



**United States
Department of
Agriculture**

Federal Grain
Inspection
Service

Annual Report to Congress, 1981



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

December 23, 1981

Honorable Jesse B. 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 (FGIS) FY 1981 Annual Report.

FGIS received new leadership with the change of administration. On June 4, 1981, the new Administrator was confirmed by the Senate, after having been appointed by the President.

The most significant event affecting the Agency during this period was the impact of the user fee provisions of the Omnibus Budget Reconciliation Act enacted August 13, 1981, which became effective October 1, 1981. Under the new law, FGIS is required to recover administrative and supervision costs through increased application of user fees. This funding arrangement changes FGIS from 59 percent to 91 percent user fee-financed. As a result of greater reliance on user fees, it was necessary to restructure the Agency to make it more cost-effective and responsive to the needs of the grain industry.

FGIS has been reorganized, and a major reduction-in-force (RIF) made in both the field and headquarter's staff. The current program was incurring financial losses at times in excess of \$627,000 per month, with a projected FY 1981 loss of \$6.1 million. It is our intention to reverse this trend and implement sound fiscal management of both the trust account and the appropriated funds. However, the mission of the Agency remains unchanged.

Following is an outline of the reorganization and RIF actions for which Department approval was received on September 21, 1981:

- Eliminated 77 positions and downgraded 45 positions in headquarters.
- Eliminated 262 positions in the field. This reduced the field staff from 1,216 to 954.
- Eliminated five regional offices and substituted a Field Management Division (FMD).



- Combined the Inspection and Weighing Divisions under FMD.
- Eliminated two Assistant Deputy Administrator's positions.
- Eliminated the Operations Staff and the Planning and Evaluation Staff.
- Reduced the Safety Staff and the Training Branch to smaller units.
- Transferred the Policy and Procedures Branch and the Testing Branch to FMD.
- Transferred the Board of Appeals and Review (BAR) from the Standardization Division to FMD.
- Decreased the size of the Compliance Division.
- Eliminated grain inventory monitoring.

The reorganization represents a significant reordering of the Agency's priorities. With assistance of three Agency task forces, an analysis of the organization structure disclosed that the program management was critically in need of review and restructuring. It was concluded that the management structure above the field office level had expanded beyond the point of cost-effectiveness. It could not be justified under the new user fee policy. By removing three administrative layers, emphasis was placed on delegating more authority to the field offices and the official agencies.

The purpose of the reorganization is to maintain the integrity of the service and yet operate in a cost-effective manner. For FY 1982, headquarter's budgeted positions have been reduced from 386.4 man years to 198, a savings of 187.4 man years.

We will continue to look at the programs, policies and procedures, and statutory requirements to determine the most cost-effective manner to conduct the Agency's affairs. Our goal is to increase productivity of the workforce, and to deliver an impartial inspection and weighing service of quality to the users -- the grain producers, merchants, and buyers, both domestic and foreign.

Grain elevator explosions remain a hazard to the industry. One FGIS employee was killed and seven others were seriously injured in 1981. Of the approximately 9,560 elevators in the United States, explosions occurred in 21 of them during the first 11 months of 1981. The FGIS safety program will continue to provide information and surveillance on grain elevator explosions.

The People's Republic of China invited an inspection team to visit Peking and selected ports. As a result of the meeting, a Memorandum of Understanding was developed and signed to facilitate cooperation and exchange of information between the respective official inspection agencies.

Twelve people and their alternates were selected to serve on the newly established Advisory Committee. The first meeting was convened on November 13. Subsequent meetings will be held quarterly, the next is scheduled for January 27, 1982.

We appreciate the interest Congress has shown in FGIS. We aspire to maintain the integrity of the official grain inspection and weighing system and will continue to carry out our responsibilities in a timely and cost-effective manner.

Sincerely,



Kenneth A. Gilles
Administrator

Enclosure

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ACCOMPLISHMENTS OF THE FEDERAL GRAIN INSPECTION SERVICE

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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/
- designates qualified State and private agencies (official agencies) to inspect and weigh grain under the Act at interior locations; 3/

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.

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.

- 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. grain being exported through Canada;
- provides appeal inspection services in the United States and at certain export port locations in Canada on U.S. grain being exported through Canada; ^{4/}
- supervises 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.

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 on request upon payment of a fee.

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 designated official agencies, which employ approximately 1,200 inspectors and weighers, licensed by FGIS to provide such services in accordance with the regulations and under FGIS supervision. FGIS supervision and administration costs are funded by user fees as of October 1, 1981.

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

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. Elevators 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 29 export elevators by eight States delegated the authority to perform official services under FGIS procedures and under FGIS supervision and at 54 export elevators by FGIS. Grain exported by rail and truck is not subject to the mandatory requirements of the Act as described in the Compliance section of this report.

ACCOMPLISHMENTS OF THE FEDERAL GRAIN INSPECTION SERVICE

FGIS carries out its inspection and weighing services through a headquarters staff and a field staff comprised of 41 field offices and 5 suboffices. (The five regional offices were closed effective November 21, 1981.) The field offices are located in 26 States to meet the needs of the grain marketing industry. The objective of these field units is to provide efficient and timely services, when required and upon request; supervise the activities of the official agencies; and to promote a cooperative working relationship with the grain industry.

Staff functions, such as the development of directives, internal evaluations, and design and implementation of systems for planning and related technical support services are developed in headquarters.

In carrying out its responsibilities under the Act, the Agency made a number of changes in the organization, as explained in the cover letter, requiring a change in format from previous annual reports. The accomplishments, which in previous reports were shown by program Division, are described in this report in terms of major activities, such as inspection, weighing, compliance, standardization and research, training, supervision, equipment, international monitoring, legislation, and safety.

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) testing the grain for the presence of aflatoxin and protein content; (5) providing reinspection and appeal inspection services; (6) examining the condition of carriers and containers; (7) supervising 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; (10) reviewing the performance of procedures and instructions; and (11) providing the other aspects of staff work needed to maintain accurate and reliable service.

We evaluated the warehouseman's sample-lot inspection program and determined that the certificates issued required further clarification. Therefore, a special statement was developed for each certificate representing a warehouseman inspection to ensure an understanding of what the certificate represented.

Inspection procedures were revised to improve the uniformity in the application of the U.S. Standards, both at and between inspection points, throughout the grain inspection system. Further, a greater emphasis was placed on identifying potential inspection problems and taking corrective action in a timely manner to help ensure the orderly marketing of grain.

