United States Department of Agriculture
Grain Inspection, Packers and Stockyards Administration
Federal Grain Inspection Service

New Orleans Gulf Regional Industry

FGIS Workshop

April 24, 2012

AGENDA

New Orleans Gulf Regional Industry-FGIS Workshop
Tuesday, April 24, 2012

FGIS New Orleans Field Office
104 Campus Dr. East, Suite 200, Destrehan, LA 70047

9:00	Welcome	Kerry Petit, Field Office Manager
	Agenda and Introductions	NAEGA
9:15	Market Overview, FGIS Fees	Randall Jones, Deputy Administrator
9:45	Intermarket Survey, Lab of the Future, Fall Protection, Wheat Standards, Reconditioning for Aflatoxin	Robert Lijewski, Director, FMD
	Sample Control and Composite Procedures, GMO	Kerry Petit, Field Office Manager
	NGFA Update	Jess McCluer, NGFA, Director of Safety & Regulatory Affairs
10:15	USGC Corn Quality	Arvid Hawk, NAEGA, Senior Advisor
10:45	International Maritime Organization (IMO) & TWIC	Jerry Cotter, NAEGA, Senior Advisor
11:15	Moisture Meters	David Funk, Chief Scientist
12:00	Working Lunch *(order box lunch/bring brown bag lunch)*	Demonstrations by Perten and DICKEY-john
1:30	Sorghum Odor	Dave Lowe, Chair, Board of Appeal & Review
2:15	Louisiana DEQ	Jess McCluer, NGFA, Director of Safety & Regulatory Affairs
2:30	Discussion and Wrap up	Group
3:00	Adjourn	

National Program Overview

New Orleans Gulf Regional Industry – FGIS Workshop

Randall Jones
Deputy Administrator
April 24 , 2012

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Overview

- Automated Barge Weighing Update
- Market Overview
- Canada
- Financial review
- Agenda

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Automated Barge Weighing Update

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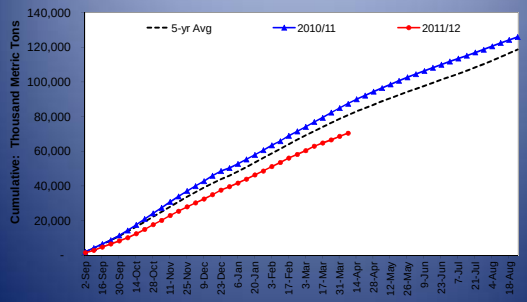
All Grains - FGIS, States, & Agencies



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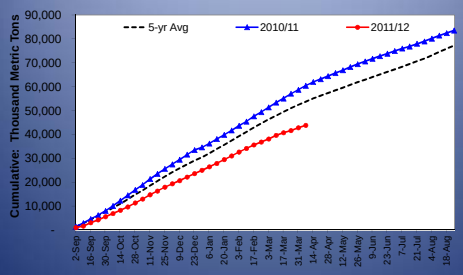
All Grains - FGIS Only



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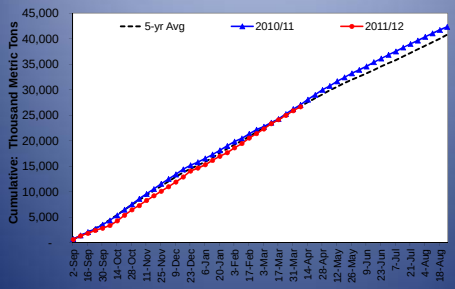
All Grains - States & Agencies



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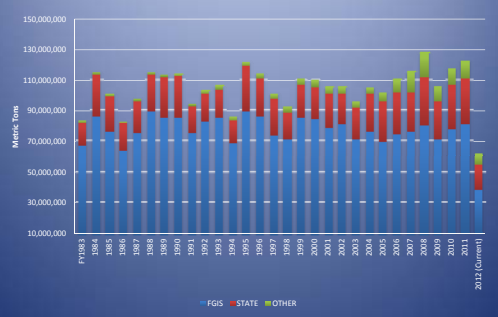
Export Inspections



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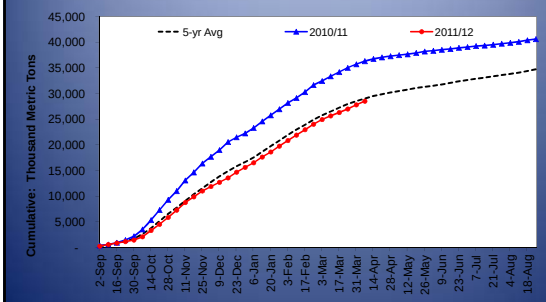
Export Soybeans - FGIS, States, & Agencies



