



**United States  
Department of  
Agriculture**

**Federal Grain  
Inspection  
Service**

# **Annual Report to Congress, 1982**

## AUTHORITY

The United States Grain Standards Act (Act), as amended, requires, in Section 17B(a), the Administrator to submit a report on December 1 of each year to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the effectiveness of the official inspection and weighing systems under this Act for the prior fiscal year, with recommendations for any legislative changes necessary to accomplish the objectives stated in Section 2 of this Act.

Section 17B(c) of the Act requires the Administrator to submit a summary of valid complaints received (and the resolution thereof) by the U.S. Department of Agriculture (USDA) during the prior fiscal year from foreign purchasers and prospective purchasers of United States grain and other foreign purchasers interested in the trade of grain.

The summary required by Section 17B(c) is submitted as part of the report required by Section 17B(a).

## MISSION

The mission of FGIS is to provide for the establishment of official United States Standards for Grain, to promote the uniform application thereof by official inspection personnel, to provide for an official inspection system for grain, and to regulate the weighing and certification of the weight of grain shipped in interstate or foreign commerce, as authorized by the Act, and the regulations thereof, and the Agricultural Marketing Act (AMA) of 1946.



United States  
Department of  
Agriculture

Federal Grain  
Inspection  
Service

Washington,  
D.C.  
20250

December 1, 1982

Honorable E (Kika) de la Garza  
Chairman, Committee on Agriculture  
House of Representatives  
Washington, D. C. 20515

Honorable Jesse Helms  
Chairman, Committee on Agriculture,  
Nutrition, and Forestry  
United States Senate  
Washington, D. C. 20510

Dear Mr. Chairman:

Enclosed is the Federal Grain Inspection Service's (FGIS)  
FY 1982 Annual Report.

The Omnibus Budget Reconciliation Act of 1981 required FGIS, as of October 1, 1981, to recover from user fees administrative and supervisory costs related to official inspection and weighing functions under the United States Grain Standards Act. As a result, FGIS' operating budget changed from 59 percent fee-supported in FY 1981 to roughly 88 percent fee-supported in FY 1982. This required major structural changes in the manner in which the Agency conducted its business. Essentially, FGIS was placed on a self-supporting basis except for compliance, standardization, international monitoring, and the advisory committee --activities supported by appropriated funds.

In response to this congressionally-mandated change in the Federal user fee policy, principles of cost-effectiveness were used in an effort to place the Agency on sound financial footing. We carefully scrutinized FGIS' financial status each accounting period and examined each program activity for cost-effectiveness. The Advisory Committee was brought into the financial discussions to afford representatives of the grain industry an opportunity for their views to be heard in the formation of policy.

At the beginning of the fiscal year, a major reorganization of the Agency's structure was initiated along more functional lines to improve the delivery of services. Programs such as inventory monitoring, regional information, and regional supervision were eliminated, travel was curtailed, and field and headquarters staffs were reduced by approximately 25 percent. Total FGIS costs were reduced from about \$57 million in FY 1981 to approximately \$44



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is an agency of the  
United States Department of Agriculture

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million in FY 1982, a savings of \$13 million or 23 percent. Even with this substantial reduction in total costs, operating costs (including RIF and severance costs) continued to exceed revenues. The Revolving Fund account fell to a level below the generally accepted three-month operating reserve for these accounts. Retained earnings dropped from \$9 million at the end of FY 1981, to an estimated \$3 million by the end of FY 1982, representing an operating loss of approximately \$5 million and prior year adjustment of \$1 million.

Factors contributing to the revenue shortfall include reduced grain movements requiring official inspections, a shift to unofficial inspection and weighing services as a result of users fees, and a general decrease in the amount of grain merchandised. The decline in revenues from original inspection and weighing at export can be attributed to a decrease in export shipments in the last quarter of FY 1982.

Accordingly, we took action to further increase the cost-effectiveness of the FGIS programs. In September 1982, we restructured the field service by closing five field offices (two others are slated to close after cooperative state agreements are established) and one suboffice and converted five field offices to suboffices. Training and initial supervision of licensed inspectors in the interior were assigned to State and private inspection agencies, and scale testing and scale certification delegated to qualified State inspection agencies. Budgeted field office positions were reduced from 957 full-time permanent employees to 835, a reduction of 122. Seasonal and intermittent temporary workers were used wherever possible in offices where the workload fluctuates with seasonal and marketing changes. Additional responsibilities and authority were delegated to the field offices. These changes are estimated to reduce operating costs by \$3.0 million during FY 1983. This action, coupled with the proposed fee increase, is intended to arrest the continued deterioration in our Revolving Fund balance.

The following chart provides a graphic illustration of the overall reductions made in staffing levels. Last year, while total grain exports were about the same as the previous year, the work was performed in a creditable manner with fewer employees. Doing more with less and yet maintaining the integrity of the system is a high priority in the management of the FGIS program. For example, foreign complaints have declined to 13 in FY 1982 compared to 23 in

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FY 1981. Moreover, we have honored all requests for official services during this period when the system has undergone many changes.

FGIS Employment Levels (1976-82)

November 1976	769	
September 30, 1977	1,290	
September 23, 1978	1,520	(209 part-time)
September 30, 1979	1,768	(181 part-time)
September 30, 1980	1,778	(219 part-time)
September 30, 1981	1,452	( 74 part-time)
September 30, 1982	975	(177 part-time)

Staffing levels are currently well below 1977, FGIS' first year in operation, and below the levels required to implement the amendments to the Act. Since September 30, 1980, total staffing has been reduced by approximately 45 percent. Field staffing during FY 1982 was reduced from 1,295 to 807 full-time permanent employees, a reduction of 488 or 38 percent.

Another phase of managing the FGIS financial situation involves a proposal to increase fees from 6 to 28 percent for certain original inspection and weighing services, along with appeal inspections and reinspections. This proposal also reduces certain supervision fees charged official agencies to assist in maintaining the official inspection and weighing program in the interior market. These fee adjustments are scheduled to become effective January 1, 1983; they are the first major adjustments made since 1979. Although the increase in fees is necessary, cutting costs has been the primary method we have used to bring the revenue/cost margin into balance. However, the ultimate financial success of this Agency is dependent upon maintaining inspections on large volumes of grain.

To maintain viability as a government service agency, it is imperative that a cadre of qualified technical people be maintained to administer and supervise inspection and weighing as market conditions change. An administrative problem has arisen as the volume of officially inspected grain moving through the marketing system diminishes. Legislatively, this Agency's administrative and supervisory costs are limited to 35 percent of the total costs of the program. If grain shipments do not meet projected levels, the proportion of administrative and supervisory costs increases. Consequently, concern is expressed that the 35 percent limitation may be an undesirable constraint. From the administrative standpoint, it would be very helpful if the unique 35 percent limitation were removed.

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Elevator safety remains a concern. The Secretary of USDA appointed a committee comprised of the administrators of six agencies and a full-time safety position. The committee is coordinating grain storage, handling and processing safety activities for the Department. Incidents of fires and explosions have continued to decline; during CY 1982, 11 incidents occurred compared to 21 in 1981. No Federal employees were involved.