The inspection program operated under a more stable system because the developing and implementing phases required under the Act were completed. For example, during the fall of 1980, a higher percentage of damaged corn entered certain grain markets in Minnesota and initially created intermarket grading problems between inspection points. FGIS grading teams were sent to the areas and worked directly with the inspectors. This timely action corrected the grading problems which had the potential for adversely affecting the grain marketing system.

Conasupo (buying agent for the Mexican government) and the Mexican grain industry have been sampling and analyzing shipments of grain imported from the United States. The results of those analyses indicated that some shipments of such grain did not meet the quality control standards as stipulated in the purchase/sales contract. As a result, a cooperative agreement was signed between FGIS and Conasupo which sets forth specific guidelines by which FGIS, upon the request of Conasupo, would review the grain quality problems and orient Mexican authorities with the FGIS program. Since the signing of this agreement, there have been no problems concerning U.S. grain exports to Mexico, and a substantial reduction has occurred in the number of railcars held at the Mexican border because of quality problems.

(See page 17 of the Appendix for inspection program data).

Weighing

The weighing program includes (1) the supervision of approved weighers, (2) the development and maintenance of official weighing policies and procedures that are standardized nationwide, (3) the testing of scales and related equipment used in the official weighing of grain, (4) the issuance of official weight certificates, and (5) the monitoring of official U.S. grain weights at overseas locations.

The national weighing program has provided an accurate and reliable weighing service. It has now evolved into a maintenance and monitoring stage. Current programs are being streamlined to be more effective and responsive 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 and yet not diminish the overall integrity of the program.

A redefined supervision of weighing service (Class Y) was developed and implemented during FY 1981 for inbound movements of grain at export port locations. The program was developed in response to the October 13, 1980 amendment to the Act, Ashley Bill (P.L. 437). The program provides the grain industry with a permissive, rather than mandatory, weighing service for certain inbound movements of grain at export port locations. However, this alternative is seldomly used.

During the year, the weighing procedures of 12 export and 36 domestic shipments of grain were reviewed to identify any procedural weighing errors or program areas requiring correction. Three of the 48 reviews conducted required a change in the weighing certificates. Modifications in the program have been made in response to the problem areas identified during the review process.

(See page 18 of the Appendix for weighing program data).

Compliance

The compliance program includes (1) licensing official agency employees to perform official functions; (2) delegating States and designating States and/or private persons as official agencies to provide official services; (3) investigating alleged violations and initiating corrective action; (4) reviewing export and interior inspection and weighing activities of the Service, official agencies, and grain facilities to monitor compliance with the Act and applicable provisions of the AMA, regulations, and internal Agency procedures and to determine if the procedures are being carried out in a correct and uniform manner; (5) conducting recordkeeping reviews; (6) monitoring exemption and waiver requests; and (7) maintaining an automated management information system to assist in monitoring Agency violation case files and procedural review findings.

As of September 1, 1981, there were 83 official agencies operating nationwide under a designation to provide inspection and weighing services at interior points. Eight of these agencies are States that are delegated to provide inspection and weighing services at export points. Three official agencies elected to terminate their designation during the fiscal year, and other official agencies were designated to replace them. Procedures for triennial renewal were established and implemented during fiscal year 1981. In fiscal year 1982, 28 official agencies designations are scheduled to terminate, and they will be eligible for a renewal of designation for an additional 3-year period.

At the beginning of FY 1981, there were 31 open investigation cases. Corrective action was initiated in 14 of the cases, and 9 were closed with no action because evidence did not support the alleged violation. Of the eight cases still open, one has been referred to the U.S. Attorney. Thirty-nine new investigation cases were opened, 20 of these were closed and 19 are pending (2 have been referred to the U.S. Attorney, 4 are being investigated by the OIG, 2 were referred to the Personnel Division, and 11 are currently being investigated). Of the 20 cases closed, corrective action was obtained in 15 instances and no action taken in 5 cases. The new cases included reports of attempted bribery, issuing false certificates, improper sampling and grading, and misconduct.

The working relationship with OIG continued to work well during this period. A Statement of Determination, established by the two agencies, spells out the investigation jurisdiction that may be expanded next year to include auditing.

For deceptive loading violations, we established guidelines for determining sanctions or civil penalties under the Act, and a complaint letter has been cleared for signature which represents the first corrective action pursued under these provisions. Warning letters were issued to five official agencies, three of which originated from domestic complaints concerning intermarket grade differences that were substantiated by investigation. The performance of these official agencies will be monitored closely to determine their eligibility concerning future designations. In 21 instances involving licensees where violations were suspected, 13 corrective action reports were issued, 4 warning letters were issued, 3 licensees were reexamined for competency, and 1 license was terminated.

An interim final rule was issued reducing the burden on the trading of grain between the United States, Canada, and Mexico. Under this rule, all grain exported from the United States to Canada or Mexico by rail or truck is exempt from the mandatory official inspection and weighing requirements. A decision on this matter is pending.

During FY 1981, 28 export grain shipments were waived from the inspection requirements, and three waivers were granted for emergency or other special situations. Elevator operators and grain merchandisers exporting less than 15,000 metric tons are eligible for an exemption from the mandatory inspection and weighing requirements of the Act. Approximately 348 facilities may be exporting grain with this exemption.

(See page 19 of the Appendix for compliance program data).

Standardization and Research

The standardization program is designed to develop and improve new or revised official grade standards for grain and other assigned commodities. The development and revisions of standards are geared to meet present and future marketing needs. The Agency continues to conduct applied research to (1) improve testing equipment and procedures that accurately describe grain quality, and (2) improve the safety and effectiveness of fumigating insect infested grain aboard ships.

The Agency continued its public participation efforts in the review of existing standards for certain grains and commodities covered under the Act and the AMA. Public comment was formally solicited on the U.S. standards for rough rice, brown rice for processing, milled rice, beans, peas, lentils, and for hay and straw. Comments were also requested on proposed primary standard reference methods for moisture, oil, and protein in soybeans and sunflowers. Any standards that were not reviewed in FY 1980 or FY 1981 will be subject to review and public comment during the next 2 years. If public comments and research indicate that the revision of a standard is warranted, a formal proposal will be made in the Federal Register.

The following changes in the standards have also been studied and considered:

- Alternate changes to the special grade "Weevily".
- Development of sunflower standards.
- Whether to revise soybean standards because of the presence of Nightshade berries.
- Making odor determinations on the basis of cleaned grain rather than grain containing foreign material and dockage.
- An amendment to the Milled Rice definition.