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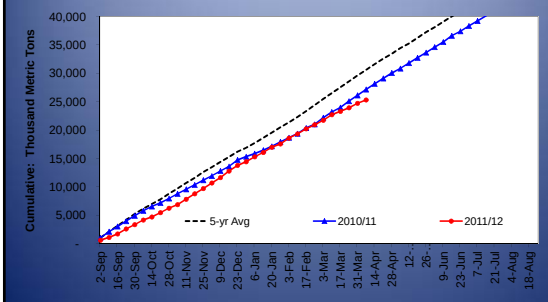
Export Corn - FGIS, States, & Agencies



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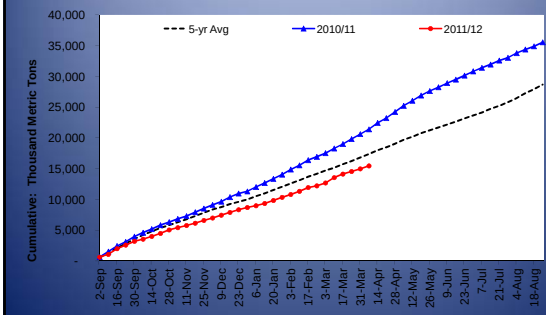
Export Wheat - FGIS, States, & Agencies



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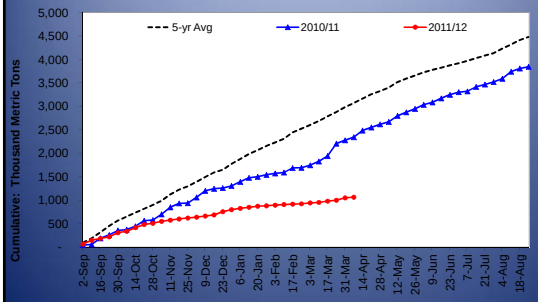
Export Sorghum - FGIS, States, & Agencies



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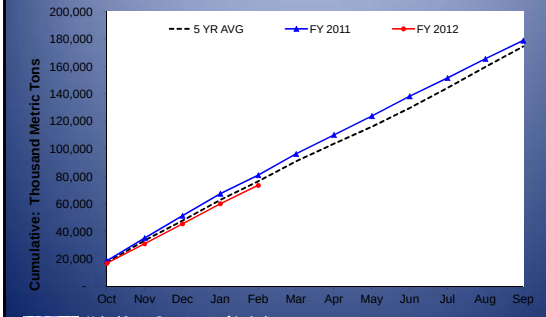
State and Agency Domestic Inspections



