

UNITED STATES DEPARTMENT OF AGRICULTURE, AGRICULTURAL MARKETING SERVICE'S FEDERAL GRAIN INSPECTION SERVICE: REVIEW OF GEOGRAPHIC AREA BOUNDARIES

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EXECUTIVE SUMMARY

Under the authority of the U.S. Grain Standards Act (USGSA) (7 USC 71 et seq.), the U.S. Department of Agriculture (USDA), Agricultural Marketing Service's (AMS) Federal Grain Inspection Service (FGIS) oversees and administers the national inspection and weighing system for grains.¹ Through a network of authorized agencies (delegated States and designated official agencies), as well as licensed personnel at the Federal, State, and private levels, official grain inspection and weighing services are provided to grain producers, shippers, processors, and exporters across the country. The Act requires all exported grains and oilseeds to be officially inspected, if sold by grade, and weighed.² The Act also allows for voluntary, official inspection and weighing of grain that will be sold domestically.

In the case of grain exports that are inspected and weighed at export port locations, services must be performed by FGIS personnel or delegated State agencies. For grain exports that originate from and are inspected or weighed at "other than export port locations," such as containerized grain at interior locations, inspection and weighing are mandatory, as well. Such grain may be inspected and weighed by FGIS or by designated official agencies that provide inspections of containerized grain at interior locations throughout the United States. With respect to domestic bound shipments, voluntary official inspection and weighing of grain may be performed by FGIS and designated official agencies.

To become a designated official agency, any State or local governmental agency, or any person, may apply to AMS, during select periods, and express interest in, as well as demonstrate capacity and ability to carry out, inspection and weighing services in accordance with the USGSA. In reviewing the applications, areas of focus include facilities, equipment, and personnel; preserving system integrity; training requirements and personnel standards; conducting training and providing supervision; official inspection fees and billing; conflict of interest; official recordkeeping; compliance with USGSA, regulations, and FGIS instructions; and other criteria in regulations.

FGIS's enforcement of the Act is critical, as it ensures integrity and quality across the U.S. grain industry. In 2021, the cash receipt value of grain crops surpassed \$140 billion, and feed grains further supported \$196 billion in animal agriculture.³

The USGSA was reauthorized December 11, 2020 (P.L. 116-216). As a part of its reauthorization, Congress amended the Act to include a provision requiring that AMS conduct a review of geographic boundaries, within which designated State and private entities provide FGIS official grain inspection and weighing services. Accordingly, this document responds to that requirement and takes into consideration the following factors:

- Statutory establishment of geographic boundaries;
- Historical perspective of setting initial boundaries;
- Grain handling facilities that have received official grain inspection and weighing service within the past 5 years;

¹ Under the USGSA, the term "grain" includes corn, wheat, rye, oats, barley, flaxseed, sorghum, soybeans, mixed grain, and any other food grains, feed grains, and oilseeds for which standards are established under section 4 of the Act.

² 7 CFR 800.18 allows waivers from mandatory inspection and weighing requirements for specific circumstances.

³ Value of grain totaled receipts from the following crops: barley, canola, corn, flaxseed, food grains, oats, proso millet, sorghum, and soybeans, which averaged \$100 billion in 2017-2020, and jumped to \$142 billion in 2021. Value of animal agriculture totaled receipts of Animals and Products category, which dropped from approximately \$175 billion in 2017-2019 to \$165 billion in 2020 and increased to \$196 billion in 2021. Cash receipts by Commodity 2013-2022, USDA, Economic Research Service, available at: https://data.ers.usda.gov/reports.aspx?ID=17845

- Official agencies that provide official inspection and weighing services;
- The volume of grain for which official agencies provide services at grain handling facilities within the official agency geographic areas;
- The number of official inspections of vessels and other carriers within the official agency geographic areas;
- Other related services performed by official agencies at grain handling facilities within the official agency geographic areas;
- The timeliness, accuracy, and appropriateness of services performed by official agencies at grain handling facilities within the official agency geographic areas;
- Fees charged by official agencies for services performed under the United States Grain Standards Act (7 U.S.C. 71 et seq.), including grading, weighing, sampling, stowage examination, and certification; and
- Any implications of modifications to the official agency geographic areas on enhancing official inspection, official weighing, and supervision of weighing in the domestic market.

In conducting this review, FGIS notes that there are, currently, 6 Federal field offices (located in Kansas City, MO; League City, TX; New Orleans, LA; Portland, OR; Stuttgart, AR; and Toledo, OH) and 42 State or private agencies, collectively comprising approximately 2,700 licensed or authorized personnel that provide official services in specified geographic areas. Data show that between 2017 and 2021 an average of 3.1 million original inspections were performed at thousands of locations across the country, resulting in an average inspection volume (domestic and export) of 325 million metric tons (MMT), with 2021 representing the largest volume year (349.2 MMT).

