United States Department of Agriculture

Grain Inspection, Packers and Stockyards Administration

Federal Grain Inspection Service

2015 Annual Report

About This Report

Pursuant to section 87(f-2) of the U.S. Grain Standards Act (USGSA), the Federal Grain Inspection Service (FGIS) respectfully submits this report each year to the United States Congress. Activities described in this report cover fiscal year 2015 (October 1, 2014, to September 30, 2015).

The report is divided into seven sections. After the introduction, sections 3 through 5 represent program goals, and the last two sections provide information regarding FGIS's management initiatives and financial position.

Any mention of firm names or trade products does not imply that they are endorsed or recommended directly or indirectly by the U.S. Department of Agriculture.

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www.gipsa.usda.gov

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Section I: Introduction

Reauthorization

Congress created the Federal Grain Inspection Service (FGIS) in 1976 via amendments to the United States Grain Standards Act (USGSA). The 1976 amendments required, among other things, that all grain exported from the United States (with certain specific exceptions) be officially inspected and weighed by employees of FGIS or States delegated such authority by FGIS. On September 30, 2015, the President signed into law the Agriculture Reauthorizations Act of 2015 (Public Law 114-54), which reauthorized, through 2020, the following expiring provisions of the U.S. Grain Standards Act (USGSA) (7 U.S.C. 71 et seq.), as amended;

- FGIS authority to collect user fees to recover its administrative and supervisory costs related to providing official inspection and weighing services;
- A limitation on the agency's administrative and supervisory costs;
- Authority for appropriations to support compliance, international and standardization activities; and
- Authority to establish a Grain Inspection Advisory Committee.

Changes Included:

1. Removing the requirement to officially weigh inbound barges at export locations;
2. Basing tonnage fees on a 5-year rolling average;
3. Reviewing user fees, annually;
4. Providing for exceptions to geographic boundaries upon agreement between adjacent official agencies;
5. Reviewing delegated State agencies; and
6. Extending designations and licenses to 5 years.

The Federal Grain Inspection Service

The U.S. Department of Agriculture's (USDA) Grain Inspection, Packers and Stockyards Administration's Federal Grain Inspection Service (FGIS) establishes quality standards for grains, oilseeds, pulses, and legumes; provides impartial inspection and weighing services through a network of Federal, State, and private entities; and monitors marketing practices to enforce compliance with the U.S. Grain Standards Act, as amended, (hereinafter, USGSA) and the Agricultural Marketing Act of 1946, as amended (hereinafter, AMA). Through these activities, FGIS facilitates the marketing of grains, oilseeds, and related products.

FGIS administers uniform, national grain inspection, and weighing programs established by the USGSA. Services under the USGSA are performed on a fee basis for both export and domestic grain shipments. The USGSA requires that export grain be inspected and weighed, prohibits deceptive practices with respect to the inspection and weighing of grain, and provides penalties for violations.

Agency Mission

FGIS's primary mission is twofold: promote the marketing of high-quality grain to domestic and international buyers and maintain objective standards for grain to certify its quality as accurately as practicable. These standards define uniform and descriptive terms to facilitate the grain trade, help determine grain storability, offer users the best possible information to determine end-product yield and quality, provide market incentive frameworks, reflect the economic value-based characteristics to end-users, and accommodate scientific advances in testing.

Key Activities

In administering and enforcing the USGSA, FGIS:

- Establishes and maintains official U.S. grain standards for barley, canola, corn, flaxseed, oats, rye, sorghum, soybeans, sunflower seed, triticale, wheat, and mixed grain;
- Promotes the uniform application of official U.S. grain standards by official inspection personnel;
- Establishes methods and procedures and approves equipment for the official inspection and weighing of grain;
- Provides official inspection and weighing services at certain U.S. export port locations, and official inspection of U.S. grain at certain export port locations in eastern Canada along the St. Lawrence Seaway;
- Delegates qualified State agencies to inspect and weigh grain at certain U.S. export port locations;
- Designates qualified State and private agencies to inspect and weigh grain at interior locations;
- Licenses qualified State and private agency personnel to perform inspection and weighing services;
- Provides Federal oversight of the official inspection and weighing of grain by delegated States and designated agencies;
- Investigates, in cooperation with the USDA's Office of Inspector General, alleged violations of the USGSA and initiates appropriate corrective action;
- Monitors the quality and weight of United States grain as received at destination ports, and investigates complaints or discrepancies reported by importers; and
- Helps U.S. trading partners develop and improve their grain inspection and weighing programs

Services Provided Under USGSA and AMA

Under provisions of the USGSA, most grain exported from U.S. export port locations must be officially weighed. A similar requirement exists for inspection, except for grain that is not sold or described by grade. The USGSA also requires that all corn exported from the United States be tested for aflatoxin prior to shipment, unless the contract stipulates that testing is not required.

Mandatory inspection and weighing services are provided by FGIS on a fee basis at 45 export elevators (including 4 floating rigs). Five delegated States provide official services at an additional 13 export elevators under FGIS oversight.

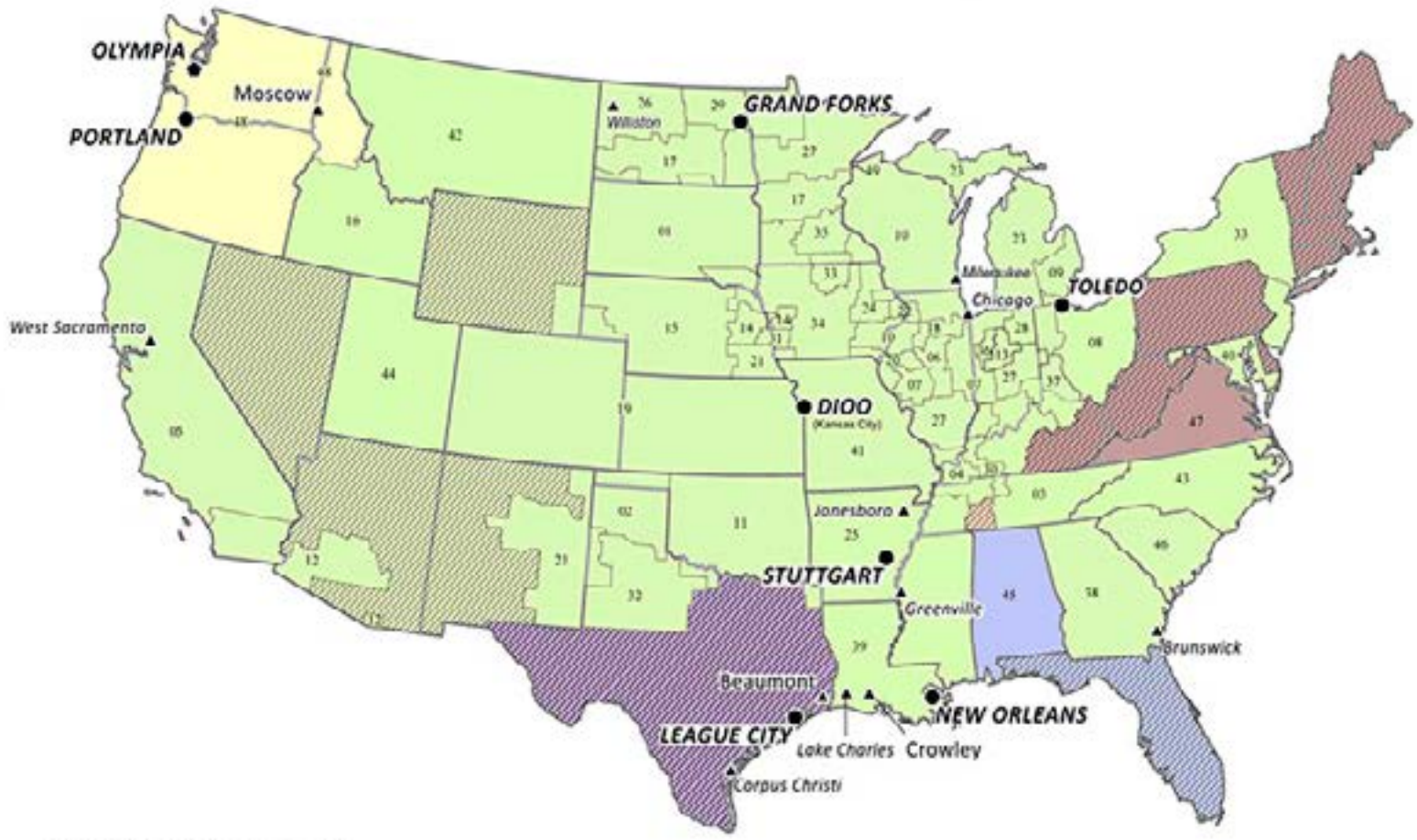
Under the AMA, FGIS administers and enforces certain inspection and standardization activities related to rice, pulses, lentils, and processed grain products such as flour and corn meal as well as other agricultural commodities. Services under the AMA are performed upon request on a fee basis for both domestic and export shipments by either FGIS employees or individual contractors, or through cooperative agreements with States and or other official agencies.

Employees and Locations

As of September 20, 2015, FGIS was comprised of 435 full-time, permanent employees and 136 temporary employees located at the headquarters unit in Washington, D.C.; the National Grain Center in Kansas City, Missouri; seven field offices; and one Federal/State office. Field offices are located in Grand Forks, North Dakota; Kansas City, Missouri; League City, Texas; New Orleans, Louisiana; Portland, Oregon; Stuttgart, Arkansas; and Toledo, Ohio. FGIS also has a Federal/State office in Olympia, Washington. FGIS offers official inspection and weighing services in all areas of the United States and services for U.S. grain exported through Canadian ports.