Regulatory relief has been realized in several important areas. For example, we have published a proposal in the Federal Register to rescind the 1980 rule requiring the use of diverter-type mechanical samplers on domestic barge shipments, export railcar and truck shipments, and export cargo shipments of sacked grain. This rule was scheduled to become effective January 1, 1983. FGIS decided to review the rule after elevator operators and grain merchandising companies argued that it would create an undue burden on small shippers who load grain in land carriers for Mexico and Canada. Moreover, the rule was incompatible with certain barge loading and trading practices. The Advisory Committee supported this action.

FGIS published a final rule in the Federal Register exempting all grain shipped by rail and truck to Canada and Mexico from official inspection and weighing. This rule has been in effect for a year, on an interim basis, without complaints about the quality or quantity of grain shipped under the exemption. We will continue to provide official inspection and weighing services on a request basis.

The net result of these actions has been a significant improvement in the public perception of FGIS. We have worked closely with grain producers, representatives of the grain industry, and the Advisory Committee throughout this period to keep them apprised of the problems and progress of the FGIS program. This has been an immense help in making the decisions necessary to improve the financial status and cost-effectiveness of FGIS.

We will continue to focus our efforts and resources on being a responsible Government Agency trying to achieve reasonable objectives through reasonable means.

Sincerely,



Kenneth A. Gilles  
Administrator

Enclosure

## CONCERNS

Under current law (Omnibus Budget Reconciliation Act of 1981), the total supervisory and administrative costs incurred by FGIS for inspection and weighing services (excluding the appropriations-funded activities), cannot exceed 35 percent of the total costs of these services which include inspection, grading, and weighing of grain-related commodities under AMA. Section 3A of the Act grants FGIS authority to perform related functions under other statutes administered by USDA.

For FY 1982, the total costs of the services were \$39,062,095 -- direct costs were \$22,992,934; supervisory and administrative costs were \$16,069,161. Based on these figures, the supervisory and administrative costs represented 41.1 percent of the total costs of the services.

It should be noted, however, that for FY 1982, FGIS was bound by a limitation imposed on administrative costs by the Appropriations Act (P.L. 97-108): "Not to exceed \$60,260,000 (from fees collected) shall be obligated during the current fiscal year for Inspection and Weighing services." Moreover, in Senate Report 97-248 (p. 12), the Committee states: "included in this limitation is not more than \$20,750,000 for administrative and supervision costs." In meetings with the House and Senate Agriculture Committees' staff members, we arrived at an understanding that FGIS would be bound by the 35 percent of the \$60,260,000, which roughly equates with the \$20,750,000 limitation. Thus, the actual supervisory and administrative costs of \$16,069,161 are substantially less than \$20,750,000.

Administrative costs have been substantially reduced by making management decisions based on whether program activities are cost-effective. We will continue to further reduce these costs. However, this constraint presents problems in the effective management of the FGIS program. As the volume of grain moving through the marketing system diminishes, administrative and supervisory costs escalate as a percentage of total costs. This apparent contradiction results from the need to maintain a minimum management staff of qualified, knowledgeable technical personnel.

From the administrative standpoint, it would be very helpful if the unique 35 percent limitation were removed.

TABLE OF CONTENTS

	Page
Authority .....	Cover
Mission .....	Cover
Letter to Congress From The Administrator ...	i
Concerns .....	v
Functions Performed .....	vii
THE FEDERAL GRAIN INSPECTION SERVICE (FGIS)	
Field Management Division	
Inspection .....	1
Weighing .....	2
Equipment.....	3
Supervision.....	3
Resources Management Division .....	3
Standardization and Research .....	4
Compliance .....	5
International Monitoring .....	7
Grain Elevator Safety .....	7
APPENDIX	
Organizational Chart .....	11
Inspection Program Data .....	12
Weighing Program Data .....	13
Compliance Program Data .....	14
Standardization Program Data .....	15
Training Courses Conducted - 1982 .....	16
Status of Fee Supported Accounts.....	17
Summary of Foreign Monitoring Team	
Activities by Country Visited .....	18
Summary of Inspection and Weighing	
Foreign Complaints .....	19
Summary of Briefings with Foreign	
Trade and Governmental Teams .....	20
Reported Explosion Incidents -	
Grain Handling Facilities .....	21
EXHIBITS	
FGIS Official Inspection and Weighing	
Services.....	23
Official Inspection and Weighing Oversight....	23
FGIS Performance of Inspection and Weighing	
Services.....	24
U.S. Grain Productions: Volume and Value.....	24
U.S. Grain Exports: Volume and Value .....	25
U.S. Grain Production and Exports .....	25
World Grain Production and Utilization .....	26
Total Perspective-Funds, Costs, and	
Staff, 1977-1983.....	27

## FUNCTIONS PERFORMED

The Federal Grain Inspection Service (FGIS) administers and enforces the U.S. Grain Standards Act, as amended (Act). The Act requires the establishment of U.S. grain standards and a national inspection and weighing system for grain; requires that certain grain be inspected and weighed under the Act; prohibits deceptive practices and criminal acts with respect to the inspection and weighing of grain; and provides penalties for violations.

In administering and enforcing the Act, FGIS:

- establishes official grain standards based on grading factors and other official criteria for measuring and describing grain quality;
- establishes methods and procedures and approves equipment for the official inspection and weighing of grain; 1/
- delegates qualified State agencies (official agencies) to inspect and weigh grain under the Act at certain export port locations; 2/

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1/ Official Inspection. The determination and the certification by inspection personnel, of the kind, class, quality, and/or condition of the grain in the official U.S. standards for grain; or the conditions of carriers for the transportation of grain insofar as it may affect the quality or condition of grain; or other facts relating to grain under other criteria approved by the Administrator of FGIS.

Official Weighing. The determination and certification by official inspection personnel of the quantity of a lot of grain under standards provided for in the Act.

2/ Export Port Locations. A commonly recognized port of export in the United States, as determined by the Administrator of FGIS, from which grain produced in the United States is shipped to any place outside the United States.

- designates qualified State and private agencies (official agencies) to inspect and weigh grain under the Act at interior locations; 3/
- provides official inspection and weighing services at certain export port locations in the Atlantic, Great Lakes, Gulf, and Pacific Coast States, and official inspection at certain port locations in Canada on U.S. export grain transshipped through Canada;
- provides appeal inspection services in the United States and at certain export port locations in Canada on U.S. export grain transshipped through Canada; 4/
- provides Federal oversight and monitors the official inspection and weighing of grain by official agencies under the Act; and
- investigates apparent violations of the Act in cooperation with the Office of Inspector General (OIG), and recommends appropriate action.

The Act requires in some instances, as described below, that grain be officially inspected and weighed. In other instances, official inspection and weighing are not required but may be obtained by making an official request for such services. In both instances, official inspection and weighing services are performed on a fee basis paid for by the requester of the service.

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3/ Interior Locations. A point in the interior of the United States, other than at export port locations, where official inspection and/or weighing is provided for the interstate or intrastate marketing of grain or from which grain is exported directly to any place outside the United States.

4/ Appeal Inspection. A review inspection provided, upon request, by FGIS of the results of an original official inspection or an official reinspection.

FGIS also administers and enforces the Agricultural Marketing Act of 1946 (AMA) with respect to the establishment of grade standards and provides a national inspection and weighing system for rice, pulses, hops, hay, straw, flour, salad oil, and other processed grain products.

All inspection and weighing services provided under AMA are performed upon request on a fee basis.

