THE OFFICIAL GRAIN INSPECTION SYSTEM

National Grain and Feed Association

Country Elevator Conference

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Definitions

GIPSA “Designates” States and private organizations to provide domestic grain inspection and weighing services. Designations are for up to 5 years.

GIPSA “Delegates” qualified States to provide export vessel grain inspection and weighing in export port areas. Reviewed every 5 years.
The Official Inspection System

- **37 Private Agencies**
- **12 State Agencies**
  - 5 State Agencies Designated for Export Ship Inspection

**Inspections Performed 2014 Fiscal Year**
- Official Agencies: 4,523,162 (98 %)
- GIPSA Employees: 118,500 (2 %)

**Volume of Grain Inspected**
- Official Agencies: 215.3 MMT (72 %)
- GIPSA Employees: 82.6 MMT (28 %)

Over 2,000 Official Agency Licensed Personnel
Designation Process

- Inspection Agencies Apply to GIPSA for Specific Geographic Areas Announced in the Federal Register
  - The Public is Provided Opportunity to Comment
- If More Than One Party Applies, GIPSA Issues a Second Federal Register Soliciting Additional Public Comments
- GIPSA Selects the One Applicant Best Able to Provide Service
Official Agency Requirements

- Adequate Facilities and Qualified Personnel
- Provide Periodic Rotation of Personnel to Preserve Official Service Integrity
- Meet Training Requirements and Personnel Standards
- Conduct Training and Provide Supervision of Personnel
- Charge Official Inspection Fees That are Not Discriminatory or Unreasonable
- State Agencies Will Not Use Any Moneys Collected from Fees for Any Purpose Other Than the Maintenance of the Official Inspection Operation
- Agency Persons Must Not Have Conflict of Interest
- Maintain Complete and Accurate Records of its Organization, Staffing, Official Activities, and Fiscal Operations, and Other Required Records
- State Agencies Employ Personnel on Basis of Job Qualifications Rather Than Political Affiliations
- Comply With All Provisions of the USGSA, Regulations and Instructions
- Meet Other Criteria Established in Regulations Issued Under the USGSA
System Integrity

- Official Agencies Can Only Provide Service In Their Designated Area
  - Limited Exceptions
- “All” Employees Must be Free of Conflicts of Interest
- Fees Must be Reasonable and Uniform to All
- Employees Must be Rotated Among Facilities
- Records Must be Kept on All Activities for GIPSA Review
System Accuracy and Consistency

- Standardized Equipment and Personnel Tied to GIPSA’S Central Reference Laboratory
- All Inspectors and Technicians are Trained and Licensed Through GIPSA
- Results Subject to Monitoring on a Daily Basis
- Recognized as the Authoritative Inspection by the National Grain and Feed Association Trading Rules
Flexibility to Meet Your Needs

- Official Commercial Inspections
  - At Your Request
    - Modified Sampling and Inspection Procedures
    - Certain Equipment to be Used
    - File Samples May or May Not be Maintained
    - Certificates May or May Not be Issued
  28% of Inspections Performed are Official Commercial
  1,277,728 Inspections to Meet Customer Needs

- Fees Can be Negotiated Under Contract Agreements as Long as They are Available to All Customers
Official and Unofficial

- Only Official Agencies and GIPSA can Provide Service Under the United States Grain Standards Act (USGSA)

- Warehouse Inspections Do Not Provide the Quality and Integrity of USGSA Inspections

- Unofficial Inspection Companies Are Not Required to Follow Any USDA Requirements
# USGSA vs. Warehouse Act

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<thead>
<tr>
<th>USGSA</th>
<th>Warehouse Act</th>
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<tbody>
<tr>
<td>Designed to Facilitate Grain Marketing</td>
<td>Designed to Facilitate Warehousing</td>
</tr>
<tr>
<td>Provide for Establishment of Official Grain Standards, and Official Inspection System</td>
<td>Provide System to Protect Customers from Losses Due to Shortages or Deterioration</td>
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<tr>
<td>Assure Certificates Provide Prima Fascia Evidence in Court of Grain Quality for Basis of domestic and International Trade</td>
<td>Assure Integrity of Warehouse Receipts as Documents of Title to be Used as Collateral for Loans</td>
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<tr>
<td>Extensive Monitoring of Inspectors and Equipment</td>
<td>No Monitoring of Inspectors and Equipment</td>
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<tr>
<td>Mandatory Use of Specific Equipment and Procedures Approved by GIPSA</td>
<td>Recommend use of Equipment and procedures Used by GIPSA</td>
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<tr>
<td>Inspector License Must be Renewed Every 5 Years, Provided the Person Meets All Competency Requirements</td>
<td>Inspector license valid as long as the Warehouse’s License is in effect</td>
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Which Agencies are Official

Official Agencies can be found on GIPSA’s Website

www.gipsa.usda.gov
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QUESTIONS?

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