The applied research activities have resulted in:

- The development of a bleach procedure for determining germ damage in oats.
- Improvement of the milling procedure for Western grown rice which is more indicative of commercial milling practices.
- Improvement to the aflatoxin testing procedure for corn by using less toxic solvents and more readily adapted to field use.
- Expansion of the intransit shipboard fumigation to include grain loaded aboard tanker-type vessels in addition to the earlier approval for such fumigation for bulk dry cargo vessels. Further expansion to other types of export vessels is planned during FY 1982.
- The development of performance specifications for electronic scales and the adoption of high moisture corn charts in cooperation with the States of Illinois and Iowa.

Progress has also been made in the following applied research areas:

- Improving the electronic circuitry of moisture meters.
- Improving the circuitry of protein measuring devices.
- Development of a thermometer testing device.
- Improvements in rice milling equipment.
- Improvements in laboratory grinders used in preparing grains for testing.
- Analyzing the rate of equipment and operator repeatability in determining the amount of sprout damaged wheat.

Protein activities during FY 1981 were directed by an FGIS Protein Coordinator and protein technical committee consisting of industry, allied trade, and USDA representatives. Activities included investigation of modified instruments, authorization of additional instrument models into FGIS use, advanced instrument training courses for operators, instrument accuracy checktests, computerized monitoring of appeal results, monitoring procedure changes incorporating sealed check cells for instruments, and changes in instrument operator rotation of duties. However, because of continuing intermarket and export protein problems, it is apparent that all of the protein problems are not resolved. It is expected that most of the protein problems will be resolved during FY 1982.

Other standardization problems that have not been resolved, but will be addressed in FY 1982, include (1) the classing of Hard Red Winter, Hard Red Spring, and Soft Red Winter wheat; (2) the classing of new varieties of sorghum with light seed coats as White sorghum; and (3) whether to amend the current procedure for assessing dockage in wheat.

(See page 20 of the Appendix for standardization program data).

Training

Staff development and training continued to play an important role in the effort to improve the manner in which the Agency delivers its services.

The Agency conducted and aided in the presentation of 75 courses, including the Agency responsibility for training supervisory and management personnel. Five sessions of the Managerial Styles and Skills course were conducted nationally, training 93 management personnel. (See page 21 of the Appendix for training courses held during FY 1981).

The BAR assisted the regions in training inspectors in grain and other commodities. Due to an unusually high amount of mixed wheat, training sessions to properly identify varieties of wheat have proven useful in maintaining inspection uniformity and accuracy.

To provide more training for individuals involved in key weighing activities in the field, extensive grain scale training was conducted for the Grain Marketing Specialists who are being converted to the Scales and Weighing positions, and training sessions in weighing policies and procedures were conducted for individuals who were in the scales and weighing series.

Supervision

The supervision program is an integral part of the U.S. inspection and weighing system. This program monitors inspection and weighing activities performed by Federal employees and licensed personnel employed by official agencies to ensure that a uniform, accurate, and reliable program is available for the U.S. grain market.

During the year, 30 field offices and 24 official agencies were reviewed by headquarters personnel. Procedural problems were disclosed in grain sampling, grading, weighing, equipment testing, and other program areas. The information collected during these reviews can be incorporated into a newly developed computerized information system designed to assist in the identification of trends and coordination of corrective action.

Supervision of official agencies and Federal employees was improved during the year with the implementation of two more sections to the Field Office Supervisor's Handbook. This Handbook provides the field office supervisors with specific supervision procedures to ensure that official agencies and Federal employees adequately fulfill the requirements of the Act.

Prior to renewal of the license of official inspection personnel, it is necessary to determine their competency. Of the 396 inspectors eligible for renewal, 178 inspectors were found deficient. Based on the results of the 11 reexaminations, 5 licensees voluntarily cancelled their licenses, and 6 licensees were suspended.

In addition to the onsite reviews and supervision performed directly by the field office supervisors, the BAR has an ongoing program to monitor the inspection results of grain and other commodities to identify changes in varieties, crop quality, and potential inspection problems.

For the next fiscal year, FGIS plans to thoroughly review its supervision program and make the necessary changes to improve its cost efficiency and cost effectiveness. This will entail transferring more responsibility and authority to official agencies and FGIS field offices for the supervision of inspection and weighing functions.

Equipment

The inspection equipment program was reorganized and became operational during this period. Inspection equipment responsibilities and authority were realigned within the Agency in a manner that has substantially improved the efficiency and effectiveness of the program. All research and development functions were placed under the authority of one unit, while the implementation, monitoring, testing, and maintenance of equipment was placed under the authority and responsibility of another unit.

Two railroad cars (owned and operated by FGIS) capable of testing railroad track scales are now providing semiannual testing nationwide. During the initial phase of the program, a certain portion of it was supported by FGIS funds. However, in FY 1982, this program will become completely self-supporting through user fees and financial support received from the Association of American Railroads. This program has received nationwide support from the U.S. grain industry and railroads.

The FGIS test weight reverification program offers the grain industry the opportunity to have their large capacity scale test weights examined and calibrated onsite. The grain industry has supported this program because the actual testing process can be conducted without moving the test standards (usually 2,500 lbs.) from the elevator. This program will also become self-supporting during FY 1982.

During FY 1981, the scale testing responsibility was included in the delegation of Virginia, Washington, and South Carolina, with Minnesota in the process of being given an amended delegation for the service. During FY 1982, the remaining four delegated States will be reviewed and if possible, be given amended delegation to include scale testing.

Sixty-two export elevators were surveyed to identify weight supervision positions that could be eliminated through the use of Closed Circuit Television (CCTV). We found that 25 positions, representing 54 man-years, could be eliminated if CCTV were incorporated into the elevators. This staff reduction could result in a savings of more than \$2 million to the grain industry. Systems have already been installed at nine export elevators, resulting in cost savings to the industry, representing 17 staff years of FGIS service.

International Monitoring

International Monitoring emphasized three programs in fulfilling its mission of monitoring U.S. grain shipments during FY 1981. FGIS personnel traveled as participants in U.S. Wheat Associates sponsored seminars held in Europe, Caribbean, and South America. This type of travel provided an opportunity for our personnel to explain our procedures and to hear from the end-user of our grain shipments. Four teams were sent as a direct result of foreign complaints. These trips were made when an immediate and urgent problem arose or to observe recurring complaints. Three trips were conducted as research projects, one to assist U.S. flag vessels in obtaining shipments of corn to Egypt, and two were a combination of in-transit fumigation studies and monitoring trips. (See page 22 of the Appendix for a listing of the trips).