Requested  
Services

Official inspection and weighing of U.S. grain destined for domestic consumption, with few exceptions, is performed on request and payment of a fee by either the buyer or seller of the grain. These services are provided by official agencies, which employ approximately 1,200 inspectors and weighers, licensed by FGIS to provide such services in accordance with the regulations and instructions. FGIS' supervision and administration costs are funded by user fees as of October 1, 1981.

Inspection and weighing services provided under the AMA also are performed on request for both domestic and export shipments. These services are provided either by FGIS' Agricultural Commodity Graders, individual contractors, or through cooperative agreements with States.

Mandatory  
Services

Under provisions of the Act, grain destined for export from export port locations is required to be officially weighed. A similar requirement exists for inspection except for grain which is not sold or described by grade. The Act also requires that intercompany barge grain received at export port locations be officially weighed. Grain facilities exporting 15,000 metric tons or less annually may request exemption from the mandatory inspection and weighing requirements of the Act. Mandatory official inspection and weighing services are provided at 54 export elevators by FGIS and at 29 export elevators by eight States delegated the authority to perform official services under FGIS procedures and supervision. Grain exported by rail and truck to Canada and Mexico is not subject to the mandatory requirements of the Act.

## THE FEDERAL GRAIN INSPECTION SERVICE

FGIS carries out its inspection and weighing services through a Headquarters staff and a field staff comprised of 31 field offices and 9 sub-offices. The field offices are located in 26 states and Canada to meet the needs of the grain industry. The objectives of the field offices are to provide efficient and timely services when required and upon request; monitor the activities of the official agencies; and promote a cooperative working relationship with the grain industry.

Staff functions performed at Headquarters include the development of directives, internal program evaluations, design and implementation of systems for planning and related technical support services, research and development, and compliance activities.

### Field Management Division

The Field Management Division is comprised of the following components and functions.

#### (1) Inspection

The grain inspection program includes (1) sampling and grading of grain; (2) testing official inspection equipment; (3) monitoring the quality of grain exported; (4) chemical testing of grain for aflatoxin and protein content; (5) providing re-inspection and appeal inspection services; (6) examining the condition of carriers and containers; (7) monitoring inspections performed by official agencies and FGIS employees; (8) responding to grain inspection complaints; (9) developing policies and procedures to ensure accurate and reliable service; and (10) reviewing the performance of procedures and instructions.

Following an evaluation of the licensing program, most of the licensing procedures were transferred to the field where they can be performed more effectively.

Procedures for identifying and communicating potential inspection and weighing problems to inspection and trade personnel were evaluated and revised to provide an early warning on potential intermarket grading problems.

Steps taken to improve the accuracy of official protein testing included modifying the equipment, improving the procedures, developing new calibration equations for several classes of wheat, and issuing instructions.

A study by GAO recommended that USDA transfer the responsibility for food inspection and grading services under the AMA provided by FGIS, to the Agricultural Marketing Service. USDA disagreed with the recommendation but fully supports efforts to cross-utilize personnel.

## (2) Weighing

The weighing program includes (1) the supervision of approved weighers; (2) the development and maintenance of official weighing policies and procedures; (3) the testing of scales and related equipment used in the official weighing of grain; (4) the issuance of official weight certificates; (5) the monitoring of official U.S. grain weights at overseas locations; and (6) responding to domestic and foreign weight complaints.

FGIS has implemented a one-year barge study on variations in barge weights between origin and destination locations. The study will establish the normal loss in weight from the interior to the export locations. This information will be used to evaluate FGIS' weighing program and provide data to respond to barge weight complaints.

The Railroad Track Scale Testing Program continued to operate with a slight increase in number of scales tested. All master railroad track scales and grain company track scales were tested to ensure adherence to FGIS' regulations and the national standard at the National Bureau of Standards.

Authority for scale testing and certification was transferred from FGIS to five of the eight delegated State agencies and the remaining three are expected to assume this responsibility during FY 1983. This action reduces costs and puts the function at the level closer to the needs of the grain industry. Personnel requirements are being scrutinized and, in many instances, reduced in an effort to make the program more cost-effective.

Grain elevator facilities exporting less than 15,000 metric tons of grain from the United States per year are eligible for exemption from official inspection and weighing. About 60 elevators have used the exemption to export approximately 19,575 metric tons of grain.

### (3) Equipment

Program areas of the Equipment Branch were reviewed this year with emphasis placed on improving the efficiency and effectiveness of the program. Specifically, FGIS has: (1) determined that the Radio Repair and Maintenance Program can be performed more economically within FGIS rather than contracting for the service; (2) improved testing procedures for FGIS moisture meters; (3) revised and published three chapters of the Equipment Handbook; (4) developed new methods for testing chess sieves used in Carter dockage machines and published approved alternative sieve specifications; (5) field tested revised procedures for rice equipment testing; and (6) published a revised equipment testing schedule to increase efficiency.

### (4) Supervision

The supervision program is an integral part of the national inspection and weighing system. This program monitors inspection and weighing activities performed by Federal employees and non-Federal licensed personnel employed by official agencies to ensure a uniform, accurate, and reliable national system.

During FY 1982, FGIS evaluated the role of supervision and concluded that designated and delegated official agencies should assume more responsibility for supervising and monitoring their own operations. FGIS personnel will continue to provide oversight. The direct day-to-day supervision of licensed personnel will be the responsibility of the official agencies. FGIS personnel will provide periodic indepth reviews of official agencies to ensure compliance with established policies and procedures.

Resources  
Management  
Division

The Resources Management Division's program includes monitoring and administering resources utilized in the FGIS program. This is

accomplished by providing service in the areas of financial management, personnel, safety, training, directives management, data processing, management information systems, administrative services, impact analysis, fee analysis and approval, and work measurement.

The Division's major initiatives during FY 1982 were: (1) developing operating budgets; (2) coordinating the transfer of the accounting system from the AMS cost accrual system to the centralized obligation system at the National Finance Center; (3) continuing review of the current and projected status of the revolving funds to assess the need for fee adjustments; (4) evaluating current programs to determine cost-effectiveness and responsiveness to statutory requirements and Agency objectives; and (5) training field employees in hazard recognition to improve the safety of the workplace.

The Division played an important role in the Agency's implementation of user fees. It provided the cost-revenue data on which management decisions were made. In addition, the Division: (1) reduced the cost of AMS management services from \$2,935,000 to \$2,529,000 for FY 1982; (2) revised the Billings and Collections Handbook to include changes in billing procedures required by the implementation of user fees for supervision; (3) developed the proposed fee docket to adjust fees and revise the method for assessing fees for original grain inspection and weighing services; and (4) strengthened debt management procedures as a result of an OIG audit of the billing, collection, and debt management systems of FGIS.

#### Standardi- zation and Research

The Standardization Division is responsible for developing grading standards that describe the physical and biological condition of grain and commodities at the time of inspection. The Division works closely with other FGIS divisions, USDA agencies, allied trade organizations, industry, universities, and other interested parties to ensure that grain and commodity standards satisfy changing marketing needs.

The Division reviews standards under the Act and the AMA in compliance with Executive Order 12291 and Departmental policy. During this year, the

U.S. Standards for Whole Dry Peas, Lentils, and Dry Beans were revised and simplified to meet current marketing conditions and facilitate exports.

A review of the Standards were initiated for wheat, corn, soybeans, rye, barley, sorghum, mixed grain, rough rice, brown rice for processing, milled rice, split peas, hay, and straw. Proposed rulemaking dockets to revise the U.S. Standards are pending for barley, sorghum, mixed grain, rough rice, brown rice for processing, milled rice, hay, and straw.

