machines. But they don't have to. They don't have to be licensed. You don't have to use, you know, the right procedures. And I think that there's probably an option, you know, in some way to further restrict tests provided under the AMA like that. But really, I think the most obvious and everything else we do really just move under USGSA and therefore falls in line with all the other structure where you've got to be licensed.

You've got to use the proper equipment, the equipment has to be checked. You've got to follow procedures which includes everything we talked about today. Is that what you getting at
there, Ryan?

MR. KUHL: Yes. Yes, I probably could consider moving it to the GSA side.

MR. GOODEMAN: Yes.

MR. KUHL: And obviously if we didn't walk that trail carefully, because I know that if the one tube option is not going to be available these loaders that can load these 110 cars in eight to ten hours, they're going to be waiting a long time to know what to put in the next car, or the following car.

MR. GOODEMAN: Right.

MR. KUHL: Or not doing it at all, and then it gets to the PMW or wherever it's going, and going just were its hoping.

MR. GOODEMAN: Right. And I mean, it's definitely we don't want to, we like to bring more things into the official system. Don't want to drive somebody away from using it. That's the whole reason we have what we call OCIS, Official Commercial Inspection Service setup is to do these quick checks. You know,
ideally, I think it was designed to do like a
truck inspection really high volume, really fast.
And you can set up an OCIS agreement with a
customer and you can frankly, take shortcuts.
Its authorized shortcuts in different parts of
the procedure, like for corn damage.

There was a concern, this is probably
taking place for a long time. of customers
wanting to say, hey, you guys take way too long
to pick 250 grams for damage, you know, I can do
house grader or I can use some other company and
they'll only pick a little handful. And so you
can modify procedures, just do 225 grams for
example. Because on an OCIS cert, everybody
knows what that is. And so there are some
options there that I think we'd look at for some
types of domestic shipments to look at the one
tube if there was a lot of interest in that under
OCIS.

MR. KUHL: Did visit with Pat
McCluskey about this, I think it was last week
and he mentioned the OCIS agreement with me. And
I guess, the only, and that would be up for
probably a different discussion, but the only
thing that came about that is here and all North
Dakota, does all about the same methods is
sometimes before an elevator will get ready to
load a train, you know, they'll submit in, you
know, 100 falling numbers, 20 falling numbers.
They may also have a bigger producer that will
bring in very long falling numbers that are going
to that certain elevator. Well, how many OCIS
contracts would I need in one day for one train?

MR. GOODEMAN: The way that our
current OCIS setup is for the applicant. So that
does make it more complex perhaps. I do
recognize that, you know, if you're taking a lot
of submitted samples and yes, so we do require
the setup OCIS agreement with the applicant.
Applicant specific, because they've got to agree
to it, they've got to know that they're not
getting the full procedure, they're getting a
different procure.

MR. KERRIGAN: Hey, Ryan, I'm sorry,
Tony, can you finish please.

MR. GOODEMAN: Go ahead.

MR. KERRIGAN: Ryan, a question for you, given that you do the kind official methodology with the official equipment, but only one tube, in your opinion, is there a significant time difference between the rest of the methodology with the barometric pressure adjustment, with the shake-o-matic versus other methodologies other than just the one tube versus two tubes, in your opinion?

MR. KUHL: Not really. No, after we started doing quite a few more official falling number since the 2019, crop year, there's not FGIS, as Easy Farm, and actually some of the certificate programs will have that in as your typing the certificate, it will do the calculation for you. So no, there isn't much time and that's when we all kind of discussed and we all just said well, the shake-o-matic, I think that runs for is it even ten seconds. So I guess you could save ten seconds skipping that method
but it also does it for you. So no, there's not
other than you can get two samples done out of
one run rather than different --

MR. KERRIGAN: Okay. Anybody that
hasn't been called on that has some commentary
questions on this topic? There are a lot of
crickets out there. Definitely spent about five,
six years out in the PMW, and I'm fairly certain
that falling number was one of the first topics
in the PMW Regional and Washington State
Department of Agriculture meetings and it has not
disappointed that it's come up and every single
meeting ever since. So we're going to get
opportunity tomorrow to kind of, after we've
thought about this and probably discuss a little
bit more as far as what the Committee would like
to do if anything. So yes, just throw it out
back to the GIAC if there's any other information
that we want to try and glean here before we move
on for the day.

MR. CAPPER: This is Lee again. Just
one final comment. If we look to try and have
standards and enforce agreement with various
things, this is the only test that can go on a
USGSA certificate, that is not a USGSA based
test. And so it causes a lot of extra hoops to
jump through from validating. All their tests
are aligned under USGSA and, you know, are
validated that way. So it will bring some
efficiencies to some of our information
management if we pursue moving it under USGSA.

MR. KERRIGAN: And then as a follow-up
kind of summary, Tony, to to one of your original
points regarding, I apologize, I don't know your
exact words, but it was something to the effect
that you were looking from a policy standpoint at
this item. Is this something that you feel that
FGIS or, you know, whichever group I guess needs
to spearhead it, will be looking at, I guess, on
your own moving forward or where would you say
that you guys are at I guess with that, given
that you're looking at or considering it?

MR. GOODEMAN: I think the point of
our internal project now is to evaluate, you
know, what's going on in the market. What are options are. If we did make a move, what that would entail? Is this going to be your follow-up? But if the Advisory Committee, if a recommendation would be helpful and I definitely think it would, if that's something that you-all wanted to do, it certainly help us, you know, knowing what kind of big other groups are, you know, where they stand on something like this.

