

1 THE UNITED STATES DEPARTMENT OF AGRICULTURE
2 Grain Inspection Advisory Committee
3 Meeting

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5
6 Moderated by Barbara Grove
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A P P E A R A N C E S

1
2 **Barbara Grove**, Chairperson, Central Valley Ag

3 **Arthur Neal**, Deputy Administrator, Federal Grain
4 Inspection Service

5 **Denise Ruggles**, Executive Program Analyst, USDA

6 **Dr. Ed Jhee**, Director, Technology and Science
7 Division

8 **Dr. Charles Hurburgh**, Professor, Iowa State
9 University

10 **Charles Bird**, Senior Director Product Management,
11 Neogen Corporation

12 **Philip Garcia**, Grain Inspection Program Manager,
13 Washington State Department of Agriculture

14 **Christopher Frederking**, Vice Chair, General
15 Manager, Zen-Noh Grain Corporation

16 **John Morgan**, Vice President, Supreme Rice, LLC,
17 Crowley, LA

18 **Kia Adams-Mikesh**, Secretary, North Dakota Grain
19 Inspection Service, Inc.

20 **Erin Casey-Campbell**, Program Manager, Missouri
21 Department of Agriculture

22 **Rashad Hart**, General Superintendent of Plant
23 Operations, Cargill, Inc.

24 **Mark Heil**, General Manager, Prairie Central
25

A P P E A R A N C E S (Cont'd)

1
2 Cooperative, Inc.

3 **Tracy Logan**, Director of Export Documentation,
4 United Grain Corporation

5 **Erica Olson**, Market Development & Research
6 Manager, North Dakota Wheat Commission

7 **Dr. Kurt Rosentrater**, Professor, Iowa State
8 University

9 **Jacob Thein**, Chief of Policy Procedures and
10 Analysis, FGIS

11 **LeRoy Capper**, Chief Innovation Officer, FGIS

12 **Charles Parr**, Director of Field Management
13 Division, FGIS

14 **Nick Friant**, Cargill, NGFA and NAEGA

15 **Gregory Giese**, Staff member, PPMAB

16 **Kendra Kline**, Chief of staff, USDA, AMS and FGIS

17 **Sheena Fox**, Virtual Speaker
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P R O C E E D I N G

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CHAIR, GROVE: All right, everybody.

Good morning, and welcome to our May session of the Grain Inspection Advisory Committee. A few things to start with. You know -- those cleanup things. Just as a reminder -- and we do have new Committee members with us here today -- that if you want to speak on a topic or if you were -- have comments, you do have to turn your microphone on. It seems like it should be green when you're on, but it's red when you're on. So, turn it on and speak clearly.

We do have reporting going on and transcription, so we want to make sure that we get everything in the notes correctly. All these notes after the meeting, once approved, are publicly posted. And as soon as you are done speaking, go ahead and shut your microphone back off because it may stop somebody else from turning theirs on.

We do have a large online contingency, and we do have a good group of -- in our public gallery back here today. So, the public gallery in the room, if you would like to speak on a topic, go ahead and stand. And if it's at a point that we can call on you, if a discussion at the table has ceased, we'll go ahead and have you come up to the microphone here, and

1 please state and spell your name again for the
2 reporting so we have that within the record.

3 And we know, again, who it is and who you're
4 representing as part of the industry in the
5 conversation. Those that are online, go ahead and --
6 I think, our staff team here has already sent you
7 notice that, raise your hand or put a comment in the
8 chat, and we'll have the staff and myself trying to
9 monitor that. And, if we are able to take your
10 question at that time, they will unmute you
11 individually so that you can be part of the
12 conversation.

13 Again, all our meetings are hybrid. So, thank
14 you for everybody in the gallery, in-person, and
15 online for joining us today. We're going to go around
16 the room and introduce everybody. And what I would
17 like you to give us is, you know, again your name,
18 your company, and, you know, what piece of the puzzle
19 are you? What area of the industry do you represent?

20 Because we do have a wide array of knowledge and
21 experience in this room, and that helps everybody get
22 to know a little bit more about where somebody is
23 coming from, what their knowledge and experience are.

24 We'll go around the table, and then I will have
25 the FGIS table go ahead and introduce yourselves too,

1 once we get to the last of the table. I am Barb
2 Grove. I am the Quality Systems Manager with Central
3 Valley Ag, and I represent more of the domestic or
4 inland market, and I am your Chairperson.

5 **MR. HART:** Good morning. I'm Rashad Hart.
6 I'm with Cargill Incorporated, where I serve as
7 General Superintendent, within our port -- export
8 terminal business. So glad to be here. Thanks.

9 **MR. NEAL:** Good morning, everyone. I'm
10 Arthur Neal, the Deputy Administrator for the Federal
11 Grain Inspection Service, and I represent the Federal
12 arm of the Grain Inspection system.

13 **MR. MORGAN:** Good Morning. John Morgan, I'm
14 with Supreme Rice out of Crowley, Louisiana. I
15 represent the U.S.A. Rice Federation and rice
16 industry, milling, and rough rice exports mostly.

17 **MS. ADAMS-MIKESH:** Hi, I'm Kia Mikesh. I'm
18 with North Dakota Grain Inspection, and I represent --
19 I'm also the President of AAGIWA, the American
20 Association of Grain Inspection Weighing Agencies.
21 And so, that kinda describes a little bit what I
22 represent of the Grain Inspection agencies that serve
23 under FGIS.

24 **MR. LOGAN:** Hi, I'm Tracy Logan. I work
25 with United Grain Corporation. We export corn, wheat,

1 and soybeans primarily. So, we work with the overseas
2 customer and are interested in the certification side.

3 **MS. OLSON:** Good morning. I'm Erica Olson
4 with the North Dakota Wheat Commission. So, I
5 represent the producers, but also a key component of
6 what we do is work with international customers. So,
7 also serve that side of the industry.

8 **MR. FREDERKING:** Good morning. Chris
9 Frederking with Zen-Noh Grain Corporation, here
10 representing the -- the exporters. Thank you.

11 **MR. GARCIA:** Philip Garcia with the
12 Washington State Department of Agriculture, and I'm,
13 representing the official agencies for inspection.

14 **MR. HEIL:** Mark Heil with Prairie Central
15 Cooperative in Chenoa, Illinois, representing the --
16 really domestic and export rail shippers loading corn
17 and soybeans, into shuttle train, unit trains, and
18 also the container, loading market.

19 **MS. CASEY-CAMPBELL:** Good morning. Erin
20 Casey-Campbell. I'm with the Missouri Department of
21 Agriculture. I'm the Program Manager for Missouri
22 Grain Inspection, based out of Jeff City, but we serve
23 the whole state.

24 **MR. BIRD:** Good morning. Chuck Bird with
25 Neogen Corporation. We are a technology provider to

1 the grain industry. Things like Mycotoxin Tests and
2 other things. And I'm -- look forward to good
3 discussions today. Thank you.

4 **CHAIR, GROVE:** And we do have two members of
5 our committee, due to some travel, will not get here
6 till roughly about 9:30. So, hence those two spots
7 that are open, so they can slide right in. That is
8 Dr. Charlie Hurburgh and Dr. Kurt Rosentrater. And
9 then we have -- I do not think that our other member
10 has joined online.

11 So, we don't - okay -- so, we don't have an
12 online member today. All right. With that, again,
13 thank you everybody. Thank you for your time and
14 commitment, from this Committee, to be here.

15 I do think we have some pretty robust topics
16 to talk about today, and we are all here, again, as we
17 just started representing somebody else, representing
18 a different piece of the industry. So, we want to
19 make sure we get the point of view and the input from
20 that. So, please make sure to bring your experience
21 and knowledge to the table.

22 I did skip you, but I did not forget. Let's
23 go ahead and introduce the FGIS table that is right
24 there. And I guess - sorry, you don't have the
25 microphone right there.

1 **MS. RUGGLES:** Denise Ruggles with FGIS. I
2 am the Financial Program Analyst.

3 **MR. THEIN:** Hi. Jacob Thein with FGIS. I'm
4 the Chief of the Policies, Procedures, and Market
5 Analysis branch.

6 **MR. PARR:** Good morning. Charles Parr,
7 Director of Field Management Division.

8 **DR. JHEE:** Morning. Ed Jhee, Director of
9 the Technology and Science Division.

10 **CHAIR, GROVE:** All right. Thank you. Thank
11 you all for being here. I know some of you will have
12 some presentations for us today. And with that,
13 Kendra, if I haven't missed anything, I think we will
14 go ahead and start with our FGIS program updates.

15 **MR. NEAL:** Good morning, everybody. It's
16 good to see you here. This is our first meeting of
17 FY24, long awaited. Welcome to our new Grain
18 Inspection Advisory Committee members. I hope that
19 this experience will be beneficial and productive for
20 you. We've got a lot of work ahead of us.

21 The last time we met, we spent a lot of time
22 discussing the FGIS budget and fees. That's where the
23 majority of our time was kind of dedicated -- a lot of
24 heads nodding. We've been since we've met -- we've
25 had several meetings, with National Grain and Feed

1 Association, North American Grain Export Association,
2 AAGIWA, and others discussing our fee situation.
3 We're going to go right into it. We're going to start
4 talking about the budget and fees -- give you an
5 update.

6 So, this is our Quarter Two financial
7 picture. You see here for Inspection and Weighing,
8 which is our Grain Inspection Weighing Account, we're
9 currently running a loss of negative \$4,000,000.

10 Our Operating Reserve is negative \$4,700,000.
11 Primarily because, we have not yet changed our fees
12 that we discussed that we would do in February of --

13 Well, when we met last August, our goal was to
14 have the fees changed in February of 2024. And I'll
15 get into the story of why those fees have not been
16 changed shortly.

17 For our Supervision Account, we're currently
18 running a negative \$343,000 here.

19 For our Rice Account, which the fees have been
20 properly adjusted, we've actually earned \$212,000 this
21 year, and we have, you know, close about three months
22 of reserves.

23 For our Commodities Account, we've lost \$217,000,
24 and we have about \$917,000 in reserves.

25 And the commodities accounts is where we perform

1 grain inspection and weighing for pulses and other
2 commodities that are not rice and not grain, for those
3 who are unfamiliar

4 So, for those who are not well-versed on kinda
5 how we got to the financial position that we're in.
6 I came into FGIS in 2019, before I got here, there are
7 a number of things that had transpired that caused our
8 fees to reverse. Instead of them increasing along
9 with inflation and cost of living, they were actually
10 being reversed and decreasing. There was a change to
11 the U.S. Grain Standards Act that was made -- that
12 required FGIS to have three to six months of reserves,
13 and it also inserted a new formula to calculate
14 tonnage fees.

15 When that amendment to the U.S. Grain Standards
16 Act was finalized through federal rulemaking in 2016,
17 regulations were put in place that implemented the new
18 formula for tonnage fees. It did not put in the
19 regulations any formula for calculating hourly fees
20 for the wages that our employees have to earn to
21 provide service. It also put a provision in place
22 that if we had so much money in our reserves over four
23 and a half months, we had to reduce our fees by 2%, no
24 more than 5%. And so, for about seven years, we were
25 reducing our fees. And what I don't think anybody

1 thought about when they put that regulation in place
2 is when you reduce your fees, how in the world do you
3 raise them again to cover your costs in a way that's
4 responsible and that's feasible?

5 Nobody thought about that, so we were left to try
6 to figure that out. So, when we met in August of last
7 year, we talked through this issue. We provided some
8 scenarios on what fees could potentially look like to
9 help us right size our situation. And just to give
10 you some perspective, in 2016, fees were \$40.20. Just
11 in April of this year, fees were increased to \$41.20.
12 And this last bullet point just talks about all that's
13 happened over time with low fees, reduced inspection
14 volume, inflation, cost of living adjustments. It's
15 led us to the situation where we've got, you know,
16 basically negative revenue and reserves.

17 This is a historical perspective. Some of you
18 have seen this before, and you can start to see where
19 things change for us. 2016, we were generating
20 revenue. 2017, we were generating revenue. 2016, is
21 when that provision went into place, where we put the
22 new formula in place, and we will reduce fees if we
23 had too much reserves in our account. And so, you can
24 start to see that revenue began to fall in 2017 and it
25 kept falling. Our operating reserve -- we were trying

1 to get the operating reserve to four and a half
2 months, and then we were going to increase fees.

3 So, when we got to 2020, that's when we hit
4 roughly three and a half months of operating reserve,
5 and so we started increasing fees again. But by
6 regulation, we were capped. We could increase fees by
7 no more than 5%. So, there's no way we could make up
8 the ground that we lost by reducing fees for so many
9 years. And so, for a tonnage fee, you can see -- and
10 tonnage fee, manages it captures, the administrative
11 cost to run the program, and it counts against the
12 tonnage that we are inspecting in Wayne.

13 It kinda is a -- it's an indicator of how we are
14 doing in terms of applying overhead and administrative
15 costs on our customers. So, as we would decrease our
16 tonnage fees, we'd also decrease our contract rates or
17 our hourly rates and our unit fees. When we began to
18 increase those costs -- I mean, those fees, you can
19 see here, this is what happened to our contract and
20 hourly rates. They were \$40.20 in 2016. \$38.20 --
21 kept going down. When we started increasing, it was
22 just nominal increases, but it couldn't get us back to
23 where we needed to be to recover cost of providing
24 service.

25 So today, at the end of Quarter Two, this is what

1 our operating reserves look like. This is what our
2 loss looks like. And just to take us back, in 1994,
3 to give you perspective, our hourly rates were \$31.50.
4 So, we basically been providing service for little or
5 nothing for a very long time.

6 So, as we stated in August of 2023, we presented
7 our situation to this Committee. The Committee asked
8 that we continue to do outreach with industry
9 concerning the situation and the scenarios, which we
10 did. We had pretty much, I think, reached a general
11 agreement, that's about \$60 per hour for regular
12 contract rate is something we could pursue, and we
13 were going to implement that in in February of 2024.

14 We drafted a Federal Register Notice to implement
15 that -- the new rates. When we put that Federal
16 Register Notice in clearance, we were told that we
17 could no longer use the Federal Register Notice that
18 we tip -- that we have been using for the past seven
19 years to amend our fees. We could not use that
20 process because the regulations did not have a formula
21 to calculate hourly rates. It only had the formula to
22 calculate tonnage fees. And so, we had to figure out
23 how we were going to move forward with adjusting the
24 fees in a timely fashion. So, we decided that we
25 would pursue an Interim Final Rule. A two-tiered

1 approach.

2 One: We use our regular fee increase or fee
3 review process, which is the tonnage rates and a 5%
4 increase, which we applied in April. That increased
5 the fee from \$39.20 to \$41.20. And now, we're in the
6 process of writing an Interim Final Rule that will
7 increase the fees to a reasonable rate. That's what
8 we're currently pursuing. The Interim Final Rule is a
9 process by which, once published, the rates would go
10 into effect 30 days after, and we will still take
11 public comment on the rule that's published. And then
12 we would have to finalize that rule.

13 Just FYI, it's different from the public rule
14 making process where we propose fees, we take comments
15 on fees, and then we finalize fees, which would take
16 us probably about four to six months to probably get
17 that done. And that's if everybody agreed that this
18 is going to be fast-tracked, which is very rare.

19 That's best-case scenario that probably done -- it
20 happened for soybeans of other colors, but it's not
21 happening for us right now with this Interim Final.
22 This just shows what the tonnage fees are today based
23 on the annual fee review that we typically conduct.

24 This slide right here, this is what we presented
25 to NGFA and AAGIWA, a couple of months ago. It shows

1 that with the 5% increase that we --- well, let's go
2 here. If we had not increased fees at all, we would
3 be facing an \$11,000,000 operating reserve deficit.
4 With the 5% increase that we have put in place in
5 April, the deficit in operating reserve looks like
6 about nine to \$10,000,000. With the Interim Final
7 Rule, what they saw at AAGIWA, NGFA was, if effective
8 June One, which we're not going to make, the deficit
9 will look like about \$6,000,000. That's if the rate
10 was about \$65 an hour for regular contract rate, and
11 so on for the other services.

12 Now, what I will tell you is that we are making
13 significant operational changes in FGIS. Charles, I'm
14 going to ask you this, are you going to talk about
15 that, or can I share some of the things that we're
16 doing?

17 **MR. PARR:** I was going to cover it, but feel
18 free to.

19 **MR. NEAL:** Okay. I'll cover them lightly.
20 We're making significant operational changes in FGIS
21 so that we wipe this potential \$6,000,000 away. We've
22 observed a lot of things in the organization, and what
23 we've noticed is that there are some -- I think --
24 there are employees that we have servicing areas that
25 don't have a lot of volume in work, and so we're

1 shifting employees around to the areas where there is
2 greater volume in work. That's requiring our
3 employees to be away from their homes for 90 days
4 plus. We're doing that across the country.

5 The other thing that we've noticed is that
6 because with low rates of \$39 or \$40 -- now \$41.20 --
7 if a customer has a contract with us, they are paying
8 a flat rate for service. If we're short staffed in
9 the area, and New Orleans is primarily that area, and
10 an employee is serving at a customer's location that's
11 under contract, they're paying \$41.20.

12 Well, if we get a callout and that employee has
13 to work overtime, we're paying that employee overtime
14 pay. Regular pay, overtime pay, and we recoup zero of
15 that cost. So, we burn our revenue away faster
16 because we can't recoup that cost at all at a contract
17 location. And with those low rates, we just continue
18 to lose money.

19 So, we're working to cut out overtime. Minimize
20 it. It won't be fully eliminated, but we're trying to
21 minimize it so that we're not burning -- our burn rate
22 is reduced. We're also looking at making offices
23 smaller across the country where the works not there.
24 And we are in areas where there was domestic work we
25 may be -- may have been performing. We're turning

1 that work over to official agencies to carry out. So,
2 there's a lot of things that we're doing to change the
3 way we look, and this does not include what we're
4 doing in terms of evaluating technology.

5 **CHAIR GROVE:** Arthur, I have a quick
6 question.

7 **MR. NEAL:** Yep.

8 **CHAIR GROVE:** So, when you were talking
9 about, you know, at contract locations you can't
10 recoup your rate, and with overtime. So, does overtime
11 run on a -- when I look at that -- Monday through
12 Friday, you know, a six through six? So that's your
13 contract rate, right? So, think about overtime, is it
14 on a daily basis or the forty-hour week?

15 **MR. NEAL:** Forty -- forty hours. So, it
16 depends on the location. It could be a forty-hour
17 week, or it could be once an employee reaches eight
18 hours of work.

19 **CHAIR GROVE:** Okay.

20 **MR. NEAL:** Anything that they work over
21 eight hours, they get paid overtime.

22 **CHAIR GROVE:** I mean, just looking at even a
23 shuttle loading location, realistically, somebody
24 serving something like that is going to be over eight
25 hours right away. So that makes it very tough, you

1 know, in effect, in a situation like that. And I
2 would assume in barge or ship loading, it probably
3 does not happen in eight hours or --

4 **MR. NEAL:** -- no, not at all --

5 **CHAIR GROVE:** -- in eight hours so -

6 **MR. NEAL:** -- but most --

7 **CHAIR GROVE:** -- you to manage that overtime
8 would be --

9 **MR. NEAL:** -- people --

10 **CHAIR GROVE:** -- very tough indeed --

11 **MR. NEAL:** -- you have to have people --

12 **CHAIR GROVE:** -- right.

13 **MR. NEAL:** Because most of the contracts are
14 for eight-hour shifts. So, we have to have three
15 shifts of staff, and that's every location except for
16 maybe some of the floating rigs. But that's a
17 challenge that we've gotta address.

18 I'm gonna pause real quick and give folks an
19 opportunity to ask questions.

20 **MR. FREDERKING:** On your projections that
21 you were using as far as total tonnage, how does that
22 relate to last year? And what kind of tonnage figure
23 are you using for these projections here?

24 **MR. NEAL:** Great question. When we were --
25 when we ran these, we were looking probably, like,

1 eighty-eight million metric tons, which is lower than
2 last year. Last year, we pulled in, I think, ninety-
3 six million metric tons. Yeah.

4 **MR. GARCIA:** So, I see a deficit in the
5 supervision fees.

6 **MR. NEAL:** Yeah.

7 **MR. GARCIA:** And there isn't any talk about
8 raising those. Is that in the projection?

9 **MR. NEAL:** They've already been changed
10 through the annual fee review process that we
11 implemented in April. Supervision fee is .007.

12 **MR. GARCIA:** And that'll take care of the
13 deficit?

14 **MR. NEAL:** Take care of the deficit.

15 **MR. GARCIA:** Okay. Excellent.

16 **MR. NEAL:** Yep.

17 **MR. MORGAN:** Arthur, do you -- when you
18 shift employees around, do you charge travel?

19 **MR. NEAL:** We do for non-contract service.

20 **MR. MORGAN:** Just non-contract?

21 **MR. NEAL:** Right. Great question. Any
22 other questions or thoughts? It's not bleak. It's
23 going to work out.

24 So, I'm going to move to Quality Assurance
25 and Compliance Division. Carla Whelan is not with us

1 today. Just to give you a brief update with respect
2 to what we're doing in QACD. The main focus of
3 Quality Assurance and Compliance has been over the
4 past several years, One: To rebuild the staff because
5 they had a total staff overhaul. I think Jake was the
6 last remaining, original employee on that team, and
7 he's left. And he's now taken over the PPMAB Group.
8 And so -- we had -- have a totally new team.

9 So, rebuilding that team, getting them trained
10 up, making sure that for designations and delegations
11 of official agencies and geographic territories, that
12 we are facilitating them and that we're also handling
13 any investigation or investigative matters that arise,
14 which do on a monthly basis.

15 So, for current work and current audits they've
16 got scheduled, they're looking at the Virginia
17 Department of Agriculture, Idaho Grain Inspection,
18 Ohio Valley Grain Inspection Services, Cal Agri,
19 Wisconsin Department of Agriculture, Michigan Grain
20 Inspection Service, and Keokuk Grain Inspection
21 Service. Those are the audits that they currently
22 have scheduled for those geographic areas. Us too.

23 **CHAIR GROVE:** So, are your audits still
24 performed in person, or are you able to do virtual
25 audits in some cases? And you just went through kinda

1 fees and budgets.

2 **MR. NEAL:** Great question. Great question.
3 We are returning -- it's still -- it's a hybrid format
4 where a portion of the audit is done virtually, but we
5 are going on-site. Part of the on-site we've gotta
6 make sure we do is because we have new staff, and they
7 have to understand and see what's going on in the
8 field. Not only that, because of COVID, we had not
9 been going out. And so, we have to lay eyes on what's
10 currently happening to make sure that nothing's
11 changing and what people are telling us is actually
12 the truth and also verifying equipment.

13 You know, check testing equipment and making sure
14 it's working properly. So that's one thing we can't
15 necessarily cut expenses from significantly.

16 Although, we have saved just in QACD - QACD's work,
17 you know, several hundreds of thousands of dollars,
18 you know. So that's, you know, we're trying to make
19 sure that we are being very fiscally responsible with
20 resources that we have without jeopardizing the
21 integrity of the system. That's the goal for us.

22 Great question.

23 All this upcoming are North Dakota Grain
24 Inspection Service, Enid Grain Inspection Company,
25 Detroit Grain Inspection Service, Omaha Grain

1 Inspection Service, Eastern Iowa Inspection in Wayne,
2 Champaign Danville Inspection, Fremont Grain
3 Inspection, and Maryland Department of Agriculture.

4 So, those are audits that are also going to be
5 scheduled sometime this year. It may not happen in
6 this fiscal year, but we're planning them for this
7 year.

8 Things Forthcoming: We're going to be announcing
9 new -- opening of geographic territories, and I'll let
10 Charles -- he stepped out -- let him talk more about
11 that. We're also going to announce an award for
12 Central Texas. That's going to be forthcoming in the
13 Federal Register, and we're going to be publishing
14 updated geographic area descriptions to make sure that
15 the geographic areas that official agencies are
16 covering represent their area properly. So those are
17 things that we are -- we're working on currently.

18 So, from our last meeting, the Grain Inspection
19 Advisory Committee made a recommendation regarding lab
20 scales. We presented a challenge that, how lab scales
21 were being check tested and being utilized, there was
22 a difference between the e-values. Point one gram e-
23 value versus a point zero-gram e-value. And you asked
24 us to, you know, look at that situation, bring you
25 more data in terms of what the potential impacts could

1 be if we needed to make a decision on changing the lab
2 skills that we're using for various commodities.

3 So, where we currently are, we're still reviewing
4 policy and instructions that need to be changed. And
5 at our next meeting, we'll bring forth to you some
6 additional options to consider with respect to this
7 particular issue. You also made a recommendation that
8 we update the fumigation practices. We updated those
9 on October 23rd. I've not heard of any challenges
10 with them. I think things are working okay.

11 There was also another recommendation around Data
12 Standardization. This is real broad, and it captures
13 a lot. And I blame Chris for this -- not really. But
14 it captures a lot. It talks about, you know, data
15 formats, data, you know, communication protocols,
16 units of measure, security protocols, and other
17 criteria. And this is like a open -- to me, I think
18 it's just an open agenda item. You know, I see we've
19 got cybersecurity on this week's agenda.

20 We've been working very closely with grain
21 elevators, down in the Gulf, regarding the
22 installation of new audit -- weighing systems, which
23 is to help capture data in the weights more accurately
24 in a more efficient manner. And we've got all of USDA
25 IT involved in that to help us develop a protocol for

1 installing those systems to ensure we're looking at
2 the security and other measures. So, this is kinda an
3 open agenda item that I think, you know, as we move
4 together in the future, we'll just be sharing things
5 that we're doing in this space that relate to this
6 particular topic.

7 You know, we've also got some recommendations
8 that came in from AAGIWA on things that they'd like to
9 see done with FGIS online to help it -- to help us
10 help them streamline. So, there's a lot of things
11 that we've got going on related to this item, and
12 we'll keep you posted as we implement them.

13 And before I turn the microphone over to Jake,
14 I'm going to pause and ask, are there any questions,
15 thoughts that anybody has for me before I take my
16 seat?

17 **CHAIR GROVE:** Just again, on that last
18 topic, Data Standards, and I do think it is very good
19 that -- that we keep that as an open topic. Again,
20 just like technology pieces, we do address technology
21 initiatives, and I think that is why, you know, we
22 wanted to make sure that it was fairly open because
23 you have to work within constraints of budgets,
24 obviously, to make a recommendation of -- of, you
25 know, something very set, may make it something that

1 isn't feasible to happen.

2 **MR. NEAL:** Mh-mm.

3 **CHAIR GROVE:** So, we do want to assess that.
4 And when I look at some of the data standardization, I
5 think a few of the things, as you talked about, every
6 official or designated agency probably uses a
7 different program that causes a little bit of this not
8 to be easy to do.

9 And -- and some of this even went back to
10 probably, three meetings ago about the same time, you
11 know, the heavy talk was SBOC, but there was another
12 recommendation talked about. In a sense, the -- the
13 chain of custody of records and values that something
14 may be officially graded on origin and -- and
15 destination, again, regraded and they're different,
16 but we couldn't track those together. Those certs
17 didn't follow through because most systems we use are
18 tracking a railcar versus a certificate.

19 **MR. NEAL:** Mh-mm.

20 **CHAIR GROVE:** And I think, you know, to me,
21 that would be a very, again, important piece. We
22 think of traceability standards, food safety standards
23 that we all have. I think that's all the piece of it.
24 You can track it from one end to the other, not just
25 by whether it's a railcar, but by the grade

1 certificates themselves. That's the important piece.

2 **MR. NEAL:** Mh-mm.

3 **CHAIR GROVE:** So, I think another -- another
4 piece of that to -- to really focus in on --

5 **MR. NEAL:** -- traceability.

6 **CHAIR GROVE:** How can we tie those together
7 -- continue to tie those systems together, at least
8 let the data transfer. So, cybersecurity today will
9 be a very important piece to that, I think.

10 **MR. NEAL:** So, the -- the two things that
11 you brought to my recollection that I did not share --
12 -- One: Is that we're currently in the process of
13 trying to develop a strategy of how we can transition
14 to a different type of system, a third-party system
15 versus the FGIS online system that we use. That's not
16 a quick process because we don't have the resources --
17 financial resources to do that. But we're developing
18 -- developing the strategy of, how would we approach
19 it, how would we go about engaging with third-party
20 developers on this project. That's one.