Progress made in selected areas of applied research includes: (1) modifying 50 grain protein analyzers and five moisture meters to increase reliability and accuracy, and reduce maintenance costs; (2) developing an electronic thermometer for grain moisture measurements; (3) designing a rate-of-precipitation meter to measure precipitation during loading at grain elevators; (4) developing a standard reference procedure for the determination of oil content in soybeans; (5) comparing the accuracy of the USDA official air-oven method with official methods used in other countries; and (6) confirming that the addition of 0.2 percent water to grain reduced the dust level during loading of barges.

All equipment used in the official inspection of grain must be approved by FGIS. Equipment evaluated during FY 1982 included: (1) a grain divider dust collection system (approved for official use); (2) a 12" rotary grain divider (approval pending); (3) a test weight filling apparatus (recommended changes and retesting); (4) several different brands of moisture meters; (5) a rice milling device (recommended modification and retesting); and (6) a laboratory grinder (approval pending).

#### Compliance

The compliance program includes: (1) licensing official agency (OA) employees to perform official functions; (2) delegating States and designating States and private persons as OA's to provide official services; (3) investigating conflict of interest problems of OA's and individuals; (4) investigating alleged violations and initiating corrective action; (5) reviewing field activities to monitor compliance with the Act, AMA regulations, and directives; (6) reviewing schedules of

fees and charges of OA's; (7) monitoring exemption and waiver requests; and (8) registering firms that export grain.

There are 82 OA's designated to provide official services at interior points. Eight of these agencies are States delegated to perform official inspection and weighing services at export points. During Fiscal Year 1982, three OA's terminated their designation and other OA's were designated to replace them. According to the procedures for triennial renewal, 28 OA designations were automatically terminated in FY 1982, and 27 were renewed for an additional three-year period. The designation of one official agency was not renewed because it was engaged in unofficial inspection service. FGIS determined that this compromised the discretionary conflict-of-interest waiver it was granted under the Act. The remaining nine OA's that were granted similar waivers continue to operate without significant problems.

Due, in part to increased user fees, some members of the grain trade, located in the interior of the United States, shifted to lower cost unofficial grain inspection services. Some of the designated agencies requested approval to provide similar unofficial services and to bypass the assessment of user fees. FGIS' policy is that OA's will not perform, unofficially, the services which they are designated to perform officially. This policy was challenged by several OA's. FGIS maintains that this policy is necessary to assure the integrity and maintenance of a viable national official inspection system. The Advisory Committee supported FGIS' position on this matter.

At the beginning of FY 82, 24 cases, alleging improper grading and weighing, misconduct and/or improper performance of duty, were under investigation. Corrective actions were initiated in nine of the cases; seven were closed because of insufficient evidence. Of the eight cases still open, three have been referred to the U.S. Attorney; three have been referred to the Office of General Counsel for disposition; and two are still under investigation. During FY 82, 19 new cases were investigated; action is pending in 12; the remaining seven cases were closed; corrective action was taken in five, and two were dropped for lack of evidence.

## International Monitoring

The International Monitoring program concentrates on three primary functions: (1) foreign travel to explain FGIS inspection and weighing procedures; (2) briefings of foreign teams, foreign agricultural officers, and others to explain our procedures and obtain information on the quality of U.S. grain shipments; and (3) written or on-site responses to formal and informal complaints received through the Foreign Agricultural Service (FAS).

Sponsored by U.S. Wheat Associates (a U.S. market development cooperator), FGIS representatives travelled to the Middle East, Europe, and South America to participate in seminars and meetings with officials of the foreign grain trade. Poland, Taiwan, Spain, and England were visited to provide rapid response to foreign complaints. Three of the four trips were sponsored by organizations having a direct financial interest in the shipments.

Twenty-seven foreign government and trade teams visited the United States and met with FGIS representatives and grain trade officials throughout the grain producing areas. These meetings provide opportunities to explain FGIS procedures and to address the concerns of the foreign grain trade.

Twelve formal and informal complaints involving quality and one complaint involving quantity discrepancies were received through FAS this year. This represented a sharp reduction from the 21 received in FY 1981. Nine of these complaints were deemed invalid and involved either misinterpretation of FGIS standards or incorrect analyses. Four of the complaints, however, pointed to discrepancies that required corrective action on the part of FGIS. There was one instance of improper weight certification, and three shipments of wheat involving insufficient protein content. Quarterly reports covering complaints were submitted to the Congress.

## Grain Elevator Safety

Public hearings were held on July 20, 1982, by the House Agriculture Subcommittee on Wheat, Soybeans, and Feed Grains to discuss the state-of-the-art research on safety in grain handling facilities. The release of the reports on explosion research by the National Academy of Sciences, funded in part by

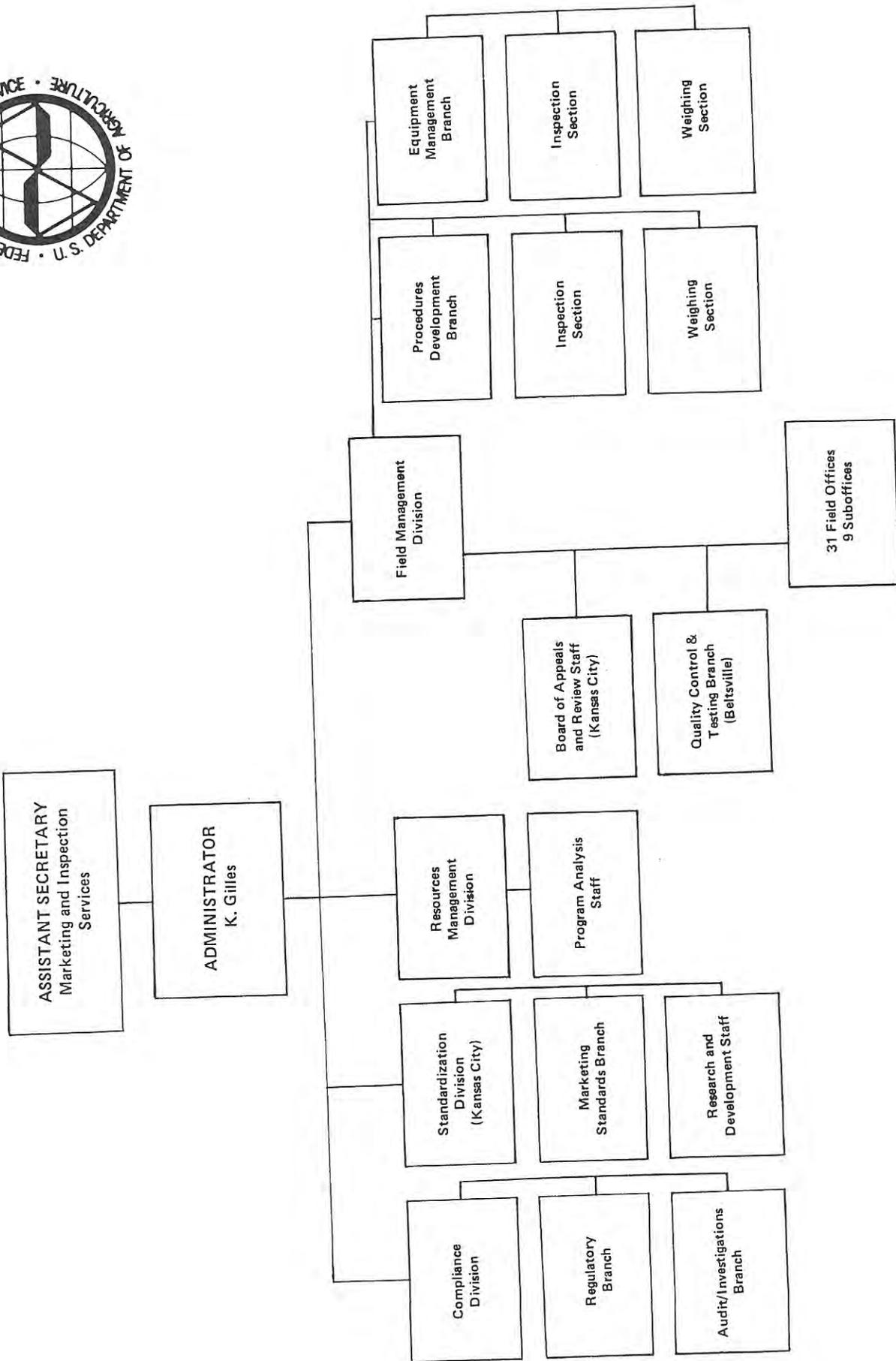
FGIS, provided the basis for the hearing. FGIS presented testimony, along with the Occupational Safety and Health Administration (OSHA), industry, labor unions, and others. OSHA has primary responsibility for ensuring the safety of workers in grain handling facilities and related work sites. FGIS is responsible for the safety of its workers in private sector facilities. Approximately 200,000 industry workers are employed in an estimated 15,000 grain handling facilities in the U.S. FGIS has approximately 600 inspectors working in 54 export elevators, which represents a very small part of the universe of grain elevator safety.