Twenty-three formal and informal complaints concerning the quality or quantity of U.S. grain shipments were received through the Foreign Agricultural Service (FAS) this year. These complaints involve specific shipments of grain. A study of the conditions at the time of loading was made and the findings reported to FAS. Prepared grain samples were sent to Japan, Taiwan, Singapore, Denmark, and Colombia to assist the grain trade in these countries to interpret characteristics that FGIS uses in determining the quality of grain. (See page 24 of the Appendix for a listing of the complaints).

Briefings with foreign teams, foreign agricultural officers, and others allow us to answer any questions the foreign trade may have and obtain information as to the quality of U.S. shipments at destination without the expense of traveling overseas. (See page 25 of the Appendix for a listing of the briefings).

Legislation

Two significant legislative proposals were enacted during this period, having an impact on the Agency. The Ashley Bill (P.L. 96-437) was enacted on October 13, 1980, and amended the Act to exempt certain shipments of grain from official weighing requirements. Unless requested by the shipper or receiver, all intracompany shipments, all intercompany shipments except barges, and all shipments of grain into domestic markets are not required to be officially weighed.

The Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35) was enacted on August 13, 1981, and amended the Act by requiring FGIS to (1) increase its user fees to recover the administrative and supervisory costs related to official inspection and weighing services; (2) limit these costs to 35 percent of the total costs of such activities, excluding compliance, standardization, and foreign monitoring

activities; (3) establish a 12-member Advisory Committee to provide advice and counsel to the Administrator of FGIS with respect to the efficient and economical implementation of the Act; and (4) requires reauthorization of the Agency in 1984.

The bill to change the eligibility requirements for State agency delegation was introduced as part of the Omnibus Farm Bill of 1981. The Conference Committee on the Farm Bill agreed to the language amending the Act that restricts eligibility to a State agency exporting not more than 5 percent of the total annual U.S. grain exports. Additional restrictions require the State to be currently conducting official inspections within the State other than at export port locations, and to have inspected grain prior to July 1, 1976.

Recommendations for legislative action will continue to be made on a timely basis as the need arise. No major change is envisioned at this time.

Safety

The primary objective of the safety and health program during this period was to continue to develop and implement its program with primary focus on field employees. Efforts were made to identify potentially hazardous conditions in the workplace and to take action to eliminate such conditions to create a safer environment in which to work. In grain elevators such conditions as frayed electrical wiring, high dust concentration, overheating motors, exposed light bulbs, and smoldering grain and grain dust are all considered hazardous and would be reported corrected where possible.

A Safety and Health Handbook was developed and issued to all field personnel. The Handbook establishes and prescribes policies and procedures on safety for all FGIS personnel to follow while performing official functions. The manual also provides specific guidelines on safety for the different worksites of FGIS personnel.

Each field office participated in a hazard recognition course developed and presented by the Occupational Safety and Health Administration. First aid training was also given to a majority of employees in each field office.

Most of the export elevators have, or are in the process of complying with, the Agency's directive requiring FGIS inspection labs and offices to be located at least 100 feet from the elevator headhouse.

Explosion incidents in grain elevators were reduced by almost 50 percent this year. There were 40 explosions with 10 deaths and 48 injuries reported last year, compared to 21 explosions with 12 deaths and 63 injuries reported this year. (See page 27 of Appendix for listing of grain elevator explosions occurring during calendar year 1981).