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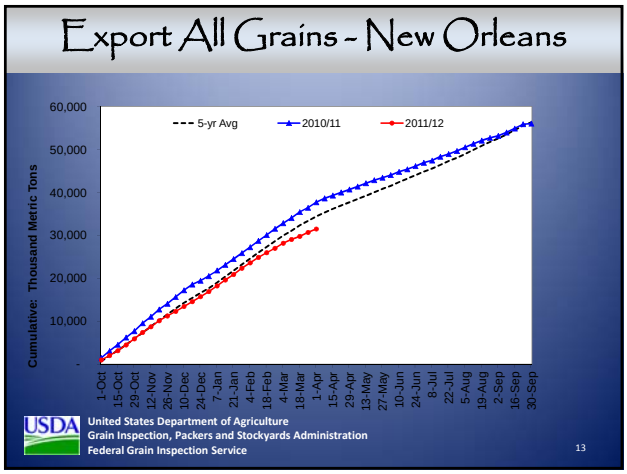
Export All Grains - New Orleans
5-yr Avg
2010/11
2011/12
Cumulative: Thousand Metric Tons
60,000
50,000
40,000
30,000
20,000
10,000
-
1-Oct
15-Oct
29-Oct
12-Nov
26-Nov
10-Dec
24-Dec
7-Jan
21-Jan
4-Feb
18-Feb
4-Mar
18-Mar
1-Apr
15-Apr
29-Apr
13-May
27-May
10-Jun
24-Jun
8-Jul
22-Jul
5-Aug
19-Aug
2-Sep
16-Sep
30-Sep
USDA
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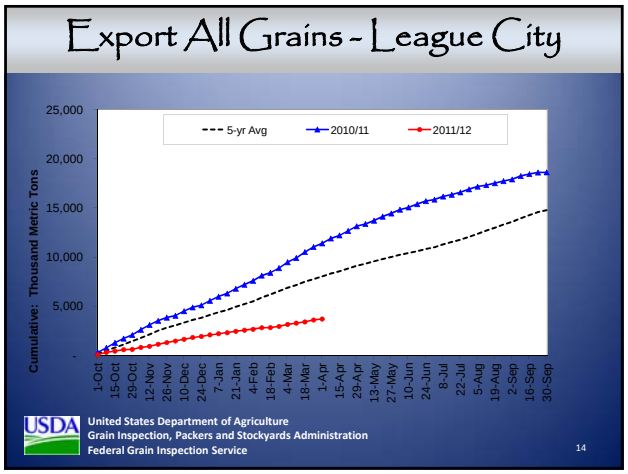
Export All Grains - League City
5-yr Avg
2010/11
2011/12
Cumulative: Thousand Metric Tons
25,000
20,000
15,000
10,000
5,000
-
1-Oct
15-Oct
29-Oct
12-Nov
26-Nov
10-Dec
24-Dec
7-Jan
21-Jan
4-Feb
18-Feb
4-Mar
18-Mar
1-Apr
15-Apr
29-Apr
13-May
27-May
10-Jun
24-Jun
8-Jul
22-Jul
5-Aug
19-Aug
2-Sep
16-Sep
30-Sep
USDA
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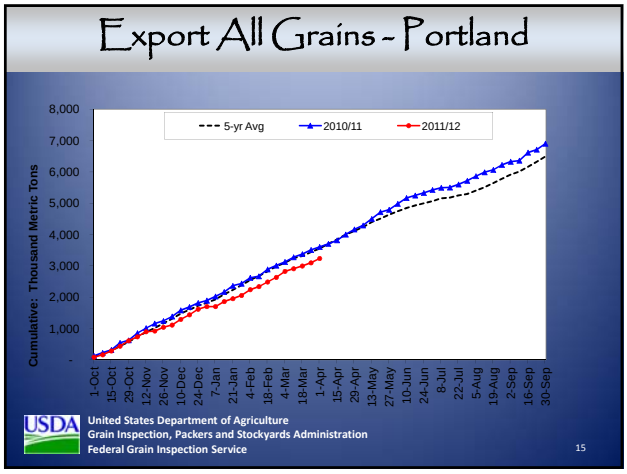
Export All Grains - Portland
5-yr Avg
2010/11
2011/12
Cumulative: Thousand Metric Tons
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
-
1-Oct
15-Oct
29-Oct
12-Nov
26-Nov
10-Dec
24-Dec
7-Jan
21-Jan
4-Feb
18-Feb
4-Mar
18-Mar
1-Apr
15-Apr
29-Apr
13-May
27-May
10-Jun
24-Jun
8-Jul
22-Jul
5-Aug
19-Aug
2-Sep
16-Sep
30-Sep
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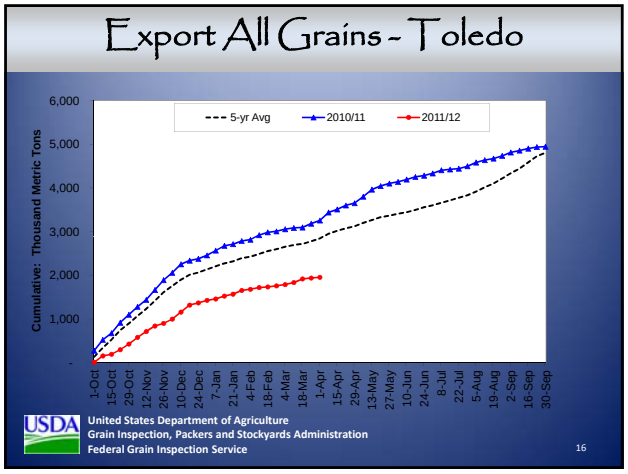
Export All Grains - Toledo
5-yr Avg
2010/11
2011/12
Cumulative: Thousand Metric Tons
6,000
5,000
4,000
3,000
2,000
1,000
-
1-Oct
15-Oct
29-Oct
12-Nov
26-Nov
10-Dec
24-Dec
7-Jan
21-Jan
4-Feb
18-Feb
4-Mar
18-Mar
1-Apr
15-Apr
29-Apr
13-May
27-May
10-Jun
24-Jun
8-Jul
22-Jul
5-Aug
19-Aug
2-Sep
16-Sep
30-Sep
USDA
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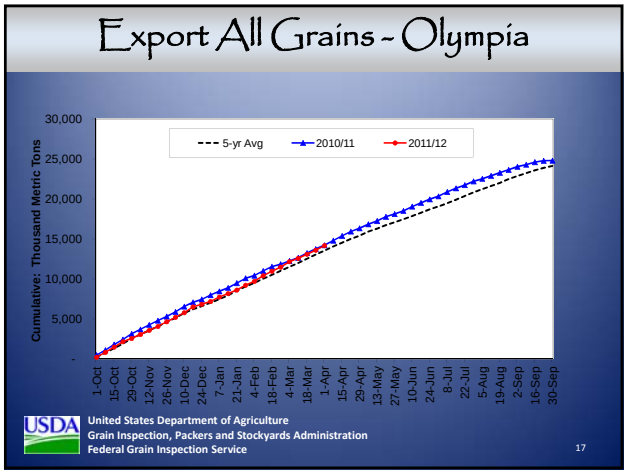
Export All Grains - Olympia
5-yr Avg
2010/11
2011/12
Cumulative: Thousand Metric Tons
30,000
25,000
20,000
15,000
10,000
5,000
-
1-Oct
15-Oct
29-Oct
12-Nov
26-Nov
10-Dec
24-Dec
7-Jan
21-Jan
4-Feb
18-Feb
4-Mar
18-Mar
1-Apr
15-Apr
29-Apr
13-May
27-May
10-Jun
24-Jun
8-Jul
22-Jul
5-Aug
19-Aug
2-Sep
16-Sep
30-Sep
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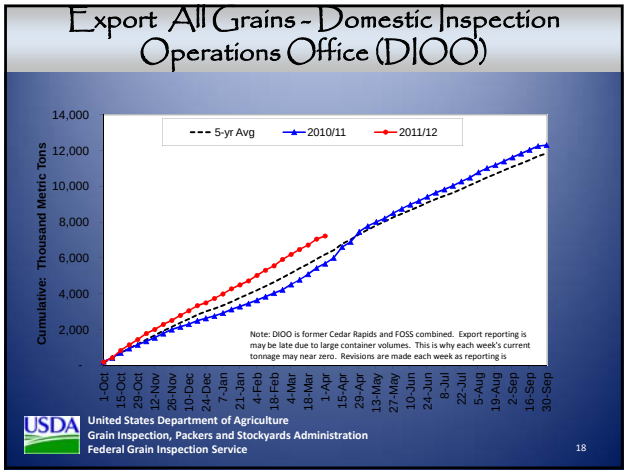
Export All Grains - Domestic Inspection Operations Office (DIOO)
5-yr Avg
2010/11
2011/12
Cumulative: Thousand Metric Tons
14,000
12,000
10,000
8,000
6,000
4,000
2,000
-
Note: DIOO is former Cedar Rapids and FOSS combined. Export reporting is may be late due to large container volumes. This is why each week's current tonnage may near zero. Revisions are made each week as reporting is
1-Oct
15-Oct
29-Oct
12-Nov
26-Nov
10-Dec
24-Dec
7-Jan
21-Jan
4-Feb
18-Feb
4-Mar
18-Mar
1-Apr
15-Apr
29-Apr
13-May
27-May
10-Jun
24-Jun
8-Jul
22-Jul
5-Aug
19-Aug
2-Sep
16-Sep
30-Sep
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Domestic Inspections: FGIS, States, & Other