This review will provide the statutory and historical context that led to the establishment of geographic boundaries, as well as exceptions to them. It will summarize the process for designating official State and private agencies to provide services on behalf of FGIS and give an update on current rulemaking regarding timely service and nonuse of service exceptions. This review discusses the evaluation of official agencies' fees and offers perspective on other services such agencies may provide outside of their official capacity. Lastly, FGIS presents summary data regarding official inspection activity and concludes with recommendations resulting from its review of geographic boundaries.

In summary, FGIS acknowledges that, based on this review: (1) Current data collection forms and processes need to be assessed for relevance, simplification, and data sharing purposes (including the capture of physical addresses where grain is sampled); (2) data visualization tools should be leveraged to support independent analysis regarding performance of the official system; (3) geographical boundaries should be displayed on FGIS's website along with official designated area descriptions to aid analysis and understanding of the local and national service areas; (4) geographic area historical descriptions should be updated to account for landmarks that no longer exist and to provide for updated use of technology to clarify boundary lines; (5) posted geographical boundaries should detail available points of exception to those boundaries; and (6) official agency fee schedules should be listed on the website.

INTRODUCTION

Authorized by the United States Grain Standards Act (USGSA) (7 USC 71 et seq.), the Federal Grain Inspection Service (FGIS) manages a national grain inspection and weighing system through a network of official service providers (i.e., Federal, State, and private entities that are authorized and licensed to inspect and weigh grain under the USGSA). On the Federal side, FGIS has 6 field offices and approximately 400 licensed personnel that provide direct service to grain shippers. These field offices and employees are located in Kansas City, MO; League City, TX; New Orleans, LA; Portland, OR; Stuttgart, AR; and Toledo, OH. With respect to State and private entities (that are delegated or designated to provide official grain inspection and weighing service on behalf of FGIS), there are 42 entities (with approximately 2,300 personnel) serving American farmers, grain elevators, and shippers across the country.

For States that are "delegated" under the USGSA, such entities may provide mandatory official grain inspection, weighing, and scale testing services at export port locations within their respective State. There are, currently, four delegated States. They are as follows: Alabama Department of Agriculture and Industries; Virginia Department of Agriculture and Consumer Services; Washington State Department of Agriculture; and Wisconsin Department of Agriculture, Trade and Consumer Protection. Delegated States are reevaluated and recertified every 5 years, in accordance with the Act.

As it pertains to "designated" State and private agencies (i.e., official agencies), these entities may perform permissive/voluntary official grain inspection and/or weighing services at domestic (non-export port) locations. However, in the case of containerized grain originating from non-export port locations, such inspection and weighing is mandatory. Official agencies are designated to perform such services for a period of up to 5 years. More information about the locations and contacts for all of these entities can be found by visiting the following link: https://agtransport.usda.gov/stories/s/a384-djzj

STATUTORY AND HISTORICAL CONTEXT

Grain was first graded in the United States in 1857 by Chicago Board of Trade inspectors. Over time, other chambers of commerce and boards of trade mirrored the same type of inspection (e.g., Milwaukee Chamber of Commerce, Toledo Board of Trade, Cleveland Board of Trade, etc.). As grain trade grew and became important to the economies of surplus-producing States, the grading and inspection work was eventually taken over by several State governments. These market-by-market grades and grading procedures caused confusion in the grain market. Each market had its own grades or methods for interpreting grades, and sometimes the certificate of grade issued in one market was not recognized in another. This confusion of grades and lack of centralized oversight contributed to a lack of confidence in certificates issued for the inspected grain. It also created opportunities for handlers and dealers to manipulate grain quality (e.g., dilute the quality of grain by blending with cheaper grain). Moreover, complaints were submitted from foreign buyers who expressed concerns regarding the unreliability of American grain merchandising.

As a result, industry, through the Grain Dealers National Association, focused efforts on developing uniform, voluntary grading standards. In 1908, the Grain Dealers National Association adopted national grade standards. However, the voluntary standards were not quickly or widely adopted for various reasons. Between 1907 and 1915, twenty-five bills proposing grain legislation were introduced into Congress. Federal intervention was not supported by all members of the grain industry; but in 1916, after years of hearings and deliberations, the 64th Congress of the United States passed the USGSA (using the work of the Grain Dealers National Association as a foundation). The 1916 USGSA gave USDA authority to establish uniform standards for all grain sold or shipped by grade in interstate and foreign commerce, from or to an inspection point, and to establish a supervisory organization to oversee the application of the standards.