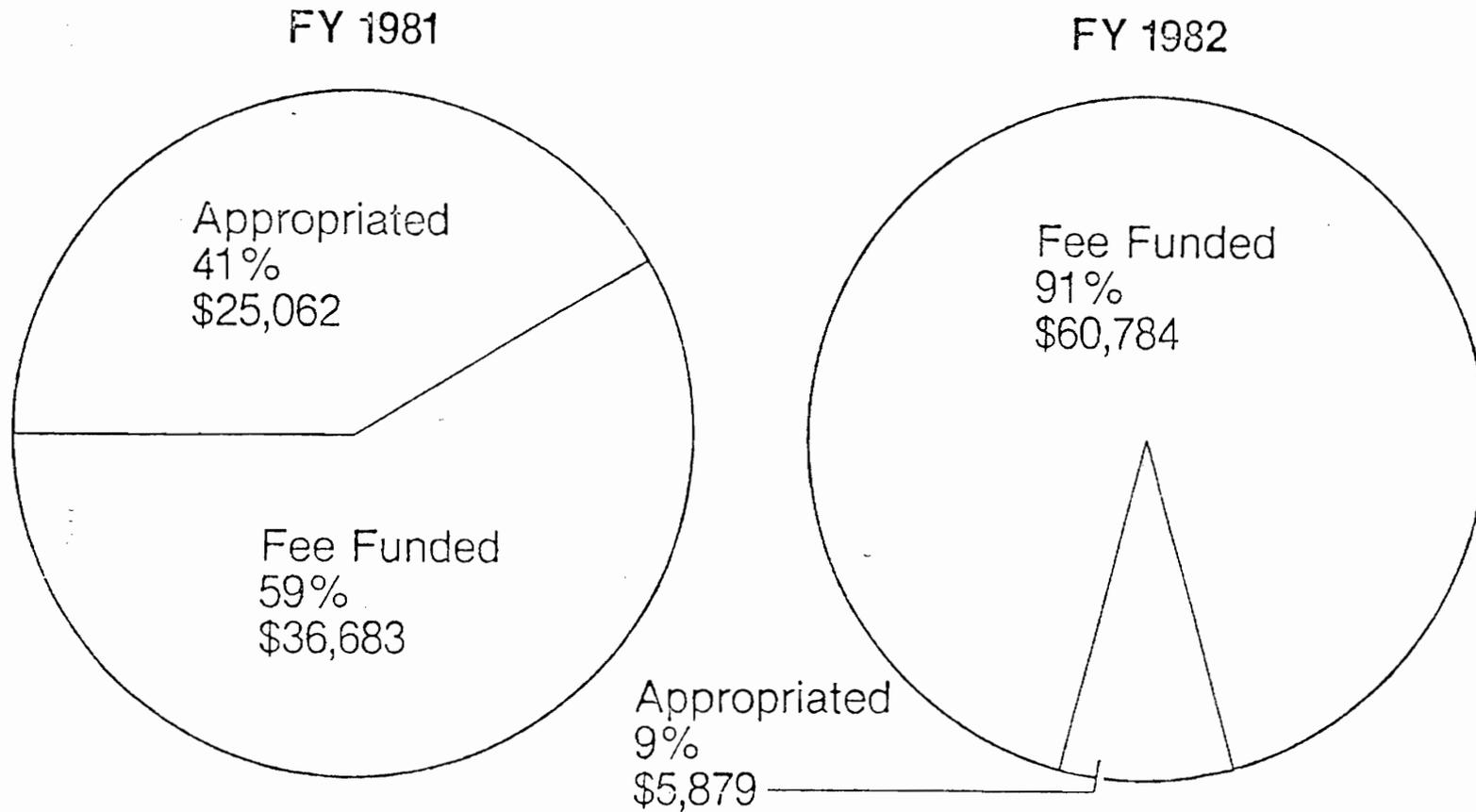
APPENDIX

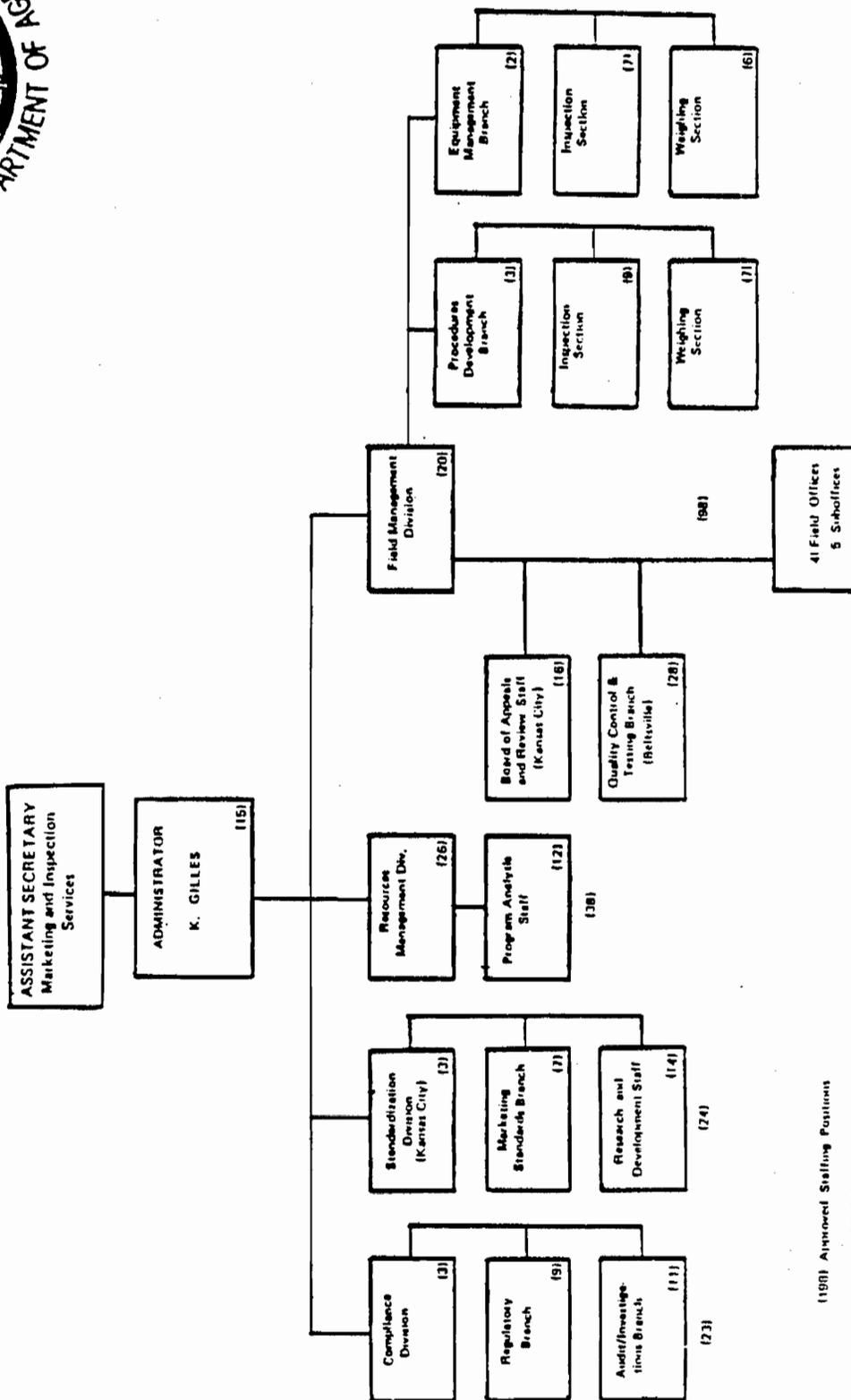
Federal Grain Inspection Service

Information on Program Operations

Federal Grain Inspection Service Change in Source of Funds

Dollars in Thousands





(1981) Approved Staffing Positions
 FGIIS Reorganization Approved September 21, 1981

FEDERAL GRAIN INSPECTION SERVICE

Total FGIS Employment Statistics
(As of September 30, 1981) 3/

| Type of program activity | Full-time permanent | | | Other than full-time permanent | | |
|---|---------------------|-----------------|-------|--------------------------------|-------|-------|
| | Hdqtrs. | Field | Total | Hdqtrs. | Field | Total |
| ----- Number ----- | | | | | | |
| Managerial & supervisory (Appropriated funds): | | | | | | |
| Inspection supervision | 1 | 220 | 221 | | 12 | 12 |
| Weighing supervision | | 79 | 79 | | 4 | 4 |
| Standardization - AMA <u>1/</u> | 1 | | 1 | | | |
| Hdqtrs. program management | 138 | 1 | 139 | 1 | | 1 |
| Subtotal | 140 | 300 | 440 | 1 | 16 | 17 |
| Inspection & weighing services (Trust funds): | | | | | | |
| Under the USGSA: <u>2/</u> | | | | | | |
| Federal inspections | 2 | 441 | 443 | | 26 | 26 |
| Canadian operations | | 15 | 15 | | 1 | 1 |
| Appeal inspections | 1 | 21 | 22 | | 1 | 1 |
| Federal weighing | 4 | 320 | 324 | | 18 | 18 |
| Under the AMA: <u>1/</u> | | | | | | |
| Rice | 6 | 111 | 117 | | 6 | 6 |
| Misc. & processed commodities | 7 | 80 | 87 | | 5 | 5 |
| Misc. agreements | | 4 | 4 | | | |
| Subtotal | 20 | 992 | 1,012 | | 57 | 57 |
| Total | 160 | 1,292 <u>3/</u> | 1,452 | 1 | 73 | 74 |

1/ Agricultural Marketing Act.