21 And Two: Is that we're also in the process of
22 planning another Innovation Summit, like we did in
23 Lubbock, Texas in November. It would be structured
24 and focused differently than what we did in November.
25 We don't quite know exactly how it's going to look, it

1 may -- or it could bring real-life challenges, with
2 respect to innovation to the floor. And have, you
3 know, different, you know, engineering, agriculture,
4 marketing, you know, computer science folks look at
5 those challenges and offer up potential solutions for
6 addressing things over the course of some time.

7 One idea we thought about was, and this has been
8 a challenge, and John Morgan may -- may like this one.
9 You know, Southern Rice Production has expressed
10 interest in looking at technology for rice, and the
11 challenge they've got is there's so many varieties of
12 rice, how do you get an instrument to learn all about
13 all of those varieties when they change just about
14 every year? Presenting things like that and seeing if
15 folks can come up with potential solutions to them.
16 And Ed's got some updates regarding what we're doing
17 in the -- the grain space. But those are two things I
18 wanted to mention, just for your hearing.

19 **CHAIR GROVE:** I think that's perfect. Those
20 that went, I think that was very beneficial, the
21 Innovation Summit. Again, it didn't it -- it brought
22 a wealth of information, not just from the grain side,
23 but, again, we had the -- the produce, the meat, the
24 poultry, and to be able to see what other areas are
25 doing to what we can. I think -- I think that was

1 wonderful. I will applaud -- applaud that meeting or
2 that workshop that was set up. Because, again, you --
3 you don't know what's out there until you -- you start
4 looking. And so, thank you.

5 **MR. NEAL:** We'll keep you all posted on -
6 on the progress of that. Anything else?

7 **MR. HEIL:** Yeah, question. Just you
8 mentioned the audits that are scheduled. How often
9 are those audits scheduled or part of the rotation for
10 the different agencies? How is that handled?

11 **MR. NEAL:** Great question. So, we publish
12 we publish -- oh, excuse me -- the -- we publish the
13 geographic areas that are going to be opened up for
14 review in one Federal Register Notice, and -- they're
15 -- they're publishing the schedule. And so, that's
16 how we base our audits, based on how we publish them.
17 And it's also based on the dates in which those areas,
18 delegation, and designations are about to expire.

19 **MR. HEIL:** Yep. Just to follow-up then.
20 When that is done, when you go for an audit, do you
21 incorporate any of this technology or -- any or --
22 what kind of -- what kind of -- could there be
23 standardizations across the system? Is that part of
24 the audit, or is that something separate?

25 **MR. NEAL:** That's something separate, right.

1 What our artists are focused on with Quality Assurance
2 and Compliance Division is compliance to the U.S.
3 Grain Standards Act of Regulations, Handbooks, and
4 Instructions -- with respect to improvements that
5 could be made using technology, that would require
6 something different.

7 I think in a different skill set as well.
8 One of the things that has not yet happened, but will
9 happen, is that our official agencies will likely
10 become part of a USDA audit regarding how we handle
11 federal records and security. So, that -- that could
12 yield some perspective in that space, but I know that
13 that is being planned.

14 **MR. FREDERKING:** Just an additional comment
15 on the Data Standardization. So, great to hear that
16 this is going to be an ongoing topic, as we move
17 forward because there is still a real desire from
18 industry to be able to pull as much data as possible,
19 specifically, out of those AWMS systems down in the
20 Gulf. So, without some of this foundational work,
21 though, that's going to be very challenging. So
22 again, just appreciative that it's going to be an
23 ongoing topic, as we move forward.

24 **MR. NEAL:** Yes, sir. You know, you -- you
25 for those who -- who run businesses, you have to

1 always kinda evolve and -- and innovate and -- and try
2 to become more efficient. I think the challenge for
3 us has been the environment in which we've tried to do
4 that. The changes that FGIS had to endure, you know,
5 coming from GEAPS into AMS, management change,
6 staffing changes. It -- it lost a lot of momentum,
7 and we gotta figure out how to do it in a way that
8 optimizes everybody's strengths and resources.

9 And so, that's what we're trying to move toward,
10 with the, you know, if we're able to successfully
11 transition to a third-party system, leverage other
12 resources because FGIS does not have a deep bench of
13 IT developers. You know, -- we -- you know -- know
14 we've got -- we've got a -- really -- Lee -- we got
15 Lee Capper and his team, but we rely on so many other
16 people. So, we gotta try to figure out how do we make
17 our system such that they can be integrated more
18 easily into other systems. They can interplay more
19 easily with other systems, maintain integrity,
20 security, you know, do what we needed to do at its
21 core with respect to our certifications and
22 inspections and weights.

23 So, it's a lot, but I think over time, we'll get
24 there, and what we -- what we -- we can make changes
25 around the fringes to -- to make improvements, we'll -

1 - we'll continue to try to keep that in the forefront.
2 But we gotta have money to do that too. So, fee
3 setting is critical. You know, getting some reserves
4 is critical for us to be able to do those things.

5 Any other thoughts or comments? And I appreciate
6 the -- the dialogue. All right.

7 Hearing none, I'd like to introduce to some, you
8 know, bring to remembrance for many, Mr. Jacob Thein.

9 **MR. THEIN:** All right. Can everybody hear
10 me? All right. Thank you, Arthur, and -- and welcome
11 everybody and welcome the new members of the Advisory
12 Committee. So, let me get started here.

13 So, anyway, so -- so fiscal year '24 has
14 actually been a transitional period for -- for PPMAB.
15 Pat McCluskey retired, September 30th, 2023. I came
16 in October of 2023, and it's -- it's been both a
17 transitional period for me and a transitional period
18 for my staff. So, one of the things that's of
19 significance is that uh --PPMAB -- uh -- due to a
20 Field Management Division Realignment, we are actually
21 going to be under -- um -- the office of the Deputy
22 Administrator. So, we're moving our branch -- um --
23 under ODA -- um -- as part of that realignment.

24 I want to talk about some -- um -- uh --
25 Federal Register, things we got upcoming in the

1 Federal Register. So, we haven't had any new rule
2 making or any notices published in the Federal
3 Register since the last Grain Inspection Advisory
4 Committee Meeting. The last publication we actually
5 had was the United States Standards for Beans -- was
6 Beans -- was a notice that went out and that went out
7 back in June of 2023. We do have some plans to -- uh
8 -- put out -- uh -- some standards for comments here
9 in the remainder of fiscal year '24. And so, under
10 the USGSA -- um -- we plan to put out the U.S.
11 Standards for Barley -- um -- the United States
12 Standards for Flaxseed, the U.S. Standards for Rye,
13 and the U.S. standards for Triticale. And then under
14 the AMA, we plan to put out the United States
15 Standards for Peas, which will include feed peas,
16 split peas, and whole dry peas.

17 So, those are the ones we plan to put out
18 for comment the remainder of this fiscal year. We
19 also have a plan for the fiscal year 2025. Just to
20 kind of give everybody a heads-up of what we're
21 looking at doing in FY '25. We're going to put out for
22 comment the United States Standards for Canola, Mixed
23 Grain, Oats, and Sunflower Seeds under the USGSA, and
24 then under the AMA, we're going to put out the
25 Standards for Beans and Lentils for comment. So,

1 these are just kind of the regular -- we don't have
2 any specific things that these are being put out for.
3 These are just -- uh -- uh -- kind of a part of our
4 five-year plan to put these out to -- for comment to
5 see if the public has any comments and if there's any
6 changes that are desired in any of these standards.

7 So -- um -- we've worked on some handbooks -
8 - um -- the -- the last fiscal year. So, since the
9 last meeting, the Fumigation Handbook was updated.
10 Arthur had touched on that, a little bit. The Pea and
11 Lentil Handbook, we had a Pea and Lentil Handbook
12 update, and we had a Bean Inspection Handbook update.
13 Uh -- in the Grain Inspection Handbook - Book Two, in
14 the Grading Handbook, we've had -- uh -- update to
15 Chapter Ten, Soybeans -- um -- in that Handbook. Some
16 things that we're currently working on -- um -- we're
17 working on a complete revision of the Weighing
18 Handbook. We're looking at the weighing regulations
19 and we're -- we're also working on the Weighing
20 Handbook. Um -- also, as Arthur mentioned about the
21 Lab Scales, the Equipment Handbook, we're looking at
22 the -- the policies and the Grain Scales Chapter of
23 the Equipment Handbook -- um -- due to that project.

24 And then, we're also working on the Rice
25 Inspection Handbook, a complete revision of that, and

1 then the NIRT Handbook -- um -- on the Protein
2 Moisture Basis, which we're going to talk to you all
3 about later today, a little bit. And then we have
4 some new handbooks that are under construction,
5 actually. We're actually, putting together a Not
6 Standardized Grain and Non-graded Commodity Inspection
7 Handbook and what that entails is combining all of the
8 separate directives that we have for different
9 commodities under the AMA and non-standardized grains
10 under the USGSA, like Hulles Barley or Millet under
11 the AMA, and we're taking all of those and putting
12 them in one single handbook. So that way, inspectors
13 can just reference one document and they don't have to
14 filter through our whole list of directives and things
15 to find those, so it makes it easier makes -- it
16 easier on people that way.

17 So, secondly, we're working on a Licensing
18 Handbook right now, and that's eventually going to
19 replace our Licensing Directive -- um -- on there.
20 So, we're going to actually have a handbook for that.
21 And then lastly, we're working on a Cert --
22 Certification Handbook. We're trying to take all the
23 information from -- that we have through cert -- for
24 certification throughout all the different
25 instructions and compile them into one handbook, so

1 that way -- uh -- certification personnel can just
2 have a reference document that they can go to and pull
3 all that information from. Make it easier for people
4 to access it.

5 So -- so Program Directives and these are from
6 all FGIS divisions. So, since the last meeting, the
7 Directives that were put out were, 9070.6 Reporting
8 Violations of the USGSA and the AMA, QACD that put
9 that out. They also put out an Internal Audit Program
10 Directive -- um -- for the for the official service
11 providers, so there's a -- there's an internal audit
12 program -- um -- that they're implementing for them.

13 The Directive on Pesticide Residue Testing for
14 grain went out and then -- um -- FGIS put out their
15 Service Fees and Billing Codes Directive in April to
16 update the fees. Some things that -- um -- we also
17 put out -- uh -- that -- um -- on the Phytosanitary
18 Inspection Program side of things, we worked with
19 APHIS to add Quinoa and Chia Seed to our list of
20 commodities that official agencies and FGIS can
21 perform phytosanitary inspections on.

22 Program Notices -- some -- some notes here in the
23 Program Notices. We rescinded the Program Directive
24 9180.86, which was -- uh -- Inspection of Export
25 Soybean and Wheat Lots for Canada Thistle to Vietnam.

1 We rescinded that because in September of, 2023,
2 Vietnam no longer regulates Canada Thistle and was
3 removing it from their quarantine pest -- pest list.
4 So, that Directive has actually been rescinded. We
5 have some new Program Notices that we're working on
6 that are under construction. The first one being
7 optional Certificate and Letterhead Statements, which
8 will replace the Sections 3.5 and 3.6 of our Grain
9 Inspection Handbook, Book Four, Forms and
10 Certificates. And -- um -- what it -- what it's going
11 to do, its going to standardize those optional
12 Statements across the board, so that, there'll be a
13 pool of approved Statements that -- um --
14 certification personnel and customers can request, and
15 things that -- uh -- that can be put on a Certificate
16 in the remarks section of a Certificate.

17 Um -- and we're also going to incorporate AMA
18 Statements into that document as well. Um -- we have
19 also -- uh -- a Program Notice we're working on for
20 Chickpea and Garbanzo Certification update that's --
21 uh -- to address the seed count and seed sizing
22 updates to the standard with those.

23 **CHAIR GROVE:** Can I ask a question on that
24 last one? The -- the section with

25 Approved Statements. So, will that be

1 Approved Statements that they can only use?

2 **MR. THEIN:** So, so our goal is to
3 standardize the Statements across the board. So,
4 there'll be -- there'll be a list of Approved
5 Statements that the policy branch has approved that
6 can go on the Official Certificate. If a new
7 Statement is requested, we'll have a process in place
8 for applicants to request a new Statement, whether it
9 be for contractual purposes or different things like
10 that. So that way, we'll -- we'll have that submitted
11 to us and then we'll analyze -- we'll analyze the
12 Statement and then determine whether or not we can
13 actually approve that or if we need to modify it for
14 some reason -- in that sense.

15 **CHAIR GROVE:** Okay. So, would that be then
16 under the remarks statement? So, if -- if we
17 contractually then -- just to clarify -- contractually
18 somebody stated, you know, they want this to be on --
19 on everything such as they want very specific on
20 foreign material. They want to know exactly, you
21 know, how many beans or how many pieces of wheat they
22 want that -- that would have to be approved.

23 **MR. THEIN:** Right. So, we --

24 **THE CHAIR:** -- right

25 **MR THEIN:** --so we have -- we have pools of

1 Statements that cover those things already. So, there
2 may be a Statement that's already been approved that
3 would cover those scenarios that people can just look
4 at the list and say, okay, we can put this on the
5 Certificate. But if it's a new Statement, then we'll
6 have to go through an approval procedure for them to -
7 - for what -- we'll review it and then we'll determine
8 whether or not it can be put on the Certificate.

9 **MR. NEAL:** Jake, can you share why we're
10 doing that?

11 **MR. THEIN:** So, one of the big reasons why
12 we're doing that is, because of -- we want to ensure
13 that Statements are standardized across the board.
14 That people are using the same Statements, cert --
15 Certificates. When people look at a Certificate, the
16 statement is identical to what for -- for what they
17 would see some place else.

18 Um -- with that, because we do have -- we do
19 have variations in Statements that are out there. And
20 so, we're trying to kinda -- kinda wrap that in and
21 pull that in and make sure that that's all the
22 Statements that are being used -- one of the big
23 things we look for in Statements, they have to be
24 true, and factual, and -- and things like that. So,
25 it's -- we're -- we're going to -- we're doing this to

1 confirm that and standardize it for everyone across
2 the board. So --

3 **CHAIR GROVE:** I think that -- I do think
4 that's a good idea because, again, what we're asking
5 for is an Official Certificate. So, if a Statement
6 is, again, not true, and factual, but it's something
7 they just like to see, which sometimes happens -- um -
8 - does that invalidate the authenticity of, you know -
9 -

10 **MR. THEIN:** Mhm-mm --

11 **CHAIR GROVE:** -- of what we're looking for
12 if we -- we always talk about the "gold standard" of
13 the U.S. Grain Certificate. So, thank you.

14 **MR. THEIN:** Yep, thank you. Right. So,
15 the -- the Policy Bulletin Board -- um -- we've had
16 one update -- update to the Policy Bulletin Board
17 since the -- the last meeting. We've added optional
18 approved Certificate Statements for Aflatoxin and
19 Fumonisin Test Results. And so, what this Policy
20 Bulletin does is it provides its guidance and
21 standardizes the certification requirements for using
22 optional approved Certificate Statements to reference
23 specific types of Aflatoxin or Fumonisin to define the
24 total -- what makes up total Aflatoxins in the result.

25 And this only actually applies to those that

1 use Rapid Mycotoxin Test Kits because Rapid -- Rapid
2 Mycotoxin Test Kits only provide total -- total
3 Aflatoxins or total Fumonisin. They -- they can't
4 separate the different types in there. So, these are
5 some statements that can be used to show what -- what
6 those types are within the statement.

7 So that's something that could be put in
8 remarks upon request. Um -- and then the other update
9 on Policy Bulletins is our Policy Bulletins are now on
10 the AMS website. So, on this link here, you can
11 actually go on there and you can access our list of
12 Policy Bulletins that we have out there and available
13 to the public.

14 And the last thing I want to touch on is an
15 update on the Automated Weighing Project that FGIS has
16 been working on. So, kind of a background for
17 everybody that hasn't heard about this yet. So, the
18 existing -- existing standards that govern automation
19 were drafted in the eighties and they don't address
20 our current standards for federal data administered by
21 NARA and the -- and the Federal Information Security
22 Modernization Act.

23 And also, multiple grain export facilities
24 have requested guidance on updating their automated
25 systems to meet those -- up -- to meet FGIS standards

1 and they want to streamline the movement of grain.

2 And so, in connection with our Marketing and
3 Regulatory Program Department, IT Department, we
4 started a project to modernize those automation
5 standards and develop -- assist -- develop some system
6 security requirements to augment the parameters of the
7 Directive. And so, those standards will ensure the
8 security of the - at the export facility automated
9 systems and the Federal Government data housed within
10 is -- is maintained and secured. So, that's kind of a
11 background of what the project was about.

12 The updates to that project, currently, we
13 have a pilot project underway at CHS in Myrtle Grove,
14 Louisiana -- um -- to develop and implement the new
15 Automation Security Standards. So, we're working with
16 the elevator and the contractors to establish
17 responsibilities for the involved parties -- um --
18 including planning, design, documentation and
19 networks, authentication, records requirements,
20 updating policy documents, and evaluating feasibility.
21 The automation for CHS is actually in place as of
22 April 2024. Um -- and they're monitoring the grain
23 flows, tracking vessel and barge weights through that
24 system right now. However, it's not yet approved to
25 run individually without oversight of the FGIS a

1 weigher yet.

2 So right now, they're doing a lot of
3 comparisons, and they're looking at scale tapes and
4 logs to system outputs and going back and forth to see
5 how the automated system is -- is looking with the
6 manual -- with the manual weighing. Um -- and they're
7 also -- the IT people are still working on system
8 debugging and finalizing the code and everything for
9 the automated system -- um -- to get that working
10 properly.

11 So, before it will be allowed to run
12 independently, the system must be physically secured.
13 So, right now, it's not physically secured because
14 it's -- everybody's hooked into it. It's going
15 through all these updates and processes and things.
16 And so, it has to be physically secured, and then it
17 will also have to meet our MRP IT Security Standards
18 for housing the Federal Government data. So, I
19 believe they plan to come out with something later
20 this year, in that security document for that. So --
21 and then, after -- after -- uh -- that, there'll be a
22 six-month trial -- um -- period for running that
23 system independently.

24 Once it's secured and meets those MRP IT
25 Standards, and then after that six-month trial, if

1 everything's working properly, it'll be approved to
2 run independently without a weigher, and we'll look at
3 the feasibility and implementation to put -- to use
4 that across all automated weighing systems that FGIS
5 is using. So --

6 **MS. ADAMS-MIKESH:** Jake, well, is this just
7 for export facilities or would it also include the
8 weighing done for container facilities more in --
9 inland?

10 **MR. THEIN:** So, this is mainly for export
11 facilities that are doing vessel loading in that
12 process.

13 **MS. ADAMS-MIKESH:** Are you guys going to be
14 looking at modernizing that piece as well with the
15 containers?

16 **MR. THEIN:** I don't know that we've had
17 that conversation yet.

18 **MS. ADAMS-MIKESH:** Okay. Thank you.

19 **MR. FREDERKING:** Yeah. I'm curious as well
20 on -- uh -- the choice for evaluating these new
21 protocols for AWMS. Why the choice to go with one
22 that is being implemented versus one that's currently
23 approved. To see how it's going to impact those
24 currently approved systems?

25 **MR. THEIN:** So, so this involves changes to

1 -- this involves significant changes to programming
2 and -- um -- in the -- in the system itself. And so,
3 we decided to operate a pilot to -- to work with, one
4 or two facilities to -- to implement the new systems.

5 Basically, our MRP IT team had -- had gone
6 down to this elevator to learn about what was going on
7 and to see what the protocols were there. To see what
8 the security of the elevator did have, and then that
9 it gives them the ability to go in and write the
10 requirements for what the data that's required of FGIS
11 has to be -- the security of the data, for us to
12 secure that data down there.

13 **MR. NEAL:** Yeah, Jake, so let me -- let me
14 add to it. So, it was because it was a new
15 installation. It wasn't the -- it wasn't evaluation
16 of existing automated weighing systems, but It was a -
17 - how do we approve a new automated weighing system.
18 And we learned -- well, wouldn't say learn -- You
19 know, we recognize that the processes have been
20 updated since the eighties. So, it was an effort to
21 figure out how do we -- how do we build the -- the
22 protocol, security, infrastructure that we needed to
23 approve new installations because we heard, you know,
24 a lot of the elevators are looking to install or
25 update -- install new or update their automated

1 weighing systems. So that's kinda how that happened,
2 Chris. It wasn't a planned thing. It was a response
3 to a need.

4 **MR. FREDERKING:** Yeah, I guess we'll be anxiously
5 watching to see how it goes and see how it impacts
6 those current systems as far as being what what's
7 going to be grandfathered in or -- or time for -- uh -
8 - upgrades, compliance, all that good stuff.

9 **MR. NEAL:** Grandfathered in.

10 **MR. FREDERKING:** Okay.

11 **MR. NEAL:** Yeah. And -- if there are things that
12 probably can -- can be updated with existing systems,
13 I think those are conversations we'll just have to
14 have. What makes sense because going backwards, there
15 are some elevators that have had automated weighing
16 systems in place for a very long time which would have
17 caught -- which would potentially cause them to have
18 to discontinue what they have and install new
19 automated weighing systems. That's not the intent of
20 this.

21 **MR. THEIN:** So, with that, that's all I
22 have for you all. Unless anyone has any other
23 questions?

24 **MR. MORGAN:** Quick question, Jacob. You --
25 on your list, you have a Rice Inspection Handbook

1 Complete Revision. Just curious what's triggering
2 that because it feels like we just updated everything,
3 through a multi-year project. So, just -- just
4 curious what was prompting that?

5 **MR. THEIN:** All right. So good -- that's a
6 good question. So, one of the things I've been
7 working on since I came to PPMAB is - is -- I'm -- I'm
8 trying to put together kind of like, a five-year
9 review plan so that we're kinda going through all of
10 our instructions regularly, to make sure that things
11 are updated and we're, you know, nothing slipping
12 through the cracks.

13 So -- so this Inspection Handbook update is
14 kinda part of that process is -- is us just going and
15 taking a look, seeing what needs to be updated, you
16 know, if there's any outdated information or anything
17 like that, that's in there. So -- so -- we're --
18 we're -- we're -- hoping to do that with all of our
19 instructions.

20 So -- so all right. So, if no one else has
21 any other questions, I'm going to turn it over to Mr.
22 Charles Parr, the Director of Field Management
23 Division.

24 **MR. PARR:** Thank you, Jake, for that
25 introduction. Good morning, everybody. I would,

1 first of all, like to thank the Grain Inspection
2 Advisory Council Meeting for the opportunity to once
3 again address you, and provide updates for Field
4 Management Division. I'd also like to call attention
5 to and recognize the -- the digital media staff of
6 Ruth and Shane and our MRP IT staff of Tommy Milligan,
7 and of course, our lovely Chief of Staff, Kendra
8 Kline, who supports all of us that are here today to
9 put these presentations on, and do a lot of work
10 behind the scenes to make all of this possible, make
11 people like me look less fumbly (sic) than what we
12 really are in - in-person. So, I appreciate them very
13 much.

14 What -- as everybody else has said, welcome
15 to the new members. We also like to thank the members
16 that have fallen off but are now part of the peanut
17 gallery. Say hi to Mr. Friant back there. That's one
18 thing that we do love though is that this Advisory
19 Council, you know, it seems like it -- even as people
20 are -- are fulfilling different roles and -- and
21 serving, it's much larger than the group that we see
22 at this table. And we -- we thank -- we're very
23 thankful for that and we value the -- the opinions of
24 -- of many.

25 I've been asked to shave a little bit of

1 time if I can, just because I think we're running a
2 little bit behind. I've got some basic information on
3 grain export volume, that we may kind of gloss over a
4 little bit. Some of this information is a little bit
5 dated anyway. I've got current numbers that come out
6 weekly.

7 Robert Dorman with our PPMAB group puts out
8 export volume reports that go out every Monday
9 morning. As you could see, the -- our corn exports
10 are a little bit better than last year running right
11 at about the five-year average. A lot of those
12 exports though are not coming out of our -- our large
13 export port facilities. That's actually a lot of
14 grain being exported domestically through land
15 carriers -- either trains to Mexico or export
16 containers.

17 Soybeans continue to be lower export volume
18 for the U.S. A lot of that's just due to price
19 competition with South American soybeans. It's hard
20 for us to compete globally, when South America at
21 times has had soybeans as -- as cheap as a, a dollar
22 cheaper than -- than U.S. exports. Sorghum is -- is
23 kind of an area, though, where we're seeing an
24 increase in U.S. exports. There's a lot of
25 development, I believe, in -- in Europe for, the use

1 of Sorghum in -- in more food-based products. It's
2 kind of one of those things that we -- we start to see
3 it in a little bit more of your -- your trendier foods
4 and products, and we hope to see that continue for the
5 -- the Sorghum export market. Wheat is still up from
6 -- excuse me -- no -- It's -- it's still a little bit
7 down, but overall, we are up from last year as far as
8 -- oh, and I'm going in the wrong direction. I'm not
9 sure what - okay.

10 So, the biggest challenges that -- um -
11 Field Management Division has right now is obviously
12 our -- our budgetary issues. I get asked by our
13 employees quite a bit, you know, how did we get to
14 this point? How do we prevent it from ever happening
15 again? Is this something that we're just going to
16 have to -- to deal with?

17 Because right now, we're having a lot of --
18 of pretty tough conversations with some of our
19 frontline and operational staff in -- in our export,
20 field offices. So, I'd like to believe that -- that
21 my being here as the director is -- is going to be
22 hopefully part of the -- the long-term solution for
23 that. Mr. Neil gave me this position, and I believe
24 I'm going on my 7th month now as the -- the Director
25 of Field Management Division. For those of you that

1 don't know me, my background is -- I've been a -- a
2 licensed inspector for almost 25 years now. I got my
3 start with an official agency, Champaign Danville
4 Grain Inspection. I worked on the -- the private side
5 of -- of official grain inspection for 16 years.

6 I joined FGIS in 2016, for Domestic
7 Inspections Operations Office as a Quality Assurance
8 Specialist, then moved to, being the Assistant Field
9 Office Manager for there and I've also served as our
10 Deputy Director of the Technology and Science
11 Division. And then now, like I said, I've been given
12 the wonderful opportunity to be the -- the Director of
13 Field Management Division. One of the things that I
14 really wanted to do was to make FMD lean and mean. We
15 want to make sure that we're focusing on the work that
16 is absolutely necessary for us to provide, meaning
17 it's defined by the -- the regulations as a
18 requirement for us to provide.

19 Another area is that PPMAB, the -- the
20 branch that -- that Jake, oversees now as the -- the
21 new Branch Chief, that used to be housed under Field
22 Management Division. And it's been, in my opinion,
23 for quite some time, and Arthur agreed, that perhaps
24 it was better suited for the agency if the -- if the
25 Policy Branch were moved under the Office of the

1 Deputy Administrator. For me, personally, that's just
2 a way to ensure that as the person that's charged with
3 discharging the duties of Field Management Division
4 Operations that I don't have any perceived conflict of
5 interest with also being in control of instructing the
6 -- the policy that -- that guides my -- my division.
7 It's a little bit more transparent for us as an
8 agency.

9 It -- I think it -- it gives us a little bit
10 better opportunity for governance within our agency
11 and some better decision making with policy
12 development. We've worked on reorganizing our Master
13 Scale Depot in Chicago. We've looked at our territory
14 assignments for our industrial specialists that go out
15 and perform scale testing for the large Bulk Weighing
16 Scales, the Vehicle Scales, and the Hopper Scales
17 utilized, throughout the domestic interior and also at
18 our -- our field office locations. Like I said, I
19 really want to specialize for Field Management
20 Division in what it is that we do and what it is that
21 we do best, which is export inspection. We've
22 discussed a lot about those -- those fees the contract
23 versus noncontract rates and things like that.

24 The intent behind how we are organized and
25 how our fee schedule is -- is developed, is for us

1 really to be focused primarily on just export vessel
2 inspection. That's the primary focus of what's
3 required of us in the -- the regulations. And those
4 structures are put in place to where it would be much
5 easier for a director to guide the financial health of
6 the Division. Meaning that we have our -- our large
7 export facilities. We enter into contracts with them.
8 We have a known number of labor hours that we need to
9 expend. We know the expected volume of our work, and
10 we can plan accordingly.