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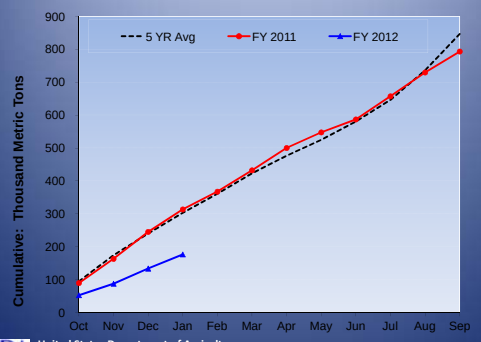
Pulse Inspections



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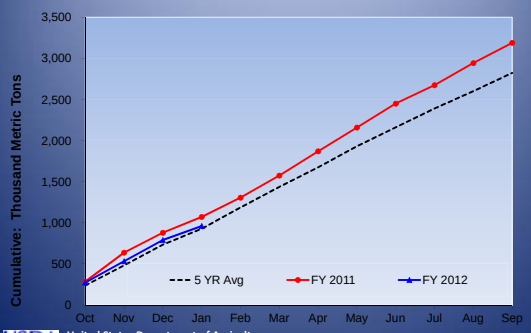
Rice Inspections



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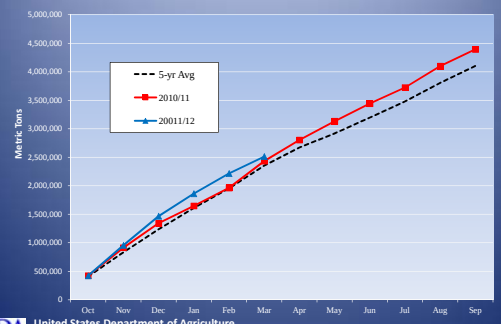
Export Containers



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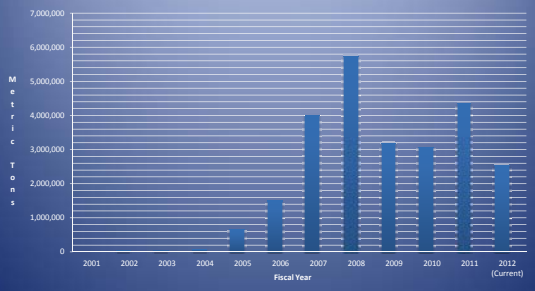
Containerized Inspections