New Orleans export facility

Official Agency Geographic Areas and FGIS Field Offices



Designated Private Agencies

01 Aberdeen	11 Enid	21 Lincoln	31 Omaha
02 Amarillo	12 Farwell Southwest	22 McCrea	32 Plainview
03 Barton	13 Frankfort	23 Michigan	33 Schaal
04 Cairo	14 Fremont	24 Mid-Iowa	34 Sioux City
05 California Agri	15 Hastings	25 Midsouth	35 State Grain
06 Central Illinois	16 Idaho	26 Minot	36 Titus
07 Champaign	17 Jamestown	27 North Dakota	37 Tri-State
08 Columbus	18 Kankakee	28 Northeast Indiana	
09 Detroit	19 Kansas	29 Northern Plains	
10 Eastern Iowa	20 Keokuk	30 Ohio Valley	

Designated States

38 Georgia
39 Louisiana
40 Maryland
41 Missouri
42 Montana
43 North Carolina
44 Utah

Designated and Delegated States

45 Alabama
46 South Carolina
47 Virginia
48 Washington

Delegated State

49 Wisconsin

Field Office Areas of Responsibility

- DIOO (Grain/Processed Commodities); Grand Forks (Pulses); and Stuttgart (Rice)
- League City
- New Orleans
- Olympia
- Stuttgart
- Toledo

- FGIS Field Offices
- Federal/State Office
- FGIS Duty Points
- Official Agency Boundaries
- Unassigned Areas
- State Boundaries

Prepared by USDA, GIPSA, FGIS Quality Assurance and Compliance Division

Section II: Outlook 2016

U.S. Standards for Grain

FGIS regularly reviews the official standards for grain to ensure that the standards remain relevant to the marketplace. In 2014, FGIS continued its review of the U.S. Standards for Barley by publishing a Notice of Proposed Rulemaking in the Federal Register, amending the barley standards. FGIS plans to issue a final rule in 2016. Additionally, GIPSA plans to publish six Request for Information documents in the Federal Register seeking stakeholder comment on the standards for flaxseed, mixed grain, oats, rye, sunflower seed, and triticale.

Pesticide Residue Testing and Method Development

FGIS provides pesticide residue testing services for applicants and for domestic and export surveys. In addition, FGIS develops analytical methods to support these activities, which play a critical role in demonstrating the quality of U.S. grain as it relates to health, safety, and adherence to U.S. and international regulatory limits. In 2015, FGIS analyzed 192 export wheat samples for 62 pesticide residues and provided reports as part of an agreement with the U.S. Wheat Associates.

Service Delivery Enhancements

FGIS continues to improve its inspection and weighing program with enhancements to FGISonline (see page 26). In 2016, the FGISonline team will focus its efforts on improving the efficiency and effectiveness of service delivery by streamlining business practices through technology. The team is also focusing on identifying the manner in which FGISonline can support the objectives of the quality program in an efficient and cost-effective way.

As part of this modernization work, in 2016, FGIS will enhance its services by allowing customers to request services online, view estimated charges and certifications, and provide information to customers via the Internet.

FGIS will electronically capture results for services directly from the instruments to reduce manual data entry, reduce potential for errors, and improve and expand quality control.

Section III: Providing the Market With Terms and Methods for Quality Assessment

Board of Appeals and Review (BAR)

The Board of Appeals and Review (BAR) is a team of six senior-level grain inspectors led by a Chairman and an Assistant Chairman. The BAR is the final adjudication body for all disputes regarding grain quality issues presented by any interested party in a grain transaction. The BAR considers appeals after they have been considered by other FGIS offices. The Board rendered decisions on 478 appeals during FY 2015.

The BAR is also responsible for ensuring alignment of sensory inspection through the entire official inspection system, working through a network of Quality Assurance Specialists (QAS) at both Federal and Official Service Provider inspection points. Training is a core focus of the BAR, along with stakeholder engagement. The BAR focused heavily on training and outreach opportunities in 2015.

QAS training session

The BAR instituted a new quality initiative focused on providing technical grain grading training for newly appointed Quality Assurance Specialists. The BAR also provided training for international quality control personnel and provided grain grading presentations to many trade teams at FGIS's National Grain Center on grading procedures for corn, soybeans, and sorghum. BAR members also met with Federal grain inspectors at all FGIS field offices. For the second consecutive year, the BAR oversaw alignment of sorghum odor results achieved at origin inspection points and destination inspection points and confirmed that more than 98 percent of results obtained for this critical quality factor aligned, which facilitated the marketing of sorghum.

Mycotoxin and Biotechnology Rapid Test Evaluations

The grain industry needs fast, reliable tests to detect and quantify the incidence of fungal-produced mycotoxins in grain as well as to accurately identify genetically engineered (GE) traits in grains. To ensure that commercially available tests provide reliable results, FGIS offers a performance evaluation and certification program. In 2015, 41 rapid test kits were evaluated for the analysis of mycotoxins (aflatoxin, deoxynivalenol, fumonisin, ochratoxin A, and zearalenone). Of the 41 test kits, 30 met the FGIS performance criteria and were certified. In 2015, FGIS revised the mycotoxin test kit performance criteria for improved verification of test kit performance and clarification of performance requirements. The revised critera became effective at the beginning of FY 2016.

Mycotoxin test kit analysis

Water-Based Test Kits: A new technology has been developed using water for the extraction of aflatoxin and fumonisininstead of more hazardous organic solvents. The use of water instead of organic solvents eliminates the need for special handling of this waste, thereby reducing overall costs. It also reduces possible exposure of operators to hazardous chemicals when performing these tests. As of FY 2015, four water-based test kits were approved for aflatoxin and two water-based test kits were approved for fumonisin.

Wheat

Wheat Functionality: The intrinsic qualities of wheat affect the quality of end products. To best determine the ability of wheat to meet specific end-use needs, accurate test methods are needed to differentiate functional qualities. These methods should also be practical, rapid, and reproducible among different laboratories to provide valuable transparency from the producer to the processor and provide information that better predicts appropriate end-uses, thereby enhancing the marketability of U.S. wheat.

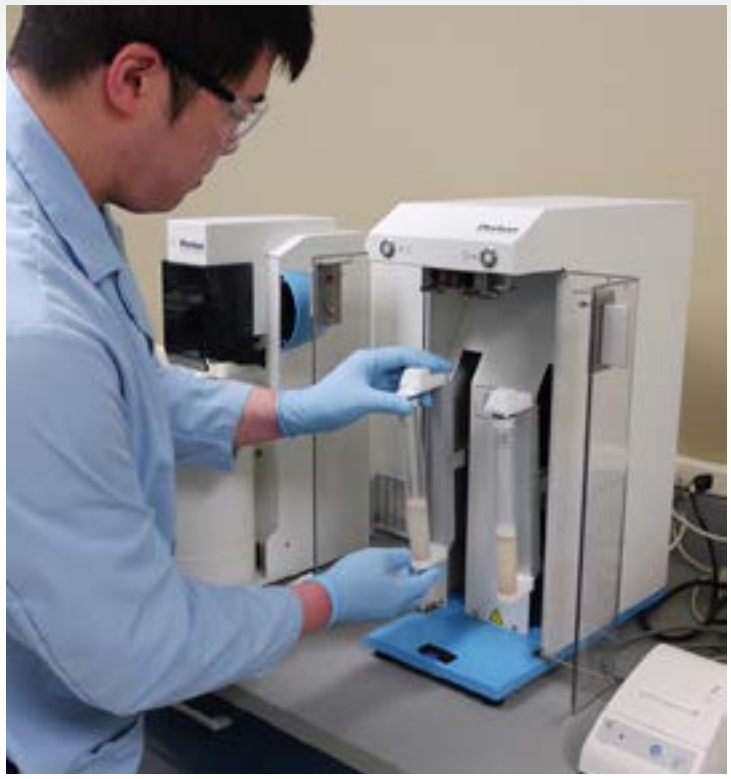
Farinograph tests are widely used to determine certain quality factors. FGIS studies have shown significant differences in Farinograph test results among commercial laboratories, which can lead to confusion in wheat markets. In 2008, FGIS initiated a multiple laboratory collaboration that included the instrument manufacturer to identify ways to improve standardization of the Farinograph method among commercial laboratories. In 2009, collaborative studies identified the addition of water and data processing algorithms as additional sources of significant Farinograph method variation.

Farinograph instrument

FGIS has continued collaborative studies of the Farinograph method with the manufacturer. In 2012, the manufacturer introduced a new Farinograph model that incorporated automated water addition and a more flexible software platform. FGIS evaluated the new automated model, developed FGIS procedures for using the instrument, and successfully installed those procedures on another automated model instrument.

In 2013, FGIS began evaluating the reproducibility of the new automated instrument by conducting a collaborative study among key commercial wheat testing labs in the United States. In 2015, FGIS produced a final report documenting the performance of the new Farinograph instrument.

The Falling Number test is an important measure of the effect of sprout damage on wheat and an indicator of the performance of wheat during the processing of flour for making various food products. In 2015, FGIS completed two rounds of check sample distributions and the first year of Falling Number inspection monitoring to evaluate accuracy of official testing. Reports were issued for both check sample distributions and the monitoring program summarizing testing performance and recommending certain actions for improvement.