11 Unfortunately, what's happened over time is
12 that we've been tasked with a lot more than just
13 export vessel inspection. We work with a lot of other
14 agencies within USDA to provide support to their
15 programs. Other -- you know, sister branches like
16 APHIS have asked us to do increased Vital to Sanitary
17 Inspections. We've seen, you know, changes with how
18 we -- we export grain and the -- the way that we
19 operate with the advent of containers. You know,
20 containerized grain inspection has changed a lot of
21 the -- the operations of -- of FGIS. And I think
22 that, that -- that has kind of what has led to us
23 being overstaffed in some areas. We've had a little
24 bit of -- of bloating in in some of our rosters and --
25 and staff because we're having to support, a lot of

1 operations that we traditionally were not designed for
2 with our -- our, regulations and also especially with
3 respect to our fee schedule.

4 So, what am I doing to address that? Or
5 what are we doing as a division? I've looked at the
6 export volume of -- of all of our field offices, and
7 in one area, our Toledo Field Office, their export
8 volume has decreased dramatically. It has gone to,
9 you know, just very, very few boats, if any, per year.
10 So, that has given us a lot of excess staff in that
11 area. That staff has also been tasked with doing
12 things at their export facilities, that is domestic
13 work -- unit trains, things like that.

14 So, we've identified that -- that work can
15 be shifted to our official agency partners, one of
16 which being North Dakota Grain Inspection in the -- in
17 the Ohio and -- and Michigan area. There's also
18 Eastern Iowa Grain Inspection that can cover some of
19 the responsibility that Toledo has been covering in
20 our Chicago area. A lot of that work, there again, is
21 kind of domestic work that our official agency
22 partners are better suited to respond to. You know,
23 they're not confined by the same constraints that we
24 have with respect to -- they're a lot more dynamic in
25 -- in how they can manage their staff and -- and

1 manage their fees. Their fees are structured through
2 our Quality Assurance and Compliance Division. They
3 still need to be submitted and approved, through QACD,
4 but that process is obviously a lot less involved than
5 it is for us to go out with, you know, the -- the --
6 the rulemaking process for, changing our -- our
7 federal fees.

8 Staffing is also a lot different for an
9 official agency. An official agency can decide to
10 hire somebody today and fire them tomorrow. For
11 federal staffing, that is obviously a lot different of
12 a -- a scenario. For me to right-size staff within
13 our FGIS field offices, it's -- it's a very involved
14 process. I can't always just direct people to move.
15 I can't always even persuade them to move in certain
16 circumstances. So, we have to make, kinda calculated
17 decisions in -- in what it is that we do operationally
18 to get people where they need to be, so we are at
19 appropriate staffing levels. And a lot of that
20 requires funding.

21 You know, there are management directed
22 relocations as an option that we can exercise, but
23 they're expensive because we have an obligation to our
24 federal staff to compensate them for, things like
25 their relocation expenses, sometimes temporary

1 quarters, and, you know, fund house hunting trips and
2 -- and things of that nature. It's very expensive.
3 And when we're already operating in a -- in a deficit,
4 what I have to do is I have to, almost raise the --
5 the funds in order to perform those activities that --
6 that eliminate the long-term liabilities. So, what
7 we're having to do is to be as efficient where we can,
8 operate in a way that provides a significant cost
9 savings, and then we reinvest that cost savings into
10 the agency to eliminate those long-term liabilities.

11 And right now, this is one area where we're
12 able to do that, because a lot of this work that we're
13 shifting to our official agency partners, we're losing
14 money on. And there again, that's just because our
15 fee schedule is not conducive to that type of work.

16 An official agency can change people's
17 schedules. They can place people on a -- a first 40,
18 or, you know, a flexible schedule. They can start
19 their schedule on a Sunday this week and start it on a
20 Tuesday next week. Those are things that -- that we
21 cannot do. We don't have that flexibility in the
22 Federal Government.

23 Another area where we're looking to
24 eliminate some long-term liability by shifting some of
25 this responsibility is in the -- the great state of

1 Texas. We had -- the central area that you can see of
2 the state right there was previously unassigned. What
3 that means is that there wasn't a designation, an
4 official designation by FGIS for that area. There was
5 a territory that identified, but we did not have any
6 official agency operating in that area. A lot of that
7 was traditionally there was not enough volume of work
8 in that area to justify private companies to start a
9 business to cover that area. But there again, you
10 know, the landscape is shifting. So, we've had some
11 interest in that area.

12 We posted that in the Federal Register for
13 designation. That designation has been applied for.
14 Our quality assurance and compliance division plans on
15 awarding that designation publicly very soon. And
16 then what that means is that my League City field
17 office staff that was covering things way up into the
18 northern portion of the state can focus on our export
19 operations that are primarily in Houston and League
20 City -- Houston, League City area and then Corpus
21 Christi, Texas.

22 We've also identified a -- a southeastern
23 portion of the state that has never been assigned, and
24 we're going to open that area up also for designation.
25 And I know just from the -- the chatter and the rumors

1 that I hear, that due to the volume of work, that
2 there again, that volume of work has to do a lot with,
3 you know -- Phytosanitary Inspections, things that are
4 very profitable for an official agency but maybe not
5 well designed because it's not routine and it's
6 difficult for us to staff for, would be advantageous
7 for an official agency.

8 So, we look forward to someone eventually
9 taking over that area. And then what are we doing
10 with all these people in -- in our field offices where
11 we're transferring all this work? What we're doing
12 is, like I said, we're trying to get them in the
13 places that we want them to be, where they need to be.
14 But we're trying to do that with -- within our federal
15 constraints, but then we're also, you know, trying to
16 be as good as we can to the -- the employees that are
17 affected by these changes.

18 So, I've got just a few minutes left. I'm
19 happy to answer any questions that we have regarding
20 the operational efficiency of Field Management
21 Division.

22 If nobody's got a question, I'll throw one
23 thing out there. We've had a lot of questions about
24 our -- our detail assignments where we're -- we're
25 moving staff around temporarily. Primarily, they're

1 covering non-contract work. And that non-contract
2 work, we can, through the regulations, bill back the
3 expenses for their -- uh -- their travel, and their
4 TDY expenses, meaning their per diem cost and lodging.
5 And on the surface, that sounds very expensive to pay
6 for somebody to come from Toledo, Ohio to maybe
7 perform non-contract service in New Orleans. But
8 actually, what we do is -- uh -- we utilize those
9 employees for several -- uh -- different -- uh --
10 customers that -- uh -- we break that cost up and we
11 spread that over, a lot of different people. And,
12 those detail assignments are of a significant length
13 of time, 90 days plus.

14 So, if you take a \$500 plane ticket and you
15 prorate that over -- uh -- several applicants for
16 service and over a 90-day period of time, it -- it
17 disappears into to almost nothing. There's also some
18 instances where, they're covering the -- the contract
19 work, and we're obviously responsible for covering
20 that cost as an agency, but it still makes financial
21 sense for us to move those, nonrevenue generating
22 employees to areas where they're generating revenue
23 even if we're taking a small operating loss on those
24 individuals.

25 **MR. MORGAN:** Charles --

1 **MR. PARR:** -- yes, sir?

2 **DR. HURBURGH:** Oh, this is -- Have you done
3 any study or projection as to what -- how the demand
4 for official services might change if these biofuels
5 of various types, whether aviation fuel or renewable
6 diesel or other, start to take significant quantities
7 of U.S. grain and therefore may impact the volume
8 available for export. Have you kind of projected at
9 all what that might mean to the agency?

10 **MR. PARR:** You know, for the longest time
11 as a as an Official Grain Inspector, I never really
12 watched the markets. But thanks to this new position,
13 I have to pay more attention to, you know, the -- the
14 demand, the price, elasticity, you know, things like
15 that.

16 So, what I've done to better educate myself
17 and also encourage my field office management staff
18 is, we've got, you know, market reports that -- that
19 get sent out notifications daily, and I encourage them
20 to to pay attention to the market, a lot more closely
21 than what we have in the past.

22 **DR. HURBURGH:** Well, we could get ourselves
23 in a position where we really wouldn't have that much
24 grain to export, if the -- if the demands grow as at
25 least some have projected they could.

1 **MR. NEAL:** Right. And -- and just to answer
2 that question, you know, we've not done a study on
3 that. One of the things that we've done though over
4 the past year, we've not hired a soul.

5 And so, the objective is not for us to grow,
6 it's for us to manage what we have so we can cover
7 what is happening and put the people where the work is
8 because we see that it's drying up in other areas.

9 And so over time and if you look at the trend in the
10 interior where exports were happening like a Toledo,
11 you know, I won't call Milwaukee an interior, but they
12 were happening in Milwaukee at some point. Those
13 things are slowing down and so we've got to move our
14 people to where the work is happening, in hopes that
15 we are prepared, and we are going to have some -- some
16 attrition, that's going to happen. So, I think New
17 Orleans right now is where the majority of the work is
18 happening. Texas is still, you know, prime export
19 location for us but we're divesting in a lot of areas.
20 So -- so we're -- we're taking that into account.

21 **MR. MORGAN:** Charles, you mentioned the
22 challenges of managing your staff. Do you see a shift
23 at all of -- of management getting more control over
24 management? Being able to move people and -- and
25 manage their schedules better?

1 **MR. PARR:** Yes. That's -- that's another
2 thing, that we have to work very closely with our
3 labor relations staff because we've got, you know,
4 bargaining unit employees where, you know, we -- we do
5 have to work with some constraints where we can't just
6 go in and make the changes sometimes that we know make
7 the most fiscal sense.

8 I mean, my private sector brain kicks in a
9 lot and says we just need to do x-y and z, and the
10 math works. But then we face the challenges with our
11 -- our labor relations staff to make sure that we
12 implement those changes, you know, through educating
13 the staff of how it increases the long-term viability
14 of the agency, but then ultimately doesn't hurt them
15 at the same time and meets their needs, from a union
16 perspective.

17 **MR. MORGAN:** I've just seen the -- the
18 balance of power, as you could say, shift more to the
19 staff in the last ten years than previously. I was
20 just wondering if you see a shift to where you guys
21 have a little more flexibility in managing the
22 situation.

23 **MR. PARR:** We definitely have management
24 rights, with respect to labor relations. And, you
25 know, we definitely try to exercise those where we can

1 to make sound decisions that are not only good for the
2 agencies, but sometimes, well, not sometimes, all the
3 time, do what's best for our employees as well.

4 **CHAIR GROVE:** And we have a question from
5 online that they're going to put through.

6 **REMOTE, MS. FOX:** Hi, Charles. This is
7 Sheena. How are you?

8 **MR. PARR:** I'm doing well. How are you?

9 **REMOTE, MS. FOX:** Good. Good. Yeah, I just
10 have a question. So, I know we're all traveling on
11 the noncontract elevator design. So, what happens if
12 they end up wanting to sign a contract? What happens
13 to, like, all the cost and everything that, you know,
14 they're accumulating with us traveling there? Like,
15 is that, I mean, I know that would probably pose, you
16 know, a problem.

17 **MR. PARR:** We either shift those employees
18 to perform other noncontract work or we assume those
19 cost as the agency. It's still advantageous to the
20 agency to lose less in instances where we have to
21 cover those expenses than it is to have people in
22 areas where they're not generating any revenue.

23 **REMOTE, MS. FOX:** Okay. And -- so okay.
24 And so, I know we're on details for 90 days as of
25 right now. So, what happens after the 90 days? Like,

1 how long do we get to come back home for? Or, like
2 yeah, what is -- what's the plan after that?

3 **MR. PARR:** So, the situation is extremely
4 fluid. I know that myself, Mr. Neal, and Ms. Ruggles
5 are looking at budgetary numbers on an almost daily
6 basis. We're monitoring our activity and revenue, and
7 we're making decisions, you know, based off of, not
8 gut instincts, but we're letting the data drive the
9 decisions that we're making in order to ensure the
10 long-term viability of the agency.

11 We're also working a lot with the AMS budget
12 staff. They're doing their -- their due diligence to
13 -- to find us funding where they can. We're
14 reprogramming funding in instances that regulations
15 allow us to. And we're trying to do things with as
16 much minimal impact to employees as possible. But at
17 the end of the day, we've gotta make decisions that
18 ensure the long-term sustainability of the agency.

19 **MR. NEAL:** And I'll comment as well,
20 Charles. FGIS is doing everything in its power not to
21 lay people off. We're trying to keep people employed,
22 and we're trying to do that responsibly. That means
23 things will have to change. And that's across this
24 entire program. It's not comfortable. It's not
25 really desirable, but it's necessary. And that's

1 really all I think we can share at this time because
2 this is an evolving situation. Just like the market
3 is evolving, our revenue is changing, our expenses
4 change, and we can't keep things the same.

5 **REMOTE, MS. FOX:** Okay. And then one more
6 question. So, if relocation is out there, and I know
7 you said something about having to possibly fit that
8 bill, you know, for everybody to relocate. And so, is
9 that the case, though? If that does come out and that
10 is a mandatory thing, will that be paid for? Or
11 that's still, I mean, I know it's that -- that it's
12 supposed to be, but will that be paid?

13 **MR. PARR:** So, right now, we're still
14 working with the, the travel staff, to see what
15 expenses are -- are mandatory and required, which ones
16 are discretionary spending. We're also looking at our
17 available funding. We don't really have a lot of
18 available funding to fund those activities, which is
19 why we're doing the cost savings activity of the
20 details so that we can fund those -- those activities
21 in the long-term. Right now, like I said, a lot of
22 things are just influx. We're getting a lot of
23 information. This isn't operations that generally
24 happen. So, even the groups that we reach out to,
25 APHIS, HR, the -- the Travel Group, things like that,

1 they've gotta go back through. This isn't something
2 that they address on a daily basis either. So, we're
3 -- we're having to work with a lot of other agencies,
4 receive guidance, and then turn that guidance into
5 actual practical application.

6 If there's no further questions, I forgot to
7 introduce him properly at AAGIWA 2024 this year. So,
8 I want to give a -- a proper introduction to Dr Ed
9 Jhee, our Director of the Technology and Science
10 Division.

11 **DR. JHEE:** All right. So where are we
12 today? We need some more energy, don't we?

13 **MR. GARCIA:** All right.

14 **DR. JHEE:** Okay. So where are we today?
15 What are we, where were you headed, with regards to
16 technology, the efforts of technology and science
17 division and the intersection of, how do we -- how do
18 we advance this industry? How do we advance this
19 industry given all of the challenges that we've all
20 heard in the last 20 minutes?

21 I'll give you an update in terms of where we
22 are, who we've been talking to, our engagement with
23 the industry. And at this point, we've had a number
24 of conversations with manufacturers out there that
25 could possibly provide some solutions for this grain

1 industry.

2 Primarily, we've had some success with a
3 company based out of Sweden called Sea Grain. They
4 utilize what's called a RGB Imaging System with mirror
5 technology, which basically captures near 85 to 90% of
6 the actual kernel itself. We do have two instruments'
7 downstairs. So, if you have some time, we'd be happy
8 to show those instruments to you. We've also had
9 discussions with Platypus or, excuse me, InDyne. It's
10 a company based out of Australia. It is a startup
11 company, but they are using flat deck technology with
12 high resolution cameras as well.

13 We had a recent discussion with a company
14 based out of Denmark, company called, Videometer.
15 This is an -- this is cool. This is an instrument
16 that uses hyperspectral, multispectral imaging in
17 addition to NIR and RGB. So, four different
18 wavelengths of light, at a high level.

19 They have over 20 years of experience in the
20 seed industry. So, we've been having discussions with
21 them to see those factors, those subjective or
22 inspection factors for the seed industry. Can we
23 translate some of that over into the grain side of
24 things? So, we are actively engaged with them.

25 Other instruments that are out there. We

1 have the QSorter, manufactured by QualySense, the
2 IFOS, primarily being used in the European Union. And
3 then we have Vibe, their QMi -- or QM3i. And then two
4 other startup companies we've also engaged with,
5 include Imago AI, they are a hyperspectral imaging
6 technology company, just arrived into the U.S. this
7 past year. And then we've also had conversations with
8 a Canadian startup company called groundtruth.ag. All
9 of these companies have various forms of technology
10 and we're not exactly sure how it's going to work, but
11 we are excited because all of them show some sort of
12 promise.

13 **MR. NEAL:** All right.

14 **DR. JHEE :** That went fast. Okay. Where
15 are we today or what are our current efforts? The
16 slide is actually a little outdated considering it was
17 just presented to -- to AAGIWA members in April.

18 We are going to explore test weight and to
19 see if there are any opportunities to utilize
20 instrumentation or see if you can find some efficiency
21 gains there. We are looking at some data that we
22 acquired a few years ago when we looked at moisture
23 meters and test weight analysis.

24 I know that there's also been discussions in
25 the industry about exploring, NIR Test Weight,

1 particularly with wheat as an option. Moving forward
2 with Sea Grain, as I mentioned earlier, we want to
3 capitalize on the success that we had with them for
4 the medium grain rice industry. So, we will expand
5 our current, cooperative research and development
6 agreement, to include total broken kernels for that
7 particular project.

8 In addition, they are going to be sending
9 two additional instruments over to the National Grain
10 Center, and we'll be proceeding with testing
11 feasibility, or -- excuse me -- feasibility studies to
12 determine which factors we can start looking at, in
13 terms of, evaluating this instrument for wheat.

14 All right. We've also had engagement with
15 USDA's Agriculture Research Service. Arthur and
16 others have mentioned the number of technology and
17 innovation meetings that we've had this past six
18 months. I would say very aggressive. And ARS has
19 been involved in a number of these initiatives. So
20 earlier this morning, you heard of the Technology and
21 Innovation Summit that was in Lubbock, Texas. And,
22 hearing about the solutions or -- or -- or
23 technologies that were implemented by livestock and
24 poultry, the -- the -- the beef carcass grading
25 systems, the egg program, all of that was also done in

1 partnership with ARS. So, we've engaged folks there.
2 They're working to identify some expertise in visual
3 imaging, hyperspectral imaging, or spectrometry. In
4 addition, we hope to be able to leverage their
5 expertise to see if they can fine-tune any type of
6 instrument that we have out there to meet our needs.

7 All right. Shifting gears to more of the
8 international stuff. Ochratoxin A, wanted to bring
9 you guys up to speed on the conclusion of a five-year
10 study that was -- that ended up being a collaboration
11 between Japan's Ministry of Agriculture, Forestry and
12 Fisheries and FGIS. The study began in 2017 where
13 Japan wanted to begin surveying lots of wheat and
14 barley for Ochratoxin A. In addition, they also
15 evaluated test kits, for preloading inspections in the
16 Pacific Northwest.

17 In 2018, FGIS decided to begin sampling and
18 testing the same samples in order to compare our
19 results against MAFS. Here are the conclusions of the
20 results. For a total of 456 that were lots that were
21 tested, 86% of those were less than one part per
22 billion, which is a good sign. The highest was 5.2.
23 And in in this particular situation, 301 lots were
24 tested by both MAF and FGIS. A bottom line is right
25 there, the results did not align between FGIS and MAF.

1 And it is largely explained the heterogeneous
2 distribution of Ochratoxin A. So, more recently, a -
3 couple of months ago, MAF actually came into Portland,
4 and we met with them to discuss the outcomes of the
5 study. Primarily, they wanted to ask us in terms of
6 where we -- where we are with evaluation of test kits.
7 They came to the Pacific Northwest to bring a message
8 on behalf of the Ministry of Health, Labor, and
9 Welfare.

10 Japan will be establishing a maximum level
11 of Ochratoxin A of five parts per billion. They've
12 indicated that the regulatory process will probably
13 take about a year. And this will focus, again,
14 primarily on wheat and barley. Now MAF did
15 acknowledge during this meeting that OTS has a -- OTA
16 has a random distribution, and currently, the test
17 kits cannot detect adequately down to a low enough
18 level.

19 Okay. So, what are we going to do about it?
20 We are focusing on three factors, related to
21 Ochratoxin A and the testing. It is primarily sample
22 preparation that we're going to focus on. I know that
23 some of the folks in the audience represent test kit
24 manufacturers, and so I think they understand the
25 importance of sample preparation, the types of

1 grinders, the grind size, and then other preparation
2 methods. And this -- in addition to that, we want to
3 be engaging the test kit manufacturers to see if
4 there's a possibility to quantify OTA between two and
5 ten parts per million using these rapid kits. We have
6 reached out to test kit manufacturers and have began
7 that engagement. Thanks.

8 All right. What else are we doing? So,
9 some other initiatives that we're working on, in
10 addition to all of the budget discussions happening
11 today, TSD is going through a very intense budget
12 analysis and evaluation as well. We are looking to
13 protect our employees.

14 All right. That's my number one priority.
15 And I think Arthur, Carla, Charlie, everybody else
16 would agree is that we want to make sure that we can
17 provide all of you guys the service. But I think at
18 the forefront of my conscious, is making sure the
19 employees are taken care of. With that being said, I
20 do think we can move forward successfully with the
21 technology initiatives. We have a tremendous amount
22 of momentum, and we have not stopped, nor have we
23 paused in terms of this engagement. With that, I
24 would be happy to take any questions.

25 All right. I ran with it guys; I ran with

1 it. All right. Thank you, guys.

2 (Applause)

3 **CHAIR GROVE:** Thank you. All right. It's
4 10:14 now. We were scheduled for a break at ten. So,
5 we are going to take our break. We're just -- we're
6 going to say 10:15 to 10:30. So, please be back in
7 your seats and ready to go at 10:30.

8 All right. Thank you, everybody. So, all
9 right. Thank you for everybody attending and thank
10 you for the questions and input we had this morning.
11 You know, I think it's very important that we all are
12 staying in touch with what all the areas of -- of FGIS
13 are doing. So how can we, you know, better do what
14 we're trying to do on the Committee if we don't know
15 what's already in play?

16 So very exciting to see Ed. Thank you.
17 Although your presentation was short, you know, very
18 much tees up into a conversation we're going to have
19 today. And excitingly, there's some things that are
20 already happening, you know, that industry is saying,
21 hey, what can we do? So that's already very exciting,
22 to see.

23 So, thank you everybody for your updates.
24 Appreciate that. We are going to start today with a
25 topic that, again, I think ties into update on the

1 open recommendation that we've had in the past about
2 data technologies. And a piece of that in the data
3 technologies, while broad, also talked about security.
4 How can we say, you know, what we do say as an
5 industry? Why can't all our systems talk together? I
6 relate it back to virtual medical records. It's a
7 disaster. They don't talk to each other. What we
8 want is efficiency in what our data is doing.

9 If an industry wants their data to -- or the
10 FGIS or official agency data to be able to come to us
11 in a more immediate fashion, you know, we have to have
12 those securities in place. So, I am going to give the
13 floor to Kurt. And Kurt is going to give us an update
14 and talk about the cybersecurity discussion and how
15 that may play and what can we as a committee recommend
16 to help with this or more be aware of what we need to
17 do.

18 **DR. ROSENTRATER:** Thank you, Barb. Hi,
19 everyone. Kurt Rosentrater from Iowa State
20 University. I asked Barb, how long do you want me to
21 talk this morning? And she says, you can talk until
22 lunchtime. So, an hour and a half is not what I'm
23 going to do. So, I put the paper in prior to our
24 meeting. There we go. Thank you very much.

25 Because we've talked about cybersecurity in

1 the past and how that impacts trade, but it also
2 impacts business practices, not just in agriculture,
3 but in many aspects of our daily lives, and the
4 industries in the United States. So, have you ever
5 had the opportunity where you do something and you
6 say, I think it was a good idea at the time?

7 Well, this paper was initiated, I think it
8 was at least a year, maybe a year and a half ago at
9 one of these meetings. We kind of started talking
10 about cybersecurity and what we should be doing as an
11 agency and as an advisory committee for the agency to
12 at least be aware of what's happening and what should,
13 or could we do to, to just keep up to date, and like
14 Barb was saying, have data that can talk to amongst
15 systems. But then, Ed, your presentation was really
16 cool.

17 Ed, those are some really interesting
18 technologies. But -- question that we need to think
19 about is where will the data reside, on the
20 instruments, at the facility, or in the cloud? And
21 so, I think the more we implement technology solutions
22 in our facilities, whether they're export terminals on
23 the coast or inland, the more we implement cloud-based
24 technologies, the more at risk our systems are going
25 to be for cyberthreats. And so that's sort of the

1 genesis of what this paper was. And so, the paper
2 really talks about, you know, what's the summary,
3 what's happening, what's current in terms of what is
4 cybersecurity -- um --- what does it really mean,
5 what's the cyber threat. And if I think the -- the
6 biggest takeaway for me is looking at all of these
7 incidents.

8 So, I tried to summarize various incidents
9 that have been happening in the food and agriculture
10 system. And specifically grain systems over the last
11 several years, and this is looking from 2020 through,
12 2023, and there have been many that have occurred.
13 And so, if you want more information, I've provided
14 the citations.

15 But the question I have is, and the -- the
16 reason that I'm here today talking about this, is what
17 should the Federal Grain Inspection Service do, if
18 anything, to help promote secure data and secure
19 systems for the grain trade in the U.S.? So, that's
20 not an hour and a half, but relatively short
21 introduction to what should we be doing as a an
22 Advisory Committee, but also what should the Federal
23 Grain Inspection Service be doing to secure data. So
24 that's my spiel.

25 So, Barb, I don't know how you want to have

1 a focused discussion about this. Should we be doing
2 anything, I guess, is the first question.

3 **CHAIR GROVE:** I think I would like to step
4 back to maybe some comments, that -- that maybe -- I
5 don't know whether Ed or Arthur can be in tune as, you
6 were talking about the IT security already in place
7 within FGIS. And I -- I'm sorry. I don't have the
8 term in front of me. It's in your presentation under
9 Data Standards.

10 **MR. NEAL:** Well -- well, let me make these
11 comments. There is a very active back-end process
12 that FGIS has and work in partnership with our
13 Marketing and Regulatory Program, IT staff, with
14 respect to FGIS online. We receive several attacks a
15 day, and we've gone through a full blown, probably,
16 two years of security updates on FGIS online to
17 strengthen it against cyberattacks. No one has yet,
18 you know, accomplished accessing our records. And
19 that's just FGIS, you know, USDA gets many more. What
20 we're doing -- I mentioned earlier, we're working with
21 the Department and our Mission Area IT staff to begin
22 a process where we evaluate how strong are we with our
23 partner -- partnering organizations, our official
24 agencies so that we're in sync -- we have an
25 understanding of what exists and we can begin making

1 recommendations of how to strengthen. So that's --
2 that's one step we're also going to be taking.

3 With the introduction of any new
4 technologies, we will be evaluating before any piece
5 of equipment can touch the Internet or the Cloud,
6 there's going to have to be a security protocol prior
7 to. So, with us looking at, you know, imaging
8 technology, it'll be an iterative process.

9 Say, for instance if the -- first, we gotta make
10 sure that the equipment can do what it needs to do
11 from a -- a grading or inspection or evaluation
12 standpoint. Then at some point, you know, during that
13 process, we'll -- we'll look at the -- the potential
14 risks and protocols for making it a online piece of
15 equipment. I think what I don't want to do is slow
16 down the process of introducing the technology because
17 it's not online yet.

18 So, the question is, would there be a way we've
19 not -- I'm just talking, brainstorming right now.
20 We've not talked about process here. Could there be a
21 way that we can still leverage? Let's say we find one
22 or two pieces of equipment that can do some amazing
23 things. We can still use the results and outputs from
24 it before we get the -- the whole cybersecurity thing
25 addressed by keeping it offline, to still make the

1 work faster. But while we evaluate and establish a
2 protocol for making it an online version.

3 Those are some things that I'm thinking about.
4 It is not in its head because, you know, it's just a
5 reality. It could take longer to work out the cyber
6 security pieces, because we're -- we're evolved --
7 we're involving more people. There are more layers,
8 and the requirements evolve every -- really, every
9 day, every month. So, those are -- those are some
10 initial thoughts that I have regarding it.

11 So, we are trying to take steps to strengthen the
12 overall inspection and weighing system. We do have
13 things in place from a FGIS's online system. I
14 believe a lot of our official agencies do have
15 protocols in place. They may not all be the same, and
16 we've gotta get our arms around, what does that look
17 like. If and -- and -- and with our desire to move
18 towards a third-party system that can probably,
19 hopefully, be more interchangeable with other systems
20 that official agencies and our customers are using.
21 You know, that's another arm that we'll have to
22 evaluate down the road as we try to exchange more
23 information and data between our -- our companies.

24 So, that's a very involved process to this that
25 we are taken seriously. And I will give Lee Capper

1 recognition for really spearheading this in -- inside
2 of FGIS and USDA in terms of bringing in the rest of
3 the department to start looking at our security
4 issues.