Over time, the credibility and integrity of the American grain market, domestically and internationally, became at risk by the early 1970s. Investigations conducted by USDA, the Federal Bureau of Investigations, the Department of Justice, and several Congressional committees uncovered numerous irregularities and instances of fraud throughout the grain industry. Reports of grain theft, bribery, and other discrepancies were identified in the lower Mississippi River area. Consequently, several indictments and convictions occurred that evoked the implementation of tighter Federal controls within grain trade. Additionally, the 94th Congress began a nationwide investigation of grain inspection and weighing practices, and the General Accounting Office (GAO) was directed to prepare an evaluation of the entire grain marketing chain. The initial and supplemental GAO findings are referenced below:

- Report of the Comptroller General of the United States: Assessment of the National Grain Inspection System, 1976 *https://www.gao.gov/assets/red-76-71.pdf*
- Report of the Comptroller General of the United States: Supplemental Information on Assessment of The National Grain Inspection System https://www.gao.gov/assets/ced-76-132.pdf

Because of issues discovered through the investigations and incidents mentioned above, on October 21, 1976, Congress passed a series of amendments to the USGSA, which included the establishment of FGIS, as well as authority for delegating and designating inspection and weighing responsibilities to States and private entities within geographically assigned areas (PL 94-582). Prior to these amendments, there was no formal process to authorize or designate entities that performed domestic grain inspection. Entities performing official grain inspection "popped up" or "evolved" at many locations in the United States without much Federal oversight/ involvement. There was no restriction or limitation on the time period for which they operated. The only way to remove such an entity was by formal administrative procedures.

However, through the 1976 revision of the USGSA, Congress instituted a provision limiting entities (that would be designated, by USDA, to provide official services under the USGSA) to a designation period of 3 years. After such time, the designation would automatically terminate or could be renewed, competitively, by USDA. As USDA implemented these amendments and designated official agencies that would operate under the USGSA, the initial geographic boundaries that were established for these agencies were based on historic patterns of inspection service that was being delivered to grain facilities prior to the 1976 USGSA.

Geographic Area Boundaries

According to the USGSA, 7 USC 79(f)(2), not more than one designated official agency (OA) or State delegated authority shall be operative, at the same time, in any geographic area, except where authorized due to prescribed exceptions (discussed in the next section). From 1979 to September 2015, the maximum term for a designation was 3 years. However, in October 2015, the USGSA was amended to allow designation terms of up to 5 years.

Since FGIS began, there have been many changes in geographic areas and service providers. The trend shows that, roughly, every 10 years, the average number of official agencies declines by about 10. Below, Table 1 reflects changes in the number of official agencies, in 10-year integrals, from 1979 to 2019. Appendix A also illustrates how geographic area assignments have changed over the same time. FGIS does not have data that explain the reasons for all changes over the years; however, anecdotally, such attrition could be related to business closures, consolidations, and competition through the designation process.

YEAR	NUMBER OF DESIGNATED AGENCIES
1979	86
1989	76
1999	62
2009	54
2019	43

Table 1: Number of Designated Agencies - 1979-2020

When the designation of an official agency nears its termination date, FGIS publishes a Federal Register Notice that announces the opportunity for interested parties to apply for all, or any part of, the geographic area that is being serviced by the prevailing official agency. The Notice also calls for customer input/feedback regarding the past and present performance of the existing official agency that services the geographic area. Entities applying for the geographic area must demonstrate they meet designation criteria outlined in section 79 (f)(1)(a) of the USGSA; and, through such demonstration, reflect how they are better able than any other applicant to provide official service (7 USC 79 (f)(1)(b)).

Further, before a current designee can have its designation renewed, FGIS conducts an audit of the designee's operations under the USGSA. Areas of focus include facilities, equipment, and personnel; preserving system integrity; training requirements and personnel standards; conducting training and providing supervision; official inspection fees and billing; conflict of interest; official; compliance with the USGSA, regulations, and FGIS instructions; and other criteria in regulations. From calendar year 2019 through calendar year 2022, FGIS conducted 40 audits. The audit findings are reviewed, in conjunction with the application details, before FGIS can determine whether any changes should be made within or to the geographic areas being serviced by official agencies.

As part of this review, FGIS confirmed that its descriptions for geographic boundaries could be updated and clarified, as some boundary descriptions reference landmarks may no longer exist or are difficult to pinpoint through geospatial mapping technology. For that reason, conveying and communicating specific boundary information using the current descriptions may be challenging in certain circumstances. As a result, FGIS has begun exploring options for clarifying the identification and display of official agency geographic boundaries and plans to work with official agencies on updated physical descriptions of service areas.