Falling Number test

Reference Method Analyses

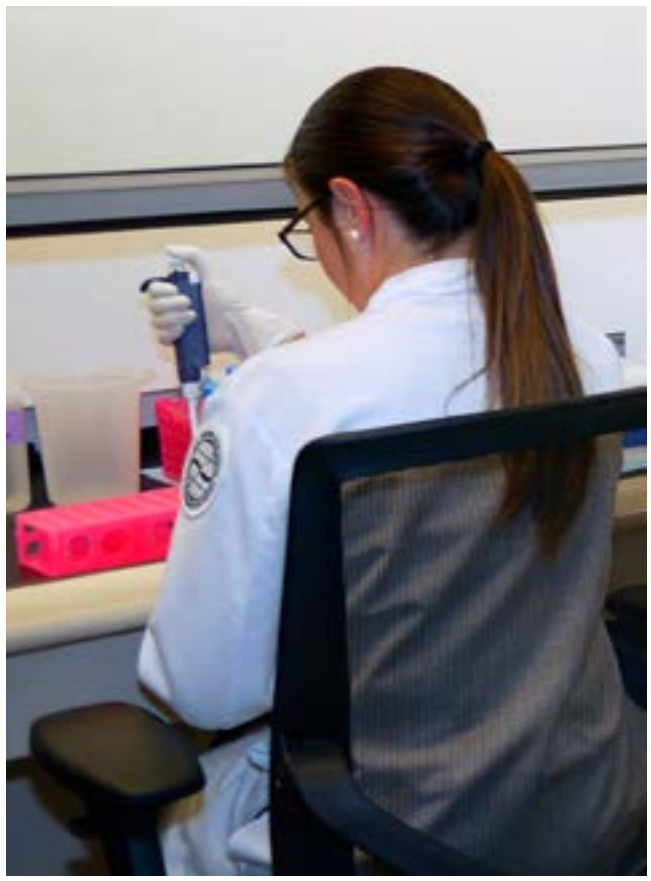
FGIS establishes and performs reference methods for protein, moisture, oil, fatty acid composition, and mycotoxins. These methods are used to maintain the accuracy of current testing in the official inspection system and to support development of new rapid field tests. The protein, moisture, oil, and fatty acid reference analyses support the near-infrared spectroscopic, dielectric, and nuclear magnetic resonance instruments used for rapid inspection at field locations that perform official testing. The mycotoxin reference analyses support the evaluation and standardization of rapid tests for official and commercial grain inspection, and support quality assurance programs to ensure consistent and reliable testing results. Analysis by the reference method is available upon applicant request for Board Appeals of mycotoxins – aflatoxin, deoxynivalenol, fumonisin, ochratoxin A, and zearalenone.

Biotechnology

Biotechnology Proficiency Program: The FGIS Biotechnology Proficiency Program now involves 210 organizations on five continents – Africa, Asia, Europe, and North and South America, with more than 80 percent of the participants from organizations outside the United States. FGIS disseminates bi-annually blind test samples to participants and compiles and disseminates the results of tests. This program, which FGIS initiated in 2002, enables organizations to assess and improve their accuracy and precision in identifying GE events in grains and oilseeds, and it gives grain buyers and sellers confidence in the results produced by GE testing laboratories.

Respond to Inadvertent Release of Unapproved Traits Into the Marketplace: In recent years, there have been rare exceptions in which inadvertent releases of unapproved GE events entered into the U.S. grain handling system. When such an inadvertent release occurs, a rapid response is necessary to identify and validate methods to detect the trait and thereby protect the integrity of U.S. grain markets. The testing methods must be highly specific and sensitive to effectively maintain confidence in U.S. grain marketing systems. Current detection methods within FGIS's Biotechnology Laboratory focus on high-throughput DNA extraction methodologies, which enables FGIS to more effectively respond to inadvertently released products. FGIS has completed the development of high-throughput DNA extraction methods for corn, soybeans, wheat, and rice. FGIS assists government and private laboratories that use protein and DNA-based technologies by performing impartial third-party verification of their methods for both qualitative and quantitative detection of transgenic events in GE crops. FGIS involvement in responding to such incidents facilitates harmonization of sampling plans and of international testing for GE grains and oilseeds. FGIS provides expertise to USDA's Animal and Plant Health Inspection Service (APHIS) when responding to inadvertent releases of unapproved GE events.

Harmonizing Biotech Reference Methods: There is a need for highly specific and accurate tests for the various GE crops grown in the United States. FGIS has developed intra-laboratory-validated real-time polymerase chain reaction methods and has evaluated the accuracy, reliability, and proficiency of publicly available methods used to detect and identify GE grains and oilseeds. FGIS participated on a scientific panel of experts engaging U.S. stakeholders and influencing outcomes on issues related to testing of GE traits in grains with the goal of developing global scientific consensus regarding the analysis of transgenic events. FGIS continues to collaborate with international organizations such as Analytical Excellence through Industry Collaboration, International Organization for Standardization, American Association of Cereal Chemists, Institute for Reference Materials and Measurements, and the Canadian Grain Commission, to harmonize testing technologies for GE grains and oilseeds.



Testing sample for GE traits

Sensory Inspections

2015 Sorghum Odor Alignment Project: In 2015, FGIS continued work on the sorghum odor alignment project, which is a collaboration with official agencies and the sorghum industry. Because sorghum odor determination is inherently difficult, FGIS developed a framework to strengthen alignment between origin and destination odor results. This project was originally instituted at the request of industry to ensure the continuity of inspections. The sorghum alignment project is a three-way calibration procedure used to confirm alignment between origin inspectors and inspectors at FGIS export facilities with the Board of Appeals and Review.

Harvesting sorghum

These odor assessments are made independently of each other and forwarded to the BAR, where the results are cataloged and analyzed for accuracy. The project helped build cohesion between all parties, which led to consistent and reliable results for U.S. exporters. Due to the establishment of the project, inspectors in the field have been able to achieve an alignment accuracy rate of 98 percent with the BAR.

Inspector checking sorghum odor

Standardizing Commercial Grain Inspection Equipment

National Type Evaluation Program (NTEP): In 2015, FGIS continued the cooperative effort among FGIS, the National Conference on Weights and Measures (NCWM), and the National Institute for Standards and Technology to standardize commercial inspection equipment. The commercial inspection equipment includes moisture meters and any test weight modules contained within moisture meters as well as near-infrared analyzers for protein, oil, and starch. FGIS served as the sole evaluation laboratory for grain inspection equipment under the NCWM's NTEP.

FGIS collected grain moisture meter calibration data for six instrument models as part of the NTEP ongoing calibration program. Calibrations developed in this program provide traceability throughout the official FGIS moisture program, including the air oven reference method, and they are used in the majority of moisture meters used for commercial grain transactions throughout the United States.

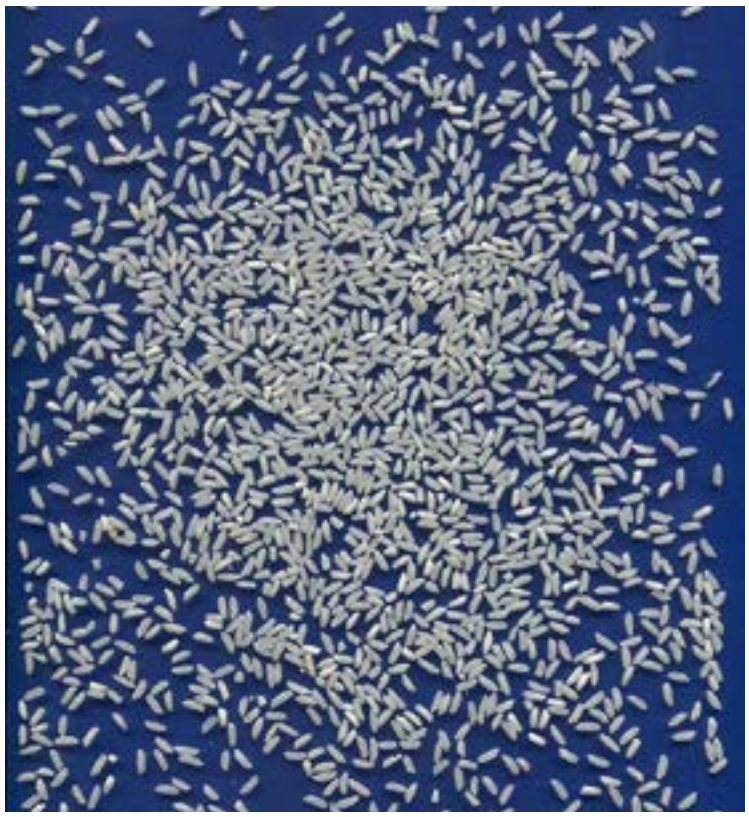
Collecting grain moisture meter calibration data

In 2015, FGIS's NTEP laboratory coordinated its issuance of Certificates of Conformance with FGIS's implementation of calibrations for the official moisture meter models for use with the major grains. This close coordination ensured that State-regulated commercial moisture meter users could use the same meters and calibrations as those used in official inspection.

In 2015, the NTEP laboratory evaluated a grain moisture meter for moisture and a near-infrared analyzer for moisture, oil, protein, and test weight per bushel. In 2016, FGIS will collect grain moisture meter calibration data for six NTEP models and will conduct NTEP testing for new grain inspection equipment models upon request.

Rice Inspection Methods

Computer Imagining of Broken Kernels of Rice: The number of broken kernels of rice substantially impacts the value of the rice and is a primary price-determining factor. In 2013, FGIS began the development of a flatbed scanner system to determine the percentage of broken kernels in rice samples. The imaging instrument currently used in California to officially determine broken kernels of rice is no longer manufactured or supported.

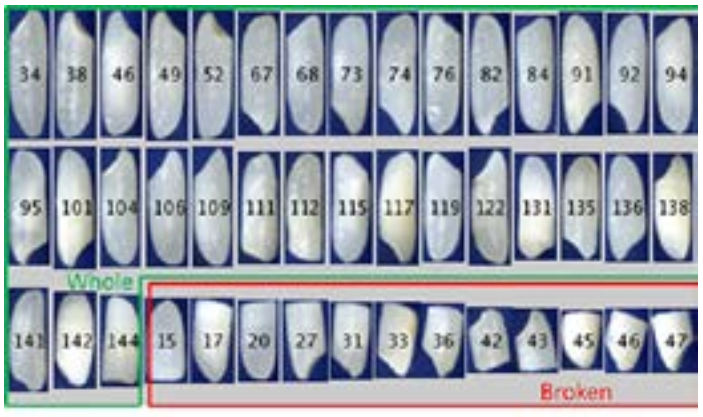


Raw scan of rice kernels

This test included the FGIS Field Office in Stuttgart, Arkansas; the FGIS Sub-office in Jonesboro, Arkansas; the FGIS Sub-office in Crowley, Louisiana; the FGIS Field Office in League City, Texas; the FGIS Sub-office in West Sacramento, California; and the private inspection agency California Agri Inspection Co., Ltd. in West Sacramento, California. The performance study identified that the sample presentation method needed to be improved in order for the program to be efficient and effective in the on-site inspection labs during harvest.