2/ U.S. Grain Standards Act, as amended.

3/ Includes Training Staff - 11 FTP.

NOTE: These are preliminary estimates pending receipt of the official employment report from the National Finance Center.

FEDERAL GRAIN INSPECTION SERVICE

FGIS Management Employment Statistics 1/
(As of September 30, 1981)

| Type of program activity | Full-time permanent | | | Other than full-time permanent | | |
|---|---------------------|-------|-------|--------------------------------|-------|-------|
| | Hdqtrs. | Field | Total | Hdqtrs. | Field | Total |
| ----- Number ----- | | | | | | |
| Managerial & supervisory (Appropriated funds): | | | | | | |
| Inspection supervision | 1 | | 1 | | | |
| Hdqtrs. program management | 33 | | 33 | | | |
| Subtotal | 34 | | 34 | | | |
| Inspection services (Trust fund): | | | | | | |
| Under the USGSA: <u>2/</u> | | | | | | |
| Federal inspections | 1 | | 1 | | | |
| Federal weighing | 1 | | 1 | | | |
| Under the AMA: <u>3/</u> | | | | | | |
| Rice | 1 | | 1 | | | |
| Misc. & processed commodities | 1 | | 1 | | | |
| Subtotal | 4 | | 4 | | | |
| Total | 38 | | 38 | | | |

1/ Statistics include Office of the Administrator, Administrative Staff, and Issuance and Coordination Staff.

2/ U.S. Grain Standards Act, as amended.

3/ Agricultural Marketing Act of 1946.

NOTE: These are preliminary estimates pending receipt of the official employment report from the National Finance Center.

FEDERAL GRAIN INSPECTION SERVICE
 Status of Fee Supported Accounts
 Period 13 - 09/30/81
 (Dollars in Thousands)

| PROGRAM | Revenue Thru 9/30/81 | Cost Thru 9/30/81 | Profit/ Loss 9/30/81 | Retained Earnings 9/30/81 | Months of Retained Earnings |
|---------------------------------|----------------------------|-------------------------|----------------------------|---------------------------------|-----------------------------------|
| Grain Standards Act | | | | | |
| Original Inspection | \$ 9,193 | \$12,479 | \$-3,286 | \$ 4,669 | 4.5 |
| Canadian Operations | 797 | 732 | 65 | 106 | 1.7 |
| Appeals | 531 | 928 | -397 | -7 | -- |
| Original Weighing | 8,960 | 10,176 | -1,216 | 3,982 | 4.7 |
| Registration | 1 | 16 | -15 | 5 | 3.8 |
| GSA Subtotal | 19,482 | 24,331 | -4,849 | 8,755 | 4.3 |
| Agricultural Marketing Act | | | | | |
| Rice | 2,720 | 3,418 | -698 | 54 | .2 |
| Misc. and Processed Commodities | 3,296 | 3,837 | -541 | 245 | .8 |
| Misc. Agreements | 105 | 140 | -35 | 40 | 3.4 |
| AMA Subtotal | 6,121 | 7,395 | -1,274 | 339 | .6 |
| FGIS Fee Subtotal | 25,603 | 31,726 | -6,123 | 9,094 | 3.4 |

11/13/81

Inspection Program Data

| Item | FISCAL YEAR | | |
|---|-------------------------------|--------------------------------|-------------------------------|
| | PAST 1981 (Preliminary) | CURRENT 1982 (Estimated) | BUDGET 1983 (Projected) |
| Quantity of Grain Produced (Million bushels) | 12,021 | 11,485 | 13,399 |
| Quantity of Grain Officially Inspected (Million bushels) | 10,616 | 10,692 | 10,692 |
| (Million metric tons) | 277.3 | 279.3 | 279.3 |
| Number of Official Agencies | 83 | 82 | 82 |
| Number of Licensee Inspections and Reinspections | 3,919,000 | 3,919,000 | 3,919,000 |
| Number of Federal Original Inspections and Reinspections | 282,000 | 282,000 | 282,000 |
| Number of Federal Inspection Supervisions | 117,900 | 106,660 | 106,660 |
| Number of Federal Protein Supervisions | 30,000 | 24,000 | 24,000 |
| Number of Appeals | 28,000 | 25,000 | 25,000 |
| Number of Appeals Carried to BAR | 1,100 | 850 | 850 |
| Number of BAR Inspection Supervisions | 13,000 | 14,000 | 10,000 |
| Number of Protein Inspections | | | |
| FGIS | 55,650 | 55,650 | 55,650 |
| Official Agencies | 559,350 | 559,350 | 559,350 |
| Number of Aflatoxin Certificates Issued | 13,000 | 13,000 | 13,000 |
| Quantity of Rice Inspected (Million metric tons) | 8.7 | 8.7 | 8.7 |
| Number of Foreign Quality Complaints | 17 | 22 | 22 |

Weighing Program Data

| Item | FISCAL YEAR | | |
|--|-------------------------------|--------------------------------|-------------------------------|
| | PAST 1981 (Preliminary) | CURRENT 1982 (Estimated) | BUDGET 1983 (Projected) |
| Official Weight Certificates issued by: | | | |
| FGIS (1,000) | 543.8 | 500.0 | 500.0 |
| Delegated States (1,000) | 469.7 | 400.0 | 400.0 |
| Official Supervision Weight Certificates issued by: | | | |
| FGIS and Delegated States (1,000) | 2.0 | 2.0 | 2.0 |
| Export Grain Weighed (Million Metric Tons) | | | |
| FGIS | 100.5 | 103.2 | 103.2 |
| Delegated States | 39.6 | 45.3 | 45.3 |
| Number of Certified Scales in Service - Export Elevators | 633 | 650 | 650 |
| Number of Railroad Track Scales Tested | 71 | 97 | 97 |
| Number of Foreign Weight Complaints | 6 | 8 | 8 |