In addition, FGIS has also considered the implications of modifying official agency geographic areas for the purpose of enhancing official inspection, weighing, and supervision. When FGIS designates the OAs, FGIS considers modification of the geographical boundaries as part of the designation. FGIS uses data gathered during the designation process to determine if one applicant is better able to provide services than another. In some instances, FGIS modifies geographic boundaries with the purpose of providing better service. Some modifications have succeeded. For instance, in 2021, the geographical boundary for an OA was divided among two different OAs (86 FR 33967). Some modifications have been less successful. For example, in 2014, FGIS opened an unassigned territory so a geographic area could be designated to an interested party. In that instance, FGIS had been providing services to facilities in the geographic area. Once FGIS designated an OA to the new geographical area, FGIS closed an office and relocate employees, as well as equipment. Unfortunately, the OA failed, and FGIS accordingly returned to providing services for that area. To return, FGIS hired new staff, secured new office space, and procured equipment. This incident burdened the Program and industry. FGIS's current designation process, however, is a transparent way of modifying geographical boundaries to address industry needs.

To help ensure the quality and consistency of official services, FGIS provides training and certification of inspection personnel. FGIS has implemented extensive quality control systems to monitor samples and confirm the grading quality: Sample Inspection and Monitoring System (SIMS) and the Subjective Testing and Evaluation Process (STEP). SIMS has two distinct purposes. The first is to monitor the quality of the inspection service provided by the official system. The second is to provide data to evaluate standards and procedures. STEP provides continuous evaluation of the Official Service Provider's (OSP) Quality Assurance Specialist's interpretive inspection and oversight skills, ensuring alignment of results between the local and national levels.

Also, to ensure that the equipment used in grain inspection is consistent, FGIS checktests over 1,400 pieces of grain analyzing equipment each year. FGIS's checktesting aligns all equipment used in the official system with the master equipment located at the National Grain Center. If a piece of equipment does not pass, FGIS removes the equipment from official services until the equipment is returned to a condition in which it can pass the checktest. Moreover, all equipment used in the official system must be listed on the approved equipment list, and FGIS publishes this list on a public website. Regarding new equipment, FGIS reviews and tests every piece of new equipment before it may enter service.

Exceptions

Exceptions (to the geographic boundary provisions) started with the 1993 amendments to the USGSA (P.L. 103-156). These amendments allowed the agency Administrator to conduct pilot programs to allow more than one official agency to carry out inspections and weighing provisions, within a single geographic area, and without undermining the provisions of the Act. These exceptions were considered necessary because some grain facilities reported delays in getting service due to the distance from the inspection agencies serving them. Other grain facilities had difficulty obtaining service during harvest or other peak demand periods.

FGIS proposed six pilot programs, over 9 years, in the Federal Register. A list of those proposals can be found in Table 2 below. Through those pilot programs, FGIS evaluated the impact of allowing more than one official agency to provide service within a single geographic area. FGIS concluded, based on information gathered from the pilot programs, that less restrictive geographic service area requirements on designated official agencies would improve the quality of service provided to the American grain industry and facilitate the marketing of grain without undermining the integrity of the USGSA and the official system.

FEDERAL REGISTER NOTICE	DATE	ACTION
59 FR 11759	March 14, 1994	FGIS proposed and requested comments on pilot programs for barges on selected rivers or portions of rivers, exceptions, commercial inspection services, submitted samples, and timely service.
60 FR 13113	March 10, 1995	FGIS requested comments on its previously proposed timely service program and a newly proposed open season program. Also acknowledged that the remaining four pilot programs that were proposed in the March 14, 1994, Federal Register (i.e., barges on selected rivers or portions of rivers, exceptions, commercial inspections, and submitted samples) were too narrow in scope to conduct an appropriate pilot program.
60 FR 49828	September 27, 1995	FGIS launched pilots for timely service and open season exceptions that would run for 1 year (until October 1996).
61 FR 51674	October 3, 1996	FGIS extended the timely service and open season pilots to October 31, 1999.
62 FR 52967	October 10, 1997	FGIS requested comments on four barge pilots.
63 FR 2360	January 15, 1998	FGIS announced a pilot program that allowed barges to be sampled, by probe, by any official agency.
63 FR 52682	October 1, 1998	FGIS extended the timely service, open season, and barge pilots until September 30, 2000.
63 FR 66119	December 1, 1998	FGIS published a correction notice regarding the qualifying terms for the pilot programs.
65 FR 58504	September 29, 2000	FGIS extended the pilot programs for timely service, open season, and barge, pending changes to the current statutory authority for such programs.
67 FR 44571	July 3, 2002	FGIS published a proposed rule to establish criteria to allow more than one designated official agency to inspect or weigh grain within a single geographic area.
68 FR 19137	April 18, 2003	FGIS published the final rule on its exceptions.

