

American Association of Grain Inspection and Weighing Agencies (AAGIWA)
Statement Before the
Committee on Agriculture, Nutrition and Forestry
United States Senate
On
U.S. Grain Standards Act Review
July 31, 2019

Mr. Chairman and members of the Committee:

I am Tom Dahl, President of the American Association of Grain Inspection and Weighing Agencies (AAGIWA), on whose behalf I am presenting testimony today. I am the elected leader of the Association. I operate and am one of the owners of the designated Sioux City Inspection and Weighing Service Company, headquartered in Sioux City, Iowa. I have been in the grain inspection business for nearly 45 years.

The American Association of Grain Inspection and Weighing Agencies (AAGIWA) is the national professional association representing the public and private agencies that are designated and delegated by USDA's Federal Grain Inspection Service (FGIS) to weigh, inspect, and grade the Nation's grain. AAGIWA's member agencies are located throughout the United States and perform 90 percent of all inspections under the United States Grain Standards Act (USGSA). The official agencies employ over 2,000 dedicated individuals.

AAGIWA member agencies bring a professional unbiased third-party aspect to the grading and weighing of America's grain. During the association's 72 years of service to the grain industry, it has assisted its members in performing these services through a national forum that promotes and assists professionalism, integrity, technology, and performance, while providing a constant dialog with government and industry. AAGIWA wishes to comment on the pending reauthorization of the USGSA provisions expiring on September 30, 2020. In doing so, the association wishes to support the reauthorization of the expiring provisions, and provide the following observations to the Committee:

There is an important role for a Federal regulatory and supervisory agency in the operation of an official grain inspection system. FGIS serves to provide an objective, third party regulatory role, which assures credibility and integrity for both domestic and export grain handlers and buyers of U.S. grain. Its strict Federal standards help maintain the accuracy and consistency that the grain industry has come to expect from the Nation's official grain inspection system.

Much has changed in America's grain marketing system since the Federal Grain Inspection Service was formed by Congress in 1976. Industry consolidations, transportation efficiencies, testing services, and result accuracy have all improved beyond what anyone could have envisioned 44 years ago to make the U.S. grain marketing system the world leader. Shuttle trains and export containers have replaced boxcars for moving grain. We can now test for substances in parts per billion, and electronically provide inspection and weighing results around the world within seconds. These advancements are a result of the vision, hard work, and commitment of the grain industry and FGIS.

Official agencies have also evolved with the changing pace of the grain industry by providing on-site inspection laboratories for shuttle loaders and at container yards shipping grain. FGIS has approved and standardized rapid testing methodologies that allow official agencies to quickly provide accurate and reliable mycotoxin, protein, and moisture results at remote locations, so shippers can make real time decisions. AAGIWA is proud of what the official agencies have accomplished and owes much of these advancements to FGIS's willingness to change and provide more rapid and accurate testing capabilities.

What has not changed is the need for a third-party inspection service that is both responsive and unbiased to provide accurate and timely results so that grain can be traded throughout the U. S. and around the world. FGIS quality and weights certificates issued by official agencies are regarded as prima facie evidence in all courts and serve to resolve disputes and allow for the collection of funds when grain is traded domestically and overseas. Producers, marketers, handlers, and grain processors in the U.S. and around the world all benefit from knowing the true quality of the grain they are selling or buying.

This third-party role was recently strengthened when FGIS was moved to the Agricultural Marketing Service thereby placing all inspection activities under one USDA Agency. AAGIWA has observed positive results from this part of the 2017 USDA reorganization.

AAGIWA supports reauthorization of the U. S. Grain Standards Act.

The last reauthorization removed the nonuse of service boundary exception. The nonuse of service provision was reinstated via the 2018 Farm Bill. AAGIWA has maintained a neutral position regarding changes to both exceptions and boundary provisions within the Act because of the divisive nature of these issues within its membership. Changes to these provisions tend to create unnecessary turmoil within the official system and the grain industry receiving our services. AAGIWA believes that all customers deserve first class service from official agencies and that the current exception and boundary provisions along with other provisions ensure that first class service is available to all customers when these provisions are properly administered.

AAGIWA recommends reauthorization of the Advisory Committee. The Advisory Committee provides the opportunity for all stakeholders to present issues and develop resolutions that benefit all parties. The USGSA currently requires that persons producing, processing, storing, merchandising, consuming, and exporting industries, including grain inspection and weighing agencies, and scientist with expertise in research related to grain testing and quality be on the Committee. AAGIWA believes it is important that representatives from each of the required disciplines be on the committee and that alternates from each of these disciplines be available to participate so that discussions and resolutions can be thoroughly vetted by all interested parties to the benefit of the entire American grain commerce system. AAGIWA supports continuation of the Advisory Committee provision and appreciates having the opportunity to serve on this important Committee.

AAGIWA recommends that the provisions for assessing user fees with an administrative cap be reauthorized. The cap insures that FGIS spends fees collected from its customers judiciously on administrative expenses. We also support the continued funding of Standardization and Compliance activities from appropriated funds because these activities serve all parties in the marketing chain, and not just users of the official system.

AAGIWA supports maintaining the mandatory export provisions and the limitations on who can perform export inspections. AAGIWA members, their employees, and their families know how important grain exports are to the health of both rural and export communities. We are part of these communities and are dealing with negative repercussions that the current export downturn is having throughout our communities. Any changes that would even be perceived as weakening America's commitment to ensure the delivery of the high-quality grain our customers pay for would not be prudent under the current economic conditions and would make obtaining new markets and regaining old markets more difficult.

In conclusion, AAGIWA commends FGIS and the grain industry for their continued commitment to market America's grain. We are proud to serve as a part of this important effort. It is important that the necessary sections of the U.S. Grain Standards Act be reauthorized to ensure that the Act serves to support all those involved in producing and marketing American grain.