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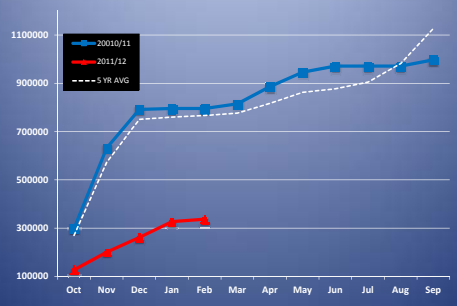
Canadian Port Grain Inspection by FGIS



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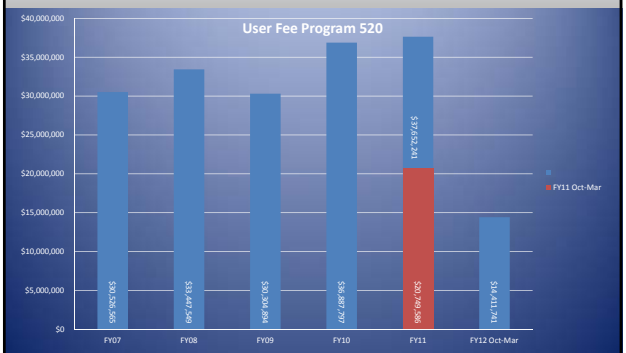
Financial Review



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Financial Review

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Agenda

9:45- Intermarket Survey, Lab of the Future Fall Protection Wheat Standards, Reconditioning of Aflatoxin - Robert Lijewski, Director FMD

- **Sample Control and Composite Procedures** – Kerry Petit, Field Office Manager
- **GMO NGFA Update-** Jess McCluer, Director of Safety & Regulatory

10:15- USGC Corn Quality – Arvid Hawk

10:45- IMO, TWIC- Jerry Cotter

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Agenda (cont')

11:15- Moisture Meters – David Funk, Chief Scientist

12:00- Working Lunch –Demonstrations by Perten and DICKEY-john

1:30- Sorghum Odor – Dave Lowe, Chair, Board of Appeal & Review

2:15- Louisiana DEO- Jess McCluer, Director Of Safety & Regulatory

2:30- Discussion and Wrap Up – Group

3:00- Adjourn

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Field Management Division Update

ROBERT LIJEWSKI, DIRECTOR
FIELD MANAGEMENT DIVISION

KERRY PETIT
FIELD OFFICE MANAGER

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Topics

- Inter-Market Survey
- Lab of the Future
- Fall Protection
- Wheat Standards
- Reconditioning for Aflatoxin
- Handbook III Updates
- GMO
- Sample Control and Composite Procedures

Inter-Market Survey

- Domestic end: OA grades official sample; collects additional sample for GSL and FO grade
- Export end: FO grades official sample; collects additional sample for GSL and OA grade
- All data sent to FMD; data forwarded to NAEGA if all observations (3 domestic/3 export) provided
- 40 Corn carriers; 28 Soybean carriers; 0 Wheat carriers
- Received both domestic and export data for 20 Corn carriers and 16 Soybean carriers
- 5 corn /1 soybean carriers compromised or otherwise excluded from data;

CORN

DOMESTIC SIDE

	%DKT	%BCFM
OA	2.5	2.2
GSL	1.9	2.2
FO	1.9	2.3

EXPORT SIDE

	%DKT	%BCFM
OA	2.0	2.6
GSL	1.6	2.5
FO	1.6	2.7

SOYBEAN

DOMESTIC SIDE‡

	%DKT	%FM
OA	0.3	1.0
GSL	0.3	1.0
FO	0.4	1.0

EXPORT SIDE

	%DKT	%FM
OA	0.3	1.0
GSL	0.4	1.1
FO	0.4	0.9

‡ **Includes Ellis cup sampling**

Lab of the Future

- Program Directive 9160.5 updated March 19, 2012
  - Prohibits retro-fitted containers and trailers
- Design a lab concept for future GIPSA labs
- GIPSA is moving toward technology such as bar coding
  - Provide information to industry faster
  - More proactive with regard to quality control
- NOFO has several elevators seeking input for GIPSA lab specifications
- GIPSA appreciates the cooperation of the industry

Field Office Circuit Review

Field Office	Number of Compliant Facilities	Number of Non-Compliant Facilities	Number of Facilities In Progress*	Number of Waivers Granted
League City	8	0	N/A	N/A
New Orleans	4	10	7	3
Portland	2	2	1	1
Stuttgart	5	5	1	4
Toledo	5	13	6	0

***FOM has indicated that these facilities are actively working to resolve major and/or minor deficiencies.**

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Fall Protection

June 24

- OSHA Compliance Officer visits Corpus Christi sub-office; questions employees regarding FGIS policy on probing railcars; gives a verbal warning
- Rejects GIPSA interpretation of Miles Memorandum

The Miles Memorandum (October 18, 1996)

- John Miles, Director of Compliance Programs
  - Enforcement policy of Agency (OSHA) is that falls from rolling stock would not be cited under fall protection standard.
  - Not appropriate to use the standard to cite exposure to fall hazards from tops of rolling stock unless stock is inside of or contiguous to structure where fall protection is feasible.