MR. KUHL: Thank you.

MR. SINNER: Matt, I got just one question and just to help clarify. What is the, on the destination side, what is the method most commonly used for running falling numbers?

MR. KERRIGAN: We're all getting official certs on the destination side. We're not using -- or sorry, we may have some customers that request an independent lab cer. But as far as the loading goes, from the export standpoint, we're using WSDA which is using the official, cer. We do have some customers that are are requesting a private double-checks. John, do you
know on the double-checks, I'm assuming that's
using the official method or do you know if
that's otherwise?

MR. LINDGREN: What has been told to me
is that it's the official message, but it's done
by unofficial. So you have to assume that they're
telling you the truth when they say that yes, we
use the shake-o-matic, yes, we use two tubes.

MR. SINNER: Okay. All right, thanks.

MR. KERRIGAN: Okay. I believe I'm
hearing no more commentary on this one. We're a
little bit past our break time here, a little bit
off. But we did get through, I believe, all the
agenda industry issues. My recommendation
here was that we'd take a 17-minute break. That
would take us to 4:00 and then we can open up
into public comments, any other agenda items at
that point in time, if that's okay. So be back
in about 17 minutes. So that's 1:00 Pacific,
4:00 Eastern Time. Thank you.

(Whereupon, the above-entitled matter
went off the record at 3:43 p.m. and resumed at
4:01 p.m.)

MR. KERRIGAN: Welcome back everybody.

The next topic on our agenda is actually regarding public comments. And I believe, Kendra, you said that we have not received any public comments; is that correct? Okay. Good deal. So I guess the question to the group or or, Arthur, is we are currently sitting about an hour earlier than scheduled for the day. Do we want to forge ahead, just kind of begin discussions on the FDA MOU or would you like to adjourn early and give that time back to everybody?

MR. NEAL: Yes, because we have the agenda published for that topic to be considered for tomorrow, we have to wait until tomorrow.

MR. KERRIGAN: Okay. That's fine. Does anybody have any questions or additional comments on what we have discussed today up until this point?

MR. FRIANT: Hey, Matt, this is Nick. Just a question of order because this is a little
bit different process than the last time I served on the Committee. So we brought three industry issues for discussion today with a lot of good discussion, you know, presentation, good discussion of them. Like, from a process perspective, what's the intent, are, you know, the next steps for that? Are these topics that we are aiming to have resolutions on or are they just general discussion topics and we'll have some time as an Advisory Committee to talk more about it tomorrow or just help me a little bit from a process perspective.

MR. KERRIGAN: Yes, so on the agenda tomorrow, we've got about another roughly two hours set aside tomorrow to come back to those items that we discussed today. And, you know, basically discussed them to see what our next steps are. If there is a next step.

MR. FRIANT: Okay.

MR. KERRIGAN: And so that's kind of the order of how it's set aside to make sure that there isn't any more information or that
everybody has a time to kind of chew on it a little bit. That's why during some of the topics, you know, I was trying to kind of lead into what those next steps could look like depending on where we land tomorrow.

MR. FRIANT: Okay. Thanks.

MS. COOPER: So a further question on process, again, coming from our prior experience we usually put together the recommendations while we were in Kansas City as a result of the discussion of the first day then we came up with, you know, as you know, sometimes 20 or more recommendations. So is that no longer allowed even if we're there in-person. And so are we just basically talking about three things?

MR. KERRIGAN: The three items that were on the agenda are that were published in the Federal Register that were recommended given that we haven't received any other items previous to the meeting to put on there, are the three items that we are talking about for moving forward.

MS. COOPER: Wow. Okay. That is a
shorter discussion then, isn't it?

MR. KERRIGAN: A little bit, yes. You know, my first meeting, and that was kind of one of the big things, you know, with Arthur coming on board is to really try and get it into a less of an ad-hoc committee and more of a, you know, very appointed, directed, good conversation, and well-thought out versus just blasting the Secretary with thoughts and comments, you know. And to make sure that especially a lot of the items that FGIS, you know, could answer without recommendations and things of that nature, and have an opportunity to respond to. Arthur, if I misstated that, you're more than happy to chime in.

MR. NEAL: No, I think you've done a good job summarizing it. We're trying to bring the Grain Inspection Advisory Committee in alignment with most other committees USDA facilitates. Looking at the past, it seemed like it was more of a scattered approach is that folks would come to the meeting, not necessarily having
a clear agenda, and figure out on the fly,
whereas most other committees to the meeting with
an agenda with structured dialogue to bring some
constructive recommendations that can be
considered and possibly implemented. And it also
gave the committee members an opportunity to be
prepared when they came. That's why we have
discussion around the topics in advance before we
move them.

MR. KERRIGAN: Okay. Any anything
else after that? Anymore discussion, like I say,
we still have an hour still slated? If there's
anything else on those topics or public comment
we need to talk about, otherwise, we will adjourn
for the day. A lot of blank stares and silence.
So we'll adjourn for the day and we will join
back here again at 11:00 a.m. Eastern Time, 8:00
a.m. for those of us on the west coast and we'll
be ready to get started again. So have a good
evening, everybody. Thank you.

(Whereupon, above-entitled matter went
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CERTIFICATE

This is to certify that the foregoing transcript

In the matter of: Grain Inspection Advisory Committee

Before: USDA

Date: 05-12-21

Place: teleconference

was duly recorded and accurately transcribed under my direction; further, that said transcript is a true and accurate record of the proceedings.

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Court Reporter

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WASHINGTON, D.C. 20005-3701
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