In the Senate Appropriations Committee Report on the FY 1982 budget for FGIS, the Department was instructed to continue the scientific investigation of grain elevator and mill explosions. FGIS committed \$108,638 to Purdue University to fund a two-year research project to (1) evaluate the dust accumulation of grain handled pneumatically (air pressure) rather than mechanically (elevation); (2) measure dust emissions from pneumatic systems; and (3) develop methods and equipment to decelerate grain with minimal damage and dust formation.

APPENDIX

Federal Grain Inspection Service

Information on Program Operations



(198) Approved Staffing Positions

FGIS Reorganization Approved September 21, 1981

Inspection Program Data

Item	FISCAL YEAR	
	1981	1982
Quantity of Grain Produced* (Mt) <u>1/</u>	263.1	324.9
Quantity of Grain Officially Inspected (Mt)	306.2	286.6
Number of Official Agencies	83	82
Number of Licensee Inspections and Reinspections	3,657,308	2,839,305
Number of Federal Original Inspections and Reinspections	279,210	273,274
Number of Federal Inspection Supervisions	125,154	90,584
Number of Federal Protein Supervisions	30,000	24,000
Number of Appeals	28,001	18,925
Number of Appeals Carried to BAR <u>2/</u>	1,100	920
Number of BAR Inspection Supervisions	24,577	14,115
Number of Protein Inspections		
FGIS	57,412	71,452
Official Agencies	690,495	608,882
Number of Aflatoxin Certificates Issued	13,000	14,600
Quantity of Rice Inspected (Mt) (milled basis)	5.4	3.4
Number of Foreign Quality Complaints	17	12

\* Marketing year

1/ Million metric tons

2/ Board of Appeals and Review

Weighing Program Data

Item	FISCAL YEAR	
	1981	1982
Official Weight Certificates issued by:		
FGIS	543,800	177,527
Delegated States and Official Agencies	469,700	280,956
Export Grain Weighed (Mt)		
FGIS	98.1	107.2
Delegated States	31.4	25.9
Number of Certified Scales in Service -		
Export Elevators	633	491
Number of Railroad Track Scales Tested	71	91
Number of Foreign Weight Complaints	6	1

FEDERAL GRAIN INSPECTION SERVICE  
Compliance Program Data

Activity	FISCAL YEAR	
	1981	1982
Official Agency Actions:		
Agency designations at inland locations in effect at end of FY	83	82
Designations renewed	0	27
Designations cancelled	3	3
Designations amended	8	2
State delegations at export port locations in effect at end of FY	8	8
Registration of grain firms:		
Registration certificates issued	117	141

FEDERAL GRAIN INSPECTION SERVICE  
Standardization Project Data

Activity	FISCAL YEAR	
	1981	1982
U.S. Grade Standards in effect	19	19
Commodities covered by grade standards	16	16
New standards issued during fiscal year	0	0
New standards being developed	1	0
New standards requested (pending)	2	0
Revised standards issued during fiscal year	1	3
Revised or reissued standards being developed	6	6
Revised standards requested (pending)	4	5
Standards reviews in progress	N/A	13
Standards reviews completed	N/A	3
Inspection techniques developed	2	7
Equipment evaluated	12	12

TRAINING COURSES CONDUCTED

<u>Course Title</u>	<u>No. of Courses</u>	<u>No. of Participants</u>
Miscellaneous Weighing Training	1	3
Protein Testing	1	14
Budget Formulation	1	28
FGIS Accounting System Orientation Workshop	6	126
Durum Wheat Quality	1	1
Wheat Seminar	1	5
Grain Grading Seminar	1	13
Protein Training	<u>1</u>	<u>13</u>
TOTAL	13	203

FEDERAL GRAIN INSPECTION SERVICE  
 Status of Fee Supported Accounts  
 Period 13 - 09/30/82  
 (Dollars in Thousands)

PROGRAM	Revenue Thru 9/30/82	Cost Thru 9/30/82	Profit/ Loss 9/30/82	Retained Earnings 9/30/82	Months of Retained Earnings
<u>Grain Standards Act</u>					
Original Inspection	\$ 12,259	\$ 14,415	(\$ 2,156)	\$ 2,569	2.4
Canadian Operations	680	721	(41)	27	0.4
Appeals	417	1,089	(672)	(753)	---
Original Weighing	9,025	10,063	(1,038)	2,255	3.1
Supervision of Inspection Agencies	4,450	5,270	(819)	(985)	---
Supervision of Weighing Agencies	485	487	(2)	(23)	---
Registration	26	21	5	10	3.5
GSA Subtotal	27,343	32,066	(4,722)	3,100	1.3
<u>Agricultural Marketing Act</u>					
Rice	3,000	3,180	(180)	(140)	---
Misc. and Processed Commodities	3,733	3,684	49	74	0.3
Misc. Agreements	116	132	(16)	75	6.5
AMA Subtotal	6,849	6,996	(147)	9	0.0
FGIS Fee Subtotal	\$ 34,192	\$ 39,062	(\$ 4,870)	\$ 3,109	1.1

11/19/82

FEDERAL GRAIN INSPECTION SERVICE  
 Summary of Foreign Monitoring  
 Team Activities by Country Visited  
 (Fiscal Year 1982)