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Fall Protection

July 11

- OSHA request in writing for 19 documents
- GIPSA responded on July 18

October 14

- FGIS cited for alleged violation of fall protection regulations

November 8

- Informal Conference: OSHA Corpus Christi Director, others

December 20

- Conference call with OSHA at national level
- Waiting for final OSHA decision
- GIPSA's understanding is that Miles Memorandum is still in effect until otherwise notified

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Fall Protection

Kansas Grain Inspection Service citation (Atchison, KS):

- Serious violation (Hazard Communication Program)
- Willful violation (exposure to fall hazards while working/ walking on top of railroad cars)
- One other-than-serious violation (did not provide basic advisory information on respirators)
- OSHA cited KGIS for failing to provide fall protection and proposed fines of $67,500.

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Wheat Standards

- GIPSA published a Notice of Proposed Rulemaking on the US Standards for Wheat in the Federal Register on April 11, 2012
- Comment period ends June 11, 2012
- Revises contrasting class definition so that HRW/HRS are not contrasting in HDWH
- Revises grade limit for SHBN for #1 & #2 from 3% and 5% to 2% and 4% respectively

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Reconditioning for Aflatoxin

- Based on communication from industry
- GIPSA/FDA discussed idea of multiple passes to recondition actionable lots; FDA is amenable
- Discussed whether multiple bins in a sublot could be tested for reconditioning purposes on a individual basis
- GIPSA will issue generic instructions in handbook; Field Office will work with individual elevators to develop standard operating procedures

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Updating Grain Inspection Handbook, Book III, Chapter 1 (CuSum Handbook)

- No policy changes – updating handbook to reflect current policy
- Handbook last updated in 2006
- Handbook will be revised and updated to reflect issues primarily related to Average Quality
- Updating Unit Train Inspection Options
- Handbook is progressing through internal clearance for a 2012 release

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Recent Policy Bulletin Board Notices being incorporated into Book III revision

- Increased maximum sublot size to 100,000 bushels
  - 200k w/ component analysis
  - Imposed tighter restrictions on max/min component sizes
  - Ref #245 dated 02/10/12
- CuSum Cutoff Requests
  - Prevents circumvention of CuSum Plan
  - If no grain is loaded, a "cutoff" will not be granted to restart log/CuSum
  - Ref #241 dated 11/14/11
- Transferring Sublots
  - Clarifies policy when transferring extra grain or material portions between "Average Quality" lots to/from standard CuSum lots
  - Ref #240 dated 11/21/11
- Average Quality Uniformity Criteria
  - Average Quality sublots must meet Type of Grain, Class (except when class is a grading factor), Subclass, and not exceed special grade criteria
  - Ref #233 dated 07/02/10

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2011/12

U.S. GRAINS COUNCIL

Developing markets. >> Enabling trade. >> Improving lives.

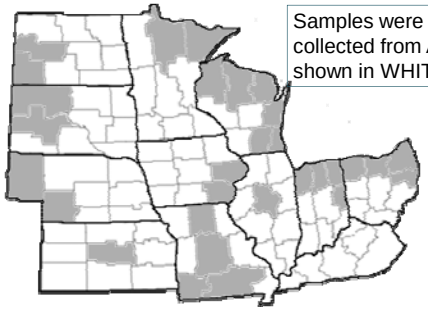
2011 U.S. Corn Harvest Quality Report

Corn Harvest Quality Report 2011/12

- First systematic survey of U.S. corn quality for export customers
- 474 samples from point of first delivery
- Samples from 12 states that account for 98% of U.S. corn exports
- Aggregate and 3 'Export Catchment Areas'
  - Gulf
  - Pacific Northwest
  - Southern Rail

U.S. Agricultural Statistical Districts

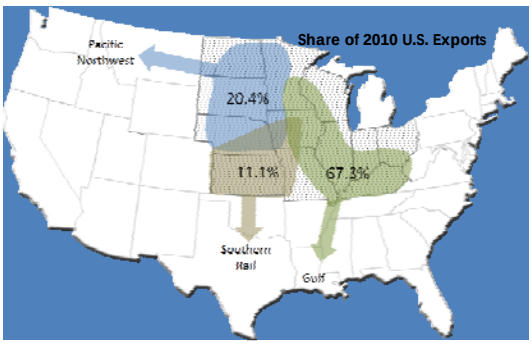
Corn Harvest Quality Report 2011/12



Samples were collected from ASDs shown in WHITE

USGC Corn Quality "Export Catchment Areas" (ECA)