FEDERAL GRAIN INSPECTION SERVICE
Compliance Program Data

| Activity | FISCAL YEAR | | |
|--|-------------|-------|-------|
| | 1981 | 1982 | 1983 |
| Official Agency Actions: | | | |
| Agency designations at inland locations in effect at end of fiscal year | 83 | 83 | 83 |
| Designations extended..... | 20 | 0 | 0 |
| Designations renewed..... | 0 | 28 | 28 |
| Designations canceled..... | 3 | 1 | 0 |
| Designations amended..... | 8 | 6 | 6 |
| State delegations at export port locations in effect at end of fiscal year | 8 | 8 | 8 |
| Licensing Actions under the USGSA: | | | |
| Licensed inspectors & weighers (Total) | 1,525 | 1,500 | 1,500 |
| Total licenses issued..... | 869 | 725 | 725 |
| Number of exams prepared/graded..... | 1,914 | 1,700 | 1,700 |
| Cancellations/terminations..... | 140 | 140 | 140 |
| Licensing Actions under the AMA: | | | |
| Licensed inspectors (Total) | 110 | 110 | 110 |
| Number of exams prepared/graded..... | 76 | 75 | 75 |
| Total licenses issued..... | 60 | 60 | 60 |
| Contract samplers (renewed yearly).... | 400 | 400 | 400 |
| Cancellations/terminations..... | 28 | 15 | 15 |
| Registration of grain firms: | | | |
| Registration certificates issued..... | 117 | 117 | 117 |
| Procedural reviews conducted: | | | |
| Export..... | 9 | | |
| Domestic..... | 19 | | |
| Circuit..... | 1 | | |
| Voucher..... | 12 | | |
| Processed Plant and Commodity Reviews. | 9 | | |

FEDERAL GRAIN INSPECTION SERVICE
Standardization Program Data

| | FISCAL YEAR | | |
|---|-----------------------|---------------------|---------------------|
| | 1981 (Preliminary) | 1982 (Estimated) | 1983 (Projected) |
| U.S. Grade Standards in effect | 19 | 19 | 20 |
| Commodities covered by grade standards | 16 | 16 | 17 |
| New standards issued during fiscal year | 0 | 1 | 1 |
| New standards being developed | 1 | 1 | 1 |
| New standards requested (pending) | 2 | 2 | 2 |
| Revised standards issued during fiscal year | 1 | 5 | 4 |
| Revised standards being developed | 6 | 4 | 3 |
| Revised standards requested (pending) | 4 | 3 | 3 |
| Number of BAR appeal inspections | 1150 | 1150 | 1150 |
| Number of BAR supervision inspections | 21000 | 21000 | 21000 |
| Inspection techniques developed | 2 | 5 | 5 |
| Equipment evaluated | 12 | 12 | 12 |

1981 COURSES HELD

| <u>Subject Code</u> | <u>Course Code</u> | <u>Course Title</u> | <u>No. of Courses</u> | <u>No. of Participants</u> |
|---------------------|--------------------|---------------------------------|-----------------------|----------------------------|
| 2080 | 1995 | Wheat Grading | 6 | 50 |
| 2080 | 1993 | Grain Weighing Basic | 2 | 30 |
| 2080 | 9514 | Running A Weighing Shift | 2 | 30 |
| 2080 | 1963 | Protein Seminar | 2 | 16 |
| 2080 | 9502 | AMA Grading Seminar | 1 | 12 |
| 2080 | 1973 | Grading Equipment Workshop | 2 | 25 |
| 1400 | 9506 | FGIS Orientation | 3 | 70 |
| 1460 | 9516 | Collateral Duty Safety & Health | 1 | 23 |
| 1460 | 2267 | First Response, Part I | 2 | 50 |
| 1460 | 1972 | First Aid | 25 | 150 |
| 1460 | 1969 | Job Stress | 1 | 10 |
| 2080 | 9511 | Training Officer's Conference | 1 | 38 |
| 2080 | 1966 | Advanced Weighing | 2 | 35 |
| 2080 | 9520 | Advanced NIR Protein | 2 | 25 |
| 2080 | 9521 | Managing the NIR Protein | 2 | 24 |
| 1460 | 9518 | Hazard Recognition & Reporting | 2 | 50 |
| 1710 | 0898 | Clerical Workshop | 2 | 62 |
| 2080 | 1967 | Scales Test Seminar | 1 | 10 |
| 1300 | 9522 | CSRA & Performance Appraisal | 3 | 68 |
| 1300 | 9525 | Managerial Styles & Skills | 5 | 93 |
| 2080 | 1968 | Weighing Training (1146-1150) | <u>8</u> | <u>57</u> |
| | | Total courses and participants | 75 | 928 |

FEDERAL GRAIN INSPECTION SERVICE
 Summary of Foreign Monitoring
 Team Activities by Country Visited
 (Fiscal Year 1981)

The Federal Grain Inspection Service (FGIS) has developed a monitoring system to be able to respond to specific foreign complaints concerning the quality and/or condition of U.S. grain at destination ports as provided under the authority of Section 16(b) and (c) of the Act.

As a part of the monitoring process, FGIS monitoring teams:

- explain the U.S. standards for grain;
- identify and explain differences between U.S. and foreign grain standards;
- observe the grain sampling techniques used by foreign buyers;
- observe foreign inventory handling equipment and facilities; and
- observe practices that impact on the quality of U.S. grain delivered to foreign buyers.

| Teams | Representatives | Country or City Visited | Dates |
|---|--|--|-----------------|
| Fumigation Study | 1 FGIS | South Korea | 10/8 - 10/15/80 |
| U.S. Wheat Crop Quality Seminar | 2 FGIS 9 Trade | Venezuela, Colombia, Peru, Chile, Brazil, Mexico | 10/9 - 10/29/80 |
| Weight Monitoring | 1 FGIS | Norway | 11/6 - 11/18/80 |
| U.S. Wheat Crop Quality Seminar | 1 FGIS 1 U.S. Wheat 2 University | England, Holland, France, Italy, West Germany | 11/7 - 11/17/80 |
| Immediate Response to a Foreign Complaint | 1 FGIS | Saudi Arabia | 1/30 - 2/10/81 |
| U.S. Wheat Seminar | 1 FGIS 1 U.S. Wheat 1 Trade | Denmark, East Germany Poland, Portugal | 4/24 - 5/7/81 |
| Monitoring Team | 4 FGIS | Egypt | 5/28 - 6/26/81 |

| Teams | Representatives | Country or City Visited | Dates |
|--|---------------------------------|--|----------------|
| Monitoring and Fumigation Study | 3 FGIS | Chile | 7/7 - 7/29/81 |
| U.S. Wheat Quality Seminar | 1 FGIS 5 U.S. Wheat | Guatemala, Panama, Venezuela, Dominican Rep. | 7/24 - 8/5/81 |
| Administrator's Trip | 2 Inspection Div. Administrator | Peoples Republic of China | 8/15 - 8/31/81 |
| Tilbury Monitoring Trip | 4 FGIS | England | 9/1 - 9/18/81 |
| American Soybean Assn./ U.S. Feed Grains Council Seminar | 1 FGIS | Singapore, The Philippines, Thailand, Formosa, South Korea | 9/17 - 10/7/81 |
| Immediate response to a foreign complaint | 1 FGIS | Italy | 9/20 - 9/25/81 |
| Advance Monitoring and Fumigation Study | 1 FGIS | Dar es Salaam, Tanzania, Mombasa, Nairobi, Kenya | 9/7 - 10/3/81 |