Purpose	Representatives	Country or City Visited	Dates
Fumigation Complaint	1	Poland	10/23 - 10/29/81
Soybean Complaint	2	Taiwan	01/09 - 01/16/82
Corn Complaint	1	Spain	02/26 - 03/11/82
U.S. Wheat Associates Seminar and Complaint Followup	1	Egypt, Cyprus, Israel, and Turkey	05/20 - 06/06/82
Administrator's Trip Foreign Trade Meetings	1	Belgium, Czechoslovakia, Denmark, England, France, Germany, and Scotland	06/25 - 07/17/82
Wheat Complaint	1	England	09/18 - 09/24/82
U.S. Wheat Associates Seminar	1	Colombia	09/25 - 09/30/82

FEDERAL GRAIN INSPECTION SERVICE

Summary of Inspection and Weighing  
Foreign Complaints - (Fiscal Year 1982)

<u>Country</u>	<u>Grain</u>	<u>No. of Complaints</u> <sup>1/</sup>	<u>Nature of Complaint</u>
Cyprus	Barley	1	Moldy and Stained Kernels
Colombia	Corn	1	Low Test Weight and Excessive Broken Corn and Foreign Material
Cyprus	Corn and Sorghum	1	Infestation
Spain <sup>2/</sup>	Soybeans	1*	Short Weight
Colombia	Soybeans	1	Excessive Foreign Material
Denmark	Soybeans	2	Contamination by Stones
Taiwan	Wheat	1	Low Test Weight
Venezuela	Wheat	1	Excessive Wheat of Other Classes
Japan	Wheat	1	Excessive Dockage
Japan <sup>2/</sup>	Wheat	3*	Low Protein Content
TOTAL		13	

<sup>1/</sup> The four valid complaints are noted by asterisks.

<sup>2/</sup> Complaints alerted FGIS to quality or short weighing problems

FEDERAL GRAIN INSPECTION SERVICE

Summary of Briefings With Foreign  
Trade and Governmental Teams - (Fiscal Year 1982)  
(Listed Chronologically)

1. Food Corporation of India Team
2. Food Research Institute of Republic of Korea Team
3. Turkish Wheat Purchasing Team
4. President of the Empacadora de Cereals, S.A. (Guatemala)
5. Taiwanese Grain Inspection Methods Team
6. Korea Government Wheat Mission
7. Chinese Ceroilfood Representatives
8. Brazilian Wheat Team
9. Indian Wheat Team
10. United Kingdom Wheat Team
11. China Grain Technical Inspection Team
12. Swedish Grain Trade Association Representative
13. Republic of South Africa Wheat Board Representatives
14. Philippine Flour Miller's Team
15. Japanese Food Agency Team
16. Israel Wheat Trade Team
17. Venezuelan Wheat Trade Team
18. Colombia Wheat Team
19. Korea Wheat Team
20. Zen-Noh Korean Feed and Livestock USA and Canada Study Team
21. Japan Oil Stuff Inspectors and Dekalb County Exports Representatives
22. Agriculture, Business, and Trade Representative of the USSR
23. Yugoslavian Wheat Trade Team
24. Zimbabwe Grain Marketing Board Team
25. Sri Lanka Wheat Team
26. Syrian General Establishment for Cereal Processing and Trade Team
27. Algerian Trade Study Mission

Other Groups

Research Products Co.  
U.S. Wheat Associates  
U.S. Feed Grains Council  
Interagency Response Management Group Task Committee  
FAS Agricultural Officers from Brazil, China, Mexico, Japan, and Indonesia

Calendar Year 1982  
Reported Grain Dust Explosion Incidents  
Grain Handling Facilities

United States

<u>No.</u>	<u>Facility &amp; Location</u>	<u>Date</u>	<u>Injuries</u>	<u>Deaths</u>	<u>Probable Cause</u>
1	MFA Carouthersville, MO	01/05/82	0	0	Spontaneous Combustion of Soybeans
2	Producers Grain Corpus Christi, TX	02/04/82	0	0	Fire & Explosion in Car Dump Cyclone Collector
3	Continental Grain Reserve, LA	03/10/82	0	0	Fire & Explosion in Dust Filter on Dock
4	Feeders Grain & Storage Tarkio, MO	03/14/82	0	0	Welding on Auger
5	Critic Mills Beardstown, IL	04/01/82	2	1	Welding on Leg
6	AGRI Industries Council Bluffs, IA	04/20/82	24	5	Unknown
7	Farmers Coop Elevator Newman Grove, NE	06/09/82	0	0	Head Pulley Rubbing Against Leg Casing
8	Farmers Export Philadelphia, PA	07/12/82	4	0	Welding in Shipping Gallery
9	Henkel Milling Keokuk, IA	10/08/82	0	0	Pneumatic Pump Over- heated
10	Raymond Coop Elevator Raymond, NE	11/16/82	2	5	Propane - Caused Primary Explosion
11	Young Grain Co. Newburg, IN	11/22/82	0	0	Fire and Explosion in Truck Receiving Leg- Cause Unknown
		TOTAL	32	11	

EXHIBITS ON U.S. EXPORTS AND FGIS PROGRAMS

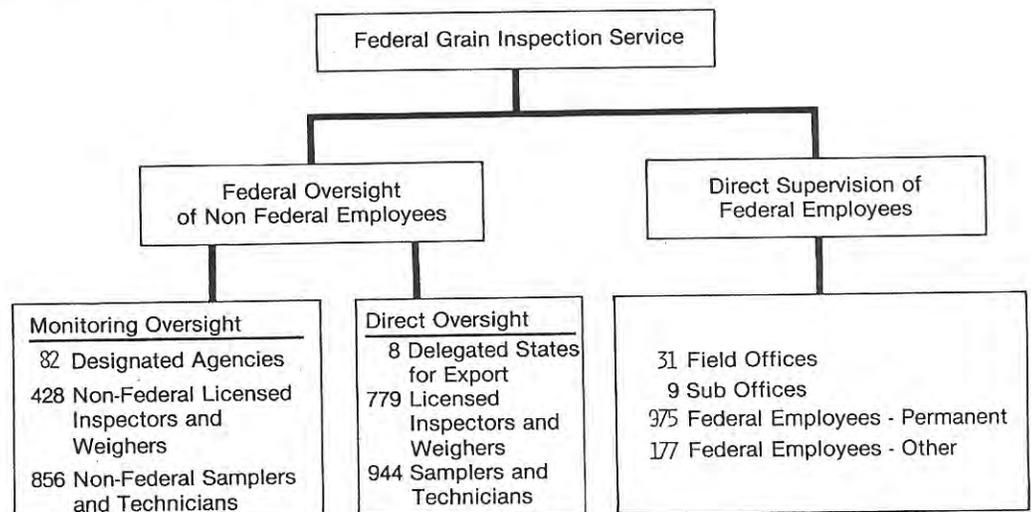
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## FGIS Official Inspection and Weighing Services