5 **CHAIR GROVE:** Yeah. So, I'm going to talk a
6 little bit about something our company went through,
7 my own company, and this was in 2020. So, we had a
8 cybersecurity attack. Very luckily, it was caught so
9 immediately. Unfortunately, it was only one of my
10 systems that -- that -- that got attacked, and it
11 happened through partners that were partners of our IT
12 system, partners of our IT Department, and they had
13 outdated operating systems. People didn't want to
14 spend the money to update computers, scale computers,
15 inbound computers, so using old systems that couldn't
16 handle the needed security.

17 And so, I will say our -- our IT Department
18 had to take the hard stance, and I think all of our
19 companies have to look at that, whether it's industry,
20 inspection, government. You have to look at that and
21 say that -- that is a more important piece of our
22 budgets. And our IT department said, okay, if you do
23 not want to spend the money to update your computers,
24 your operating systems, you're off the system. You
25 can go back to doing manual scale tickets. You can go

1 back to doing manual entry because that is the option.

2 Because we all know human nature. Somebody
3 was bored, and on that company scale computer, they
4 pulled up games. And then you click something that
5 says, hey, go ahead and download this attachment or
6 download, you know, this extra feature because, hey,
7 it's going to make this game much better, and now an
8 attack happened.

9 I know some of our very close competitors
10 right in the Midwest that were hit just prior to
11 harvest in 2021, and it took them two years to be able
12 to redevelop. Their systems were decimated. So, they
13 were -- that first harvest, everything was manual, and
14 up to a year later, everything was manual. So, I
15 think that is an very important, you know, I don't --
16 as a Committee, I guess we can't say, hey, everybody,
17 you just need to spend the money on computers, But I
18 think we do have to look at that as when you -- what
19 does -- what does our Federal Government use? What do
20 our designated agencies use?

21 Those agencies that we are saying we want
22 to have data transfer. That does have to happen
23 because I think a lot -- I know our company would be
24 very remiss about saying, okay, let's share data,
25 let's let our data transfer into your system, if we

1 didn't feel it was a secure portal.

2 Any other thoughts here on cybersecurity?

3 Okay. Go ahead, John.

4 **MR. MORGAN:** It was a little bit different,
5 for us, but we -- we have disaster recovery planning,
6 redundancy, and data backups for our systems.
7 Specifically, because of the -- where we live, because
8 of hurricanes and natural disasters. That's evolved
9 into part of the cybersecurity ability for us to
10 prevent and mitigate attacks. So, we did get attacked
11 and, like you said, part of my -- part of my files
12 were the first ones encrypted, but because we have
13 redundancy and backup, we were only down for a day, I
14 think, on all our systems. So, it can be your
15 policies or what you plan can be used to -- two
16 specific functions which is basically for disaster
17 recovery. We want to recover our systems in case of a
18 disaster but also, we want to be able to be up and
19 running, in a redundant place. We have a redundant
20 system.

21 If we wanted to move the management team to
22 another location, we can and get up and running. So,
23 those -- that planning also helped us with the --
24 dealing with the cyberattack as well. But we get --
25 we get daily stuff as well. A lot of it, mostly,

1 phishing and fraud through email. It's amazing how
2 they make a email look internal and ask our account --
3 accounts payable people get hit every day. So --

4 **MR. FREDERKING:** I guess, I would wonder --
5 so, I assume FGIS is not the -- the leader on cyber-
6 security, but certainly there's other government
7 agencies out there who probably have some established
8 best practices. So how are those being, I guess,
9 internalized within FGIS? Is that ongoing process or
10 how's that working?

11 **MR. NEAL:** For FGI is ongoing. We went
12 through a Department of Defense audit, I think two
13 years ago, just on our cybersecurity. And we had
14 recommendations for action -- corrective action. We
15 took all of those -- implemented them to make it
16 stronger. So, we get evaluated by external party to
17 make sure -- like, Department of Defense, to make sure
18 that our systems are strengthened.

19 One of the things I was thinking about, and
20 I-- and I wrote down best practice for cybersecurity.
21 I'm not sure, I'm -- I'm not sure if it's our
22 responsibility. But a question is -- is there a best
23 practices type of document or organization that the
24 Grain Industry, as a whole, is looking to for -- for
25 information about common things that can be

1 implemented for the type of systems that we employ in
2 our business? That folks can just, you know, have a
3 reminder if they're not thinking about something --
4 that's like a checklist or there's some reference
5 material that helps them to say, you know what, I
6 didn't think about this in in my business. Maybe it's
7 something we should pursue. I'm not sure if that
8 exists, but it could be a good reference document for
9 the industry or some type of relationship to be
10 established for the industry for some type of
11 consulting or things of that nature.

12 **DR. ROSENTRATER:** Arthur, could I speak to
13 that point briefly? So, the National Grain and Feed
14 Association does have a -- one of their sites that is
15 linked to their main page, they do have some guidance
16 related to cybersecurity. And maybe, like you say,
17 there would be an opportunity for some collaboration
18 with them, especially in terms of getting the message
19 out to the grain industry and maybe not best
20 practices, but guidance for industry.

21 And something else that I think is of
22 interest, so the field office in Omaha of the FBI is
23 quite interested specifically in grain infrastructure
24 and the potential threats to that via cyberthreats.
25 So, I think there may be some opportunity for

1 collaboration with the FBI as well. So, you know,
2 it's just a matter of time before more facilities are
3 struck.

4 **MR. NEAL:** So, one thing I'd like to throw
5 out there for consideration, that there's nothing that
6 prevents us from inviting other agencies and parties
7 to speak to us during these sessions, during these
8 meetings. And so that's something we could think
9 about in the future if there's a topic that we'd like
10 to hear from, you know, another organization within
11 the Federal Government to enlighten us or to guide us,
12 we can definitely take that up for consideration.

13 **MS. ADAMS-MIKESH:** Arthur, when we're
14 talking about cybersecurity, specifically about
15 instrumentation, and there's a lot of talk about
16 federal records. When does something become a federal
17 record? So, say you have a moisture meter, and those
18 moistures are on there, but they're not linked to IDs
19 or there's nothing to link them back to a specific
20 carrier. Is that still considered federal records
21 and, or does it become a federal record when it goes
22 into our work record systems?

23 **MR. NEAL:** I'm going to paraphrase. It's
24 basically anything that's generated to facilitate our
25 work, it becomes a federal record. That's a very high

1 level. So, the moment we get other result, it becomes
2 a record. So how we handle it, how we preserve it --
3 it all makes a big difference because, for it to be
4 modified afterward, there needs to be some -- some way
5 to -- I think we missed the chain of custody. How do
6 we make sure that the integrity is still resting with
7 the records?

8 **MS. ADAMS-MIKESH:** So, you guys spoke on the
9 weighing systems. So, that's something we see a lot
10 in the container industry and with the Class X
11 weights. You know, we still have the paper copies.
12 So, in our eyes, that is the federal record because we
13 are the ones housing that. But the elevator or the
14 translator, etcetera, would have their data as well.
15 So, you know, I think that's important.

16 I think it would be important for the
17 industry to know where that's defined because if we if
18 we start going into, okay, every single container
19 loader or rail loader, their weighing systems now have
20 to comply with federal record systems. I could see
21 official agencies essentially having to, for lack of
22 better word, police that, and look over that, and it
23 gets highly out of the scope of what we do. And so,
24 just something to consider of when that transfer
25 becomes a federal record.

1 **MR. NEAL:** No, thank you. And I've got a
2 note here that -- that will probably need to be, you
3 know, a focused discussion, training, to make sure we
4 got common understanding.

5 **CHAIR GROVE:** I do know in the Ag Industry
6 if you or if -- if in the supply chain for food
7 defense, which is under the Food Safety Modernization
8 Act, food defense vulnerability assessments are
9 required, which do ask -- you have to do your fraud
10 assessment, and one of those is IT systems. So, at
11 least -- or if we are complying with regulation, every
12 company should have done a risk assessment on fraud.
13 Now, are the - Is the agriculture industry behind on
14 that? Very definitely, especially, I suppose, if you
15 come to non-processing. If you're a non-processor,
16 you know, if -- if somebody hasn't been fined for it
17 yet, then people aren't as apt to jump into that type
18 of documentation and paperwork.

19 But there are regulations out there stating
20 those are some things we should be looking at. Can
21 FGIS do something about that? Not necessarily. But,
22 again, I think it is part of the overall collaboration
23 with all stakeholders. And I think that's an
24 important piece in this. I do like, you know, the
25 suggestion and at least the knowledge that we have the

1 Omaha area of the FBI that is very much focusing on
2 the Ag Industry. And that's important, especially
3 because, again, that locale being very key to a lot of
4 the domestic grain, to have somebody on board.

5 You know, Kurt, what if you were to say,
6 let's look at -- where do you think some
7 recommendations for this Committee -- I mean, what are
8 some suggestions you feel we can look at? And Arthur,
9 what are things that you think are feasible? I know
10 that's not till tomorrow, but it is something that we
11 need to look at today or be thinking about today.
12 What -- what is feasible for FGIS to be able to help
13 in this process?

14 **MR. NEAL:** I mean, I think one we've talked
15 about earlier is doing an assessment to see where are
16 -- how does our current delivery system looking? How
17 does it look -- I'm sorry -- with respect to our
18 official agencies in relation to USDA and our -- our
19 cybersecurity and risk areas there. I think another
20 area that can be explored and leaning on where Curtis
21 (sic) shared, is inviting some others who are in this
22 space on a more regular basis to share with us their
23 insights, what they're seeing, with respect to the
24 agricultural sector and some things that we should do
25 and potentially ways we can partner. If there are

1 resources that could be made available to those who
2 have less of them, finding out ways to help those who
3 don't have the money to necessarily invest, is there -
4 - is there a way for them to access pots of money,
5 federal dollars or otherwise, to help them strengthen
6 their -- their cybersecurity with respect to the
7 agriculture food sector. So, I think those are some
8 things that can be explored between now and, like, the
9 next meeting.

10 **DR. ROSENTRATER:** And, Barb, I would like to
11 add onto what Arthur was saying in terms of, you know,
12 maybe also reaching out to the National Grain and Feed
13 Association because they already have resources that
14 they are providing to the grain industry. But I think
15 the more we get the message out, the more guidance we
16 provide industry, not necessarily regulatory guidance,
17 but, specifically, here's what you can do, steps you
18 can do to protect yourself and your company, I think
19 that would be very helpful.

20 Thank you all for the discussion. Sounds
21 like we have some things to do.

22 **CHAIR GROVE:** Yeah. Just a quick -- anybody
23 else on the Committee, and I will even look to the
24 gallery. Again, we look for experience and knowledge
25 that people might have. So, if somebody has something

1 please, go ahead and -- and share with us. I'll give
2 this about, one more minute and then we'll move on to
3 the next topic.

4 **MR. HART:** Oh, Barb, just an overarching
5 comment. I think cybersecurity it's a
6 growing importance in the world we live in today. And
7 -- and what it relates or not, you know, I was in a
8 situation where we experienced maybe two years ago, it
9 did not impact our organization directly, but think
10 about it -- it created issues within the supply chain
11 on, with our employees.

12 So, you know, we're in a situation where we
13 work through a third-party that gathered information
14 as far as, you know, I guess time for employees, as
15 far as payment, Work through a third-party within
16 that. That third party actually sustained a
17 cyberattack. And so, from that standpoint within some
18 of these organizations, you don't think about this,
19 but when that third-party was cyberattacked, it
20 impacted how we paid our employees timely.

21 And if it impacts your employees on how you
22 do your day-to-day work, it can essentially have a
23 domino effect within the supply chain system. So, the
24 overarching, you know, feel that comes from me is
25 that, yeah, it's something we need to be thinking

1 about today within the industry, both public and
2 private. But, you know, within the individual
3 respective organizations, I think this is a growing
4 concern. That's just a part of our everyday life
5 that, I think -- is a lot of opportunities for us to
6 collaborate, to come up with a good answer, to protect
7 the entire Ag Industry. So --

8 **CHAIR GROVE:** And I'm going to steal the
9 phrase from Mr. Friant from the Innovation Summit.
10 And while his term was talking about technology, it
11 has to do with all of operations. This -- this isn't
12 your grandpa's elevator. This isn't your grandpa's
13 facility. So, to continue operating as such, again,
14 come back to our security.

15 I do feel too many in our industry - may be
16 thinking I'm going to -- maybe more so when you get to
17 a country elevator or large -- a large farm operations
18 where a lot of them are even larger than some of our
19 own facilities, that don't feel they need to invest in
20 that. It's not going to affect them. We're just
21 small potatoes, but you said it affects them, the
22 entire supply chain. One thing hit affects everything
23 else.

24 So, I do like the recommendation or the
25 discussion, how can we partner with those that can

1 help? Where can they find the funds for those that
2 don't have them themselves? Because it does affect us
3 all the way through the chain.

4 **MS. LOGAN:** I have a comment, not so much a
5 question, I guess, but talking about cybersecurity on
6 the other side of that. If FGIS is hit by
7 cybersecurity and they're unable to function for a few
8 days, it's going to affect us a lot. So, what manual
9 processes do you have to fall back on, just like you
10 had to do, or we would have to do in order to keep
11 your customers functioning?

12 **MR. NEAL:** Great question. I think Lee
13 Capper would be best to answer this one. I don't know
14 if he's on. But One: We have distributed software.
15 So, we can still perform our work offline. Everything
16 that we do is not online all the time. We can capture
17 our results locally and we can upload them into the
18 cloud later. We can still use paying tickets and, you
19 know, you know, paper, calculators to -- to carry out
20 service. It may slow things down a bit, but we can
21 still provide service. So, we've tried to make sure
22 that we're not solely at the mercy of being connected
23 online. But we do need to get online at some point to
24 make sure we can upload results in a timely fashion.
25 And this is a partial we've taken primarily because we

1 operate in areas with, you know, fairly frequent
2 natural disasters. And -- and sometimes we've got
3 pretty poor Internet coverage. And so, we have to
4 make sure that we can still provide service.

5 **CHAIR GROVE:** And I do -- I do see Lee has
6 unmuted. Is - Lee, are you able to jump in and talk
7 here?

8 **MR. CAPPER:** Hello. This is Lee Capper.
9 Can you hear me?

10 **MR. NEAL:** Yep. Keep talking, Lee.

11 **MR. CAPPER:** Okay. Yeah. Thank you. Yeah,
12 Arthur's correct. So due to the nature of export
13 vessel loading and the -- the highly mathematical
14 interconnected nature of that and our reliance, you
15 know, on software to produce results, we do work
16 completely disconnected in our export loading
17 operations and have withstood such outages like
18 Hurricane Ida and others. And we would leverage those
19 in -- in the event of a cyberattack that would take
20 down the central system, while we recover those.

21 But we operate that as part of our standing
22 operating procedure in that process, and so really
23 should see no interruption to our ability to provide
24 service. We would have the issues producing regular
25 reports that are expected through our central systems

1 and other things like that. But in terms of providing
2 day-to-day, you know, grades and certificates, that
3 would -- should continue uninterrupted.

4 **MR. NEAL:** Thanks, Lee.

5 **CHAIR GROVE:** Very good question, Tracy.
6 Again, continuity of service. That's all about risk
7 assessment there.

8 **MR. NEAL:** That -- that raises another
9 important point with respect to where we want --
10 wanting to go with imaging technology and equipment.
11 You know, the equipment is going to need to be able to
12 operate the same way offline and online -- uh -- which
13 kinda gets to what we were talking about earlier that
14 -- that staged or phased in process. So, that's just
15 an FYI.

16 **CHAIR GROVE:** All right. Thank you, Kurt,
17 for that topic and bringing it to our attention and
18 also the background research on it. And, again, if
19 you haven't fully read the paper that is in Public
20 Notice, it's done a really good job of giving us some
21 background information to help us understand why it's
22 important.

23 So, this, Kendra, I think with that topic,
24 we are going to switch into more -- some business
25 pieces of operations of the Committee. Some things

1 that, again, with the time we are in with our Charter
2 and some other determinations, it's a good time for us
3 to determine, do we need to make a few changes, and a
4 couple of these topics. So, about quorum and about
5 the nominations process, we may be talking about
6 together, because something that we have concerns
7 about and has happened in the past is that we didn't
8 end up having a quorum for a meeting.

9 What that means is we cannot make
10 recommendations, we cannot make votes, we can't go
11 forward with business. The quorum and the nominations
12 process and, again, our Charter, and how we do
13 business, there have been years in the past that, you
14 know, there was a very long period of time that the
15 Committee couldn't even hold a meeting. So, for us to
16 continue to be able to hopefully help effect or bring
17 industry issues to light and see how we can change, we
18 want to make sure that we have the ability to operate.
19 So, I am going to turn this over to Kendra to help
20 give us a little more background. In case you have
21 some questions, she would be the person who can answer
22 those for us.

23 **MS. KLINE:** Okay. So, this is what's posted
24 on the website of -- the Committee submitted this
25 discussion paper just to discuss the quorum. The

1 Committee has a printed version, but I'm going to pull
2 up -- Quorum is listed within the Membership Balance
3 document here. This document is available on the
4 Committee's website, so you can access this at any
5 time. This document is in the Charter package.

6 We do a Charter, renew it every two years
7 to the department. It's required by the Federal
8 Advisory Committee Act. This is just one of the
9 documents that we submit. We don't really update it.
10 It's just routine, but you can update it. And the
11 quorum is established in Section Six, right there.

12 I don't know if you can see it. And it just
13 says for the committee to hold a meeting, two-thirds
14 of its members need to be present. So, that can be
15 adjusted. We can -- if you want to make a
16 recommendation for a change -- um -- we can submit a
17 change to -- uh -- the Membership Balance. I don't
18 know the timelines and all the processes to do it, but
19 it can be changed. So, quorum right now, two-thirds
20 of fifteen is ten. So, if you wanted to adjust that,
21 that is something you could discuss. And that's for
22 the quorum.

23 **CHAIR GROVE:** Okay. I want to bring this --
24 bring this to thoughts. This is something that we
25 have discussed in past meetings, but because we didn't

1 bring in as an official agenda item, it wasn't
2 something that we could officially try to change or
3 affect. So, in discussion today, you know, again,
4 two-thirds need to be present. We were at one point,
5 we had a couple of members -- even had some delayed
6 travel, and luckily, things turned around for them
7 with some late night -- late night flights turning
8 around, but we just barely made quorum this morning.

9 Tomorrow, we will -- when we have to vote
10 and make decisions, we will be -- we will have at
11 least twelve here. So, again, right now, that quorum
12 is ten.

13 You know, for me, I would look at a better
14 procedure or better procedure for us to be able to
15 continue doing business -- would be looking at a
16 simple majority. Now that doesn't make a whole lot of
17 people in the room, but I think there's enough
18 diversity of people that we can still get some good
19 input.

20 And changing a quorum for official meeting
21 doesn't mean, in my mind, that people can't also have
22 their voice heard, because papers or things that we're
23 going to talk about are published publicly. That even
24 if a member isn't able to attend, that doesn't mean
25 they can't make a public comment.

1 So, if any of these papers -- anything that
2 we submitted on this agenda and had a paper on, the
3 public has had the last 30 days to be able to comment
4 on. And we have had some in the past, and we read
5 those and bring those into, in a sense, our meeting.
6 So, even if you can't attend, there is an avenue for
7 your voice, just not your vote, in a sense, on how
8 something happens.

9 So, I want to give other people's thoughts
10 on that. I don't think it necessarily has -- it's not
11 like a two-hour discussion, I don't think, but I think
12 we need to be able have business here and be able to
13 have a continuity.

14 So, without a whole lot of discussion,
15 again, I think we all do agree, we want to make sure
16 that we can -- we can still have business. You know,
17 I will put something together to that effect tonight
18 for everybody to look at.

19 **DR. HURBURGH:** Are we voting on changing it
20 to a majority?

21 **CHAIR GROVE:** Tomorrow, we would vote --

22 **DR. HURBURGH:** -- Okay --

23 **CHAIR GROVE:** -- but if there was no other
24 thoughts on pros and cons of that -- that would be
25 something that would make that recommendation to a

1 two-thirds. So as an understanding, and this is part
2 of one of the topics of Committee Handbook -- I don't
3 know when it changed, whether it happened due to 2020,
4 that all our meetings are offered as a hybrid
5 platform.

6 So, everybody does have the understanding
7 here that even if you couldn't be here in-person, as
8 long as you are in full attendance through the hybrid
9 platform when votes are taken, you are part of the
10 quorum in that manner, as long as you are active. So,
11 that will be a little bit of a discussion there too
12 just because we have -- we want to make sure we're
13 clear on our hybrid options.

14 Okay. So, I think that one -- that one is a
15 move along. And then let's talk about the nomination
16 process. Help people better understand what that
17 nomination process is.

18 **MS KLINE:** The Committee is laid out in the
19 United States Green Standards Act. And can you see --
20 I highlighted the section that talks about how many
21 people are on the Committee, and it talks about the
22 three-year terms. So how the three-year term works,
23 we have a group that rolls off every year. Now the
24 number at one point, it was five, five, and five, but
25 through the years, it has -- it's, like, six, five,

1 and four. So, it kinda changes it up every year,
2 keeps things exciting. So, with that, every year we
3 are going through the nomination process. It is
4 guidelines that follow the Federal Advisory Committee
5 Act that we have to follow in this process and the
6 Department.

7 So, we start with opening up the nomination
8 process with a Federal Register Notice. That's posted
9 for 45 days. That allows nominations to come in, and
10 then it has a shutoff date. So, we don't accept any
11 new applications for that period after that date ends
12 that's listed in the Federal Register.

13 Now, if I get anything after that day, I
14 save it and I follow-up with that person for the next
15 one, if they want us to include their application to
16 the next round. So, we do save it. We don't get rid
17 of it. We make, you know, so like, I have gotten
18 applications in the last couple months. I keep that
19 in the folder, and when we open it up, I follow-up
20 with them. So, we try to be as accommodating as we
21 can.

22 Now once the nomination period closes, all
23 those names on those applications go to the Department
24 for a vetting process listed in the Membership
25 Balance. It does kinda get into the vetting process,

1 and they're just looking through background checks on
2 people to make sure there's no conflict of interest of
3 those people. I've never had anyone pulled from our
4 nomination pool. Like, the -- everyone's passed
5 vetting. So, once we get that vetting back, it
6 usually takes two weeks, sometimes they'll do it in a
7 week, it just depends on how big of a pool we have.
8 We create a Nomination Package. This is defined by
9 the Department. We do not set up the templates. It's
10 what the department defines that we have to submit.

11 So, we usually time it so, once one step's
12 done, we already have the second step ready to go so
13 on our end, we're moving. We're always moving. So
14 once that package is done, it goes -- Arthur reviews
15 it and it's just listing out everybody. And it gives
16 background of the Committee, might talk about
17 recommendations you've done in the past year, the
18 breakdown of the industry that's represented here,
19 regionally representation. Just gives them the
20 background as they're reviewing the individuals. Goes
21 through the agency for review, Under Secretary for
22 review, and then it goes up to the Secretary's Office.
23 Once it leaves the -- well, once it leaves the FGIS,
24 it's out of our control. Sometimes, even though
25 there's a template, people want things.

1 People want maps. People want visuals,
2 like, to get an idea where is everybody located.
3 Maybe they want to look at data, see, you know, where
4 our work's at, everybody's different, and I have no
5 control over that. So, we, on our end, reply as fast
6 as we can, but it goes in clearance, and it goes
7 through a lot of people. So, we cannot control a
8 clearance process. So, timing it out sometimes is a
9 struggle. Like, we try to go as fast as we can.

10 The AMS Administrator's Office is amazing.
11 They try to push it. They bring it up in all their
12 meetings, but we just cannot control how long or how
13 fast something gets cleared and gets to the right desk
14 for the right people to review and sign off or, like,
15 select the people.

16 Once we get that selection back from the
17 Secretary -- go ahead, Arthur. Sorry.

18 **MR NEAL:** We also have to talk about the
19 outreach that's been done to make sure that we have
20 made -- we made an effort to notify as many people,
21 make them aware of the opportunity to serve on this
22 Committee, which is a pretty extensive process in
23 itself.

24 **MS. KLINE:** That kinda goes to our Charter
25 process. We have -- it gets reviewed, how we do our

1 outreach, what industry we are contacting to, how many
2 people in that industry, what meetings are we talking
3 -- I mean, we get into data and everything about the
4 outreach involving this Committee. To make sure that
5 we aren't just putting a notice in and just taking,
6 you know, what comes in. Like, we are really trying
7 to make a broad ask for this Committee to make sure we
8 have the best representation we can. So, that is a
9 big piece.

10 We've started to do that for this nomination
11 period, because sometimes we start a little bit of the
12 outreach before, especially with new organizations
13 because they want to meet. They want to know more
14 about us. Barb and Nick were great, and they did a
15 webinar last year that's posted on the website that we
16 share a lot. Like, you want to learn about the
17 Committee. Like, here's from members who are talking
18 about the work and what we do. That is posted on the
19 website. You can feel free to share it. You know,
20 talk us up. We need all the help we can get.

21 I would say in a nomination cycle, we get
22 ten to twenty applications. So, some of them are
23 people who operate within the official system, some
24 people are outside the system, everybody goes forward.
25 So, just for -- everyone gets put forward for the

1 Secretary to review.

2 Now when the Secretary makes his selections,
3 we get that back. And within a day, we're working
4 with the Department on the notification letters. So,
5 usually, we try -- we select the start date,
6 basically. When are -- is this new group going to
7 start their term? Arthur and I discuss it and we look
8 at, like, where are people rolling off; to see how can
9 we stagger things or what's in a -- when are we going
10 to have a meeting? You know, you want to have them
11 kind of close to a meeting or do we have a meeting
12 coming up really quick.

13 So, that are some things that we look at
14 when we're setting the terms of that group. So,
15 that's basically the rundown of the nomination process
16 on my end.

17 **MR. NEAL:** And just for folks, for your
18 knowledge, we started the outreach process. We
19 started getting documents ready for facilitating the
20 next round of nominations because we also acknowledge
21 that in November there'll be a change one way or the
22 other. Everybody is not going to stay if the current
23 administration remains in place. Or if it changes,
24 it'll be a new group of people. So, we're trying to
25 get nominations started prior to people transitioning.

1 **CHAIR GROVE:** So, of our current membership,
2 we will have six whose term extend on March 2025. We
3 have four whose term ends January of 2026, and then we
4 have five whose term ends March 2027. So, we will,
5 this March, have a large group. So, as you can see,
6 there could be a couple of months between terms. You
7 know, so I, you know, I have talked with Kendra a
8 little bit about this and, you know, we have to look
9 at -- look at the pros and cons on what we are
10 wanting. I think a change in the previous topic in
11 quorum will help us greatly.

12 But when you have -- when you have some
13 years where is -- where there's that variance, so you
14 look at, going to say the 2026 year is a January.
15 2027 is -- a -- March. What if the 2028 term ends up
16 being a different time slot? You could end up with a
17 group rolling off, and we don't have yet nominees or
18 we don't have approvals.

19 Again, hopefully, a quorum helps because now
20 what we've done is said instead of taking, like, this
21 next group, six people off means we almost can't -- we
22 can't operate. Correct, fifteen. So, in March, if
23 there hasn't been approvals, the Committee can't
24 operate. And that is something -- we -- under the
25 current quorum. So, our committee, because funded

1 under FGIS are -- the funding is on the fiscal year,
2 which is October. The business year is a calendar
3 year, and the nominations terms run off of, whenever
4 you got approved.

5 Is there a change that we can make? I will
6 say in my head at one time, I thought, you know what,
7 no matter when you were approved, terms are a calendar
8 year. Kendra said we can't backdate, but what that
9 would mean in something like that, that means
10 somebody's shorted on their first year. Such as, if
11 somebody didn't get approved till March, but the term
12 started January, that means they lose two months.
13 That would be a con of doing something like that.

14 Just saying, you know and, again, we would
15 have to -- that would go to the U.S. Grain Standard or
16 something like that, the change. So that is not a
17 charter. But what are some other things? Is there a
18 need if we change our quorum? Do we not possibly have
19 a concern with this process, and what could we effect?
20 What could we effect in our process?

21 **MS. KLINE:** And just for something to think
22 about, like the National Organics Programs, their
23 board, their terms are every five -- they last for
24 five years. So, they go a year or so, correct me if
25 I'm wrong, Arthur, without doing any nomination

1 process. So, like, we're doing the nomination process
2 every year trying to hit before the next group rolls
3 off, and you really can't start the next process, the
4 nomination process, until the previous one finishes.
5 So, it's just a constant roll. So that's something
6 term limits can be explored as well.