 Table 2: FGIS Actions Regarding Exceptions Pilots to the Geographic Boundary Provision

As a result of the pilot programs and rulemaking, the following related exceptions are allowed under the USGSA and/or the FGIS regulations:

- *Timely service*. If the assigned official agency cannot provide service within 6 hours of a request, the service may be provided by another official agency upon approval from the Service.
- **Barge probe service**. Any official agency may provide probe sampling and inspection service for barge-lots of grain with no restrictions due to geographical locations.
- *Written agreement.* If the assigned official agency agrees in writing with the adjacent official agency to waive the current geographic area restriction at the request of the applicant for service, the adjacent official agency may provide service at a particular location upon providing written notice to the Service, and the Service determines that the written agreement conforms to the provisions in the Act.
- *Submitted samples*. Agencies are allowed to enter another agency's assigned area to pick up submitted samples.
- *Nonuse of Service.* Regarding this exception, a customer who had not obtained inspection or weighing services from the designated official agency, for a specified length of time, could obtain/request services from another official agency.

Current Rulemaking on Timely Service and Nonuse of Service Exceptions

On April 1, 2020, FGIS published an Advanced Notice of Proposed Rulemaking (ANPR) to solicit industry comments on how FGIS should amend its criteria for reviewing, approving, and implementing exceptions to the USGSA's requirements for geographic boundaries (85 FR 19155). Through that ANPR, FGIS incorporated industry feedback into a proposed rule which was published on August 19, 2021 (86 FR 46606). In the proposed rule, FGIS proposed amendments to modify parameters/criteria regarding the exceptions program for timely service and to reinstate the exception program for nonuse of service (based on the USGSA amendment through 2018 Farm Bill). The comment period on the proposed rule closed on September 20, 2021. FGIS is finalizing rulemaking, accordingly.

Prior to engaging in this rulemaking, FGIS received requests from industry to enhance competitiveness within geographic boundaries. FGIS believes that competitiveness is encouraged through the designation process, in which interested parties can apply for all, or any part of, the geographic area that is being serviced by the prevailing official agency. Through this process, there have been times where prevailing official agencies lost some, or all, of their geographic area to another official agency.

However, regarding the proposed rule (86 FR 46606) addressing the timely service exception program, FGIS proposed factors that would encourage even greater competition among official agencies. For a timely service exception, FGIS proposed granting an exception when: (1) the designated OA is unable to provide services to an applicant within 6 hours or the OA is unable to provide results and certificate in accordance with 7 CFR 800.160(c); or (2) a request for services not offered by the assigned OA would result in an inability to receive timely service; or (3) a weather event or impact caused by a weather event results in an inability to receive timely service from the assigned OA; and (4) granting an exception is in the best interest of the integrity of the official system.

The proposal puts forth three levels for which customers may request an exception under this program. The first is a one-time exception for untimely service. In the case of untimely service, the ability to use another official agency may be granted for the pending service request, as applicable. The second is a 90-day exception for untimely service. If, after the first request is granted, a second instance of untimely service occurs within 180 days, the customer may apply for a 90-day exception. Once granted, the alternate official agency would provide services to the customer for 90 days. The third is a long-term exception for untimely service. If there is another occurrence of untimely service within 365 days of the applicant's return to the designated official agency, the applicant may request a long-term exception, extending until the termination date of the gaining agency's designation. FGIS believes that, through this rulemaking, modifications will be made to the current exceptions provisions that will support the continued efficient and effective performance of the official system, including timeliness, accuracy, and appropriateness of services offered by official agencies.

Fees for Official Agency Services

Under the Code of Federal Regulations, FGIS developed Directive 9100.7, Fees for Official Agency Services, which provides direction for official agencies when establishing the fees that FGIS evaluates and approves. The USGSA provides that a delegated State or designated official agency's fees for official services must not be discriminatory or unreasonable. To be nondiscriminatory, an agency (delegated State or designated agency) must charge each customer the same fee for a particular service, and each customer must have an opportunity to qualify for any discounts established by an agency. Section 800.70(c) of the regulations provides that fees will be considered reasonable if:

- (a) They cover the estimated total cost to the agency providing official inspection, official commercial inspection, Class X and Class Y weighing, inspection equipment testing services, and related supervision and monitoring activities;
- (b) They are assessed based on the average cost of providing the same or similar services at all locations served by the agency;
- (c) They are reasonably consistent with fees for similar services charged by adjacent agency; and
- (d) The agency submits sufficient information showing how they derived the fees.

In evaluating official agency fees, FGIS reviews each agency's fee structure and justification for increases to ensure reasonableness and service consistency through its fee review process. This does not mean that each agency will charge the same fee for the same service due to local labor costs, travel distances, etc. In addition, FGIS conducts a periodic review of each agency's invoices. By comparing the invoices with their approved fee schedule, FGIS determines whether agencies' fees are collected from all applicants for official service in accordance with their approved fee schedules. These procedures ensure that the current fees charged by agencies meet the regulatory requirements and that the fees are reasonable and nondiscriminatory.