The goals of this project were to create freely distributable software that is compatible with a wide range of inexpensive, commercially available scanners and to develop mathematical algorithms that are specifically applicable to all U.S. rice types and varieties for assessing the percentage of broken-rice kernels.

In 2015, FGIS conducted a performance study of the USDA prototype developed to evaluate the performance of the software program compared to the official total broken kernels of rice and milling yield determinations.



Scanner-based analysis of broken kernels in rice

Test Weight per Bushel

Test weight measurement is a critical component for the marketing of grains and commodities in the United States. In 2012 and 2013, FGIS implemented new moisture meter technology for use in the official inspection system. These new instruments have the capability to also determine test weight per bushel. The simultaneous measurement of official moisture and test weight could provide considerable operational efficiencies. Both of the FGIS-approved models have received Certificates of Conformance issued by the National Conference on Weights and Measures as legal for trade for test weight (as well as moisture). In 2013, FGIS conducted tests to assess the feasibility of allowing the use of these instruments for official test weight determinations.

Dickey-John GAC 2500 UGMA

Perten AM 5200-A

In 2014, FGIS conducted additional feasibility tests on the performance of official moisture meter models test weight per bushel determinations compared to the official test weight per bushel determinations. The feasibility tests indicated that changes may have to be made to FGIS inspection policy and to the quality control tolerances for official test weight per bushel determinations. In 2015, FGIS met with the manufacturers of the approved official moisture meters to review performance data. The findings from the meeting with the manufacturers were presented to the Grain Inspection Advisory Committee to gather stakeholder input.

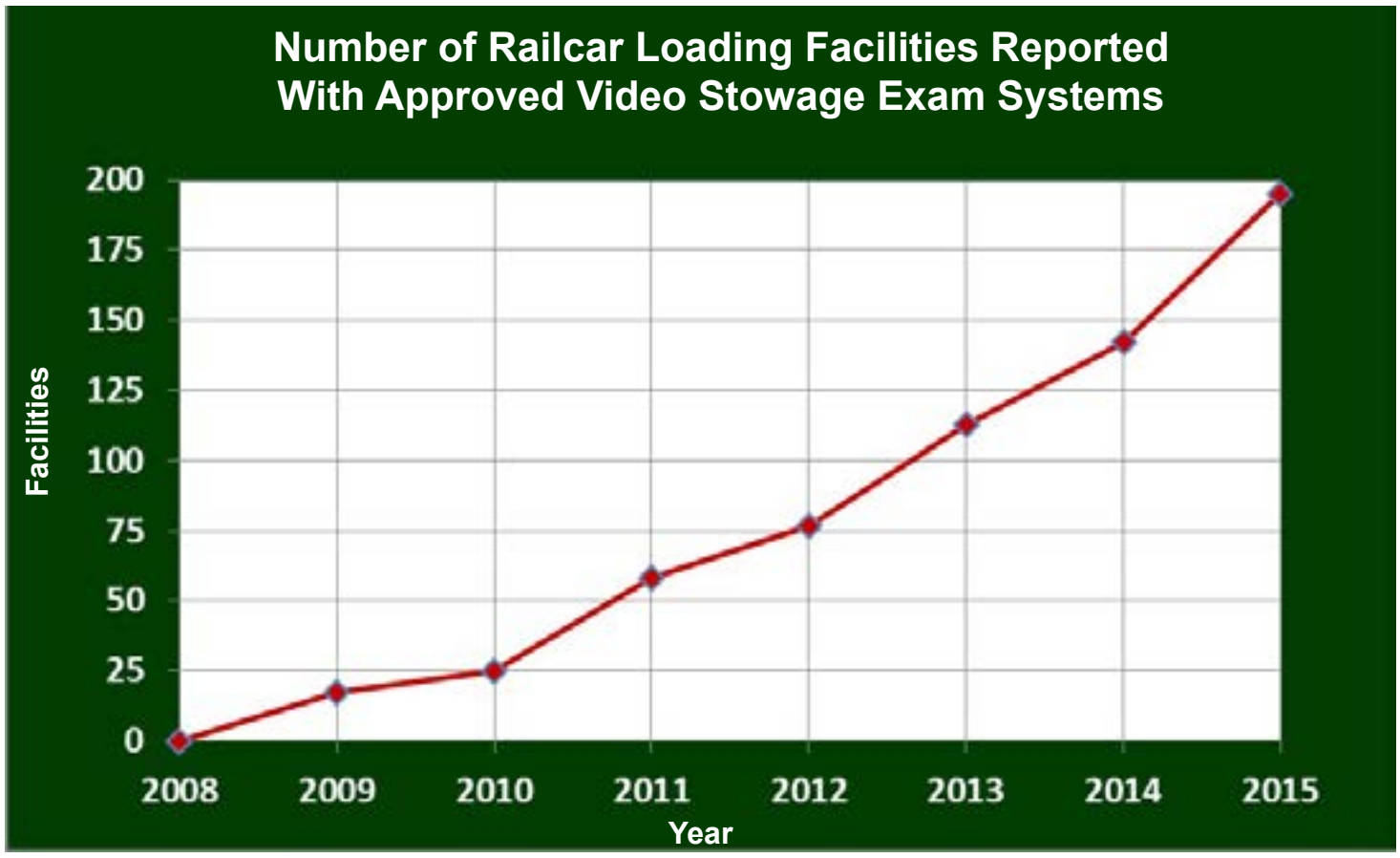
Improving Employee Safety for Railcar Stowage Exams

Managing and reducing the hazard of employees falling from railcars is a priority of both FGIS and loading facilities. FGIS, in conjunction with cooperating loading facilities, has determined that in many locations it is feasible for an inspector to perform pre-loading stowage examinations from inside the inspection lab using video cameras mounted above the cars. With this arrangement, the railcars are examined a few minutes before they are loaded and the need to climb on top of railcars is eliminated.

Utilizing Video Technology

As of September 2015, 195 facilities have approved video stowage exam systems. Since the 2014 report, new video systems have been approved at 53 facilities.

The following chart shows the increase in railcar stowage exam systems since the start of the program in 2008:



Promoting U.S. Grain to International Customers

FGIS personnel frequently meet with delegations visiting from other countries to brief them on the U.S. grain marketing system, our national inspection and weighing system, U.S. grain standards, and FGIS's mission. Many of these delegations are sponsored by USDA Cooperator organizations, like U.S. Wheat Associates and U.S. Grains Council, that arrange visits to grain production areas, FGIS field offices, onsite laboratories at export grain elevators, and the FGIS National Grain Center (NGC) in Kansas City, Missouri.

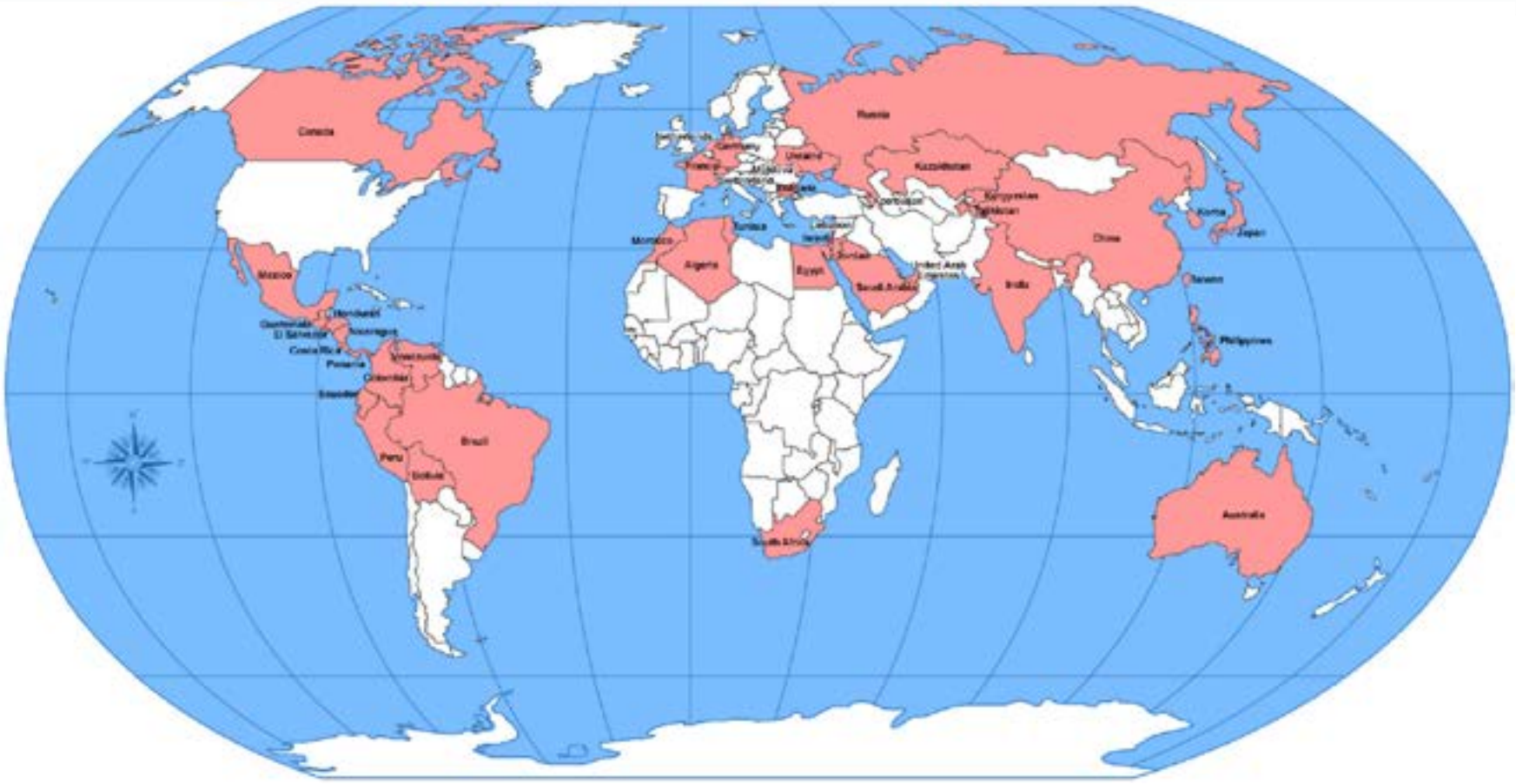
Trade team from Mexico learns about U.S. inspection procedures

At the NGC, delegations often receive technical training on analytical testing procedures and grain inspection methods and procedures. Briefings are tailored to address each group's interests and concerns. Presentations include explanations of the various services available from FGIS, the agency's use of the latest technology to provide grain traders with accurate and reliable inspection and weighing information and, for importers or potential importers new to the U.S. grain market, information on contracting for the quality they desire.