7 **MR. NEAL:** And just FYI, we did in the USGSA
8 reauthorization, ask that this be looked at for five
9 years. But what ended up happening, they took the
10 Committee's recommendation of allowing members to
11 apply for consecutive years. So, we still had three
12 years of service. But what they did change instead of
13 a person being able to serve one term, they allowed
14 them to at least apply for a second term with the
15 potential of being appointed again by the Secretary.
16 So, that was what ended up happening through that
17 process.

18 **MR. HEIL:** I just wonder if there's -- are
19 there other advisory committees that are out there
20 that have a model already that could work a little
21 better for this Committee given what the goals of the
22 Committee are?

23 **MR. NEAL:** Yeah. I mean, Kurt mentioned
24 one, which is the National Organic Standards Board,
25 but it requires statutory change. That's the only way

1 I really see it. You know, you can change the quorum,
2 but the frequency at which we are facilitating
3 nominations -- um -- it's exhausting us every year.
4 So, we never get an opportunity to have people work
5 together for very long, and it never gives us a break
6 from doing this process, which the portions of it, as
7 Kendra mentioned, are outside of our control in terms
8 of the approvals.

9 So, we may have approvals in fairly quickly
10 -- out of the -- the nominations in fairly quickly,
11 but it can take six months to eight months for us to
12 get an approval. And so, the more time people have to
13 serve, the more flexibility we have to continue the
14 work without having to worry about five people being
15 unavailable because we don't have new appointments.

16 **CHAIR GROVE:** So, do they change if, like,
17 the NLP? If they have, say, a five-year term, do they
18 have less people rolling off? Or do they just say
19 it's still five, five, five, but it's a four-year
20 term, so at least there's a blank year in there, type
21 of thing?

22 **MR. NEAL:** It varies because you have people
23 that start a five-year term, and they can't do it
24 anymore.

25 **CHAIR GROVE:** Right.

1 **MR. NEAL:** So, it throws your numbers off.
2 So, you end up maybe with a six, a five, you know,
3 like we have.

4 **CHAIR GROVE:** Which is what we have right
5 now.

6 **MR. NEAL:** It just depends. And that's what
7 happened with us. We had a member drop off mid-
8 stream. That's how we got to six. And so, you just
9 don't control that, but what it does is give the
10 program more time to do the outreach, facilitate the
11 nomination process, and have it in the pipeline for
12 review and approval than having to do it every year.
13 Because that's a lot to ask.

14 And so, and with transitions, there's a huge
15 educational process that takes place is -- let's say,
16 you know, if the Secretary does, you know, say, you
17 know, I'm going to do something different, I'm not
18 going to stay. Whoever's going to be making
19 appointments now wants to know about both the
20 Committees and the boards and USDA, and they're going
21 to want to know more about how things flow and what's
22 the impact, and it slows down the process. It doesn't
23 keep it moving swiftly. And that's no finger pointing
24 because they should want to know.

25 **CHAIR GROVE:** Right.

1 **MR. NEAL:** But for a time and its purpose,
2 it just adds time.

3 **MS. ADAMS-MIKESH:** So, as the committee,
4 what are our avenues that we could take if we wanted
5 to change these term limits? Are we, you know, can we
6 put forth resolutions for U.S. FGIS to recommend with
7 reauthorization coming up next year to put that
8 forward, or is it a better option for the advisory
9 committee to put forth resolutions for us to speak
10 with the associations we're partnered with to bring
11 that back for them to go forward? Or what are some
12 options that -- that could look like?

13 **MR. NEAL:** I think you need to do both of
14 what you just said.

15 **CHAIR GROVE:** So, I will say to the group
16 again -- it if -- with that, first of all, making a
17 recommendation from the group to FGIS, but then we'll
18 also work with industry groups. A thought on
19 recommendation on term. Right now, they're three
20 years. Is a four year better? Is a five year better?
21 You know, we won't -- we would need to look at what
22 that recommendation might be from our group.

23 **MR. MORGAN:** So, we're looking at, one: Is
24 the change potential of the quorum? That's all we
25 really control. And two: A recommendation about

1 changing the law and the reauthorization. Is that
2 what we're looking at? Okay. Just wanted to be clear
3 on that.

4 **MR. FREDERKING:** And just for a bit of
5 better perspective on terms, term limits. So, as we
6 talk about the length of the terms being extended
7 versus having the ability to serve successive back-to-
8 back terms, how many applicants who apply for a second
9 term get approved? Right, so, if we're giving one for
10 the other, are we actually getting the other in
11 return? We're back -- when you're serving
12 traditionally, are you re-upped when you reapply?

13 **MR. NEAL:** This was the first year, right,
14 Kendra? Yeah. I don't think we had any former --
15 when I say, I don't think we had any members who had
16 recently rolled off get appoint -- reappointed for
17 another consecutive term. That doesn't mean it won't
18 happen. We don't control that process. It's a 50/50
19 chance. I think you should recommend what you want,
20 and you work for the best you can get.

21 **CHAIR GROVE:** So, to Chris' point, if a
22 recommendation and change of a law, you'd -- would we
23 even -- would we have to give up the ability to serve
24 a second consecutive term if we extended the terms? I
25 don't think -- we don't have that. We can leave as is

1 but change our term limit. We wouldn't have to
2 necessarily give up a consecutive term in the law.
3 Correct? Okay.

4 **MR. NEAL:** Just for the record, no, you
5 don't have to.

6 **CHAIR GROVE:** Okay. Some people to think
7 about. And, you know, if you have a thought on a time
8 frame, you can still kinda shoot that over, that's
9 easy enough as we work through it tomorrow. Go ahead,
10 Kia.

11 **MS. ADAMS-MIKESH:** Something else for us to
12 consider in lengthening the term limits is we're
13 having a lot of discussions around FGIS budgets. And
14 as Kendra and Arthur both explained, it's a pretty
15 exhaustive process to do this every year. So, it's a
16 little bit -- two birds with one stone potentially,
17 whereby us doing this, we are -- we're taking on where
18 it's less time for you guys to need to do that, but
19 we're still continuing with knowledge.

20 Because like you said, this has been an
21 ongoing problem for as long as I can remember where
22 you spend so much time getting people up to speed, and
23 then by the time you get up to speed, you're no longer
24 on that Committee with those same people. And it does
25 get difficult. It does get difficult to actually take

1 meaningful action on items, and instead of with the
2 consecutive terms, yeah, it could look in -- just not
3 saying having to give that up, but if you're looking
4 at consecutive terms of, you know, six years versus
5 five, you'd still have to go through the whole
6 nominating process. At least that gives a break in
7 the year, a break in that process. So just something
8 for us to consider.

9 **CHAIR GROVE:** Okay. If no other thoughts on
10 this particular topic, again, that can continue in
11 discussion this evening and even tomorrow prior to a
12 final recommendation. We are overlapped into
13 lunchtime, but we want to go quickly into the
14 Handbook.

15 **MR. NEAL:** (INAUDIBLE)

16 **CHAIR GROVE:** Yes. This afternoon. Yeah.
17 So, this general background on this, again, the Grain
18 Inspection Advisory Committee has traditionally met in
19 person -- try twice a year. Sometimes I think that
20 hasn't happened just because of the two previous
21 topics that we've talked about. But now with the
22 ability, and actually the directive to have these as
23 hybrid, we do have the ability. If somebody couldn't
24 travel, and John, I'm going to use you as an excuse.
25 Hey, he had flights delayed last night. Wasn't sure

1 he was even going to get here. We do have the ability
2 then for online attendance, but we want to make sure
3 that if we are going to have online attendance --
4 because I do think our face to face, we do a very good
5 job, and I think we're very thorough. We have that
6 time to really, you know, if you are meeting
7 virtually, if you're a virtual attendee, you don't
8 have the opportunity to have, hey, group discussions
9 that we have, we have in the evenings. People don't
10 know. We do have work meetings in the evening, like,
11 this evening to say, okay, we have to write this
12 recommendation for tomorrow, let's get it worded. We
13 have those meetings. So, you miss out on that piece
14 of it. But you do still have the ability to hear the
15 discussion that's happening at the time, and then you
16 also have the ability to be a voting member.

17 With that, we need to make sure that having
18 hybrid attendance in a meeting, that there is true
19 engagement. So, I'm going to ask quickly what have
20 some of your companies or organizations done, to say
21 if you're virtually attending, how are you making sure
22 that the people are truly attending the meeting? We
23 had a, you know, joked about it a little yesterday,
24 said, you know, I know that we've all probably
25 attended a virtual meeting where we were off camera,

1 we were muted, and we were doing something else.

2 So, are you truly engaged in the business
3 that we have going on? Is that a concern from the
4 committee? And how do we want to handle?

5 Again, there is a security piece to on
6 camera on, you know, saying okay, people need to be on
7 camera. That was something, our senior vice president
8 of our company, once Zoom happened for everybody, and
9 people didn't even know that Zoom existed until 2020,
10 I think. And that was a directive. Everybody gets a
11 camera. And if you are in a meeting, you are on
12 camera so that you are then engaged as if you were
13 here.

14 So, any thoughts on that? Do we feel we
15 need to address that and that is part of our Handbook?
16 If not, we can move forward with an understanding that
17 we need engagement to truly be part of and make that
18 happen.

19 **MS. ADAMS-MIKESH:** I think it's important
20 for us to find ways to make sure that people are
21 actively involved. It is very easy to sit there and
22 do other things, but also with these hybrid options,
23 and I'm not sure what exactly could be done within the
24 Handbook, but having the discussion around that maybe
25 hybrid or virtual being the backup option if you truly

1 can't be here for some other reason. And that the
2 preferred method is for everyone to be in person so we
3 can do these working groups. It does -- but
4 emergencies come up.

5 We all have other -- we have jobs. We have
6 things that happen, and it is great that we have these
7 hybrid options that we can engage in. Just finding
8 ways -- what are the best ways to engage with those
9 individuals because it does get, for lack of a better
10 word, it can be awkward to chime in quick when you're
11 doing that. So, I agree.

12 **MR. BIRD:** Could you -- This is Chuck. Could
13 you -- you know, in theory, we have two meetings every
14 12 months. Could you re -- you know, one could
15 require one has to be in person. You have to attend
16 one. The other one can be virtual, but you have to
17 attend one. Something like that, just to kind of
18 forge that commitment.

19 **CHAIR GROVE:** And I may ask that a response
20 from our IT AV team -- our security piece of it.
21 Again, I know we have everybody muted and off camera
22 on the Zoom section of it. So, if somebody is to
23 speak, you manually control that. I know in another
24 organization I'm in, what we have done for those board
25 members that were hybrid is they were made as co-

1 hosts. So, they had the ability to unmute themselves
2 and they could be then part -- because that is a
3 delay. As we said, you call on somebody and they
4 don't have the, you know, you call on somebody, but it
5 it's under our control to make sure they mute. Is
6 that an option? Because, again, different companies,
7 different organizations have different security
8 requirements.

9 **MS. KLINE:** Yes. Um -- Yes. That's an
10 option. Your co-host today. So, you have options of,
11 like, unmuting people and what-not. It's a public
12 meeting. So, I mean, security wise, it's open to the
13 public. So, we could require a registration piece to
14 this meeting. So, if anyone's inappropriate during
15 the meeting, they can be banned from the meeting,
16 kicked out. That's why there's a registration
17 process. Nobody's denied access to this meeting.
18 But, if they would be inappropriate, they would be
19 removed from the meeting. But, yeah, I mean, there's
20 no issue to make someone co-host or giving somebody
21 more flexibility and being able to mute or unmute
22 themselves. We could definitely do something.

23 **CHAIR GROVE:** Okay. I think that might be
24 just one easy option and it doesn't need to be as part
25 of the Handbook. That's just what we do. I think that

1 would help them be able to be more engaged because I
2 do think that it's tough and we haven't had it a whole
3 lot, but if you think of the last four years, it's
4 been more common. Okay. Thank you.

5 Any other thoughts on this? Otherwise, I
6 think it may be more of an understanding and maybe a
7 piece that's more addressed in a new member
8 orientation versus a requirement of a handbook because
9 that is -- technology is constantly changing, so we
10 may come up of a different avenue.

11 Okay. If there are no other thoughts on
12 that, I think we are going to go ahead and take our
13 lunch break. It is to go until one o'clock. We are
14 15 minutes behind. Do we extend that to 1:15, or is
15 everybody good with the time frame that we have till
16 one o'clock?

17 **MR. NEAL:** (Inaudible)

18 **CHAIR GROVE:** Okay. So, we will come back
19 for everybody online and in the gallery, we will come
20 back at 1:15, to start again. Reengaging in the
21 industry issues, and we have some, I think we have,
22 the rest of the topics, again, some pretty engaging,
23 and I think a lot of conversation will be held in
24 those.

25 Committee members, before leaving, step up

1 front. We're going to take our group photo right now
2 while we have everybody here, and then we will dismiss
3 for lunch. All right.

4 **OFF RECORD: 11:46AM**

5 **BACK ON RECORD: 1:17PM**

6 **CHAIR GROVE:** All right. Welcome back
7 everybody. Hope you had a great lunch. For those of
8 you that have been in drought ridden areas in the past
9 couple years, it's nice to see a little moisture out
10 there. So, we are going to start out this afternoon
11 with the Standardizing Protein Moisture Basis
12 Certification. So, yeah, Jacob. Go ahead, and he
13 will present that for us.

14 **MR. THEIN:** All right. So, can everybody
15 hear me? All right. So today, we want to discuss the
16 topic about Standardizing Protein Moisture Basis
17 Certification. So, when I took over this position as
18 Branch Chief, one of the topics of discussion that's
19 come up since I've been here is how we certify Protein
20 Moisture Basis in different scenarios. So, FGIS has
21 received internal and external questions and concerns,
22 involving current practices and inconsistencies taking
23 place when Alternate Moisture Basis are requested to
24 certify protein results. Primarily involving As Is
25 Moisture Basis, what we refer to as, As Is Moisture

1 Basis on a separate certificate from the Grade
2 Certificate. So, it's FGIS' intent to be fully
3 transparent in the reporting of results on the
4 official certificate so those using the certificate
5 for commerce can understand how the results were
6 determined.

7 So, with that, I would like to introduce
8 Greg Giese. He's one of my staff in PPMAB. He's a
9 grain marketing specialist. Greg has been with FGIS
10 for 14 years. He's previously worked in the protein
11 lab with TSD. He's been with the PPMAB Group for nine
12 years, and Greg handles our policy changes and policy
13 updates to our NIRT Handbook. So, Greg is going to be
14 presenting the scenarios that we have on this topic
15 for us today. So, without further ado.

16 **MR. GIESE:** Thanks, Jake. Thank you
17 everybody for allowing us to -- yeah, I'll use a
18 keyboard -- but allowing us time to present this to
19 you. Like Jake said, you know, we've had some
20 questions regarding NIRT certification, actually for
21 quite a few years. And I'll get into that here in the
22 presentation. So, just a brief overview of kind of
23 what to lead into, what we're talking about is for
24 NIRT results. The NIRT instruments give results in a
25 Standard Moisture Basis. Wheat is at 12%, soybeans at

1 13, and barley and corn are, at dry matter basis, are
2 0% moisture. Well currently, our handbook and our
3 instructions have different certification for wheat,
4 and as it does for barley, corn, and soybeans.

5 Currently for wheat, you're required to not
6 only have the Standard Moisture Basis result, but
7 you're also required to have the Alternate Moisture
8 Basis result, and you're also required to have a
9 Certificate Statement in the remarks section of the
10 Certificate. With regards to Alternate Moisture Basis
11 results for corn, barley, and soybeans, it allows for
12 just only the moisture basis -- the Alternate Moisture
13 Basis to be put in. Okay. So, if the request is for
14 a soybean is at a 12%, well, then we will put down
15 soybeans, the protein at 12%. Okay. There's no
16 requirement to say anything else. And the issue with
17 that is, and Jake has talked about it, is with the As
18 Is Certification, and specifically on separate certs.

19 Got some examples here of some information
20 that we've pulled out. This is information from our
21 database and how it's listed on your certificate. It
22 will be slightly different than this. But as you can
23 see, the top two are Grade Certificates. So, on the
24 left one, that is, of course, for soybeans, and that's
25 at the Standard Moisture Basis. And then over here in

1 the -- on the far right is the one with an Alternate
2 Moisture Basis. Now, the thing with this is -- is you
3 can see on both of these results for the Grade, there
4 is a Standard Moisture that's listed. Okay. Which
5 for the Grade, gives that dry matter basis, you know,
6 what the moisture was of the samples. So, or for the
7 As Is, you know what that moisture is.

8 When we get down into the two on the bottom,
9 they may be a little hard to see, but these are the
10 Actual Protein and Oil Only Certificates. And these
11 are specific soybeans. And you can see the one on the
12 left has got 11% moisture basis, which would be an
13 alternate. But then over here on the right we've got
14 a As Is Moisture Basis. Now the result on the left,
15 they have a moisture to associate with it, but on the
16 right, we have no moisture basis to associate the
17 results with. Okay?

18 So, the current issue, which I've briefly
19 discussed a little bit and I'll continue on and Jake
20 has, is we're having really a concern with soybeans.
21 This is what almost all of our questions, as far as
22 certifying have been -- has been on soybeans alone.
23 And it's specifically the As Is. Okay.

24 So, like I talked about before, the Grade
25 Certificates have the official moisture on them. So,

1 if a person wanted to go in and look at the As Is,
2 it's at this moisture basis, they could back calculate
3 to the standard. Okay. So, if they're comparing two
4 results, they have a way then to compare both of them,
5 you know, and being transparent. But on the separate
6 certificates or Protein Only is what we really call
7 them, There's no moisture basis on that at all. Just
8 says "As Is", and we have no moisture associated with
9 it.

10 So, when you look at this, and it says 19.2
11 or let's say 33.4% protein with no moisture basis,
12 there's no context to that. Okay. So, kind of what
13 we're wanting to do is make that result have value.
14 And the only way we can really do it is have it
15 associated with some type of a moisture. So, like I
16 said before, we have received continued requests for
17 clarification for soybean certification. One thing
18 that's a little concerning to us is we're getting
19 request to change moisture basis during inspection, or
20 even after certification. Okay. And generally, what
21 we're seeing on this is we're seeing it go from the
22 Standard Moisture Basis, if that's what we're giving
23 the results on, to a value that's lower, like 10%
24 moisture basis or an As Is. And really, what that
25 does, and all of you may know, is that as the moisture

1 goes down, the protein goes up. Okay. So, we're
2 having people going through wanting to change these
3 things.

4 Now, there are some options that we've
5 allowed this to happen, if both customers and or the
6 grading company and the customer okay, and it's
7 changed in a contract, you know, we'll let them
8 upgrade or upgrade the load order. But it still
9 doesn't get rid of the fact that, you know, when we're
10 using As Is, there's no context to that result at all.
11 And we want to be transparent with this.

12 We want the customer to be able to look at
13 it and say, hey, this is what I have. Not guessing
14 what the moisture basis is for that. Because if they
15 go somewhere else and have it tested at a different
16 moisture basis, it's going to be different or it could
17 be different, the result. Okay. So again, we are
18 really - we're really concerned about this. And this
19 hasn't started just recently. Back before 2001, the
20 wheat industry came to FGIS and asked, because protein
21 was becoming a really big thing. Wanting us to
22 standardize how wheat protein was reported. So, at
23 that time we decided we'd go through and set up the
24 wheat according to what it is today, which is a
25 standard, the Alternate Moisture Basis, and then a

1 statement showing that how these two results
2 correlate, and that they were requested by the
3 applicant.

4 Well, since then, we are unable to find in
5 the database any request for moisture basis or
6 Alternate Moisture Basis for wheat. Okay.

7 Everybody's just doing the standard. Okay. Well, in
8 2019, 2020, we started getting more questions about
9 this. And, of course, I'd not really heard about this
10 before because I wasn't here. So, policy and
11 procedures got together with DIO, and we started going
12 over our instructions to really look and see how this
13 thing -- what the issue was. Well, the issue was
14 clarification. Okay. You know, can they switch
15 during loading? You know, can they do it after
16 certification? Then we start having this question
17 about what does this result mean on As Is, you know,
18 and we want to make sure that when the results go out
19 that they're transparent, everybody knows what it is.

20 So, what we decided to do is we went through
21 the entire instruction we did. We thought about it,
22 and then we decided to go ahead and make barley, corn
23 and soybeans the same as wheat. Because it would be
24 nice for the people out there doing certification to
25 have everything the same. So, you don't have

1 certifying for wheat's this, corn's this, and then
2 maybe someday somebody wants, barley to be changed to
3 something else. At least if we did the same thing,
4 you still have the options of reporting a moisture
5 basis, an Alternate Moisture Basis, but yet we were
6 being more transparent.

7 Well, when we published Policy Bulletin 283,
8 13 days later, we had some concern from industry, and
9 we rescinded that policy bulletin. Well, since we've
10 rescinded that policy bulletin, we are still getting
11 requests, both from our official agencies and
12 industry, about how do we certify this, can we change
13 this. So, this got us thinking about, okay, well, we
14 need to get this changed in a way that's transparent,
15 and we want to engage industry with that to see what
16 is best. And that's why we're presenting it to you
17 guys today for your input and consideration of this.
18 So, we came up with three options. The first option
19 is just to make everything the same as wheat. So when
20 you certify everything, if they request a moisture
21 basis as alternate to the standard, then you would
22 have the standard result, then the Alternate Moisture
23 Basis result, and then the results section of -- or
24 the remarks section of their certificate, we would
25 then require that certification statement stating that

1 this protein at a certain moisture basis is equivalent
2 to this at the standard, and it was requested by the
3 applicant. We would also -- Two: Get away from the
4 use of the word "As Is" because that's, kind of, one
5 of the things that we looked at and decided was
6 really, kind of, an issue was the As Is without the
7 moisture.

8 So, we -- The first option is to remove
9 that. If they want an Alternate Moisture Basis, they
10 have to specify the percent. If they want a As Is
11 moisture, then they must put in as a moisture basis
12 the moisture for that sample, which would be on the
13 Grade Cert. And then I got an example of how it would
14 be there where if you had a 36 -- 34.6 at 13, which is
15 a standard, you would then also report the Alternate
16 Moisture Basis where here I remove the As Is and put
17 the official moisture in, and then we would have --
18 that's -- the statement that precedes that or that
19 follows that in the remarks section of their
20 certificate.

21 This way, everyone has the information they
22 need. There's no guessing. It's not as an issue on
23 the Grade Cert, but it still is an issue because we
24 want to get away from the As Is.

25 Option Two: This would also affect both the

1 grade and the separate certs. It didn't change, but
2 the Option Number Two is alternate moisture, again,
3 both cert, grade cert -- there we go -- and separate
4 cert. We require them, when they ask for an Alternate
5 Moisture Basis, they can no longer use the As Is, and
6 they must have a numerical value. And these results
7 then would be allowed as they are right now directly
8 in the results of the certificate, results section.
9 And again, an example, if you had 35.9% As Is Moisture
10 Basis, which is currently being used, we will require
11 them in the results section to have the Actual
12 Moisture Basis based on the official moisture. The
13 third option is we include the original moisture on
14 the separate certificate.

15 So now both the grade and the separate
16 certificate would have the official moisture. We
17 would allow the use of the as is to continue, so they
18 could still do -- use the word, the term "As Is", but
19 they would be required, as the example shows beneath
20 on the certificate, they would require to put the
21 moisture and the protein at an As Is Moisture Basis.
22 Do I have any questions so far?

23 **CHAIR GROVE:** Chris -- oh, sorry.

24 **DR. HURBURGH:** (Inaudible) -- rather than As
25 Is.

1 **MR. GIESE:** Well, that's something we didn't
2 look at. It's just a normal terminology is --.

3 **DR. HURBURGH:** (Inaudible, speaking over Mr.
4 Giese.)

5 **MR. GIESE:** Yeah. Yeah, the normal
6 terminology that's been in the instructions for quite
7 a while has been that --

8 **MR. HART:** -- I got you.

9 **MR. GIESE:** So, we didn't look at that, you
10 know, there could be an option of changing how it's
11 written.

12 **DR. HURBURGH:** That won't solve your
13 problem.

14 **MR. GIESE:** No. It won't solve the problem.

15 **CHAIR GROVE:** So, when people are wanting a
16 separate certificate, are they doing that as a
17 perceived cost savings? Is not to do a -- if you want
18 to say, a full grade of it. The only thing they're
19 saying, I want one factor, and that's protein. Or is
20 it for -- here, I want all grades to be assigned a
21 grade standard factor and an additional certificate
22 for a protein. I'm just curious since it most affects
23 the separate certificate.

24 **MR. GIESE:** Yeah, no. The separate
25 certificate, they can ask us for are a protein only.

1 **MS. ADAMS-MIKESH:** Barb, if I'm -- are you
2 wondering why people would do a separate certificate
3 rather than having it on with the grade? Is that part
4 of what your question was?

5 So, I've been dealing with this very
6 extensively for the last five years with FGIS, and
7 where this is coming in is container bookings. So,
8 you'll do the mathematical average on 20 container
9 bookings, with the individual grades, do mathematical
10 average, and then what we end up doing, just as kind
11 of some background knowledge for people, is they're
12 asking for the pro-oils on a composite basis at the
13 end. They are doing that -- we can put it on the same
14 certificate as of right now or we can have it on
15 separate. The part of the reason is that when we do,
16 if they request reinspection's, say that result is
17 very close on the line. If they were to call for a
18 reinspection, I believe on the -- if it's on the same
19 certificate, you'd then have to reinspect the grades
20 of all 20 of those containers.

21 Whereas, if you request a reinspection and
22 it's on a separate certificate, you can just ask for a
23 reinspection on that protein and oil. I would say
24 that's probably one of the larger reasons that people
25 would use that for. I know there's a few other

1 reasons that maybe aren't as transparent of why people
2 have them on separate certificates, but that's one of
3 the pieces.

4 **MR. GIESE:** Yeah. That's where we're
5 getting into, on those other requests, where we're
6 wanting to make sure that when the protein itself is
7 only on a separate certificate, that there's, you
8 know, the moisture or a moisture basis with it so that
9 it's transparent. Because when we when we get these
10 requests after the fact to change it, the only reason,
11 generally, why it's being changed is because they may
12 not have made that extra tenth of a percent. And you
13 know, you can just - One percent will put it in. If
14 you drop the moisture one percent, then you've made
15 the protein. But if they do an As Is, which generally
16 the moisture should be lower than 12% or 13 on those,
17 then you're going to get a -- a value that's going to
18 show a higher protein than what it would have been at
19 the standard. And we're just wanting to be
20 transparent. That's really what it comes down to. We
21 want to make sure somebody can look at two different
22 certs or a result, and they could compare it to a
23 result maybe they get somewhere else at a different
24 moisture basis or to the standard, so they can look at
25 everything in the in the Standard Moisture Basis?

1 DR. HURBURGH: There is a process or reason
2 why you would ask for it. Soybean processors ask for
3 As Is. That's because the As Is values tell the
4 processor how many tons of soybean meal and how many
5 ton of oil did I buy. Regardless of where the
6 moisture was, how many did I buy? Same with feed
7 manufacturing. You need to know the content as fed.
8 And that -- there is a reason why they would ask for
9 another. A complication is that the Infratech
10 moisture, which is buried in the calibration, is not
11 an official moisture.

12 CHAIR GROVE: Mh--mm.

13 DR. HURBURGH: And I think I don't have a
14 handy-dandy answer for this. By the way, just for
15 reference, this was question ten on my final exam in
16 my feed quality course that I gave last week -- but
17 was this moisture basis business. But I don't have a
18 good handy answer for that, but you've got an
19 unofficial moisture being involved in the correction
20 to either moisture basis or As Is or whatever. And I
21 don't know how -- I don't have a handy solution for
22 that, but it's there.

23 MR. GIESE: I got a question back here.

24 CHAIR GROVE: Please be sure to state your
25 name and spell it for --

1 **MR. HUEBNER:** Hi. Chad Huebner from Grain
2 Inspection Inc, in Jamestown, North Dakota. It's H-U-
3 E-B-N-E-R. We already do option number three, and
4 customers seem to like it quite well. Now, on option
5 number one, you have soybeans or corn, protein and oil
6 on soybeans. Is oil going to be included in this or
7 the oil and starch on corn? And if so, are we going
8 to have to do four, like, for soybeans, for results
9 then, and then corn be six results?

