

Grain, Grades and Weights Committee

Report to the Board of Directors

March 2025

I. Key Issues:

- FGIS User Fees Increase
- 2025 U.S. Grain Standards Act Reauthorization Priorities
- FGIS Export Registration

II. Committee Activities:

- A. FGIS User Fees Increase:** In June 2024, FGIS published an [interim rule](#) that revised inspection and weighing fees to ensure the FGIS had sufficient funding to continue inspection services for grain exports. The interim rule paused the annual fee adjustment until new formulas could be established. In the comments, NGFA and NAEGA urged the FGIS to de-couple the other Schedule A user fees from the five-year rolling average for tonnage fees in order to make the fees more in line with the market rates and needs. On July 8, the interim rule went into effect.

Based on the fee increase and a 12% increase in Officially graded and inspected grain, FGIS had a one-month operating surplus of \$3.5 million in reserves at the end of FY24.

On October 8, FGIS published a formal [proposed rule](#) to allow the agency to sufficiently recover costs for providing service, maintain appropriate operating reserves and address gaps from previous formulas that did not consider additional and next year's projection costs. The rule also aligns FGIS hourly fees formulas with those currently used by other AMS user fee programs. The national and local tonnage fees will no longer be subject to operating reserve adjustments. The supervision tonnage fee formula will remain unchanged.

Based on the committee's input and recommendations, NGFA and NAEGA submitted comments on November 11, 2024, supporting the proposed changes and urging the FGIS to be transparent with the calculation data moving forward and to share with industry members on a regular basis. The more information shared, the more NGFA and NAEGA can work with the agency to find additional solutions to align with market needs.

On January 6 FGIS published a [final rule](#), effective February 5, to revise the formula the agency will use to calculate the hourly and unit fees. In the notice, FGIS supports NGFA and NAEGA's comments that there is too little transparency in the existing calculation process and that user fees should be predictable and market-based to provide enough funding and accurately reflect the work performed.

According to FGIS, the formulas adopted in this final rule will ensure greater transparency regarding the calculation of hourly rates for industry participants, as well as

help mitigate large, one-time increases. This final rule also separates the calculation of hourly rates from the five-year rolling average calculation for tonnage fees.

- B. 2025 U.S. Grain Standards Act (USGSA) Reauthorization: In December,** NGFA met with representatives from producer groups, including the American Farm Bureau Federation, American Soybean Association, National Association of Wheat Growers, National Corn Growers Association and USA Rice to discuss the NGFA-NAEGA priorities for the 2025 USGSA Reauthorization. Overall, there was general support for our issues.

In February, several of the producer groups and NGFA-NAEGA members met with Senate Agriculture Committee majority staff to outline our priorities for the upcoming reauthorization of the USGSA. During the meeting, the group highlighted that there is broad support for the proposed priorities, and that our goal is to keep a unified position throughout the legislative process. The committee staff asked for proposed legislative language by the end of March. NGFA is working to retain legislative counsel to assist in the process.

- C. FGIS Export Registration:** NGFA and NAEGA worked with FGIS regarding an address formatting issue that may affect U.S. grain exports to China and other countries. Specifically, FGIS and APHIS record and display exporter addresses differently which has led to issues where China may declare that the addresses do not match, potentially causing problems clearing shipments into the country. As a result, FGIS agreed to modify the address format used by APHIS for phytosanitary certificates on the list of registered exporters. NGFA and NAEGA sent out a notice to their respective members.

III. Other Actions:

The committee and NGFA staff also were engaged in the following activities from September 2024 – March 2025:

- NGFA delivered a presentation on January 14 at the Wisconsin Agribusiness Classic in Wisconsin Dells, WI on grain quality management issues.
- Conducted a Regional NGFA/NAEGA Industry Workshop on October 9 in Portland, Ore. These workshops bring together industry members and representatives of federal government agencies, including USDA's Animal and Plant Health Inspection Service and FGIS, the Food and Drug Administration and U.S. Coast Guard to discuss current industry issues and trends. These regional meetings have received high marks from federal and industry attendees. About 50 people attended the event.