These briefings foster a better understanding of the entire U.S. grain marketing system and serve to enhance purchasers' confidence in U.S. grain. Ultimately, these efforts help move our Nation's harvest to end-users around the globe.

Chinese trade team being briefed on moisture technology

Visiting Trade and Governmental Teams



During 2015, FGIS personnel met with 74 teams from 43 countries.

Algeria	El Salvador	Kyrgyzstan	Saudi Arabia
Australia	France	Lebanon	South Africa
Brazil	Germany	Mexico	Switzerland
Bolivia	Guatemala	Moldova	Tajikistan
Bulgaria	Honduras	Morocco	Taiwan
Canada	India	Netherlans	Tunisia
China	Israel	Nicaragua	Turkey
Colombia	Japan	Panama	United Arab Emirates
Costa Rica	Jordan	Peru	Ukraine
Ecuador	Korea	Philippines	Venezuela
Egypt	Kazakhstan	Russia	

International Activities

Technical Assistance: In FY 2015, FGIS responded to customers' needs for technical assistance in foreign markets. Exporters, importers, and end-users of U.S. grains and oilseeds, as well as other USDA agencies, USDA cooperator organizations, and other governments, look to FGIS personnel to provide expertise. These activities include representing the agency at grain marketing and grain grading seminars, meeting with foreign governments and grain industry representatives to resolve grain quality and weight discrepancies, helping other countries develop domestic grain and commodity standards and marketing infrastructures, assisting importers with quality specifications, and training local inspectors in U.S. inspection methods and procedures.

Algerian grain grading workshop
L to R: B. Gomoll (GIPSA), R. Bundy (GIPSA), C. Rush (U.S. State Department), W. Bacon (U.S. Grains Council)

MIR 162 Corn Event: FGIS held numerous technical discussions with USDA Foreign Agricultural Service (FAS) and the distillers dried grain solubles (DDGs) industry to address China's testing and certification requirements to ensure U.S. DDGs do not include MIR 162 biotech corn. MIR 162 event is approved and commercialized in the United States, but it was not approved in China. China subsequently approved MIR 162 in December 2014.

Corn, Sorghum, and Wheat Quality Surveys: FGIS coordinated with the U.S. Grains Council and U.S. Wheat Associates to conduct export corn, sorghum, and wheat quality surveys, which included the collection, grading, and testing of samples, as well as providing export inspection data. The surveys are conducted annually.

Algerian Grain Grading Workshop: FGIS coordinated with the FAS in Algeria to conduct a 3-day corn, soybean, and wheat grading workshop in Algiers for a group of 35 public and private-sector importers, inspectors, and end-users. FAS reported that the workshop was a big success and that they received very positive feedback from the participants.

Algerian grain grading workshop

Soybeans to China

U.S./China Soybean Comparison Study: The U.S./China Memorandum of Understanding (MOU), which addressed China's concerns over soybean quality, plant health, and food safety on soybeans was signed in December 2010. Stemming from the MOU, officials from China's Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) requested that the United States and China conduct a joint survey of four U.S. soybean vessels to address their concerns regarding treated soybean seeds and other quality factors.

Representatives from the FGIS, APHIS, FAS, North American Export Grain Association (NAEGA), and U.S. Soybean Export Council participated in the study. The first vessel in the study was loaded in February 2013. The participants joined representatives from the Chinese Government to witness the sampling of the soybean vessel as it was loaded, and then reconvened in China to obtain samples during discharge. No treated soybeans were found. In FY 2015, two additional vessels participated in the study. This portion of the study included an analysis of the composition of the foreign material in the soybeans. The FGIS and Chinese inspections yielded similar results.

International Travel for 2015

Summary of International Travel for 2015			
Country Visited	**Purpose**	**No. of Travelers**	**Dates / Visits**
Canada	Stowage and Grain Inspections	1-4 per trip	15 trips; various dates
Mexico	Mexico Livestock Industry Science and Technology Expo (FIGAP)	1	10/21-10/25/14
Hungary	Codex Committee on Methods of Analysis and Sampling Meeting	1	2/23-27/2015
Colombia	U.S. Wheat Associates Mycotoxin Outreach Meeting	1	8/18-21/2015
Algeria	Grain Grading Workshop	2	9/1-9/4/2015

Section IV: Protecting the Integrity of U.S. Grain and Related Markets

Alleged Violations

At the beginning of FY 2015, there were 18 cases pending that involved alleged violations of the USGSA and the AMA as well as employee misconduct investigations. During the year, FGIS opened 14 new cases involving claims of prohibited or deceptive grain handling practices, exporting grain without official personnel onsite to witness the loading, and employee misconduct. FGIS closed four cases from prior years during 2015. There are currently 28 open cases.

Registrants to Export Grain

The USGSA requires that all persons who buy, handle, weigh, or transport 15,000 metric tons or more of U.S. grain for sale in foreign commerce during the current or previous calendar year must register with FGIS. During 2015, FGIS issued 105 Certificates of Registration to individuals and firms to export grain.

Domestic Grain Inspection

FGIS oversees 49 official State and private agencies that provide official services under the USGSA. FGIS supervises 37 official private agencies and 7 official State agencies that are designated to provide official inspection and/or weighing services in domestic markets; 4 official State agencies that are delegated to provide mandatory official export inspection and weighing services and designated to provide official domestic inspection and weighing services within the State; and 1 official State agency that is delegated to provide mandatory official export inspection and weighing services within the State.

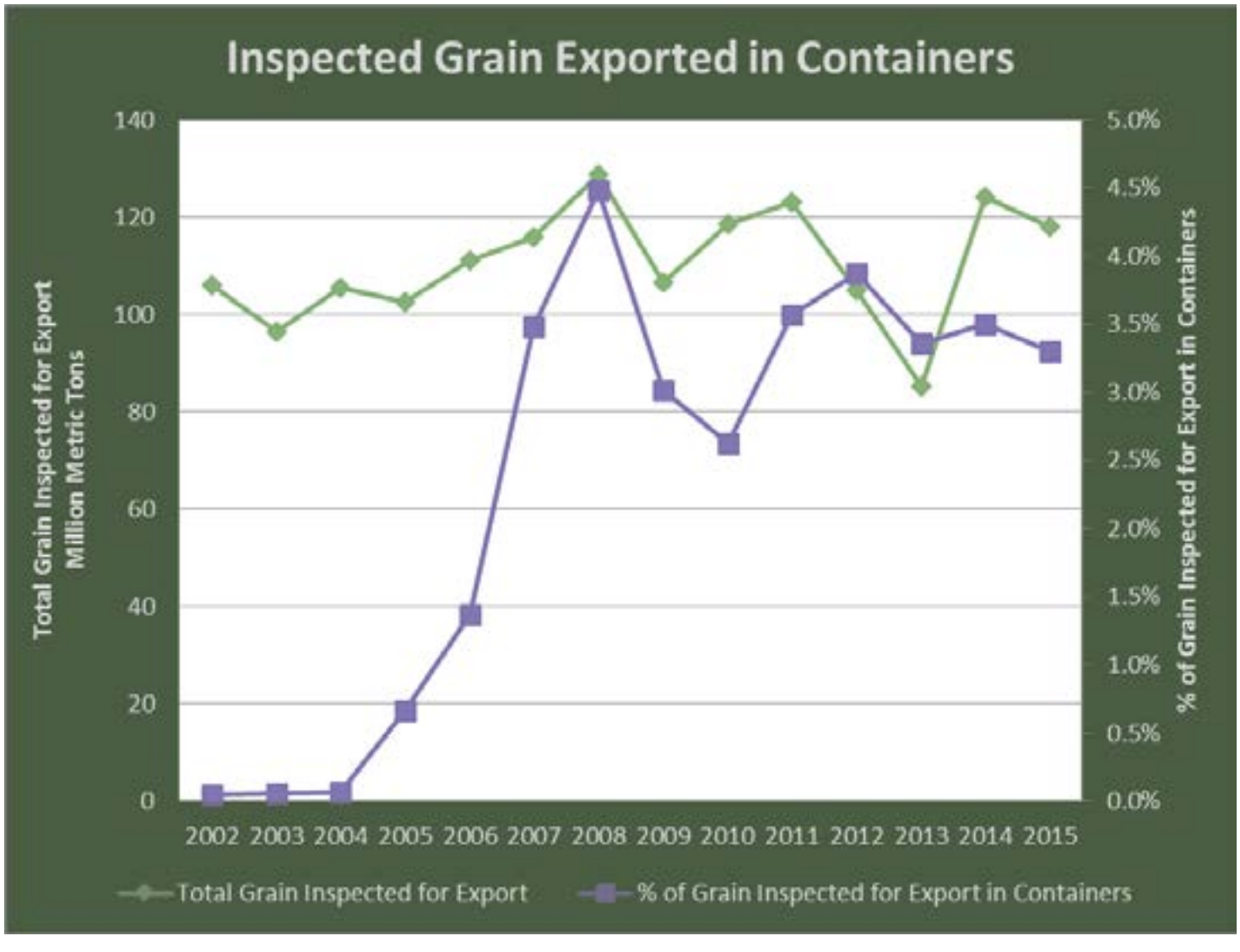
Prior to the changes made in the 2015 Reauthorization (see Section 1, page 4), the USGSA required that designations be renewed every 3 years. In fiscal year 2015, FGIS renewed 15 official agencies. There were 13 private and 2 State agencies renewed for full 3-year designations; 1 private and 1 State agency were renewed for 1-year designations; and 1 private agency was renewed for 1-year designation. In addition, FGIS designated one official agency for weighing, approved one official private agency sale, and amended the geographic area for two official agencies.