As noted above, through this review, FGIS recognizes that it could enhance the ease of searching for and analyzing official agency fees by posting what we have reviewed and approved. Accordingly, FGIS will consider developing this repository.

Other Services Provided by Designated Official Agencies

Designated official agencies may provide services outside of the USGSA, provided the services do not conflict with USGSA restrictions implemented in 7 CFR §800.76 – Prohibited services; restricted services. This section States:

Prohibited services. No agency shall perform any inspection function or provide any inspection service on the basis of unofficial standards, procedures, factors, or criteria if the agency is designated or authorized to perform the service or provide the service on an official basis under the Act. No agency shall perform official and unofficial weighing on the same mode of conveyance at the same facility.

FGIS does not approve the fees for such services; however, OAs must show such charges on a separate page of their fee schedule and clearly identify them as services not provided under the USGSA. These unofficial services are not considered during the evaluation of an OA being considered for designation. They are only monitored for compliance, to ensure agencies are not performing unofficial services that may be performed officially, as well as engaging in prohibited acts.

See a list of related unofficial services that may be performed by official agencies at grain handling facilities (<u>Appendix B</u>).

OFFICIAL INSPECTION DATA

Locations Where Official Services Were Provided

Through this review, FGIS created a data visualization that displays the locations where official certificates were issued for grain services performed under the USGSA, whether by FGIS directly, or through the network of official agencies and delegated States. This data does not include address information for each location, as FGIS has not enforced standardized data collection for each service location addresses. Furthermore, FGIS data does not include information regarding the number of grain handling facilities that do not use the official services. As part of this review, FGIS has identified 5,129 unique location names, where OAs provided certificates. Some of these unique location names could reflect the same facility because of the way the OAs report the information. As a result, to ensure more accurate reporting regarding facility information from OAs, FGIS will revise their current data collection forms and processes so that more relevant and consistent information can be captured and reflected.

Information presented through the data visualization tool reflects the cities and States contained on official certificates issued for each respective location. The data can be accessed by visiting the following link: <u>https://agtransport.usda.gov/stories/s/a384-djzj.</u> Based on the data for inspection years 2017-2021, official certificates were issued to customers in over 2,000 cities across the United States and British Columbia.

Number of Official Inspections by Official Agencies

The following table reflects the number of official inspections conducted by delegated State and designated official agencies (excludes FGIS). The inspection categories include:

- **Original Inspections** = The first time a sample is inspected by a licensed inspector.
- **Reinspections** = When an applicant requests for the original inspection to be repeated, utilizing the same file sample. Using the file sample permits the same or another inspector to reevaluate a sample that is equivalent to the original.
- **Mycotoxin tests** = Tests performed for determining the amount of aflatoxin, deoxynivalenol, and fumonisin in grain.

GRAIN SERVICES	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021			
Original Inspections*	3,333,922	3,225,808	3,027,790	3, 093,516	3,156,031			
Reinspections	26,299	26,775	30,355	32,122	20,150			
Mycotoxins	281,363	258,451	253,289	263,325	279,391			

Table 3: Number of Official Inspections by Official Agencies

*Includes original inspections for grade, factor-only inspection, official criteria only, and official commercial inspections.

Volume of Officially Inspected Grain

The following table reflects the volume of standardized grain inspected, by agencies and FGIS, per fiscal year. The inspection categories include:

INSPECTION CATEGORY	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Domestic	194.3	187.9	170.1	191.8	198
Export by Delegated States	40.2	43.3	32.8	33.3	41.3
Export by Designated Agencies	14.9	15.8	17.5	16.6	19.1
Export by FGIS	91.2	82	69.9	73.1	90.8
TOTAL	340.6	329	290.3	314.8	349.2

Table 4: Volume of Standardized Grain Officially Inspected (Million Metric Tons)

Note: Quantity of grain officially inspected does not contain official commercial inspection.

Export Vessels Inspected by Delegated States

The following table shows the count of export vessels that received official inspections by delegated States.

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DELEGATED STATE	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Alabama	23	12	9	6	15
Virginia	62	65	61	17	53
Washington	917	1001	955	946	938
Wisconsin	63	55	64	74	35

Table 5: Number of Export Vessel Official Inspections by Delegated State Agencies

Note: Designated official agencies are not allowed to perform inspection and weighing for bulk grain shipped on export vessels.

Official Service (Inspection and/or Weighing) Categorized by Carrier

The following table shows the count of official grain inspections performed by designated official agencies and categorized by carrier:

by Official Agencies								
TYPE OF CARRIER	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021			
Truck	775,703	681,215	558,840	514,606	464,148			
Barges	39,118	37,246	27,194	46,009	32,667			
Rail	1,318,172	1,269,238	1,197,449	1,156,884	1,401,958			
Containers	202,922	243,634	206,230	199,980	205,851			

Table 6: Number of Carriers that Received Official Service (Inspection and/or Weighing) by Official Agencies

*Includes original inspections for grade, factor-only inspection, official commercial inspections, and weighing only.