10 **MR. GIESE:** Yeah, that's a great question.
11 What we're wanting to standardize everything. I think
12 initially we were -- what we were looking at doing
13 everything the same as wheat. So, if there was three
14 constituents for, like, corn and they wanted Alternate
15 Moisture Basis, which we've had requests before for
16 like protein at, you know, the standard and oil at a
17 dry matter. You know, we've had those requests before
18 that we were just saying for those results, we're
19 going to get a Standard Moisture Basis result. And if
20 they want an alternate, regardless if it's protein,
21 oil or starch, then they could get that alternate put
22 in the results section. But then they would also have
23 to have that corresponding certificate. So,
24 essentially, we were just wanting to make it the same
25 as wheat for all the constituents.

1 **MS. ADAMS-MIKESH:** If I could provide some
2 background of what is going on. So, like I said, this
3 is mainly happening on container bookings, from my
4 experience. We are hearing that, you know, because it
5 is allowed, they are doing it. But it is widely known
6 that this is -- there is a very large lack of
7 transparency when this is happening. And so, with
8 wheat, it solves that problem. And so, when we're
9 getting asked to change -- when load orders are
10 getting changed and given to us to change it to this
11 Moisture Percentage Basis, that is a very weird
12 Moisture Percentage Basis, or change it to As Is or
13 standard, whatever it might be, we can tell what the
14 reasoning is.

15 We don't want to get rid of being able to do
16 the calculations to show that, you know, As Is or
17 standard, etcetera. Because like you said, there are
18 reasons that that's needed to be seen in different
19 areas. But where this is becoming the problem is that
20 it's being used as for certificates overseas, where
21 they may not understand exactly what we're doing
22 within our instructions, and it's being used as a tool
23 to meet contract specs. And it has it has caused
24 significant problems over the last five years, and
25 we're looking for a way to make sure that -- well, our

1 whole, the whole purpose of FGIS is to make sure that
2 the integrity of the United States grain system is
3 met. And through this, we have found there's been a
4 loophole essentially found, and we're trying to close
5 that loophole. I feel like that's probably a quick
6 way to explain it.

7 **MR. GIESE:** Are there any other questions?

8 **CHAIR GROVE:** I do want to ask, for input
9 from, say, other official or designated agencies. I
10 think this is very important from your side, and I do
11 thank you, from the gallery, for asking -- help
12 clarify a question.

13 **MS. CASEY-CAMPBELL:** I would say from our
14 perspective, you know, obviously, we are interested in
15 the integrity of the official system, and we see what
16 the pros and cons could be either way. But to some
17 extent too, you know, are we getting unnecessarily
18 complicated here? Is that another statement that
19 we're adding? If we add multiple in the -- in option
20 one, you know, if we're adding multiple things that
21 we're looking at here, if our buyers already don't
22 know what they're looking at and already don't know
23 what As Is means. If we have three different
24 statements down there, six different numbers, will
25 they know what to look at then? So, are we

1 unnecessarily complicating our certificates?

2 **MR. GIESE:** That -- that's a good question.

3 **MR. GARCIA:** And so, the state of
4 Washington, at least our -- my perspective is I like
5 the option three. Simple, clean, done.

6 **MR. GIESE:** Any more questions or comments?
7 Again, I'd like to thank you guys for letting us come
8 up and present this to you at the meeting today. And
9 again, we're really seeking your input. You know,
10 we've offered you guys three options that we've come
11 up with. But your input, you know, with your people
12 back home or other people in industry to figure out
13 what's the best way that we can proceed, you know, and
14 also be transparent and add value to our certificates.
15 All right, thank you guys.

16 **CHAIR GROVE:** Thank you. So, as a group,
17 what I would like to ask is there somebody who could
18 take -- and this is online - so, you could do some
19 copy and paste and take a look. Would somebody from
20 the group, this evening, take this topic and write a
21 recommendation?

22 So, we've heard a few inputs. So, I don't
23 know if that gives somebody enough direction on where
24 to start, because tomorrow, after some, you know,
25 brief discussion in the morning to see if there's any

1 more people want to talk about the topic. If we feel
2 there is something that that we truly need to put this
3 through at this time or we extend it for thought, we
4 do have to have that as a recommendation. Phil, would
5 you like to take this one on?

6 **MR. GARCIA:** I can, but I don't have a
7 computer. So, I can do it on my phone.

8 **CHAIR GROVE:** Oh.

9 **DR. HURBURGH:** Are we limited to the three
10 that are there?

11 **MR. GARCIA:** Can I make a request? Is there
12 a way that I can get the slides?

13 **MS KLINE:** Yes.

14 **MR. NEAL:** Okay.

15 **MR. GARCIA:** Whoever I need to ask.

16 **MS. KLINE:** We'll share them with everybody.

17 **MR. GARCIA:** Oh, there you are. Okay. I
18 thought you were over there.

19 **MS. KLINE:** I'm everywhere.

20 **CHAIR GROVE:** And if it doesn't work, that's
21 fine. We can make other --

22 **MR. GARCIA:** No. It'll work. I'll make it
23 happen. I'm happy to do it.

24 **CHAIR GROVE:** All right, thank you.
25 Appreciate that.

1 **MR. GARCIA:** Yeah. You're welcome. Thank
2 you for volunteering me.

3 **CHAIR GROVE:** And so, Charlie, do you have
4 another recommendation to put on the table?

5 **DR. HURBURGH:** Yes. This is going to cause
6 some people to swallow.

7 **CHAIR GROVE:** Oh, no. Oh, no.

8 **DR. HURBURGH:** Do it -- do the -- use the
9 equivalent study that you did in 2014 to figure out
10 how to make the Infratech, the N-I-R-T moisture,
11 official. And then you just have one line of printout
12 on the moisture basis, and if anybody wants to
13 recalculate it, they can. But all the data is there
14 consistently at that point.

15 You see, right now it's not consistent. You
16 have the capacitance moisture meter moisture attached
17 to the N-I-R predictive values for protein and oil,
18 say, and that presupposes then a moisture calibration
19 of the N-I-R-T in the background to make that
20 calculation. Well, you now have -- there's potential
21 discontinuity in there. And if the N-I-R-T moisture
22 were official, it would just be one line, and you'd
23 have -- you'd be doing what you are doing right now,
24 reporting the moisture and the moisture basis, and
25 anybody can calculate it any other way they want to.

1 But don't listen to me. I realize that's
2 more complicated than the question, the original
3 question. But, otherwise, it's all calculations
4 anyway.

5 **CHAIR GROVE:** And I'm not going to say it's
6 -- it may sound more complicated, but that all wraps
7 into the technology piece --

8 **DR. HURBURGH:** -- it does indeed --

9 **CHAIR GROVE:** -- that we are discussing
10 about how do we make things more efficient both for
11 inspection side and industry side. How can we make
12 things efficient, effective, and -- standardized isn't
13 the right word -- but to make it consistent. So, I
14 think you're tying into actually, two topics that we
15 have going on here, and I appreciate that.

16 From the row back there of FGIS, what are
17 some thoughts to that statement? And if you feel it's
18 better served in the technology piece, or something we
19 should address if we're going to try to make a
20 recommendation on it tomorrow.

21 **DR. JHEE :** Hi. This is Ed with TSD. I
22 would recommend that we talk about this during the
23 technology focused aspect, just because I think a lot
24 of the input now, we can concentrate on those three
25 recommendations that have been presented. You know, I

1 do like the notion of bringing back -- you know, can
2 we look at other alternative ways to tighten up the
3 way protein is measured, right? So, I think this will
4 be part of the discussion for technology. That's just
5 my initial thoughts.

6 **CHAIR GROVE:** And I do believe with the
7 three options that we're -- we were given to start -
8 so, in suggesting an option, this would become part of
9 a standard or a protocol or policy rewrite. Where are
10 we looking to have it change? Is it within the
11 standard, or is it an internal policy? Does that make
12 a difference on how long something like that takes
13 versus standardizing a piece of equipment. Obviously,
14 is going to -- where getting that approved, it's going
15 to take longer. So, if we consider both these
16 aspects, how easily can choosing one of these three
17 options be changed if the standard of the technology
18 changes.

19 **MR. THEIN:** So, from -- this is, Jacob
20 Thein with, PPMAB. So, from the policy perspective on
21 this, we're looking to change with the three options
22 that we did present, would be in the in the NIRT
23 Handbook in the procedural instructions, on how to
24 certify protein. That's the part that we would be
25 looking at in that. And then Ed's group would

1 definitely be involved with the other side of that.

2 And so, if there was a change in how we actually
3 measure that technology, I believe that would also
4 change our procedures and policy also within the
5 instructions for that. So --

6 **CHAIR GROVE:** Sorry, do what -- so, then
7 back to it, how difficult or quick -- is it easy to
8 change a policy or procedure if we went that route to
9 start and then come back to it if there was a change
10 in technology, is it easy enough to change? We know
11 easy -- to change a policy of how you're doing this,
12 the procedure.

13 **MR. THEIN:** So, for us, it's more of a
14 changing the information that's in the handbook. So
15 going back and looking at what we had previously
16 written, and putting out what the new plan or policy
17 or instructions or requirement is going to be within
18 that handbook. This is a topic that, and Arthur can
19 correct me if I'm wrong, but this is a topic that we
20 really would like to have be very transparent on
21 doing, so industry knows about it. So, before we make
22 that change, I don't know if we'd be putting out
23 possibly a public notice about what we plan to do,
24 because we do want to be transparent in any change we
25 would make based on any decisions, or any resolutions

1 that we would get from the group.

2 **MR. NEAL:** And just to add on, I think,
3 Barb, you characterized it right. It's more of an
4 incremental phase in approach. Change policy first,
5 it'll take some time to, you know, do the evaluation
6 in on the NIRT side of the house, be phased in. But
7 the policy change would be more of an internal change
8 that we'd handle inside of FGIS, socialize, then get
9 implemented. On the actual measurement side, you
10 know, doing an evaluation, you know, that one would be
11 we have to work that one in along with some of the
12 other things that we're doing.

13 **DR. HURBURGH:** You're right. And therefore,
14 you could do option three. And then if you change the
15 basis of determination of the moisture later, wouldn't
16 change anything in the policy.

17 **CHAIR GROVE:** Okay. Thank you for those
18 clarifications. I think that that helps the ability
19 to write a recommendation knowing, again, within this
20 next topic, we may be looking at another avenue in the
21 future. So, thank you.

22 Before we move on, just to make sure there
23 aren't any other comments -- questions. I think we
24 have that covered. Okay. So, we are going to move on
25 to Grain Inspection Technology. There have been, you

1 know, I know in in our last meeting, we had
2 discussions already at that time about -- and it
3 included the weighing systems. It included data. And
4 this last year, there have been a lot of industry task
5 forces meeting and talking about this and looking for
6 needs.

7 We had the Innovation Summit, the first one
8 that was hosted, which was excellent. And, when --
9 wanted to definitely look at this as a committee
10 saying, okay, now we need to have some input and help
11 give some direction. So, Kia, I'm going to turn this
12 over to you, and you can go ahead and tee us up and
13 give us a little history.

14 **MS. ADAMS-MIKESH:** Thank you, Barb. There
15 have been, as she has noted, many of us on this
16 Advisory Committee and throughout that have been
17 involved in the technology initiative. And really,
18 some background on that is that, essentially, we are
19 all using very similar equipment and procedures that
20 we have since the beginning of our grain inspection
21 within FGIS. And over the years, we are finding that,
22 you know, are the -- those that are facilitating
23 grain, are handling grain, are moving at a faster pace
24 than we are, and it is causing some difficulties.
25 Some of those difficulties come in for those providing

1 inspection results with staffing, just being able to
2 optimize and handle fees and budgets, but also as the
3 industry is needing more data, more consistency, more
4 accuracy than what those previous and current options
5 allow. So, we are wanting to have this open
6 discussion around technology and what we think the
7 initiatives should be.

8 I wanted to take some time for the
9 individuals that have been a part of this to give some
10 -- also background of what has been going on. We
11 couldn't put it too detailed in here because it has
12 been ongoing. It's every single day it feels like.
13 So, for myself, Phil Garcia and I chair a Technology
14 Committee through AAGIWA, the Grain Inspection
15 Association. And what we have been doing is working
16 very closely with NGFA, National Grain and Feed
17 Association, and FGIS, as well as some other
18 stakeholders in understanding where are the
19 bottlenecks within our processes and where are the
20 resources that we can give as official agencies to
21 provide information on that, provide key contacts.
22 And so, through the Technology Committee, what we have
23 been focusing on is we're taking -- I'll talk about in
24 a minute -- but there are initiatives that NGFA has
25 put forward. We went through and gave what we felt

1 were brain-storm different bottlenecks that are within
2 the process. And because, in our opinion, we aren't
3 the ones that necessarily are here to give the
4 priorities.

5 We're here to show where things could be
6 optimized, where areas could become more efficient,
7 but, ultimately, it is the industry's bottom line that
8 it's affecting, and we're here to support what the
9 industry needs. So NGFA was able to take those --
10 that information and come up with priorities that they
11 feel would be good from that. And AAGIWA is doing --
12 working groups on their three short term goals, and
13 those would be surrounding test weight on a more
14 instrumentation basis.

15 So, like, on the moisture meters or the NIR.
16 The looking into prioritizing, making things more
17 efficient on the export side, like using technology
18 with MCI Auto Kicker or things of that nature where
19 the moisture meter, NIR, etcetera, are all combined
20 together, therefore, putting a lot of the sample
21 preparation technician steps together. And then also
22 finding that the -- gaining the sample, gaining the
23 representative sample, and getting it to the breakdown
24 phase for running through those different instruments
25 is a larger bottleneck with time and people. And so,

1 we are -- have a working group focus around that. We
2 have essentially chairs of each of those, and we are
3 in the process of determining outlines of what we
4 think would be beneficial for industry vendors, FGIS,
5 to provide.

6 Things that would be included in that is
7 Gaining -- giving background on, for instance, with
8 the test weight. What are -- where are the areas that
9 this affects our standards? How is it currently
10 working? Why is this a bottleneck? Where is it a
11 bottleneck? Where -- what is the typical time that it
12 takes to run a test rate? What do -- what is the
13 current accuracy looking like, and what are the
14 options that are currently out there? And there are a
15 lot of people involved in this initiative, and we're
16 wanting to -- as AAGIWA, we are wanting to be a
17 resource for individuals where we can have everything
18 in one place.

19 And if someone's like, hey. I'm interested
20 in putting forth my instrumentation for test weight or
21 I'm interested in looking into sample breakdown, but I
22 just don't know where to start. We can give this
23 information to help start the conversation and help
24 guide also, hopefully, alleviating some on the FGIS so
25 they can focus on approving technology, to get through

1 things that can go through that process, and then NGFA
2 can work on, priorities.

3 NGFA's initiative, Barb, would you like to
4 talk on that from NGFA's perspective, or would you
5 like me to hit them? I have them all in my head if
6 you want.

7 **CHAIR GROVE:** I did actually pull it up
8 here --

9 **MS. ADAMS-MIKESH:** -- okay --

10 **CHAIR GROVE:** --in front of me from a task
11 force meeting. And you know again, we had many
12 representatives from FGIS at a workshop held earlier
13 this year in Minnesota where we started some of these
14 conversations. And through some of these task force,
15 again, what I'll say is that the industry knows it's
16 needed, whether it's on their own side and what
17 they're doing and just in -- within the official
18 inspection system.

19 Again, I'm going to go back to Mr. Friant,
20 this isn't your grandpa's elevator. Why are we still,
21 you know, we're not using the old woodhouse anymore,
22 so why are we using the same procedure or piece of
23 equipment? So, that is where a lot of this really
24 came about. And, instead of, I'll say,
25 recommendations, coming from here and FGIS, then

1 trying to hold task force meeting with stakeholders,
2 stakeholders are already doing that. So, I think
3 that's already jumping into the process.

4 You know, Ed gave a presentation, and I may
5 have you come back and talk through about that,
6 because there's already crossover. Some of it you're
7 already doing from one of our workshops that we had.
8 But the scope is, again, gears -- it was a joint task
9 force with NGFA and NAEGA. So, we were focusing on the
10 export side, and what does export facility need, and
11 what will the impact on the downstream facilities, or
12 country elevators, and processing facilities be from
13 possible needs for changes.

14 So, did look at -- we need to look at this
15 as long-term, short-term, mid-term tasks as a
16 continuous option. So short-term, again, as Kia
17 mentioned, streamlining sampling, cut down that
18 sampling process and amount handling, adoption of Auto
19 Kicker. So, again, it's very overlapping from
20 AAGIWA's task force, and test weight. How do we use
21 current instrumentation to make the process more
22 efficient? Current available equipment is either NTEP
23 or FGIS approved already for another function.

24 Some mid-term goals, look at wheat. What
25 are the long, varied results based on sampling

1 process, falling numbers? Or again, these were some
2 things in mid-term, do we need to look at these for,
3 again, instrumentation or even procedure review,
4 change how it's done. And then long-term, one was
5 modifying mycotoxin testing to eliminate liquid-based
6 process, and then fully automating testing, sampling,
7 and grading process that includes oversight with
8 individuals to ensure integrity and increases foreign
9 market access. That's really the primary long-term
10 goal.

11 What is the efficiency? It's not about
12 replacing people. It is about those people are still
13 the oversight. Anytime technology is used, there
14 still has to be oversight to make sure things are
15 happening properly.

16 And so, Kia, Chris, Phil, I know you've been
17 in these task force, if I missed some of that -- sorry
18 -- missed some of that -- missed a piece.

19 You know, really, we want to look at, you
20 know, what can this Committee help to give you
21 guidance looking at budgetary issues. What are those
22 things in the whether it's short-term, mid-term, long-
23 range that can be affected or started at this time
24 when we know there's budget constraints. Can't go out
25 and say, please adopt that visual technology, and

1 you're going to have to buy all that equipment.

2 We want to be realistic and that
3 recommendations we make can start making a difference,
4 and they're not unrealistic that, you know, we can't
5 even look at it until the next fiscal year, well, then
6 let's move to something that can. And I will, if
7 Chris and Phil and Kia, with some of your comments.
8 And again, welcome everybody, but I know there's been
9 a lot of different task force meetings. So definitely
10 -- if you want to go ahead and jump in.

11 **MR. FREDERKING:** Yeah. I think you did a --
12 both did a really good job summarizing the overall
13 intent of the industry led groups as far as
14 identifying hopefully some actionable short-term goals
15 to improve the implementation of technology within the
16 grading system. So, hopefully, that can be used to
17 focus the short-term initiatives. But overall, I
18 think it's important that we keep perspective on the
19 long-term vision of what we're trying to chase down
20 here, which is a pretty big animal, right, on how
21 we're actually going to be able to fully sample,
22 grade, automatically grains. Whether that's an
23 interior facility or an export facility, that's a
24 pretty big ask. So, would hate -- and Barb did a good
25 job spelling it out where they may not always be in

1 concert, but should always be thought of together as
2 far as hitting the short-term milestones, but all the
3 while working towards our bigger, larger long-term
4 goals. So that ultimately is that little black box
5 that we've talked about meeting after meeting of what
6 we're trying to accomplish, that fully, automated
7 inspection process.

8 **CHAIR GROVE:** And I am going to then also
9 add to that, if you notice in our statement, it's not
10 just about, again, a black box or piece of technology,
11 but also review of procedure. And again, we had
12 updates today showing there's a lot of that happening.
13 But some of the pieces of equipment that were listed,
14 in ones that have been looked at or demonstrated for
15 us or maybe on the bench now testing, a lot of the
16 discussion was about when you look, there's Sweden,
17 there's Denmark, there's Australia, where these are
18 coming from, and they already have the components of
19 the European standard in the machine.

20 And the comment is they look at the U.S.
21 Grain Standard, and it's a beast. And so, the
22 protocols were some of their comments back to us that
23 to program our standard into the machines, so it is
24 giving us, hey, that instant look. So, it's not just
25 about a piece of equipment, and it's not about dumbing

1 down our standard just to make it easy because we
2 still want -- we want people to look at us and say, we
3 know if we're getting grain through here that it's
4 quality. But we want to make sure that if there's
5 efficiencies in process and efficiencies in standard,
6 we can do that also. I think it's a very important
7 piece of this.

8 **MR. FREDERKING:** Yeah. I think we want to
9 make sure that it's still relevant, right? What we're
10 grading for and maybe this is also a good opportunity
11 that all those factors that are currently reported, do
12 we need them in the future, right? So, the relevancy
13 of those actual individual for great factors.

14 **MR. NEAL:** So, for us, I think the approach
15 that you all have pursued and the options that you're
16 discussing, you know, the short-term, mid-term, long-
17 term, I think is a built-in acknowledgment that, hey,
18 we don't have unlimited resources. Let's build this
19 where it is iterative, you know, incremental. Let's
20 get some wins. Let's also keep our eyes on the prize
21 for larger impacts.

22 You know, Ed, in the branch he's here in,
23 the Technology and Science Division, I've been having,
24 as he shared with you all, some very enlightening and
25 encouraging conversations with equipment

1 manufacturers. Some of which are not disturbed or
2 shaken by the volume of our standards. Some are. So,
3 I think we have options that appear hopeful at the
4 moment. Hopefully we will be able to see progress
5 down the road, short-term, mid-term that yield the
6 type of fruit we're talking about, while at the same
7 time, us still making progress on some of these
8 procedural matters around sampling, test weight, and
9 things of that nature.

10 So, I think, if I'm not mistaken, what is
11 being discussed today despite the financial challenges
12 you saw on the board and Ed iterated, we're still
13 hard-pressed to accomplish the goals around
14 technology. We're not anticipating any type of
15 deterrence, delay. Unless, you know, it's just
16 something the equipment we're evaluating shows that it
17 can't do what we needed to do. But I think we want to
18 make progress. The team is committed to it. We're
19 making sure that we remain focused. If there are
20 things that may come up that tries to distract us,
21 we're sorting those things out accordingly. But we're
22 committed to doing what you're discussing today.

23 **MS. ADAMS-MIKESH:** I think another component
24 that we've --a that has been discussed is what other
25 industry stakeholders need to be brought into the

1 conversation. We've been, you know, we've discussed
2 we have official agencies. We have FGIS. We have
3 NGFA and NAEGA. There's been a lot of conversations
4 about entities like Wheat Association as we start
5 talking more further of commodity specific items. And
6 those types of associations, I believe, would be able
7 to better tell us what is relevant, what is needed.
8 Are there items that are not needed like this anymore?
9 How we currently do it? Are there different value-
10 added things that we could look at instead with the
11 technology?

12 So, it's not just, like we said, not just
13 looking at replacing what we're doing currently. It's
14 really optimizing the entire system and making sure
15 that we're providing the best value that we can. So,
16 I think that's something also as a committee to be
17 having conversation around of what pieces are missing
18 that should be involved in this conversation with
19 everybody as well.

20 **DR. HURBURGH:** I think as you go forward, it
21 would be good to have a list or a pool of the factors
22 you want to measure, rather than evaluating in chain,
23 pieces of equipment that is -- are currently offered
24 to you for making a particular measurement. We
25 probably ought to think about first, what measurements

1 do we want and what do we need to just put out to the
2 instrument industry, we need the following. Whatever
3 it is, we need the following, rather than relying on
4 finding one that might fit your need. Just a thought.

5 **MR. NEAL:** No. Great thought. And we've
6 had this dialogue, and it's a mixed bag, because I
7 think for every commodity, you got different needs.
8 It didn't -- I don't think, I don't call it getting
9 into detail by the instrument. But one of the
10 instruments he shared today was Sea Grain. Sea Grain
11 is currently being used in the western rice
12 production, but they're also exploring a number of
13 factors for wheat. So, the DHV component for wheat,
14 which is a bottleneck for us, helping us to class
15 wheat, if I'm not mistaken, as well. So, they're
16 looking into that.

17 Then you got another equipment -- piece of
18 equipment, Videometer, that Ed did mention -- has a
19 potential to cover wheat, soy, corn, and soil. And
20 that's doing, I think, all factors. So, there are
21 different levels of readiness, so to speak, by
22 manufacturer. And so, we're only really looking at
23 those that have the real potential of being able to
24 perform right away, not just because it exists. It
25 has to be ready to perform, you know, through the

1 evaluative process before we take it on and put it
2 into our queue.

3 **DR. HURBURGH:** Have all -- can all for that
4 type of a measurement present themselves to you? I
5 guess my that's my point, is that that we ought to try
6 to try to flush out of the woodwork, so to speak,
7 others that may fit the bill or may not. Whatever.

8 **MR. NEAL:** That's the capacity concern, Dr.
9 Hurburgh. We've been talking it up for three years.
10 Over the past year and-a-half, you know, it went from
11 one or two people being interested to now, us having
12 about eight or nine, and more along the way. So,
13 capacity, we've gotta be able to manage it with --
14 within reason. And that's kind of the approach we're
15 taking right now until the money comes down from
16 above, and we can build our staff to take on more
17 instruments. You know, it rains money every now and
18 again. Just, you know, gotta look for it.

19 **CHAIR GROVE:** Does it help, as we have,
20 whether it's workshops or industry tax -- task force
21 that are meeting together, does it help to have a
22 smaller focus on a crop, such as -- like the Sea Grain
23 for western rice? As you explained to us that process
24 on getting a piece of equipment tested and approved,
25 that was something that happened much quicker because

1 it was very specialized in a particular area. And if
2 we looked at, okay, now you have a Sea Grain for
3 western rice, we said, okay, now let's move to -- and
4 I see John's finger, so he's looking at that rice
5 piece.

6 Does that help if we say, okay, right now
7 this particular focus area has an emergent need or a
8 very focused need, does that help your process if the
9 stakeholders can add that? And John, I'll let you
10 jump in between --

11 **MR. MORGAN:** -- just one interjection on
12 that. The Sea Grain technology is replacing current
13 technology. It was not new necessarily. The process
14 was already in place in California. The equipment
15 they're using was antiquated and outdated, so they
16 look for replacement. So, it was very specialized in
17 that respect. And also, their rice, the particular --
18 they grew up medium grain rice, and that -- and it's
19 less variable than other grains, but it does open the
20 door for that. And it's also opened their eyes on
21 other stuff. There's other technology around the
22 world that they rely on for grading rice as well, that
23 we've discovered through this process. We will
24 probably look at it as well. So.

25 **MR. NEAL:** Thanks, John. So, to answer your

1 question about focus, focus definitely helps. That
2 was one of -- and John mentioned they were using an
3 antiquated piece of equipment. No longer made the
4 parts for it, weren't going to replace it. And it was
5 focused on brokens, rice brokens. So, we put out with
6 a call for those who were interested in helping us
7 solve the problem. We had, I think, two respondents.
8 And out of the two respondents, one chose to engage.

9 The challenge now with making that call at
10 this time is that if we had -- if we go out with a
11 public call right now and we get ten respondents, how
12 do we manage them all? And what's the priority? We'd
13 have to have a specific factor, or factors already
14 identified that we're looking for so that it's narrow.
15 And so, we didn't do that this go-around because we
16 didn't have consensus on what the factors would be.
17 We didn't have consensus on what the commodities would
18 be. And so, what we opted to do was just continue to
19 share.

20 We're looking for ways to innovate in our
21 grading and our inspection and weighing system, and
22 we're listening to who comes to us with ideas on how
23 they can help. And for those that demonstrated a
24 readiness that the instrument has this capability, can
25 be evaluated based on the criteria we have already

1 published on our website in terms of how to engage us
2 for the evaluation of equipment. That's how we've
3 been approaching it right now. And it shows promise
4 based on initial, you know, kinda engagement. We're
5 not going to necessarily shut anybody out, but we will
6 have to begin to prioritize how and where we spend our
7 time. But the focus is helpful.

8 **MS. ADAMS-MIKESH:** Like, a question that I
9 have is what place do we want the Advisory Committee
10 to hold in this discussion? There's obviously a lot
11 of momentum outside of the Advisory Committee going
12 on, and what part do we want to play in this, and what
13 do we think would be the most beneficial?

14 **CHAIR GROVE:** And if somebody doesn't have
15 some extra comments to this current topic, I think,
16 Kia, that was very, very good timing to key us into
17 the next topic, and that could help us make that
18 second focus in -- and if you want to -- if you would
19 go-ahead and advance to the next topic.

20 Again, if anybody has some comments that
21 they still went to technology, we can still bring it
22 back in. But our next topic is in a Grain Inspection
23 Advisory Committee Subcommittee.