Grain Exports

The U.S. grain industry has experienced a significant increase in the demand for grain exported in containers compared to a decade ago. A surplus of empty containers allows grain exporters to capitalize on opportunities to ship grain at a lower freight rate and deliver grain to small business entities around the world.

Expansion of the containerized grain export market has exceeded most forecasts. Inspection of containerized cargo has increased from 0.1 percent of total grain exported (metric tons) in 2002 to 3.3 percent of total grain exported (metric tons) in 2015 and represented 1.3 percent of total domestic and export grain officially inspected (metric tons) by FGIS and official service providers in 2015.

FGIS is challenged to keep up with a growing number of container loading facilities. In 2002, six standardized grain inspection/weighing service points exported grain by container. Currently, there are 189 standardized grain inspections/weighing service points, with the majority in proximity to the railroad hub in Chicago. Initially, most of the container loading operations were based in the Pacific Northwest, where empty containers were abundant at export container terminals. However, in the past 10 years, much of the activity shifted to the Midwest, due to the close proximity to the grain supply and the rail yards that handle containerized cargo.



Meeting the Needs of International Customers

Ensuring Grain Quality and Weights: FGIS administers a formal process for investigating grain quality and weight discrepancies. When an importer of U.S. grain submits a claim regarding quality or weight, FGIS analyzes samples retained on file from the original inspection and analyzes samples submitted from the complainant (if the buyer chooses to submit them) and evaluates the accuracy of the initial inspection. This process allows FGIS to verify whether the original inspection and weighing service provided at the time of loading was correct, based on all available information. FGIS then issues a report outlining its findings.

Occasionally, a particular buyer or importing country reports repeated discrepancies that cannot be resolved by a shipment-by-shipment review under this process. In such cases, FGIS may conduct collaborative sample studies or joint monitoring activities to address the discrepancy in a more comprehensive manner.

In FY 2015, FGIS received five quality complaints and did not receive any weight complaints from importers on grains inspected under the U.S. Grain Standards Act, as amended. The complaints involved 841,144 metric tons, or 0.7 percent by weight, of the total amount of grain exported during the year.

Complaints Reported by Importers on Inspection and Weighing Fiscal Year 2015

Complainant	Country	Grain/ Commodity	Number of Complaints	Nature of Complaint
Asia	China	Sorghum	1	Odor
Asia	Indonesia	Soybeans	1	Damage
Asia	Korea	Corn	1	Broken corn and foreign material
Asia	Taiwan	Wheat	1	Odor
Western Hemisphere	Dominican Republic	Corn	1	Broken corn and foreign material
TOTAL			5	

Section V: Providing Official Grain Inspection and Weighing Services

Partnerships with States and Private Entities

FGIS manages the national inspection and weighing system through a unique network of approximately 2,000 staff members at Federal, State, and private laboratories that serve grain producers, handlers, processors, and exporters across the country. FGIS's State and private partners are authorized to provide official services on FGIS's behalf under the authority of the USGSA and the AMA. FGIS delegates States to provide official inspection and weighing of U.S. grain at export port locations and designates States and private agencies to provide official inspection and weighing services in the domestic market. FGIS has 41 agreements with States and private agencies to provide sampling or inspection services for miscellaneous processed commodities, graded commodities, or rice under the AMA.

Educating Stakeholders

Moisture Measurement Seminar: In June 2015, GIPSA held an outreach seminar at the Northern Crops Institute in Fargo, North Dakota, about moisture measurement technology, capabilities, and performance. Twenty-five grain handlers from Minnesota, North Dakota, and South Dakota attended the seminar. The presenters included personnel from FGIS's Technology and Science Division and Quality Assurance and Compliance Division, along with representatives from DICKEY-john Corporation, Perten Instruments, Inc., and Grain Quality Analytics, LLC.

Moisture measurement seminar

The presentations can be accessed from the GIPSA Web site at www.gipsa.usda.gov.

Modernization of Service Delivery

FGISonline is a portfolio of online business applications that modernizes the delivery of FGIS official inspection and weighing services. The online applications provide customers with fast, accurate services and access to a wealth of official inspection and weighing data. More information about the FGISonline applications can be found on the FGIS Web site at www.gipsa.usda.gov.

Some accomplishments for 2015 were:

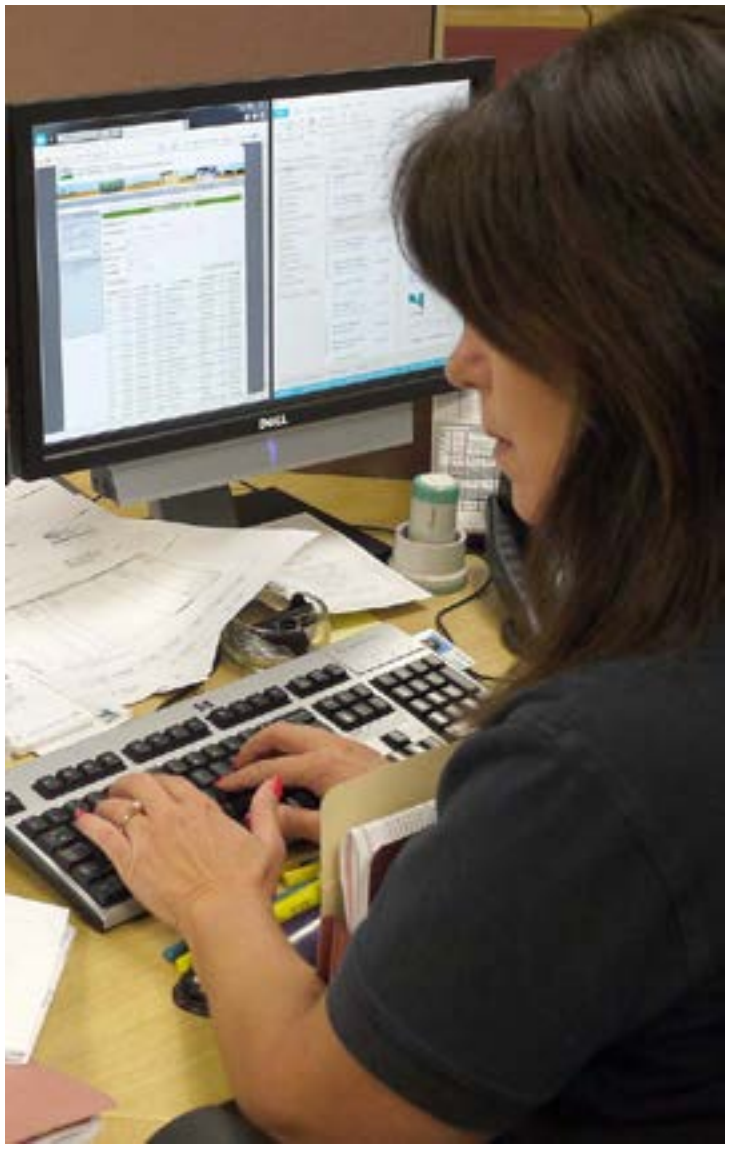
- Added services to allow for certification of official commercial inspection for commodities under the Agricultural Marketing Act.

- FGISonline received its Authority to Operate from the USDA Office of the Chief Information Office through the assessment and accreditation process. This process ensured that FGISonline is compliant with Federal cyber security standards.

- Improved the Rules of Behavior for the FGISonline system.

- Enhanced the Quality Assurance and Control application to allow the inspectors to view their individual scores in the system in real time.

- Enhanced applications to allow more flexibility for customer service requests.



Certifying inspection lots

- Provided additional enhancements to the applications to improve usability for the users.

- Improved the auditing capability of the system and defined and scheduled additional routine audits of the data.

- Continued to improve access of information and data for customers online, track the services as they are performed, and provide status and results information back to the customers.

Distillers Dried Grains

Distillers dried grains (DDGs) is a co-product of ethanol production resulting from the remaining fraction (protein, fat, and fiber) of grain (corn, sorghum, wheat, etc.) after the starch is converted to sugar and then ethanol during the fermentation process. Roughly 17 pounds of DDGs can be produced from 1 bushel of corn (1 bu corn = 56 lbs), which is approximately two-thirds starch.

DDGs stored at ethanol plant

Because of the composition of DDGs (30 percent protein, 11 percent fat, and 7-9 percent fiber), it is a very nutritious source of energy for livestock and is used to replace traditional feed grains and meals in limited quantities.