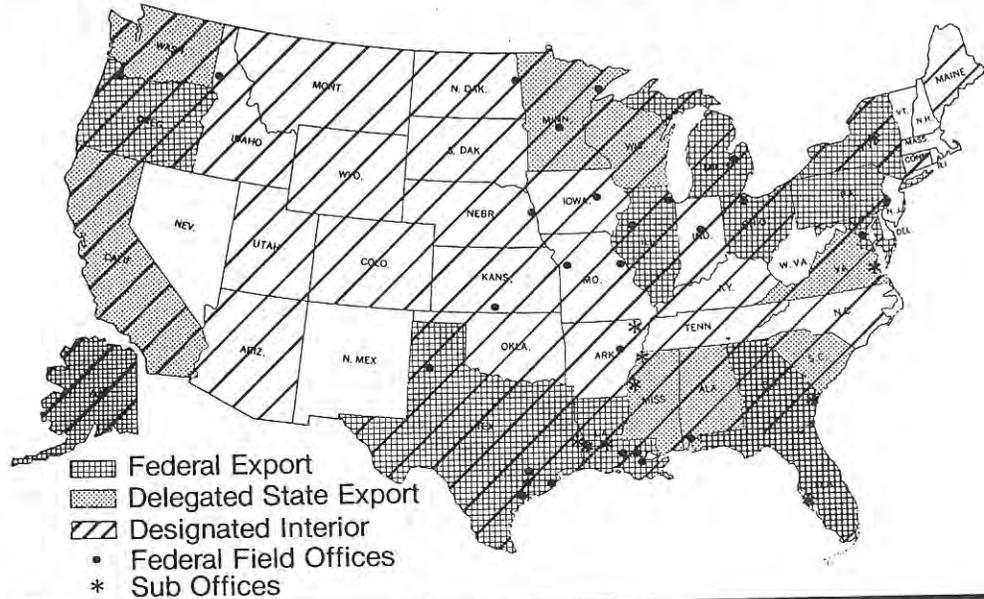
- Development of official standards and procedures
  - Application of standards uniformly by official personnel
  - Application of official inspection and weighing procedures
  - Designation of official agencies
    - Exclusive geographical service area
    - Authorization to issue official certificates
  - Monitoring of official agency performance
  - Enforcement of regulations
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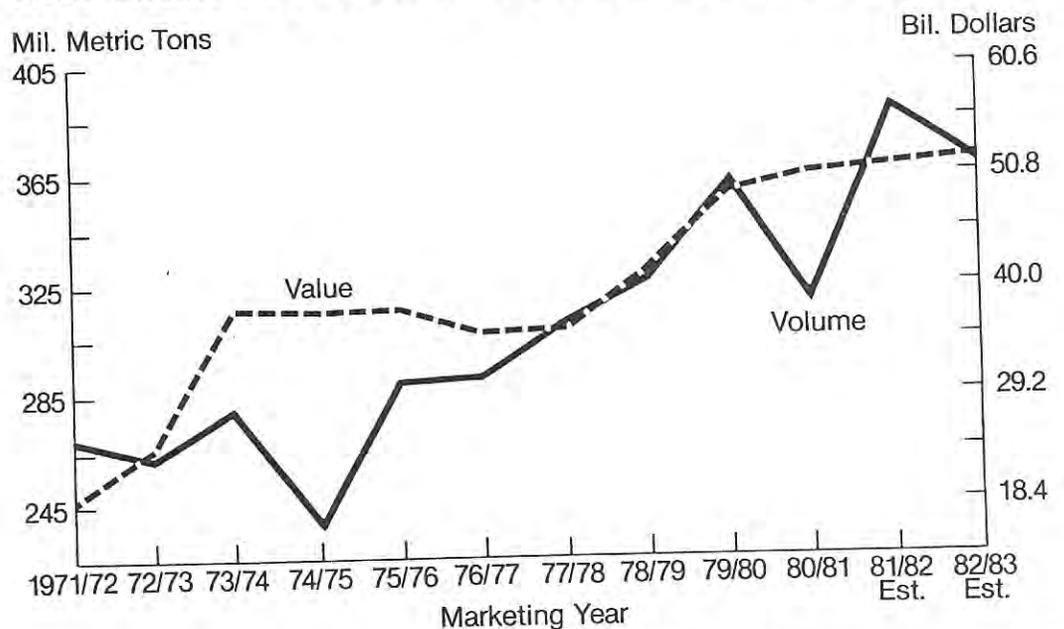
## Official Inspection and Weighing Oversight



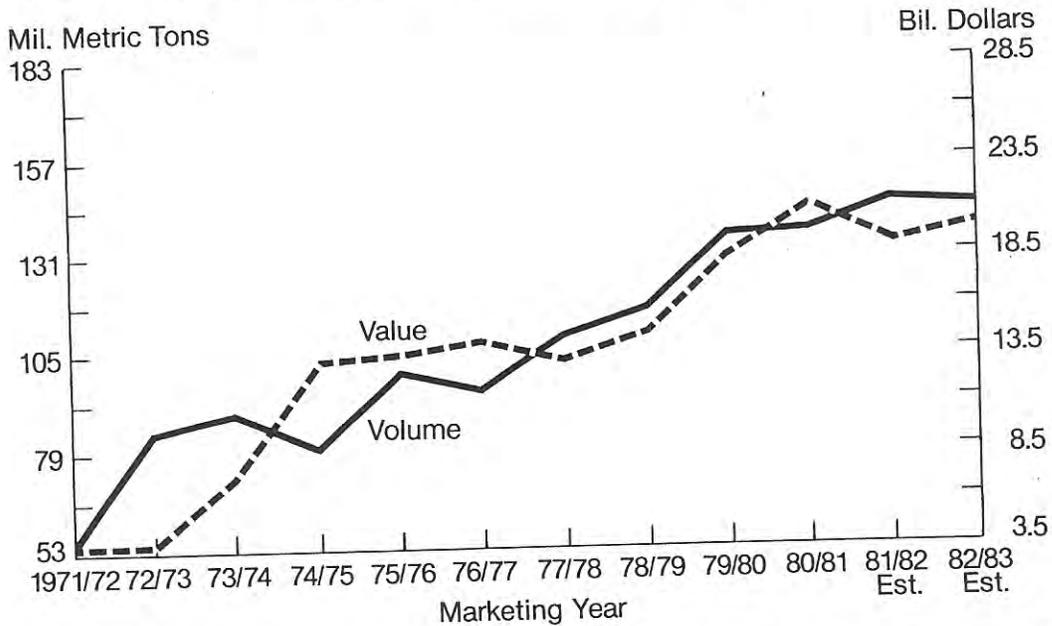
## Federal Grain Inspection Service Performance of Inspection and Weighing Services



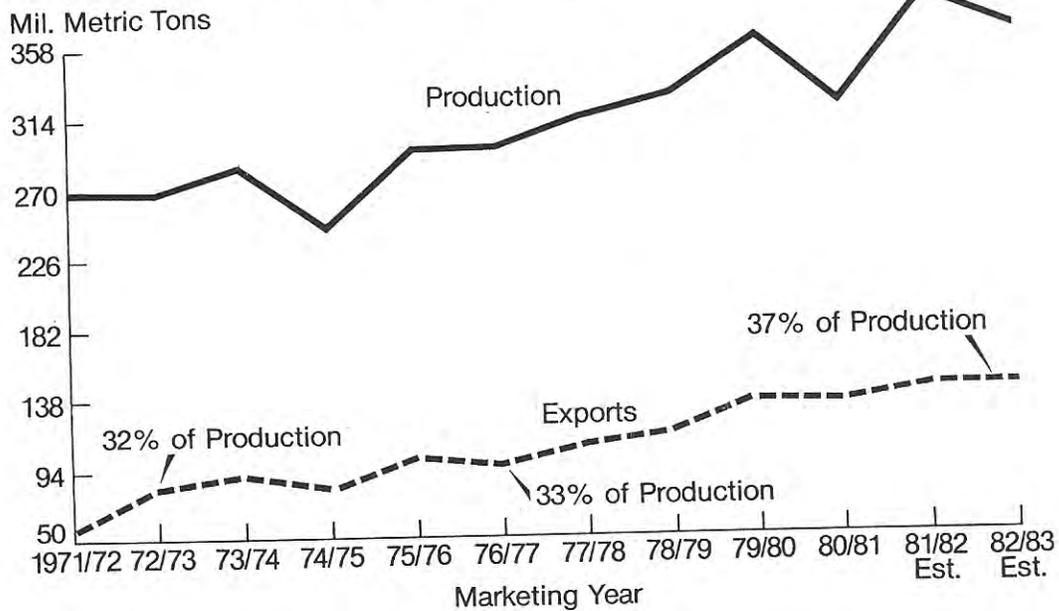
## U.S. Grain Production: Volume and Value