24 Now, we had unofficial Subcommittee a number
25 of years ago. We didn't know it was unofficial

1 because we hadn't brought it in as a specific agenda
2 item, and that is something very important. And I
3 will say, Kendra, although you did give me our
4 Handbook on Subcommittees, still, I think there's a --
5 I have a few questions on what that means. It's, I
6 don't know, say I'm going to say a little wishy-washy
7 between a standing subcommittee and an ad hoc on when
8 you can add those. But there are already industry,
9 whether it's NGFA, there's NAEGA, there's AAGIWA, task
10 force groups out there already. And I think, looking
11 at a standing subcommittee for technology from the
12 Grain Inspection Advisory Committee could help us be
13 able to engage outside of the full Committee, take in
14 information to help us focus and whether it's right
15 recommendations because, again, we're not waiting till
16 we have a recommendation to say let's engage with
17 stakeholders. We're already doing it. We're giving
18 ourselves an avenue to hold those meetings.

19 Now, one of the things with, again, the
20 previous Subcommittee, that we felt we had, is they
21 were all in the same -- they were all in the same
22 term. So, they all rolled off at the same time. So,
23 it didn't give us continuity in that committee. And I
24 look at our current Advisory Committee, and I look at
25 the terms that we have, some of us that are already on

1 industry task force, the majority of us will roll off
2 at the same time, March 2025. Kia, you're 2026. So,
3 in making a determination on making a standing
4 subcommittee, I will say I think we need to make sure
5 that we have people from different terms, to make sure
6 that there's somebody that has been part of the
7 background conversations to be able to continue with
8 the conversation. Somebody rolls off, there's
9 somebody to help continue to lead that task force.
10 So, to what you talked about, Kia, you know, what is
11 our place?

12 Definitely I think when we're talking about
13 technology, I do think we have a few short-term
14 recommendations that are already in initiatives, but I
15 think it's important for us to still state that these
16 are important to us, as we've heard back from industry
17 stakeholders in other task forces.

18 So, test weight is being looked at, visual
19 technology is being looked at, but I still think we
20 want that as part of our official statement and where
21 they fit in a short term, long-term. And I think we
22 want to give that statement of what our overall goal
23 is so that we keep that, and also in saying we do want
24 this as a as a continued or ongoing topic. I think
25 it's -- there's no need to not have it as an agenda

1 item going forward.

2 I mean, it's obviously very important. And
3 if it's an open recommendation, realistically, then it
4 can be part of the update and question versus a new
5 agenda item every time it's there. We're a Committee
6 of 15. What is the group's thoughts on a
7 subcommittee? You know, how many members make up a
8 subcommittee? And we certainly don't want to exclude
9 anybody that says, I really want to be part of that.
10 And so, the purpose of a subcommittee -- you can read
11 it directly from our Handbook. It's formed at the
12 discretion of the Committee and approval of the FGIS
13 and to focus on a particular area. And that
14 subcommittee is not making, is not making decisions.

15 What they are doing is gathering
16 information, doing the research, engaging with
17 industry stakeholders or other task force that may be
18 out there, and meeting and putting recommendations or
19 discussions together to bring back to the general
20 committee. So, in a sense, doing background work so
21 that we have information for this Committee to make
22 decisions and, again, to have that continued
23 partnership with industry stakeholders.

24 I know FGIS gets invited to those workshops
25 anyway, but then again, to have an official

1 subcommittee voice in those, I think, is very
2 important. So, what are thoughts on quantity in that
3 membership? What makes sense out of 15?

4 **MR. GARCIA:** So, I think it's important to
5 look at priorities. The export side is very different
6 than the domestic side. So, we need to take into
7 consideration so many export people and so many
8 domestic people. But also, outside industry people
9 like the professor here. You know? Because then he
10 has some good insights, some history, and an outside
11 perspective other than us in in a vacuum. So, I think
12 those are the considerations. Whether it's 15 people
13 or four people, diversity is key in this Committee.

14 **CHAIR GROVE:** Mh--mm.

15 **DR. HURBURGH:** I don't think we need
16 subcommittees. This is a small group relatively, 15
17 people, and everybody has their own time constraints
18 about how much they can do and how much they can't do.
19 And trying to balance what you pointed out and then
20 the membership terms, it's going to get way too
21 complicated. I think we should be in communication
22 with various industry task forces and accumulate their
23 reports and positions.

24 There's no reason why this committee
25 couldn't have a video or Zoom or something like that,

1 meeting in the interim in between times, and not try
2 to subdivide it and maintain balance or that sort of
3 thing, I think, will get way too complicated and --
4 down in the weeds. And we will probably talk about
5 the same things more than once. I'm sure that those
6 issues that have been brought up have been brought up
7 before. I don't think there's anything new. So, I
8 would vote for not doing a subcommittee, but having a
9 more active role in accumulating the findings and
10 opinions of the various groups that are working on the
11 technology question.

12 **CHAIR GROVE:** And, again, subcommittees are
13 never required, and membership of them is never
14 required. So, if somebody does not feel that that is
15 part of the balance of what they are doing, it is
16 certainly not something that's, like, you have to be
17 on it because of where you're from.

18 **DR. HURBURGH:** No. No. This is more of a
19 philosophy statement --

20 **CHAIR GROVE:** -- correct -

21 **DR. HURBURGH:** -- of what our role -- I
22 think you asked what our role should be. So --

23 **CHAIR GROVE:** So, I am going to ask,
24 actually, somebody from the gallery to stand up about
25 -- and I'm going to ask Nick if you could stand up.

1 And what I want to ask you about is -- there was a
2 subcommittee when I first came on, and that was about
3 working with the FDA on the MOU. And why -- and
4 Charlie, I'm not taking your point -- saying you're
5 wrong, I want to get why the subcommittee was made,
6 and Nick could maybe give me a little background on
7 that.

8 **MR. FRIANT:** Sure. Nick Friant, F-R-I-A-N-
9 T, with Cargil also representing NGFA and NAEGA. So,
10 as Barb pointed out, and it was probably three years
11 ago, what we saw from -- particularly from the
12 exporter industry, but also domestic, we were having
13 pretty significant problems with FDA reconditioning
14 when actionable lots of grain were identified. And
15 what we saw was, hey, there's already a preapproved
16 reconditioning plan for a specific type of actionable
17 grain. Why couldn't we have the same type of
18 preapproved plans where FGIS oversees them for these
19 other actionable issues?

20 And so, like, to answer your question, Barb,
21 what we had was a very specific issue with a very
22 specific agency that we wanted to address through, you
23 know, through the advisory committee, through FGIS
24 personnel to interface with FDA, to come up with some
25 -- in this case it was preapproved reconditioning

1 plans that would work for industry.

2 **CHAIR GROVE:** And so, in looking at our
3 Handbook, what that is considered, you know, since the
4 ad hoc committee, it is a very specific problem or a
5 very specific -- that could be, regardless of a
6 subcommittee. It had its purpose because, in general,
7 everybody on the Committee wasn't necessarily involved
8 in something like that. So, it was to be able to
9 bring it back and work with industry?

10 **MR. FRIANT:** Bring it back, work with
11 industry, and, yeah, it did have very -- while we
12 wanted the input of the whole Committee and support of
13 the whole Committee, it was a specific segment of the
14 Committee, I think, is a fair way to say it.

15 **CHAIR GROVE:** Okay. All right. Thank you.
16 So, again, thoughts? And that could be okay if we
17 decide a subcommittee is not wanted or needed, that is
18 fine too.

19 A recommendation, it was a thought put out
20 there because then it was a full group for all of
21 those discussions versus the ability to have --
22 whether it's have a subcommittee or small group of
23 people attending as -- I have to be careful -- not
24 attending as the GIAC, but a representative to bring
25 back information and research is really what it is.

1 It is not representing as the GIAC. Is that -- I
2 correctly read that?

3 **MR. FREDERKING:** Yeah. So, I guess my
4 comments would revolve around the discussions earlier
5 today where we have problems with continuity as on the
6 Committee as a whole. So, then we add a subcommittee
7 to it and again we're going to run into probably the
8 same problems except even worse. And, while maybe a
9 year or two ago, this was a new topic and it took some
10 effort to get it off the ground. Feels like to Kia's
11 us point, there is real traction. And I think we have
12 evidence of that through some of the presentations
13 today, and the discussions as well. Just in general,
14 it should be part of what we discuss as a whole, I
15 would think, going forward. So, yeah, maybe there's
16 some specific things within this that we identify as a
17 whole that would be very useful to have a subcommittee
18 on, but I do think that we would have some of those
19 challenges of -- of continuity of that subcommittee
20 given our term links already.

21 **DR. HURBURGH:** Plus, repetitiveness too.
22 I'm sure that we'll get quite a little of that.

23 **MS. ADAMS-MIKESH:** Yeah. I hadn't thought
24 of it in that way before, and what I'm finding through
25 this is, for lack of better words, we could use all

1 the help we can get. And the more people involved, I
2 mean, we're all on this Advisory Committee picked for
3 it for our specific industries and the stakeholders we
4 represent. And, truly, as I'm looking around at the
5 table while we're having this conversation, there's
6 not a voice we wouldn't want actively heard when
7 talking about this technology. And like you said,
8 there is a lot of repetitiveness. I've kind of given
9 a few of these spiels already. And so that could be
10 nice, I agree.

11 And as to your point, Barb, we don't -- If
12 we're having virtual meetings, touch bases throughout
13 in-between meetings, not everyone has to be as active
14 of as others throughout it, but at least we're having
15 that opportunity for everybody to be engaged and we
16 can then, reach more stakeholders and get a broader
17 approach that way.

18 **CHAIR GROVE:** Those are some very good
19 points, because, again, as I do look, I look at people
20 around this room that are actually involved very
21 actively in some of the industry task forces. We do
22 have overlap in that, and hopefully we utilize that to
23 bring back information to our conversations. I do
24 think it would be good for the committee to -- and
25 that would be, you know, Kendra and I have talked

1 about that at this point, to be able to have some more
2 virtual meetings.

3 Again, in those it doesn't necessarily have
4 to be in the official capacity, meaning the agenda and
5 papers posted 30 days in advance for public notice, it
6 is for greater discussion. Discussion to say we need
7 more information, here's more information on a topic.
8 Hey, are we reaching out to those industry
9 stakeholders so at our next planned meeting, we
10 already have some investment into what we feel we need
11 to do. Again, no decisions are made, but it's
12 information gathering, in a sense, an unofficial --
13 well, you don't want to say unofficial because we're
14 not hiding it, but it is not a decision-making meeting
15 that we can hold virtually. So, then I've -- unless,
16 Arthur, you had a comment on that.

17 **MR. NEAL:** It's just observation. Did we
18 name the members of the subcommittee, the Technology
19 Subcommittee prior?

20 **CHAIR GROVE:** There had been people named to
21 a subcommittee, but at the time, we did not realize it
22 wasn't actually an official subcommittee because it
23 hadn't been an agenda item to create a subcommittee,
24 so then it was unofficial anyway.

25 **MR. NEAL:** Yeah. And it worked. I mean, if

1 you think about.

2 **CHAIR GROVE:** It did.

3 **MR. NEAL:** Because you had you, Chris, Kia -

4 **CHAIR GROVE:** -- definitely -- Jen, Janice.

5 **MR. NEAL:** There were people like -- the
6 list -- the short-term, mid-term, long-term goals that
7 consisted of GIAC members. They brought all of that
8 information right back here to this Committee to
9 share. You know, it was working together to gather
10 information from stakeholder groups. You did that
11 together. Didn't have to have a formal name.

12 **CHAIR GROVE:** Correct.

13 **MR. NEAL:** But you brought that information
14 together to this body, and you'll decide on whether or
15 not, hey, this is what I may be -- this is what we
16 want to endorse. This is what we encourage. So, you
17 know, I think Dr. Hurburgh is right. You don't
18 necessarily have to have one. You can. But
19 collaborating the way that you did outside of the
20 meeting space with stakeholders, which is what we're
21 supposed to do to get information, worked fine.

22 **CHAIR GROVE:** Okay. And again, we put this
23 on and this came out of our last meeting. We wanted
24 to make sure to put this on there when realizing we
25 couldn't be called a subcommittee or the group at that

1 time couldn't be considered a subcommittee. So, we
2 wanted to make sure it was here. So, very good
3 discussion on that. And I do think we can probably
4 let that one go, but we need to roll ourselves back
5 around to, what do they -- what does the committee
6 need to do for technology?

7 **DR. HURBURGH:** This group is by nature very
8 broad-based, much more so than any one of the
9 individual industry subcommittees. So, take advantage
10 of that. That's kinda what a steering committee, sort
11 of, is supposed to do. And that's what we -- I think
12 that's our position, I think, should be.

13 **MS. ADAMS-MIKESH:** I agree. Looking at --
14 as a committee, we can have those conversations of
15 listing out what are those key stakeholders that need
16 to be involved that are not already involved. What
17 are those associations reaching out, getting the
18 contacts together? Whoever of those wants to be
19 involved can be involved, but at least making sure
20 that they're aware of this, they're aware of the
21 initiative taking place, and they can come forward.
22 Maybe that's even something where, as Arthur brought
23 up earlier, talking on another topic, maybe we could
24 have presentations come forward, and on what different
25 things are. You know, maybe we want, you know, Erica

1 could take wheat and kinda run with that and talk with
2 different stakeholders surrounding wheat. What is it
3 that you guys need? What is not needed? Where are
4 the bottlenecks for you?

5 And we just kinda take our own pieces and
6 define what that looks like because, like you said
7 Charles, there's -- we are aware, those of us in task
8 forces outside of it. We have a minor outreach. It's
9 very, very specific of who we're able to get to right
10 now, and the Advisory Committee is where we can really
11 catapult more of that and get it out further than what
12 we've been able to so far.

13 **CHAIR GROVE:** Okay. So, I do thank
14 everybody for the input. I -- with that, I think we
15 don't need to make a formal recommendation on that,
16 which brings us back to, ties us into, grain
17 inspection technology. We do need the input at least.
18 And, Kia, I would say you were taking this topic, and
19 you are putting together recommendations is we need to
20 make sure we have the voice from this group an
21 engagement from this group to what direction do we
22 want to start? We're not making the decision today,
23 but if there's more input to consider in what we're
24 going to ask, and Kia, what was the question you asked
25 then? What is it the FGIS needs from us, or what does

1 this group need to --

2 **MS. ADAMS-MIKESH:** -- what role do we need
3 to play? What role should we play in the talk about
4 technology initiative? Each of our groups has their
5 own place, you know, the AAGIWA, the grain
6 inspections, we're really taking it as trying to be a
7 resource of defining what bottlenecks are and not
8 really naming priorities and such, but really giving
9 the information. NGFA is looking at, more at the
10 priorities from a grain handler perspective and NAEGA
11 from grain handler's perspectives. So, you know, each
12 one has their own focus, and I don't think it's
13 beneficial to anyone if we take on the same focuses
14 that another task force is already doing, so, we can
15 bring in what Charlie is saying. What is -- we have
16 broad-base here? What can we do to bring better
17 benefits?

18 **CHAIR GROVE:** Right. And I, so I -- I do
19 think, so what is our role? That was very much
20 answered in our discussion in saying, when we will
21 need a task force because we already all have a role
22 in this industry. So, as long as we are being active
23 in our perspective areas of the industry and making
24 sure to bring that back, what do we see, you know,
25 prior to another meeting that we are going to our

1 sector of the industry and sitting down and saying,
2 what is that bottleneck? Where are efficiencies?

3 Because unless we ask that question of our
4 greater perspective area, then we don't know what
5 other people think. I know what I think, but that
6 doesn't mean, hey, all inland markets think the same
7 thing. We have different commodities. So, I think we
8 have to make sure we are being actively engaged
9 outside of this Committee to bring it back here. So,
10 I think that is our rule. That is our purpose as a
11 Committee in general, whether it's technology or not,
12 is to actively represent. That's why we're here.
13 We're to be active.

14 So, I think unless there is any more conversation
15 on technology, I think our last topic isn't
16 necessarily one that we are looking for, and I think,
17 you started this topic. And in questions to the
18 Committee in emails on agenda items in some emerging
19 export issues, this is kind of informational to help -
20 - help bring things together for us and some of the
21 things that might be happening, and it may also spur
22 on some issues or areas that we do need to address in
23 a next meeting. So, Rashad, you had some thoughts,
24 and I can maybe go back to your email to maybe kick us
25 off in this. Again, some, you know, emerging export

1 issues is where we started with it.

2 **MR. HART:** Thanks Barb. I think, you know,
3 just high level, it wasn't anything specific but, you
4 know, you go back to, you know, this morning, you
5 know, the comments from Arthur and, you know, some of
6 the challenges that they're facing within FGIS and the
7 focus on their people and being transparent. And, you
8 know, we're in challenging times where, you know, from
9 a FGIS perspective, there's a decrease in volume on a
10 global scale or as far as volumes of grain that's in
11 it -- that's in the spectating. You know, Chris and I
12 see it from time to time. I mean, we're living it
13 right now that we're dealing with some of those same
14 challenges. And, you know, there was a common
15 conversation of what is the future of export grain,
16 you know. And, you know, when you look at a
17 competitive South America that's on the global grain
18 market, what is that impact on U.S. exports? You
19 know, what does that look like? You know, and we're
20 looking at, some emergence -- emerging domestic
21 markets that are coming up, whether it's sustainable
22 aviation fuel or, you know, intensification of crushed
23 plants, crushed beans.

24 What is -- what is that impact on export
25 graining within our supply chain? And so, I think

1 that's where the mindset or the intentions of the, you
2 know, just the conversation started, you know, but
3 just wanted to kinda use that as a discussion topic
4 going forward for future meetings just to get the
5 input from the Committee and just thoughts from the
6 general. Because I do think it's going to be a --
7 it's going to be an emergency -- emerging concern as
8 we go forward if we really look at the facts.

9 **CHAIR GROVE:** You know, as you brought up
10 some of these topics when we were sending agenda item
11 in and you had kinda said, you know, really in general
12 discussion, and some of those may come from some of
13 the FGIS updates because they were already open
14 discussions that we had, unless I totally was not
15 listening. Did you discuss -- I don't think we talked
16 about, again, as -- I asked Nick to talk about that
17 subcommittee, just where it is with FDA, on an MOU on
18 lots. I don't think we had an update on that.

19 **MR. NEAL:** You're right. Great question.
20 My oversight. And Nick probably has the better
21 update.

22 But we are still in conversations with FDA.
23 I think the reality right now with respect to our
24 level of engagement, you know, we've definitely got to
25 elevate this to the commissioner level, which our

1 administrative, Bruce Summers, is working to do. I
2 think at the at the staff level where decisions are
3 being made, they've not prioritized our concern.
4 That's my assumption. And with the High Path Avian
5 Influenza situation that's taken priority for FDA in
6 some respects too. But, if I can, Nick, do you want
7 to provide an update? Just, I know that industry has
8 had some contact with them. Do you mind?

9 **CHAIR GROVE:** Oh, please. Sorry. Yeah.

10 **MR. FRIANT:** F-R-I-A-N-T. So, I -- so,
11 yes, industry, NGFA, and NAEGA have been talking with
12 FDA trying to identify the right level of staffers to
13 get engaged in the conversation. And I'm -- quite
14 frankly, I'm not sure what else I can say at this
15 point, but I do know that it would appear that we're
16 finally getting some engagement out of FDA to come to
17 the table and have some open dialogue, but it's still
18 a little bit in the works and up in the air on exactly
19 when, who, how. If I can get a little bit more
20 information to share before the end of the meeting
21 tomorrow, I'm willing to do that.

22 **MR. NEAL:** So, it's still active. It's not
23 dormant. I think we've had communication with them
24 just as early as this this month. But it's not
25 necessarily yielding the result we want at this

1 moment. And the result we're really looking for is
2 that they will accept what has been presented to them
3 in collaboration with this Committee and revision by
4 FGIS in terms of remediation, reconditioning plans,
5 allow us, FGIS, to identify the problem.

6 Let's say we've got animal fill. Allow the
7 elevators to clean, us see that it's been cleaned, and
8 approve it to continue to move through for loading.
9 And give them, FDA, the affirmation that has been
10 resolved. That's what we're looking for.

11 We've not gotten them to agree to that yet.
12 And I've offered to meet with them one-on-one in
13 person, go to Silver Springs, sit down with them. No
14 one has taken me up on that. So, we're trying other
15 avenues in addition to what the industry is doing to
16 get them to realize, you know, this would be highly
17 beneficial for our industry. And I remind folks that,
18 you know, FDA prioritizes issues by risk to health and
19 human safety. That's how they prioritize issues, not
20 risk to, you know, the supply chain slowing down and,
21 you know, generating additional costs for our
22 customers. That's not how they -- not that I agree
23 with that. I'm just the two -- there's two different
24 views that folks are operating from, and that's how
25 they've always prioritized what they're going to take

1 on. And so, hopefully we can continue to move towards
2 progress in that space.

3 **MR. FREDERKING:** On the animal filth in --
4 specifically in regards to the FGIS, FDA, MOU, has
5 there been any discussion as to the determination for
6 DLQ because of one piece of animal filth or any
7 evaluation on changing the criteria for one piece of
8 LGNX to -- to qualify as DLQ?

9 **MR. NEAL:** No, not yet. That's something we
10 can -- Jake, if you can make a note for us to see if
11 that's something we can talk about with respect to
12 their protocol. And for you, what I'm hearing you
13 say, Chris, is that there seems to be a bit strict.
14 Can it be loosened up a bit for realistic, you know,
15 purposes?

16 **MR. FREDERKING:** Or maybe treated as other
17 animal filth, where it's, maybe a wait.

18 **MR. NEAL:** So, it's not DLQ.

19 **MR. FREDERKING:** Yeah. Maybe same grade.

20 **MR. NEAL:** So that's something we will bring
21 up. And if we have questions about how we
22 characterize it, we'll reach back out for some input.

23 **CHAIR GROVE:** Okay. Mr. Friant?

24 **MR. FRIANT:** So, we did get confirmation
25 that folks may not know, but next week in New Orleans,

1 we have an FGIS Industry Workshop scheduled, and we
2 have confirmation that some -- we don't know who yet,
3 but someone from FDA leadership will be attending
4 virtually specifically for this conversation around
5 reconditioning plans and -- and actionable grain. So
6 finally, a little bit of positive movement forward on
7 the conversation. And it would appear that FDA is
8 ready to come to the table and at least talk about it
9 with us and hear the concerns from industry and
10 exporters in particular. Thanks.

11 **MR. HART:** I was just going to make a
12 comment with Chris. It's it -- it has gotten to be a
13 very, very, very serious situation from a export
14 perspective when it comes to efficiency with servicing
15 the customer, you know. And, you know, with these
16 diversion plans and, you know, the timeliness of a
17 response, or a lack thereof, it has become pretty
18 serious, you know, for the export industry in general.
19 And just stepping back, Barb, I went back and found my
20 email that you were talking about. I think the other
21 point that I had within, the emergence of export
22 market issues, I think we've well covered it with the
23 technology advancements. You know, with grain
24 inspection and how important that is. Because at the
25 end of the day, you know, with the challenging

1 headwinds that we have across the industry, cost
2 efficiency or efficiency is a premium. I mean, I
3 can't emphasize enough around efficiency. And, you
4 know, going back to Kurt's comment earlier around
5 cybersecurity, you know, this is a part of the world
6 that -- this is a natural phenomenon that's in our
7 world today in the in the Ag Industry. And no matter
8 what backup stand-alone systems, I mean, Arthur
9 mentioned the stand-alone systems that are in place
10 within FGIS if a cyberattack were to happen. But keep
11 in mind one key thing that goes within that. Our
12 organization also have those backup standalone
13 systems, but they're highly inefficient. And when it
14 comes to inefficiency, it affects the customer on both
15 sides of the supply chain. So, I think it's very
16 important for us to keep that in mind.

17 **CHAIR GROVE:** I may be putting you on the
18 spot here, and I know you're ready for it. But
19 because it loops around into the technology
20 conversation, you had sent within possible agenda
21 items. Again, it -- your comment was development of a
22 standard protocol and method of tolerance, setting to
23 determine that multiple technologies measuring the
24 same parameter are equivalent and, therefore, are
25 capable of being used in official and nonofficial

1 settings.

2 **DR. HURBURGH:** That is the Equivalence
3 Principle.

4 **CHAIR GROVE:** Okay.

5 **DR. HURBURGH:** And to the issue of FDA, I
6 teach the lead -- I'm a lead instructor for the FSMA,
7 FDA for animal feed. And I would just suggest that in
8 that issue of finding animal filth in a particular
9 situation, that we approach this from a case-by-case
10 analysis or presentation of data as to what the risk
11 is in that specific situation. So, we get down to the
12 -- so we don't have one rat pallet, for example. And
13 you can make a pretty good case for that. That's the
14 way FISMA is enforced. It's an audit-based
15 negotiation with the inspector. So, I would think
16 there might be room to take that type of an approach
17 in handling this problem.

18 **MR. NEAL:** You know, great perspective and
19 point. We are doing it case-by-case. You know, we
20 look at every situation. We will record every
21 situation and we will report on every situation. So,
22 it's not that, hey, all right, we found it. Go off
23 and do what you do. We're still looking at every case
24 and confirming, did the reconditioning resolve the
25 issue. It's just getting the agreement that we are --

1 we will be granted the ability to do that on their
2 behalf.

3 **DR. HURBURGH:** Yeah.

4 **CHAIR GROVE:** Right.

5 **MR. HURBURGH:** I understand where you are.

6 **CHAIR GROVE:** Yeah, and because the
7 reasoning, FGIS or an official or designated agency is
8 already on-site, therefore, not waiting for the delay
9 of FDA.

10 **MR. HURBURGH:** Yeah.

11 **CHAIR GROVE:** Then to be able to -- waiting
12 for that. And that is -- it's the delay of the
13 ability to do anything, waiting. So, I think that is
14 -- but yes, very good point. It is risk based. We
15 should all be thinking of that when we're thinking of
16 our food.

17 **DR. HURBURGH:** Don't expect a blanket pass
18 or a blanket decision. That's not going to happen.

19 **MR. NEAL:** And then one last comment
20 regarding the equivalence issue you brought up. That
21 is exactly how we're operating. When we're evaluating
22 the -- if we were looking at multiple pieces of
23 equipment that may perform the same test, establishing
24 those tolerances to ensure that their results can be
25 aligned across the nation. So, we're -- we're not

1 looking at the -- at these approvals if they occur as,
2 okay, this one is approved and this one is approved,
3 and we're not making sure that they're aligned in
4 terms of results. You know, and part of that process,
5 which adds a little time, and it can correct me if I'm
6 wrong, to the approvals is that we'll have to, you
7 know, have pilot periods where the pieces of equipment
8 are being utilized in different parts of the country,
9 different temperatures. We simulate, you know, those,
10 environments here, but we also have to, you know, put
11 them out in the field. How does dust affect their
12 performance? You know, user interfaces. How are the
13 results being impacted based on different people? So,
14 we have to make sure that we do not introduce
15 variability into the official system. So that's a
16 great concern for us, and so it's high on our radar
17 screen.

18 **DR. HURBURGH:** That's why we did that
19 equivalent study in the first place, was to kinda set
20 a structure for doing that. So, yeah.

21 **MR. HUEBNER:** Chad Huebner, H-U-E-B-N-E-R,
22 from Grain Inspection Inc. When it pertains to the
23 MOU, when you talk to them, could you stress training
24 their personnel, so they even know what it is? Or the
25 phone numbers that you have in the directive, that

1 someone actually answers them. Because it's getting
2 very frustrating where I don't even bother with it
3 anymore. There is absolutely no point. I mean, if
4 you fax in a report, they'll call you back, like,
5 what's this for? I have no idea what this is. So, I
6 mean, there is absolutely no point in even having it
7 if they don't know what they're doing.

8 **MR. NEAL:** Great question. We have brought
9 that up. We've brought up the varying responses and
10 levels of engagement we get across the region.
11 They've acknowledged that, you know, there may be some
12 standardization that they need to do. However, I
13 think hearing Nick's report that someone's going to
14 come to the exporters workshop in New Orleans, I think
15 folks should be prepared with the list of issues,
16 concerns to share and have discussions around while
17 they're there. So, that that's brought up and hearing
18 it from the industry versus FGIS. You know, that was
19 one of the responses is that we need to hear from
20 industry. And we had the -- they hit the listening
21 session back in 2023. Industry participated. There
22 were, like, 30 plus FD -- FDA personnel on that call.
23 We made some progress in terms of refining the
24 directive, but we have not gotten the blessing that
25 that directive can be used carte blanche, for

1 everybody, with us being able to make the
2 determinations. So, I think this is a great
3 opportunity for industry to engage FDA in a meaningful
4 way, respectful way, informative way, you know, with
5 the data to support. with examples to support. To
6 help, you know, help them, help you, help us.