Unloading hopper car of DDGs at terminal

The production of DDGs has soared in recent years as ethanol production has grown. The United States produced an estimated 44.63 million tons of DDGs in the 2014/15 crop year, nearly 5 1/2 times the level in 2003/04. Increasing supply, coupled with high prices for competing feeds (soybean meal and corn) and foreign market development efforts by USDA cooperators, led to a surge in U.S. DDG exports beginning in 2008. Exports now constitute about 25 percent of domestic DDG production and reached a record $2.96 billion in calendar year 2014, nearly $15 million above the previous record set in 2013. FGIS facilitates the marketing of DDGs by providing phytosanitary inspections on behalf of APHIS. During FY 2015, FGIS sampled over 4.7 million metric tons of exported DDGs. Given the expected gradual growth in foreign demand, FGIS expects this work to increase for FY 2016.

Loading DDGs into container for export

Providing Scale Testing for the Railroad Industry

FGIS owns and operates five specially designed and built railroad track scale test cars for testing master scales, grain industry railroad track scales, and other commercial railroad track scales. The test cars are maintained and operated out of the FGIS Master Scale Depot in Chicago, Illinois.

Loading test weights into the FGIS test car

The Master Scale Depot in Chicago is a National Institute of Standards and Technology-certified, Echelon III Metrology Laboratory, where FGIS annually calibrates three 100,000-pound test car units that are used to calibrate the FGIS Master Scale and 10 railroad and State-owned master scales.

The master scale is used to calibrate railroad test weight cars that are used to calibrate railroad track scales throughout the country. FGIS also has two specialized test weight cars that are used primarily to test and calibrate commercial railroad track scales.

The Master Scale Depot performs weight calibrations on test weights and test weight cars ranging from 25 to 112,000 pounds. Commercial test weights ranging from 25 to 1,000 pounds are calibrated on a cost-recovery basis. Test weight cars are calibrated at the Master Scale Depot, and costs are recovered through a funding arrangement with the Association of American Railroads (AAR).

10,000 pound test weights

Under an agreement with the AAR, FGIS annually tests all master scales and performs a number of field calibrations associated with the program. The AAR has an agreement with FGIS under which it provides annual funding that supports the Master Scale Calibration Program.

Inspection Program Data Fiscal Years 2013-2015

Item	Fiscal Years		
	2013	2014	2015
Quantity of Grain Produced[1] (Mmt)[2]	**540.0**	**539.1**	**526.5**
Quantity of Standardized Grain Officially Inspected (Mmt)[3]			
Domestic	144.4	171.9	180.0
Export by FGIS	57.8	82.6	82.4
by Delegated States	19.4	26.1	31.0
by Designated Agencies	8.7	17.3	11.9
Total	**230.3**	**297.9**	**305.3**
Delegated States/Official Agencies			
Delegated and Designated States	4	4	4
Delegated States	1	1	1
Designated States	7	7	7
Designated Private Agencies	41	39	37
Total	**53**	**51**	**49**

(continued next page)

[1] Source: USDA-National Agricultural Statistics Service, Quick Stats. This figure includes production of wheat, corn, sorghum, barley, oats, and soybeans.

[2] Million metric tons.

[3] Includes grains for which FGIS maintains official standards: barley, canola, corn, flaxseed, oats, rye, sorghum, soybeans, sunflower seed, triticale, wheat, and mixed grain.

Item	Fiscal Years		
	2013	2014	2015
Number of Official Original Inspections[4]			
FGIS	105,994	107,670	90,068
Delegated States/Official Agencies	2,864,939	3,215,932	3,363,812
Total	**2,970,933**	**3,323,602**	**3,453,880**
Number of Grain Reinspections			
FGIS	453	377	298
Delegated States/Official Agencies	21,623	29,502	31,287
Total	**22,076**	**29,879**	**31,585**
Number of Grain Inspection Appeals			
Field Offices	2,845	5,928	4,209
Board of Appeals and Review	242	566	476
Total	**3,087**	**6,494**	**4,685**
Number of Official Commercial			
FGIS	9,276	10,453	10,792
Delegated States/Official Agencies	1,066,520	1,277,728	1,386,557
Total	**1,075,796**	**1,288,181**	**1,397,349**
Number of Barley Protein Inspections			
FGIS	5	0	26
Delegated States/Official Agencies	6,452	5,939	7,085
Total	**6,457**	**5,939**	**7,111**
Number of Corn Protein, Oil, and Starch Inspections			
FGIS	175	0	4
Delegated States/Official Agencies	15,276	23,632	7,501
Total	**15,451**	**23,632**	**7,505**

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[4] Includes original inspections for grade, factor-only inspections, official criteria, and official commercial inspections.

Item	Fiscal Years		
	2013	2014	2015
Number of Wheat Protein Inspections			
FGIS	13,160	5,828	4,144
Delegated States/Official Agencies	392,458	385,037	433,127
Total	**405,618**	**390,865**	**437,271**
Number of Soybean Protein and Oil Inspections			
FGIS	13,256	7,852	6,517
Delegated States/Official Agencies	23,734	5,313	20,113
Total	**36,990**	**13,165**	**26,630**
Number of Sunflower Seed Oil Inspections			
FGIS	0	0	0
Delegated States/Official Agencies	26,431	17,151	17,158
Total	**26,431**	**17,151**	**17,158**
Number of Aflatoxin Inspections			
FGIS	7,282	2,136	2,691
Delegated States/Official Agencies	280,424	120,153	110,988
Total	**287,706**	**122,289**	**113,679**
Number of Deoxynivalenol Inspections			
FGIS	6,541	4,734	7,340
Delegated States/Official Agencies	67,272	104,898	182,650
Total	**73,813**	**109,632**	**189,990**
Number of Fumonisin Tests			
FGIS	51	100	0
Delegated States/Official Agencies	4,478	5,172	5,553
Total	**4,529**	**5,272**	**5,553**

(continued next page)

Item	Fiscal Years		
	2013	2014	2015
Quantity of Rice Produced (Mmt) (rough basis)[5]	**8.6**	**10.0**	**8.5**
Quantity of Rice Inspected (Mmt) (rough basis)			
FGIS	3.1	2.3	2.5
Cooperators	0.4	0.8	0.2
Total	**3.5**	**3.1**	**2.7**
Number of Rice Appeals	**183**	**113**	**115**
Number of Rice Board of Review Appeals	**3**	**4**	**4**
Quantity of Pulses Produced (Mmt) (beans, peas, lentils)[5]	**2.1**	**2.3**	**2.4**
Quantity of Pulses Inspected (Mmt)			
FGIS	0.5	0.5	0.5
Cooperators	0.3	0.5	0.3
Total	**0.8**	**1.0**	**0.8**
Number of Pulse Appeals	**318**	**349**	**302**
Number of Pulse Board of Review Appeals	**35**	**19**	**16**

[5] Source: USDA-National Agricultural Statistics Service, Quick Stats.

Weighing Program Data Fiscal Years 2013-2015

Item	Fiscal Years		
	2013	2014	2015
Official Weight Certificates Issued			
FGIS			
Class X[1]	39,055	47,675	43,897
Class Y[2]	21,875	32,228	13,853
Total	**60,930**	**79,903**	**57,750**
Delegated States/Official Agencies			
Class X[1]	180,252	209,296	185,012
Class Y[2]	56,831	57,920	57,920
Total	**237,083**	**267,216**	**242,932**
Exported Grain Weighed (Mmt)			
FGIS	57.4	82.3	82.2
Delegated States/Official Agencies	19.2	26.1	30.2
Total	**76.6**	**108.4**	**112.4**
Number of Certified Scales in Service			
Export Elevators	**217**	**225**	**231**
Number of Scales Tested			
Railroad Track Scales	150	109	110
Hopper Scales	475	366	307
Vehicle Scales	**380**	**322**	**381**

[1] Class X weighing involves 100 percent supervision of weighing.

[2] Class Y weighing involves a minimum of 25 percent supervision of weighing.

Volume of Export Grain Inspections by Port Areas Fiscal Year 2015

Port Area	Million Metric Tons (MMT)	Percent of Total U.S. Exports
California	0.03	0.02
Chicago	0.36	0.29
Columbia River	23.42	18.62
Duluth-Superior	0.99	0.80
East Gulf	0.63	0.50
Interior[1]	12.18	9.68
Lake Superior	0.13	0.10
Mississippi River	64.13	50.99
North Atlantic	0.62	0.50
North Texas	8.68	6.90
Puget Sound	6.88	5.47
South Atlantic	2.53	2.01
South Texas	3.50	2.78
Seaway	0.38	0.30
Toledo	1.31	1.04
Total	**125.77**	**100**

[1] Figures include all rail and containers loaded in the continental United States destined for export. The primary destination for rail shipments is Mexico, with containers shipped worldwide through established ports.

Section VI: Management Initiatives

Mentoring Program and Succession Planning

For FY 2014, the FGIS Mentoring Program was expanded to a GIPSA-wide program, managed through the agency, but administered using the USDA's Virtual Mentoring Portal. Use of the portal allows GIPSA and FGIS to better facilitate the mentoring program more cohesively and collaboratively across USDA. In FY 2014, the GIPSA Mentoring Program had 40 mentor-mentee pairs, 32 of which were from FGIS, a 28-percent increase from the previous year.

In the FY 2015 Mentoring Program, GIPSA had 30 mentor-mentee pairs, with 24 of the pairs from FGIS. This is about 10 percent of the eligible FGIS employees, who represent 15 different offices and at least 10 different localities. FGIS participation is the result of strong executive support that includes active senior management champions who recognize that up to 80 percent of FGIS's supervisors and managers are retirement-eligible. As such, FGIS is keenly aware of the need to prepare staff to take on new responsibilities and assume larger roles within the program.

During FY 2015, FGIS developed a strategic initiative to create a customer centric, engaged, and high-performing workforce by identifying opportunities for employees to develop competencies identified for mission-critical technical and leadership positions within FGIS. As part of the strategic initiative, 15 mission critical positions were identified within FGIS. Career guides were developed for each of these positions. Each career guide provides the position title, series, description, and duties and responsibilities; the technical and leadership competencies and requirements necessary to obtain the position; and recommended positions, education, and training that will assist an employee in gaining the technical and leadership competencies prior to obtaining the targeted position. The career guides serve as a developmental tool for employees who wish to enhance leadership competencies for future positions. In FY 2016, FGIS will work to identify learning experiences for the positions; establish competencies for entry into first-line supervisory positions; establish competency-based career paths within FGIS for managers; establish consistent criteria for moving expenses and set aside funds within FGIS to address that need; explore leadership programs that may be available to FGIS employees.