FEDERAL GRAIN INSPECTION SERVICE
 Summary of Inspection and Weighing Foreign Complaints
 (Fiscal Year 1981)

| Country | Grain | Nature of Complaint |
|---------------------------------|---------|--|
| France | Corn | Excessive BCFM |
| Spain | Soybean | Excessive FM and High Moisture |
| Taiwan | Soybean | Excessive FM |
| Dominican Republic ¹ | Wheat | Low Protein |
| Saudi Arabia | Wheat | Excessive FM and Dkg. |
| Panama | Corn | Heat Damaged Kernels and Mold Damage |
| Finland | Soybean | Excessive FM |
| Belgium | Wheat | Shrunken and Broken Kernels Contrasting Classes |
| Scotland | Corn | Excessive BCFM |
| Portugal ² | Corn | Excessive BCFM |
| Denmark ¹ | Soybean | Dirt and Iron Pellets |
| South Africa ¹ | Wheat | Sorghum Mixed in Wheat |
| Chile | Wheat | Excessive Dkg., DKT, SHBN |
| Colombia | Wheat | Poor Quality, Black Tip and Sprout Damage |
| Guatemala | Wheat | Excessive DKT, M., T.W. |
| Italy ¹ | Wheat | Black Tip Damage, Stones, Direct |
| The Philippines ² | Wheat | Short Weight |
| Surinam | Corn | Short Weight |
| Portugal | Corn | Short Weight |
| England | Corn | Short Weight |
| West Germany ¹ | Soybean | Short Weight |

^{1/} Complaints alerted FGIS to potential quality or short weighing problems. None of the complaints were deemed valid due to misinterpretation of FGIS standards and procedures.

^{2/} Two complaints of the same nature received from these countries.

FEDERAL GRAIN INSPECTION SERVICE

Summary of Briefings With Foreign
Trade and Governmental Teams
(Fiscal Year 1981)

Peruvian Rice Delegation Team
Indian Wheat Industry Team
Norwegian Grain Corporation Team
A Dominican Republic Flour Miller
Brazilian Ministry of Agriculture Team
A West German Government Agricultural, Official
Korea Feed Policy Team
Kenya Wheat Trade Team
Scandinavian Wheat Trade Team
South American Soft Wheat Users Team
Indonesian Government and Wheat Industry Team
India Embassy Quality Control Team
Korea Flour Millers Technical Team
Italian Wheat Trade Team
Japanese Wheat Government Team
Taiwan Feed Industry Survey Mission
Brazil Government Grain Marketing Team
Philippine Wheat Team

Other Groups

U.S. Wheat Associates
American Soybean Association
Office of International Cooperation and Development
Degesch America
U.S. Steamship Chartering Firm
Foreign Agriculture Service
Agency for International Development
Universal Shipping Company Inc.
MARTRANS (Egyptian Government Shipping Agency)
Representative of Kansas State University
Representative of a U.S. Corporation Merchandizing
Pneumatic equipment used to unload grain.
A manufacturer of diverter-type mechanical samplers
Representatives of the Embassy of India

Visiting Representatives and Country

Representative of Taiwan Grains and Feeds Development
Foundation

A Flour Miller from Surinam

East Europe Program Manager, ASA

Representatives of the Bangedesh, French, Japanese, and
India Embassies

Assistant Agricultural
Attaches

Brazil

Japan

Agricultural Counselors

England

East Central African Region

Agricultural Attaches

Belgium

Egypt

Korea

Philippines

Poland

Portugal

Calendar Year 1981
Reported Explosion Incidents
Grain Handling Facilities

United States

| <u>No.</u> | <u>Facility & Location</u> | <u>Date</u> | <u>Deaths</u> | <u>Injuries</u> |
|------------|---|-------------|---------------|-----------------|
| 1 | Gibson Co. Farm Bureau Co-op Princeton, IN | 1/3 | 0 | 1 |
| 2 | Peavey Co. Alton, IL | 2/4 | 0 | 1 |
| 3 | Southeast Nebraska Co-op Beatrice, NE | 2/27 | 0 | 3 |
| 4 | South Soo Grain Co. South Sioux City, NE | 3/19 | 0 | 0 |
| 5 | Conagra, Inc. Amboy, IN | 4/7 | 0 | 0 |
| 6 | Corpus Christi Public Corpus Christi, TX | 4/7 | 9 | 30 |
| 7 | Bellwod Farmers Co-op Bellwood, NE | 4/7 | 2 | 1 |
| 8 | Goldkist Feed Mill Valdosta, GA | 4/7 | 0 | 0 |
| 9 | Beverly Elevator Co. Beverly, NE | 4/15 | 0 | 0 |
| 10 | Pillsbury Co. Roberts, IL | 4/15 | 0 | 0 |
| 11 | Bob Gottsch Feed Yard Elkhorn, NE | 4/30 | 0 | 3 |
| 12 | Inola Elevator Inola, OK | 5/21 | 0 | 5 |
| 13 | Perma Delta Rice Mill Greenville, MS | 8/17 | 0 | 1 |

| <u>No.</u> | <u>Facility & Location</u> | <u>Date</u> | <u>Deaths</u> | <u>Injuries</u> |
|------------|--|-------------|---------------|-----------------|
| 14 | Pendleton Grain Grower Pendleton, OR | 8/21 | 0 | 1 |
| 15 | Louisberg Grain & Feed Sterling, CO | 9/4 | 0 | 5 |
| 16 | LaPorte Coop Elevator LaPorte City, IA | 9/9 | 0 | 1 |
| 17 | Mid America Commodities Farmer City, IL | 9/24 | 0 | 2 |
| 18 | Madison Farmers Elevator Madison, SD | 9/24 | 0 | 4 |
| 19 | Garnac Elevator San Diego, CA | 10/6 | 0 | 0 |
| 20 | Springfield Minnesota Co-op Springfield, MN | 11/6 | 1 | 0 |
| 21 | Del-Mar Industries Longview, TX | 11/6 | 0 | 5 |