7 **CHAIR GROVE:** Any other emerging issues that
8 the committee, again, wants to have general discussion
9 on at this time that may -- you may feel could be a
10 topic of the next meeting. Once again, we aren't
11 making recommendations during this session. But if
12 you think there's something maybe we need to address
13 sooner than later.

14 **MR. NEAL:** This question just hit me, you
15 know, while sitting here. Our meetings typically have
16 usual participants, you know, when we facilitate these
17 meetings. One question I would have of you, I'm
18 asking for input because some of the issues that we're
19 discussing are broad reaching, you know, far-reaching.
20 They impact producers, impact country elevators,
21 impact exporters, impact domestic, you know, official
22 agencies and more. How do we work to get more folks
23 involved and aware of the issues that are facing the
24 grain industry and engaged in this -- in the
25 conversations that we have. Because I'm thinking,

1 like, you know, U.S. Soybean Export Council has not
2 been here. U.S. Grain Council has not been here since
3 I've been here. U.S. Corn Growers, American Soybean
4 Association.

5 You know, these are all issues that, you
6 know, could impact a lot of folks, but not necessarily
7 engaged in the dialogue that we're having. Is there
8 something that we need to do differently to engage
9 those groups of stakeholders?

10 **CHAIR GROVE:** So right now, and unless I'm
11 missing, I you know -- we know because we get the
12 emails. We know when the meeting is going to happen.
13 We know what our topics are. Yes, they are posted on
14 a particular website, but I will say sometimes hard to
15 get to. When I was going back to look for a previous
16 topic, you know, I clicked on a particular link, and I
17 had to back myself into finding it. So, that's where
18 things are posted, unless I'm missing something. So,
19 is there another avenue of announcement? Yes, that
20 has to be the official announcement. But is there
21 another way or another place? Because unless somebody
22 is looking for it, they may not be seeing it. And,
23 also again, how many members that are here in this
24 Committee participate in the organizations that you
25 just mentioned.

1 We can invite, you know, and that is part --
2 even with not just these meetings, but thinking of the
3 next round of nominations and people on the Committee
4 -- we can go out and say, hey, I think you'd be great,
5 why don't you fill out this application. So, we
6 should be doing the same thing in inviting other
7 industry organizations, you know, other stakeholders,
8 say this is happening, you can join virtually, or you
9 can come in attendance. But I do think people have to
10 know where to look for it to know it's happening.

11 **DR. ROSENTRATER:** So, I know that these
12 organizations have a vested interest in what FGIS
13 does, and they promote the quality of U.S. grains and
14 byproduct materials, and they give the state of the
15 quality -- the Corn Quality Report from 2023, for
16 example, or soybeans. And so, they have a very strong
17 vested interest in what we do, and I think it would
18 make a lot of sense to invite them here and ask them
19 what do they need that they are not getting, or what
20 do they need that they're getting really well done
21 from FGIS.

22 **CHAIR GROVE:** So, do you think that should
23 be an official invitation from FGIS? And my only
24 thought on that is if you forget somebody, is somebody
25 offended? Because you forgot an official invitation.

1 And, you know, I don't want that to happen, but you do
2 know stakeholders, but so do we. And that could be an
3 invitation or we, you know, we certainly don't want to
4 be put FGIS in the position that they have forgotten
5 somebody and then somebody says, well, I didn't get
6 the invite. But it is still a good point. Why not
7 say, hey, we would love to hear from you. We'd love
8 to see you. I agree with that.

9 **MR. NEAL:** So, my perspective on it is that
10 it's evolution. It's growth. And just like when we
11 started the process of looking for people to get
12 involved with us in technology, we had one or two
13 people involved in the conversation. Then it grew
14 based on people hearing. So, the more people we
15 invite over time, the more participation will grow,
16 the more relevant people will see these conversations
17 are -- So, I think we gotta start somewhere. You
18 know? So, I think, yeah, I should send personal
19 invitations to those organizations. I think, you
20 know, I asked the Committee to invite folks that you
21 think would benefit in sharing perspective and adding
22 value to our conversations because I truly believe
23 that this is a very pivotal moment in the life of the
24 grain industry. And we don't need to do it in a
25 bifurcated or disjointed manner.

1 I think we need to be having a conversation
2 with the whole body so that we're on one accord.
3 Because I don't know, Rashaad, what's going to happen.
4 Dr Hurburgh, I don't know what's going to happen with
5 exports long-term. This may be a three-year, four-
6 year thing. It could last longer. Who knows?

7 But I do know that a team is able to best
8 navigate, you know, change and resistance when we're
9 all functioning with knowledge, with the same
10 knowledge and agreement. So, you know, both of my
11 hands may not do the same thing at the same time, but
12 they should perform in a way that we accomplish the
13 goal. And, you know, we all do things differently in
14 this system. So, how do we do those things
15 differently, in a way that we're accomplishing the
16 same goal and that's the efficient marketing of grain.
17 That's doing that with integrity, with the quality
18 that we say, that we uphold, and we represent, as well
19 as efficiency so that everybody comes out the way that
20 they want to and that's healthy.

21 So, I think that that's what, you know, I'm
22 asking you to do. I will take on that as my, you
23 know, myself. But let's promote the conversations
24 that we're having here, the topics that we bring to
25 the table. Let's be thoughtful about what they are

1 and how they impact the whole. And will people be
2 interested in them if they come? Will they even care
3 to listen, or to chime in about those topics? Because
4 we want it to be meaningful for them, you know.

5 **MR. HEIL:** Also, just a thought on the two.
6 Just if there was a way this Committee could get on to
7 a routine or a schedule where we can get it onto the
8 calendars, either on an annual, or if it's virtual --
9 semiannual of that. I think having that type of
10 consistency would bring others returning or other
11 representatives of those organizations making it part
12 of their budget or their travel or just their time
13 commitment. I think that would be helpful.

14 **CHAIR GROVE:** I would -- I definitely agree
15 with that. I know we had a little conversation before
16 lunch on, man, when can we get in this next meeting?
17 And, you know, Kendra, you could interject. Some of
18 our problems have been about some of the things we
19 talked about earlier on the Committee, not just
20 quorum, but approval. Until we have nominations
21 approval, if there's not a quorum, we can't hold a
22 meeting. Some of it has been, whether it was funding
23 or not having funding yet. We postponed meetings,
24 waiting for others -- some legal decisions. But I
25 very much agree with you.

1 To be able to say, I mean, last year it
2 wasn't until August. So, you know, we didn't have a
3 whole lot of opportunity to come together. So, I
4 might ask, whether it's Kendra or Arthur, if you could
5 give us some input, not necessarily at this moment,
6 but give some input and some thought into what are
7 those times. I know as you were talking, you know,
8 this season, you said this season is a very time-
9 crunch period. So, when you say that, is that April
10 to the first of June? Is it first quarter? When is
11 that best time? At the, you know, in the first,
12 second quarter of the year? And then you look at, you
13 know, once we hit November -- November, December, you
14 start looking at holidays' downtime. It makes it a
15 shorter window, but what is a good time?

16 **MR. NEAL:** Yeah. That's a great question.
17 So, when I said season, I was referring to the season
18 in the life of the grain industry.

19 **CHAIR GROVE:** Mh-mm.

20 **MR. NEAL:** But unfortunately, the Federal
21 Government is not operating normally. We just got our
22 budget last week. I think it last week or week before
23 last.

24 **CHAIR GROVE:** For the fiscal year, starting
25 October first.

1 **MR. NEAL:** For the fiscal year. Right.

2 That's not normal.

3 For nominations that would impact, you
4 know, under the Three-Fourths Rule, whether we have a
5 meeting, it impacts the timeline. So, this is a
6 decent time for a meeting, you know, February, March.
7 I mean, between, I think, March and now is a decent
8 time for a meeting. You know, early September is
9 probably a decent time for a meeting. The thing that
10 we don't control are the externalities that impact how
11 we do business. And that's when does Congress fund
12 us? That we can say for certain, hey, we can afford
13 to be there, or we're not operating under, you know, a
14 continuing resolution where you can only spend X
15 percent of your budget. And most of that's going to
16 salaries and benefits to pay staff.

17 So, I think that we can have goals and
18 targets, you know, to set. Let's say we want to have
19 a meeting in March or in-between March and May and
20 between, you know, August is just a travel month for
21 folks' vacation or, let's say, early September. You
22 know, something like you can set a goal for that, and
23 we see how that falls within the life of what's going
24 on. There's nothing wrong to set that expectation
25 right now, and we modify as we go. Kendra, how are

1 you feeling about that?

2 **MS. KLINE:** I'm all about scheduling.

3 **MR. NEAL:** All right.

4 **DR. HURBURGH:** You might also think about
5 how to piggyback on meetings that are large, that have
6 a large draw that -- that people -- that would be
7 convenient locations for you. I have one in mind.
8 I'm going to stick my neck out. Barb, you know where
9 I'm going with this. The largest grain trade show in
10 the country is GEAPS. I have heard GEAPS mentioned
11 all day, but it's GEAPS and it's in Kansas City and
12 it's in March. I think it's March. Am I right?

13 **CHAIR GROVE:** Last week of February.

14 **DR. HURBURGH:** Last week of February, okay.
15 I'm just saying that we could catch some efficiencies
16 that way and wider participation. This gallery ought
17 to be packed.

18 **CHAIR GROVE:** I do want to ask, and with
19 that, because it is at the Kansas City Convention
20 Center, you know, we have talked in past meetings
21 about -- people have asked, can we have the next
22 meeting at an export facility, or can we have it
23 somewhere else? And what we did in the conversations
24 about that was talk about budget and dollars.

25 What do we have to spend? First of all, we

1 have this facility. It's very well set up. A lot of
2 the people that we want to talk to us are here at this
3 facility. So, it is beneficial. It is typically,
4 except for John, easy to get to. And easy --

5 But if you take it somewhere else, such as
6 if you have it at convention halls, is there any
7 problems with that, except for this type of setup?
8 Any if you scheduled to where the -- there's already
9 facilities under rent by somebody else, does that
10 cause a problem, except for you'd have to bring all of
11 this with you?

12 **MR. NEAL:** Because this is a public meeting,
13 we have to make sure that we're facilitating it. That
14 -- it doesn't have to be here. We gotta make sure
15 we're covering the cost, everything that is open to
16 the public. No conflicts of interest. And I don't
17 see -

18 **MR. HURBURGH:** (Inaudible)

19 **MR. NEAL:** -- an inherent issue with trying
20 to piggyback on anybody's meeting. I think the
21 challenge becomes because the government isn't
22 functioning normally, we couldn't even get into a
23 contract to secure a space until basically this week
24 or last week. So, we would have missed the
25 opportunity because we wouldn't have had the money to

1 do it. That impacts our ability to move with
2 efficiency, with planning. So that's why this grain
3 center has been our fail-safe because we control the
4 space. We can get into it quickly. We don't have to
5 worry about contracting because contracting is a
6 drawn-out process for us as well. So, we've been able
7 to still facilitate the meeting. So, if we did do
8 something like that, you know, piggyback off of GEAPS,
9 we still if we -- and depending on funding situation,
10 we still may have to rely on the grain industry that -

11 (Speaking over each other.)

12 **DR. HURBURGH:** And that --

13 **CHAIR GROVE:** (Inaudible)

14 **MR NEAL:** (Inaudible)

15 **CHAIR GROVE:** -- and that's still okay. I
16 think, as far as everybody -- because, again, once
17 people get here, there's also the networking piece of
18 the staff that's here that is also very important that
19 people look forward to. So, again, I think, more to
20 Charlie's point, efficiency of somebody's already
21 traveled --

22 **MR. NEAL:** -- yeah --

23 **CHAIR GROVE:** -- that we're looping them
24 together. And I think that's a good thing for us to
25 look at. Again, especially if it's fitting within our

1 -- that ugly time zone for us anyway. So, that's a
2 good thing to keep in mind, and I'll make sure I shoot
3 that schedule and those dates to Kendra. We already
4 know them for the coming year, but, yeah, it is in
5 Kansas City. So, easy enough to get to.

6 With that, I will ask from the Committee of
7 the topics that we discussed, I will go ahead and put
8 together a response and send to this group on quorum
9 and nominations process. And, in speaking with
10 Kendra, we did talk a little bit about, obviously --
11 and our Charter, which is coming due this next year,
12 they're trying to do things way ahead of time.

13 So, if there are delays we aren't running
14 behind or not able to operate because our Charter has
15 expired, which we have had before, that if we can
16 change our quorum. So, I'll put those together.
17 Grain inspection technology, Kia is taking that topic
18 and will put something together for us tonight. Phil
19 is going to take the protein moisture for us. And,
20 Kurt, are you prepared to put -- I don't know, since
21 you were standing up front, if you took notes -- put
22 together something for us for tomorrow on
23 cybersecurity, some of the points that we brought up
24 today, to bring tomorrow, for us to discuss as
25 resolutions. And you do the legwork, and you can go

1 ahead if you want. If you have it together, send it
2 to the -- to our full group this evening and people
3 can review. That way we're prepared to do that
4 wordsmithing and where we think it needs to be
5 tomorrow. So, before we adjourn for today, I will ask
6 Committee, any other input that you just had, that
7 thought that goes to any of those topics that you want
8 somebody to make sure to include.

9 **MS. ADAMS-MIKESH:** I just have one comment.
10 Back when we were talking about, getting other
11 stakeholders invested in what we're discussing, Is it
12 something -- I know we all are representing certain
13 areas whether it's producer, grain handlers, export,
14 official agencies, but we're usually representing a
15 very specific piece of that and might not be aligned
16 with the other players in our group that we're
17 technically here for. Would it be something that this
18 Committee essentially comes up with a list of what,
19 you know, under producers, where -- what are the
20 different associations that could be reached out to or
21 different players that would make sense having the
22 conversations with if there was something that really
23 would impact producers or, you know -- official
24 agencies is pretty easy. We're not a very large group
25 but, also, you know, for soybeans, if something is

1 talking about soybeans, what are all the groups that
2 we should send an email to? You know, if -- if I'm
3 tasked with doing something with soybeans, then it
4 would be nice to have a list where we could just go to
5 and be, like okay, we need to talk to USAC. We need
6 to talk to this, this. And then we could be more
7 efficient and effective with our communications and
8 maybe having that outreach when we're having these
9 topics would also get them more engaged in wanting to
10 be a part of it because we're actively reaching out to
11 them and wanting to engage them, and they might want
12 to come and be a part of it as well.

13 **DR. HURBURGH:** What you're asking is for us
14 to declare ourselves sort of a steering committee to
15 go forward and bring together points of view. And I
16 think that's what the charge for this Advisory
17 Committee is.

18 **CHAIR GROVE:** So, then for your thought of a
19 list, I think if you have particular associations that
20 you know of, I think for our place first to start with
21 this group is send it to the group email, and then we
22 can start compiling that. And then if within those --
23 if we say-- if somebody says, oh, hey, I think we
24 forgot, I think that's a place for us to start.
25 Again, with the wide group. Again, if we're wanting,

1 you know, FGIS then to reach out and extend that
2 invitation, as well as ourselves, we can just send it
3 to the group email, hey, here's some groups I think we
4 should be inviting.

5 **MS. ADAMS-MIKESH:** Yeah. Because even when
6 we're talking about people going off of the Committee,
7 just having that consistency year after year of making
8 sure you're hitting the same groups. Whereas if this
9 year, you know, you have wait and then someone else is
10 gone and now we have a corn person, you don't want it
11 where one industry is getting more attention than the
12 other by accident just because a person is on the
13 Committee. I just feel like we could be more
14 effective. That could be something that could
15 potentially be started in the technology discussion of
16 -- as we were talking about that in there -- of how do
17 we reach out to all these proper stakeholders and
18 bring them into this conversation. Maybe that could
19 be a part of the recommendation. It's compiling a
20 list of who we need to be aware of this.

21 **CHAIR GROVE:** I think that's okay. You can
22 always put it in that recommendation, and then we see
23 what FGIS has the ability to do. Yeah. Great. If
24 nothing else from the Committee itself, one final
25 reach out to the public for comments, whether somebody

1 that is on virtually or here in the room. I think
2 we've been we've -- we've done a pretty fair job of if
3 somebody had something, immediate to the conversation
4 at that time, we've -- we've addressed it, but we
5 certainly don't want to miss anything if anybody else
6 has something that would help with our recommendations
7 of the topics at hand. Go ahead.

8 **MR. FRIANT:** Thanks, Barb. Nick Friant
9 again, F-R-I-A-N-T. Arthur, to your question earlier
10 about my interpretation of your question was kinda
11 outreach. So, one thing from a historic perspective
12 that I'm not sure anybody in the room would remember,
13 but at one time, the Advisory Committee -- we had a
14 conversation about trying after the Committee met,
15 trying to get an article in the trade mag the Grain
16 Journal Trade Magazine, Feed and Grain Newsletter. I
17 know a lot of folks in the industry get those. So,
18 those might be some options to look into, you know,
19 publishing notice of the meeting, follow-up of the
20 meeting, and I would have to double-check, but I'm
21 pretty sure NGFA and NAEGA do include write-ups in
22 their newsletters, typically, at least after the
23 meeting. So, there might be some avenues out there
24 that you could explore.

25 **CHAIR GROVE:** Thank you, Nick. That's very

1 good because I want to say, you know, again with many
2 of us with ties directly to some of those
3 publications, actually may not have to have a budget
4 outlay for them, but more of an industry outreach.
5 Usually, they're very good at, you know, this is --
6 this is industry focused. So, I think we can get that
7 going for you.

8 **MR. NEAL:** There's one thing that I failed
9 to share with you. I shared in other settings, and
10 there may be great awareness amongst you. But last
11 year, one of the unexpected priorities for us became
12 soybeans of other color. There's a new soybean that's
13 developed and has been approved, I think it's Moolec,
14 Moolec, and it's been -- is that right? Moolec, and
15 it's got pork protein in it. The center of the
16 soybean is pink. And I'm not sure -- I know there's
17 some awareness in industry, but I'm not sure
18 collectively who all is aware of it. But this could
19 pose a similar challenge if that soybean does get into
20 the marketplace, it shows up in elevators, you know,
21 unintentionally, because based on just plain reading
22 of the regulations, a yellow soybean when cut has to
23 have a yellow center, not pink. So, it seemed like
24 this is another standard challenge. So that there --
25 there'll likely need to be some conversations with

1 that company. And if you all are engaging with that
2 company, I highly encourage you all to have them
3 engage with us as well as your own industry. Because
4 I'm not sure if marketing is on top of mind for them,
5 because it can impact our marketing chain.

6 **CHAIR GROVE:** Well, you know, that first
7 thought is it's not cut open and it's not yellow.
8 It's not a yellow soybean. But actually, we had a --
9 there were some conversations of kind of the same
10 topic at lunch and, you know, the previous was
11 soybeans of other color and that trait causing an
12 issue, you know, the company themselves at that time
13 said, we told people we had it approved. Yes, that
14 had been with APHIS. That's a different reason for
15 approval. That's not the grain standard and, you
16 know, how do we make sure people developing hybrids
17 don't expect, well, let's go and let's change the
18 standard versus maybe we better make sure what we're
19 producing doesn't have other effects. And if it does,
20 we better know where they came -- come from first and,
21 you know, putting it to the developers of hybrids to
22 have looked at those angles, you know, may need
23 something we need to discuss if that comes about
24 versus every time somebody develops a new hybrid that
25 throws off something different that we automatically

1 have to change a standard. So yeah, a lot. Thank you
2 for bringing that to our attention. It's something we
3 need to be prepared for and aware of.

4 **MR. NEAL:** And my concern is not so much
5 that we change the standard. The concern is that if
6 it gets into the supply chain, what does that do for
7 the marketplace?

8 **DR. HURBURGH:** Arthur, are you involved or
9 FGIS involved in the biotech approval process?
10 There's where I think that submitter phase needs to
11 happen because this is going to happen more often than
12 not in the future.

13 **MR. NEAL:** Yeah. We're not involved by
14 process. We were informed after it had been approved.

15 **DR. HURBURGH:** That's too late.

16 **MR. NEAL:** True. And we still have time to
17 deal with, you know, to work with the company for
18 awareness purposes. But there's nothing regulatorily
19 that binds them to have to take any of the -- the
20 standardization components that we have into
21 consideration to market their product. So, who has to
22 deal with it is a supply chain. You know, if there's
23 a drift situation, it's in a test plot somewhere,
24 there's cross pollination occurs, next thing you know,
25 it's popping up in fields, it's harvested and it's

1 moving down, you know, the railroad or the Mississippi
2 River to an elevator, and it gets to a buyer. That's
3 not covered regulatorily.

4 So, from a standardization standpoint, you
5 know, we've got our standards to meet. And I think
6 rice industry to some degree, you guys got somewhat
7 similar issues where you got tons of varieties that
8 may not meet quality specs that you're looking for,
9 but it helps produce a yield. It's just a little bit
10 of an imbalance in priority.

11 **MR. MORGAN:** The industry needs to push back
12 on the developers of the seed. We have had a lot of
13 pushbacks from some of our buyers in Central America.
14 They want to come in and change our standards. We
15 pushed back on that. But at the same time, we push-
16 back on the developers of the seed. Basically, you
17 know, there's heavier discounts for certain types of
18 varieties. So, I'm not sure how it affects the actual
19 overall grade of soybeans, but I know in rice, if you
20 have a substandard hybrid, even though it yields well,
21 it's going to affect the quality and grade of the rice
22 and they get punished for that. The producers do.
23 So, it's an education process within the industry.
24 The industry should be pushing back saying the buyer
25 should be pushing back and saying, hey, if you're

1 going to grow this, you may not get paid for it.
2 That's kinda how you address some of those issues.
3 But we did not change our standards.

4 **DR. HURBURGH:** And wouldn't it be good if
5 this discussion were part of the initial approval
6 process for a new biotech trait so that there could be
7 some awareness that there that -- some special
8 marketing plans need to be developed.

9 **MR. NEAL:** I would definitely take that back
10 and share it with AEGIS that whether or not we're a
11 part of the formal approval process, but that we're
12 consulted in the beginning so that there is greater
13 awareness and input. I do think, though, this could
14 be an opportunity for us to potentially invite the
15 developers, the company to the committee and present
16 information about the soybean so that we can learn
17 and, also inform in a meaningful way. So that's an
18 opportunity.

19 **CHAIR GROVE:** Thank you for that. Again, a
20 nice part about being on the Committee is helping with
21 our own awareness, our own education and learning. We
22 take something from everybody else and definitely one
23 for us to consider.

24 When we consider in asking somebody to come
25 and present to us, does it have to be in an official

1 meeting like this? Or if we choose to mid-range now
2 and between a possible next meeting, if we decide we
3 want to hold a virtual meeting. Is that a platform
4 that still somebody could be invited, or do we feel
5 that that's not as conducive to question and answer?
6 And\ again, I'm asking everybody else, would they
7 rather see something like that in-person, or would you
8 be okay with something like that coming -- somebody
9 coming to us when we're in a virtual more discussion
10 session?

11 **MR. NEAL:** It can be done. It would be an
12 official sanction Grain Inspection Advisory Committee
13 Meeting. It'll be more of a presentation and, you
14 know, and people are invited to hear members of the
15 industry, just invited to hear about what this is and
16 what it's designed to do and so forth and have an
17 exchange.

18 **CHAIR GROVE:** Okay. I'm going to give one
19 last reach out. If there's anybody, committee or in
20 the gallery, that wants to make a statement or add to
21 the conversation? Seeing none, I think we have
22 reached the end of the discussion of our industry
23 issues. Everybody has some assignments for this
24 evening. Tomorrow's meeting starts at 8:30. And,
25 again, at 8:30 or at 8:40, we will welcome in any

1 public comment if somebody then thinks of somebody for
2 the topics of issue, then we will move on by 9:00 to
3 presenting and discussing our recommendations. And
4 what we will do, as we have in the past couple
5 meetings, we will put those on the board and they will
6 be active documents in front of us. And then we will
7 finalize those recommendations.

8 We do have a a break listed in there, and
9 then we move on to discussing the next agenda items.
10 So, think about that tonight if you have some topics.
11 If we're fairly fluid tomorrow, we may not need that
12 entire time until noon. So, be prepared, with your
13 final thoughts and some agenda items for next. And,
14 again, if it -- if an agenda item does not get brought
15 up tomorrow, does that does not mean that we won't
16 entertain it. We just have to make sure that any
17 agenda item, once a meeting date is set, we have to
18 have an agenda. We can't set a meeting date to put in
19 for approval without an agenda. So, we want to think
20 of those, let's say we would have to have things maybe
21 by end of July if we're looking at a beginning of
22 August meeting. So mid to end of July, we would need
23 to have what we feel are industry topics to discuss,
24 so we would have that 30-day notice, for meeting an
25 agenda.

1 **MR. NEAL:** I want -- I'd also like to put
2 one thing out here for the committee to consider.
3 This kinda goes to Rashad's comment as well as Dr.
4 Hurburgh And that is what may be the needs of the
5 industry from FGIS in the future? I mean, you know,
6 we've had the fee conversation today, and, you know,
7 it's not an ideal scenario, I think, for anybody, with
8 the markets shifting the way that they are. There's
9 no other way for us at this juncture to do what we
10 have to do to provide service other than charge a
11 reasonable fee to recover cost. If there's a
12 different need that industry has of us that doesn't
13 require us to look and feel the way that we do. I
14 mean, that's conversation needs to be had around it.
15 I'm not asking for a change, but what I am going to be
16 asking for is clarity if there's a different
17 expectation that we're, you know, of us. So, that we,
18 you know, we're not at odds, but we can do what we
19 need to do to facilitate what needs to be done and do
20 that, you know, with the resources, with the right
21 type of structure and so forth. So, I think that's a
22 conversation that will need to be had. And that's
23 another reason why I believe that other parties that
24 will be impacted long-term in the supply chain would
25 need to be engaged in this conversation because

1 producers can get impacted by it if we look different.
2 Exporters and merchants can get impacted by it if we
3 look different. There's greater risks that come along
4 with it if we look different. And that has a longer-
5 term impact for us if we have an incident, because we
6 won't -- if we change how we look and feel now, the
7 staffing won't exist to ramp back up quickly if we
8 downsize. So, that means the industry has to deal
9 with the impacts of if something happens. So, that's
10 -- these are things that I want to make sure we're
11 having conversations around so we're not guessing.

12 **CHAIR GROVE:** Thank you for that because,
13 realistically, that is what this Committee is. What
14 can we help give to FGIS for them to better serve our
15 industry. So, thank you. Thank you. Rashad, you had
16 a --

17 **MR. HART:** Now, I was just going to echo,
18 what Arthur said. I think from the export side of the
19 industry, we're fighting this a very similar fight.
20 We're facing very similar headwinds. You know, our
21 people are our most important resource within this.
22 And to our standpoint, you know, depending on what
23 this looks like in the future, we're going to have to
24 make some very realistic tough decisions. And it's
25 going to impact the entire supply chain. And -- and

1 we have to understand what the risk exposure is within
2 that is If we downsize or change that organizational
3 structure, it's not like a light switch that we can
4 flip back on, you know, because it's our people are
5 our most important asset. You know, no matter what
6 organization or what side of the industry you're in.
7 And so, I hear you. We're -- we're fighting the same
8 challenges or what have you. But I do think this is
9 one important topic in my opinion from my perspective
10 that, hey, we need to have a holistic viewpoint of
11 this because it's some tough days ahead that we're
12 going to have to make some pretty tough decisions on.
13 So.

14 **CHAIR GROVE:** All right. With that, I think
15 we're going to close the meeting today. And, again,
16 be prepared at 8:30 tomorrow morning. Thank you.
17 And, Committee, I did send you the itinerary for this
18 evening, if you check your emails

19 And the meeting is closed, I'll say off
20 agenda. So, could Kia and Chris please come? I want
21 to talk with you quickly before we leave for
22 tomorrow's schedule.

23
24 (Whereupon, at 3:39 PM, the proceeding was concluded.)

25

CERTIFICATE

This is to certify that the forgoing transcript in the matter of the Grain Inspection Advisory Committee, before the USDA on May 16, 2024, in Kansas City, Missouri was duly recorded and accurately transcribed as true and accurate to my best knowledge and ability; and is a true and accurate record of this proceeding.

Devin L. Richmond
Notary Public and RON

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