CONCLUSION AND RECOMMENDATIONS

Since establishment of geographic boundaries and enhanced Federal oversight through the 1976 amendments of the USGSA, the official grain inspection and weighing system has performed as envisioned by Congress. USDA continues to work collaboratively with the grain industry and official agencies to facilitate effective communication and resolution of issues that arise through the execution of statutory responsibilities. In carrying out this review of geographic boundaries, FGIS recognizes that improvements can be made by: (1) assessing and revising current data collection forms and processes so that more relevant information sharing can be facilitated; (2) leveraging data visualization tools to support independent analysis regarding performance of the official system; (3) displaying geographical boundaries on website along with official designated area descriptions to aid analysis and understanding of the local and national service areas; (4) updating geographic area historical descriptions to account for landmarks that no longer exist and to provide for updated use of technology to clarify boundary lines; (5) posting geographical boundaries to detail available points of exception to those boundaries; and (6) listing official agency fee schedules on the website.

In conjunction with this review, FGIS is launching a new data visualization tool on its website that will display updated geographical boundaries (as well as exceptions) and information about delegated State, designated official agency, and FGIS offices that provide official services. This tool will be improved, over time, to include more information and aid with data analysis. FGIS anticipates that efforts to assess and revise current data collection forms and processes will be extensive and require coordination with delegated States and designated official agencies, as well as industry. The results of this work may necessitate modifications to the FGIS data enterprise system and require increased spending to make those modifications. Lastly, FGIS believes that it can make agency fee schedules available on its website by the completion of the next fee review cycle in FY 23.



1978-79 Official Agency Designations Map

Official Grain Inspection Agencies

											Cintor
AB	Aberdeen	CH	Chicago	FT	Fort Smith	LI	Lima	PL	Plainview	Connecticut	States
PO	Agri Seed Co	CR	Christen	FW	Fort Worth	LN	Lincoln	QU	Quincy	Georgia	Alabama
AM	Amarillo	CL	Columbus	GC	Gibson	LR	Little Rock	SH	Schaal	Idaho	California
AT	Alton	DT	Decatur	GF	Grand Forks	LS	Los Angeles	SN	Schneider	flinois	Minnesota
AV	Alva Grain	DB	Detroit	GR	H.A. Gray	LO	Louisville	SI	Sioux City	Kansas	Mississippi
JB	Barton	DR	Denver	GU	Guymon	LU	Lubbock	SP	Springfield	Louisiana	South Carolina
BC	Battlecreek	EI	Eastern Iowa	HA	Hastings	MC	Mc-Crea	ΤΙ	Tisher	Maine	Virginia
BG	Bloomington	EN	Enid	HN	Henderson	MG	Mc-Greggor	TT	Titus	Missouri	Washington
BU/	El Burlington	DL	Erie	HE	Heron	MM	Midsouth	TS	Tri-State	Montana	Wisconsin
CI	Cairo	EV	Evansville		Indianapolis	MP	Minot	WN	Winchester	North	
CR	Cedar Rapids	FA	Farwell	AL	Jamestown	NR	North Dakota			Carolina	
DM	Central Iowa	FO	Fostoria	KA	Kankakee	EV	Ohio Valley			Oregon	
CD	Champaign	FR	Frankfort	KE	Keokuk	OM	Omaha			Utah	
CN	Chattanooga	FE	Fremont	LE	Lewiston	PE	Peoria			Wyoming	

Delegated States

Delegated/Designated

Designated States

Florida



Delegated

<u>States</u> Wisconsin

AB	Aberdeen	DR	Denver		Indianapolis	MM	Midsouth		oraces
AM	Amarillo	EI	Eastern Iowa	JA	Jamestown	MP	Minot	California	Alaska
AT	Alton	EN	Enid	KA	Kankakee	NR	North Dakota	Georgia	Alabama
AV	Alva Grain	DL	Erie	KE	Keokuk	EV	Ohio Valley	Kansas	South Carolina
LR	Arkansas	EV	Evansville	LE	Lewiston	OM	Omaha	Louisiana	Virginia
JB	Barton	FA	Farwell	л	Jinks	PL	Plainview	Maine	Washington
BG	Bloomington	FO	Fostoria	u	Lima	QU	Quincy	Minnesota	Wisconsin
a	Cairo	FR	Frankfort	LN	Lincoln	SH	Schaal	Mississippi	Wyoming
DM	Central Iowa	FE	Fremont	LS	Los Angeles	SN	Schneider	Missouri	
CD	Champaign	GC	Gibson	LO	Louisville	SI	Sioux City	Montana	
CN	Chattanooga	GF	Grand Forks	MC	McCrea	SP	Springfield	New York	
CL.	Columbus	HA	Hastings	MG	McGreggor		Tisher	North Carolina	
DT	Decatur	HE	Heron		Michigan		Titus	Oregon	
DB	Detroit	ID	Idaho	CR	Mid Iowa		Tri-State	Utah	