## U.S. Grain Exports: Volume and Value

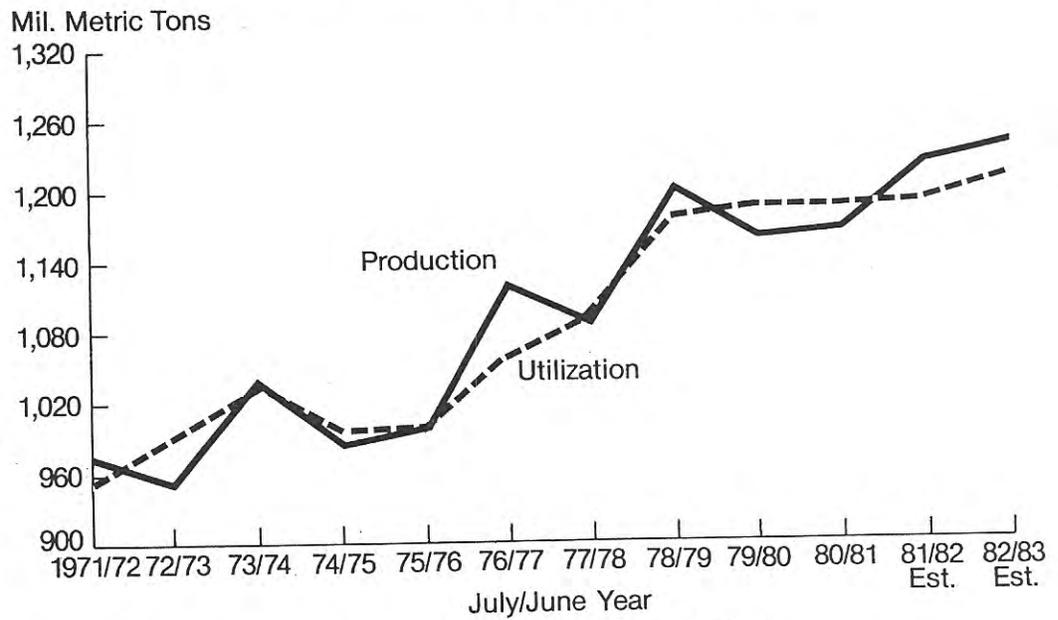


## U.S. Grain Production and Exports



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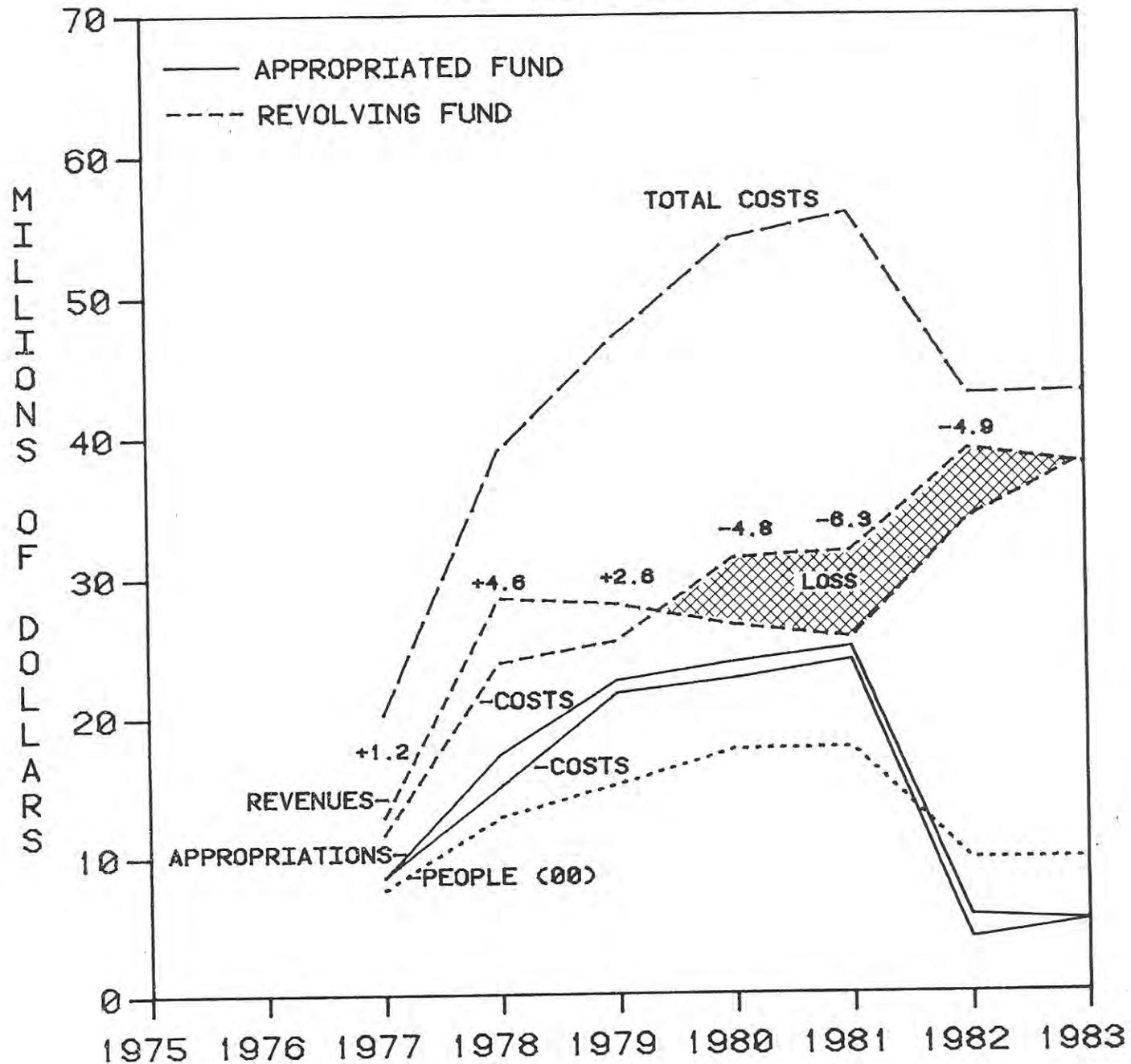
## World Grain Production and Utilization\*



\*Includes wheat, corn, barley, oats, sorghum, millet, rye and mixed grains.

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# TOTAL PERSPECTIVE FUNDS, COSTS, AND STAFF 1977 THROUGH 1983



NOTE: REVOLVING FUND BASED ON TRUST FUND INCOME STATEMENTS.  
 1977 REVOLVING FUND COSTS INCLUDE AMS COSTS DURING FY 1977 TRANSITION FOR FGIS AMA PROGRAMS.