Corn Harvest Quality Report 2011/12



Harvest Quality Report

Corn Harvest Quality Report 2011/12

- Uses samples from delivery to local elevator during harvest season. Started collecting samples after 30% of harvest completed and finished by the end of October 2011.
- Provides information about initial quality of crop at harvest
- Quality at export affected by many factors in the U.S. grain marketing system.
- Export Cargo Report will follow, reporting crop quality from samples at export points.
- Builds understanding of what customers can expect

Projected FUTURE schedule

Corn Harvest Quality Report 2011/12

Harvest Quality Report
December 2012

Export Cargo Quality Report
March 2013

2011 U.S. Corn Harvest Quality Report

Corn Harvest Quality Report 2011/12

- ✓ Grading Factors:
  - Test weight
  - BCFM
  - Damage
  - Heat Damage
  - Moisture
- ✓ Chemical Composition:
  - Protein
  - Starch
  - Oil
- ✓ Physical Factors:
  - Stress cracks/stress crack index
  - 100 kernel weight
  - Kernel volume
  - True density
  - Whole kernels
  - Horneous (hard) endosperm
- ✓ Qualitative Tests for Mycotoxins:
  - Aflatoxin
  - DON

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Summary of Test Results

Corn Harvest Quality Report 2011/12

- Good test weight
- Good moisture levels
- Low stress cracks
- Low BCFM
- High proportion whole kernels
- High protein level (8.7%)
- Low incidence of mycotoxins
- Uniform quality across all geographic areas

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Grading Factors

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Test Weight – U.S. Units

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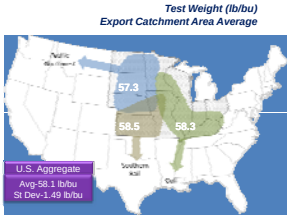
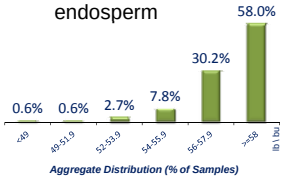


Good test weight –

58.1 lb/bu or 74.8 kg/hl

- Well-filled kernels
- High % of hard endosperm



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Broken Corn and Foreign Material

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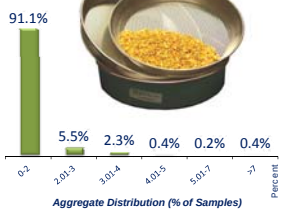
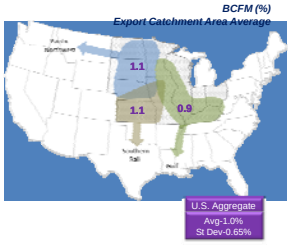
Low levels of BCFM (1%)





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Broken Corn

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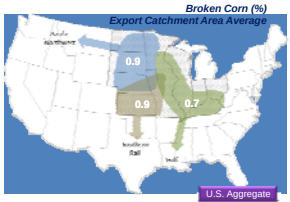
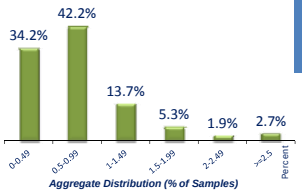
Broken Corn:

Passes through 12/64" but not through 6/64"

- U.S. Average: 0.8%





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Foreign Material

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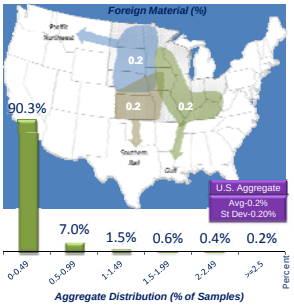
Foreign material:

Non-corn material on top of 12/64" sieve AND everything passing through 6/64" sieve.

- U.S. average 0.2%
- 90% of samples <0.5%



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Total Damage

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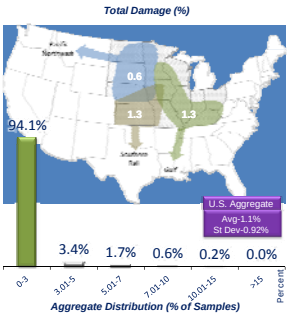
- Low and uniform total damage.
- Zero heat damage
- 97.5% of all samples meet damage. standard for US #2.



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Moisture

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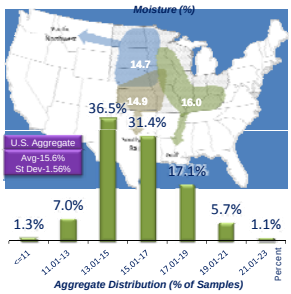
Moisture is not a grading factor.

- Average 15.6% moisture, low variability
  - Good field drying,
  - Less artificial drying required for storage.



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Chemical Composition

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Chemical Composition - Summary

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- Average **protein content (8.7%)** is influenced by genetics, crop yields and available nitrogen during the growing season.
- **Starch content (73.4%)** was relatively high which in combination with observed high test weights indicates good kernel filling that should be good for all processing uses and feeding.
- **Oil content (3.7%)** was relatively constant across all export catchment areas.