Official Grain Inspection Agencies

AB Aberdeen

AM Amarillo

DM Central Iowa

CD Champaign CL Columbus DT Decatur DB Detroit

DR Denver El Eastern Iowa

JB Barton

CI Cairo

EN Enid	KS Kansas	EV Ohio Valley
FA Farwell	KE Keokuk	OM Omaha
FO Fostoria	LE Lewiston	PL Plainview
FR Frankfort	LN Lincoln	SH Schaal
FE Fremont	MC McCrea	SN Schneider
GF Grand Forks	MI Michigan	SI Sioux City
HA Hastings	CR Mid Iowa	SP Springfield
ID Idaho	MM Midsouth	TI Tisher
II Indianapolis	MP Minot	TT Titus
JA Jamestown	NE Northeast	TS Tri-State
KA Kankakee	NR North Dakota	

Designated States	Delegated/Designated States
California	Alabama
Georgia	South Carolina
Louisiana	Virginia
Minnesota	Washington
Mississippi	Wisconsin
Missouri	
Montana	
North Carolina	
Oregon	
Utah	

Delegated States

Wisconsin

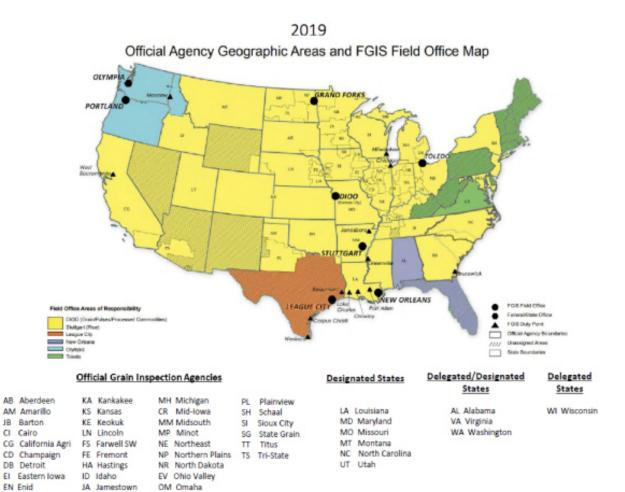
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Official Grain Inspection Agencies

DM	Aberdeen Amarillo Barton Cairo California Agri Central Iowa Champaign Columbus Decatur Decatur Detroit Derver Eastern Iowa	EN Enid EV Evansville FS Farwell SW FO Fostoria FR Frankfort FE Fremont GF Grand Forks GU Gulf Country HA Hastings ID Idaho II Indianapolis JA Jamestown	KA KS LE LN MC MI CR MM NP NE NR	Kankakee Kansas Keokuk Lewiston Lincoln McCrea Michigan Michigan Mid Jowa Midsouth Minot Northeast North Dakota	EV OM PL SH SN SI SP TI TT TS	Ohio Valley Omaha Plainview Schaal Schneider Sloux Oty Springfield Tisher Titus Tri-State
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Delegated/Designated States	States
Alabama	Wisconsin
South Carolina	
Virginia	
Washington	
Wisconsin	
	<u>States</u> Alabama South Carolina Virginia Washington



Appendix B: Examples of Unofficial Services Offered (Outside of the USGSA) by Some Official Agencies

Examples of Unofficial Services Offered (Outside of the USGSA) by Some Official Agencies

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- AB Oil & Moisture
- Additional Letterhead Statement
- Amylase Test
- Black Light Analysis
- Brown Kernel Count (in corn)
- Calcium Analysis
- Canola Oil Testing
- Certificate of Conformity
- Clean-out (per test)
- Corn Borer Certificate
- Enogen Test
- Equipment Testing/Samples (Elevator owned equipment)
- Falling Number Determination
- Germination Analysis
- GMO

NIR = Near Infrared

GMO = Genetically Modified Organism

- Loose Smut
- NIR Calibration Samples

Laboratory Analysis

- Noxious Seed Exam
- Nusun/Mid-Oleic Acid Test
- Ridascreen Fast DON SC (ELISA)
- Sample Preparation/Composite Sample
- Sample Pick-Up Fee
- Sand & Aggregate Material
- Secondary Analysis, 2 Maximum, Scan only, per scan

- Special Handling
- Spreadsheet Report
- Starlink Test
- T2/H2 Toxin Analysis
- Training
- Urease Test
 - Viptera Test
 - Weighmaster License Fee
 - Wheat Hardness

USDA is an equal opportunity provider, employer, and lender.