Quality Management Program

Focus on Quality: FGIS continued its focus on quality assurance to ensure that the official system continues to provide high-quality inspection results. In October 2015, FGIS initiated a comprehensive review of all FGIS quality assurance functions to ensure that the roles and responsibilities were identified and assigned. The review resulted in a clarification of the roles and responsibilities within the Divisions, Board of Appeals and Review, Domestic Inspection Operations Office, and Grading Services Lab. Further, it resulted in an organizational realignment deemed necessary to improve FGIS services and processes.

In May 2015, FGIS established a Quality Committee. The committee's scope of responsibility is the FGIS Quality Assurance Program, which ensures the accuracy of official inspection and weighing services and ultimately the certificate. To that end, the committee ensures communication, collaboration, and coordination between the Divisions and the official agencies, discusses issues and concerns associated with the quality assurance and control, and provides program and policy recommendations to the FGIS Executive Management Team and the Quality Assurance and Compliance Division. The committee is comprised of eight members, including one member representing the official agencies.

FGIS continued to monitor and report data for the FGIS inspection performance program, which was initiated in March 2014 to provide continuous feedback on system performance, improve FGIS's ability to make corrective actions, and provide quality assurance to the grain industry. During FY 2015, overall inspection accuracy was 96.9 percent, with all field offices having an inspection accuracy of 93.7 percent or higher.

A key component of FGIS's quality program continues to be the Quality Management Program (QMP), through which FGIS evaluates the performance of official agencies and field offices in meeting their legal and regulatory obligations under the USGSA and AMA. The QMP melds modern quality management principles with the legal and regulatory requirements under the USGSA and AMA to create an overarching program to drive progress within the official system. The QMP requires all official Federal, State, and private agencies to establish a program for providing official services based on the principles of quality control, quality assurance, and quality improvement.

FGIS conducts QMP onsite reviews at least once every 3 years. During FY 2015, FGIS conducted 23 QMP reviews, including 1 designated State, 3 designated and delegated States, 2 field offices, and 16 private agencies. The QMP review evaluates legal and management responsibilities, document control, record control and accuracy, communication programs, training, licensing, and supervision programs, equipment, facility reviews, local quality plan, internal audits, customer focus, and continual improvements.

Based on the results of the review, each official agency receives an overall performance score. Ninety percent of the designated official agencies received an overall performance score of 90 percent or higher, which was an increase of 11.4 percent over the previous year. FGIS believes the upward trend is the result of additional training, improved internal audits, and improved communications. Further, FGIS recognized four designated official agencies for their excellent performance in providing official grain inspection and/or weighing services; and one designated official agency for its outstanding performance.

As part of the QMP, FGIS requires each official agency and field office to complete an annual internal audit. In FY 2015, FGIS reviewed internal audits from 36 official agencies and 2 FGIS field offices. Internal audits are a comprehensive review of all QMP quality elements and address any problem areas.

Improving Work Environment

Improving Working Conditions. Maintaining safety, improving operational efficiency and effectiveness of work processes, and fostering an environmentally friendly workplace all contribute to employee satisfaction. FGIS partnered with grain industry customers to ensure the location and condition of the grain weighing, inspection, laboratory, and office spaces fostered employee safety.

In 2010, FGIS developed a policy that strives to eliminate employee exposure to potentially hazardous working conditions and/or situations that are causing or likely to cause death or serious physical harm. A grain elevator or grain mill explosion is a serious concern for FGIS and its employees who perform official duties within the head house of the elevator, at the base of a head house, and in or near any tall structures of these facilities. This concern also extends to areas in or near railcar dump pits, truck dump pits, and tunnels. The policy requires facility owners to relocate or improve existing equipment or handling equipment to an FGIS laboratory or other FGIS acceptable location that is a minimum of 100 feet from these areas of concern. Over the past several years, several facilities have been renovated to allow personnel to perform their official duties away from these areas of concern, thereby eliminating their exposure to potentially hazardous working conditions and/or situations that could cause death or serious physical harm.

In some cases, facility managers elected to totally relocate the on-site FGIS lab to accommodate the workload and testing requirements of the facility. To make the most of these opportunities, FGIS created a team to make design recommendations that improve service delivery and make grain laboratories more efficient and ergonomic. Recently, two grain elevators in the Louisiana Gulf underwent major renovations and opted to redesign the on-site FGIS lab spaces as well. As a part of these renovations, the companies conformed with FGIS safety and spatial requirements and also sought to improve the aesthetics of the labs, which will allow the labs to be showcased to trade teams and foreign buyers of U.S. grain.

Focus on Safety

Keeping FGIS Staff Safe: In FY 2015, FGIS committed to numerous safety improvements.

GIPSA's Safety and Occupational Health Manager conducted safety assessments of grain elevators in the League City, New Orleans, and Portland Field Office circuits with no significant negative findings. GIPSA also assessed the Emergency Response Plan for the new inspection laboratory at Louis Dreyfus O-Dock facility in Portland, Oregon, and found it adequate.

In August, all of FGIS's front-line supervisors received Occupational Safety and Health Administration-required supervisor safety training during a week-long meeting at the National Grain Center.

Supervisor safety training

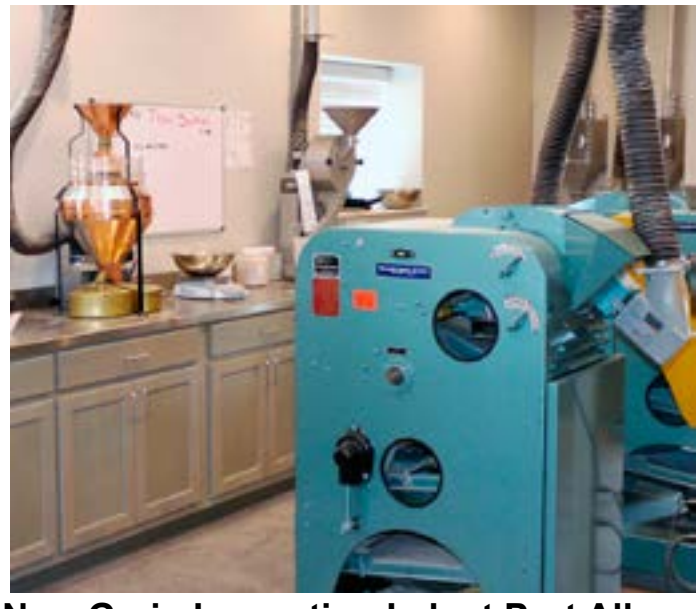
FGIS is committed to reducing our employees' exposure to hazardous chemicals and reducing our handling of hazardous waste products. To meet this commitment, FGIS has approved four rapid test kits for use in the official system which extract aflatoxin for testing without using hazardous solvents. FGIS also opened and filled a contract for a water-based aflatoxin test kit for use in FGIS inspection laboratories.

Elevators

Louis Dreyfus Commodities (LDC) recently completed a $150 million capital investment to expand and modernize the Port Allen grain facility. The grain facility is able to process 5 million metric tons of grains and oilseeds annually. It's new barge unloader has the capacity to discharge 20 to 24 barges per day, with annual unloads of up to 4,000 barges.

LDC facility, Port Allen, LA

The upgrades included a new dock capable of loading a vessel holding up to 60,000 metric tons of product. The new dock is able to load a vessel at a rate of 100,000 bushels per hour, and unload bushels at a rate of 80,000 per hour. The Port Allen facility will be LDC's flagship export facility on the Mississippi.



New Grain Inspection Lab at Port Allen

As part of the investment, LDC constructed a new state-of-the-art Grain Inspection Lab to be used by USDA/GIPSA official personnel who are officially weighing, inspecting, and certifying export grain from the facility. The lab is equipped with new noise and dust reduction Dockage testers, LED lighting, stainless steel countertops, enhanced dust system, 24-hour multi-shift chairs for the inspectors, and an automated weighing and grain flow monitoring system.

LDC, Portland, Oregon, changed its shipping system from using two 90,000-pound scales and surge bins to housing 7 shipping bins and putting in one new 35,000-pound shipping scale. LDC has updated its cleaners to reach a maximum supply of 50,000 bushels per hour cleaning capacity. It also added a secondary cleaning system to remove additional impurities from the grain stream as well as a state-of-the-art dust system throughout the facility. Moving away from surge bins to the shipping bins, LDC was compelled to redirect the flow of its shipping conveyor system and incorporated an entirely enclosed conveyor system to the ship loading gallery.

LDC facility, Portland, OR

Section VII: Financial Information

FGIS User Fee Accounts[1]				
	Revenue	**Obligations**	**Profit/Loss**	**Retained Earnings**
U.S. Grain Standards Act				
Inspection & Weighing	$44,959,118	$38,088,040	$6,871,078	$12,895,837
Official Agencies	$2,332,014	$1,360,991	$971,023	$8,255,103
Agricultural Marketing Act				
Rice	$6,931,436	$5,129,309	$1,802,127	$8,450,184
Processed Commodities	$2,981,485	$3,129,262	$(147,777)	$1,007,682
Total FY 2015	**$57,204,053**	**$47,707,602**	**$9,496,451**	**$30,608,806**
Less FY 2015 Sequestration				**$2,999,065**
				$27,609,741

Appropriations (Dollars in millions)							
	FY 2009	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Discretionary Appropriations	$17.93	$18.27	$17.79	$16.48	$16.47	$17.91	$19.1

[1] Obligations are total obligations to support the program during fiscal year 2015, regardless of budget period funding source used.

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