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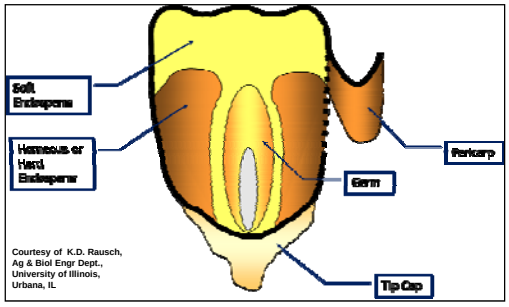

Physical Factors

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Physical Factors – Stress Cracks

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- **Stress cracks (3%)** reflects good harvest conditions, potential for:
  - Reduced breakage from handling;
  - Good wet milling starch recovery,
  - Good dry milling yields of flaking grits.
- **Stress Crack Index (4.6)** indicates only a small percent of kernels have multiple stress cracks.

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Kernel Weight, Volume, Density

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- **100-Kernel Weight (33.11 grams)** indicates large kernel size
- **Kernel volume (0.26 cm^3)** is another indicator of well-filled kernels
- **Kernel true densities (1.267 g/cm^3)**
  - Good for wet milling and feeding.

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Physical Properties – Part 3

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- Initial **whole kernel** percentages (93.8%) in combination with the **low stress cracks** percentage (3%) provides indication of
  - Good storable corn
  - Reduced breakage in handling.
- **Horneous (hard) Endosperm (84%)** on scale of 70-100
  - Dry millers prefer >90%
  - Wet millers and feeders prefer 70-85%

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Mycotoxins: Aflatoxin and DON

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Mycotoxin Testing Results

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- Naturally occurring compounds in grains
- Pose health threat at elevated levels
- Tested 95 samples for aflatoxin
  - 93 below Level of Detection (2.5 ppb)
- Tested 94 samples for DON
  - 74 below Level of Detection (0.5 ppm)
  - All samples below FDA advisory level of 5.0 ppm

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Other Features of the Report

Corn Harvest Quality Report 2011/12

- Crop and Weather conditions
- US Corn Production, Usage and Outlook
- Survey and Statistical Analysis Methods
- Testing Analysis Methods

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Quality, Reliability, Transparency= Better Decision Making

Corn Harvest Quality Report 2011/12

- First Report: Establishes Benchmark
- Annual Series: Transparent, Consistent Methodology to Enhance Data Over Time
- Export Cargo Report (April 2012)
- Goal: Build Confidence in Corn Availability and Quality; Enhance Food Security Through Trade
- When Trade Works, The World Wins

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SORGHUM ODOR UPDATE

(Projected Timeline)

August 2011	GIPSA selected a reference sample for "storage musty" sorghum. The reference sample is a mixture of the chemical compounds Geosmine and 1, 2, 4 – Trimethoxybenzene added to a base sample of old storage sorghum which has an okay odor.
October 2011	Dr. Edgar Chambers, Sensory Analysis Center, Kansas State University started conducting a new shelf-life study for the reference sample at room temperature and refrigeration. This study will be more realistic of how often the reference sample will be used in the field. On the original study, the samples were taken out every day and set out for an extended period of time.
November 2011	The Board of Appeals & Review (BAR) started training official inspection personnel for calibrating "storage musty" sorghum odors to the reference sample. Training was conducted for the BAR, Grading Services Lab, and Kansas Grain Inspection.
January 2012	Training will be conducted for the sorghum inspectors in Oklahoma and Texas. The BAR will travel to Enid Grain Inspection and the League City Field Office. Training for the League City Field Office will be conducted at the service points in Galveston, League City, Beaumont, and Corpus Christi, Texas.
February 2012	The BAR will travel to the New Orleans Field Office to conduct training for the sorghum inspectors from their circuit.
March 2012	GIPSA will evaluate the new shelf-life study (3 months room temperature or refrigeration) for the reference sample.
May 2012	GIPSA will issue instructions to the field concerning the reference sample.
May 2012	GIPSA will prepare and distribute the reference sample.
March-June 2012	The BAR will conduct follow-up training at the Quality Assurance Specialists seminars.
March-December 2012	The BAR will request additional opinion samples and monitoring samples for sorghum odors when deemed necessary.
March-December 2012	If necessary, the BAR will travel to official service points for additional training.

Kansas Grain Inspection inspects approximately 60% of the sorghum inspected in the domestic market. Official agencies in Oklahoma and Texas inspect approximately 20% of the sorghum inspected in the domestic market. Of the export lots inspected, approximately 66% are performed by the League City Field Office.

NOTE: The reference sample only addresses "storage musty" odors found in sorghum. The reference sample does not address the other types of musty odors found in sorghum (i.e. Ground, Insect, and Mold). Also, it does not address Sour or Cofo odors found in sorghum or any other grain.