USDA Agricultural Marketing Service
U.S. DEPARTMENT OF AGRICULTURE

AMS Federal Grain Inspection Service

Field Management Division

2025 in Review

- FGIS oversaw export of 146.3M metric tons of grain.
- Directly inspected 80.4M metric tons.
  - 21% increase from previous year.
  - 78M metric tons were corn, soybeans, and wheat.
  - Inspections at New Orleans, League City, Portland, and Toledo.
- 65.9M metric tons inspected by delegated states and official providers.

Source: USDA FGIS Program Data

New Orleans Field Office Impact

- Handled over 68M metric tons of corn, soybeans, and wheat.
- Estimated export value exceeded $15B.
- 38,209 export inspections
- 7,996 submitted inspections
- Weighed 36,950 barges
- Commodity mix: 47% corn, 44% soybeans, 6% wheat, and 3% other.

Source: USDA FGIS Program Data

Licensing Exams

- In 2025 FGIS saw a 48% increase in licensing exams for official agency partners (181 vs. 122)
- In-person testing at the National Grain Center more than doubled (47 vs. 22)
- Expanded video-proctored exams (134 vs. 100)

Resource Planning

- With overall exports projected to rise (especially for corn and sorghum), FGIS anticipates increased demand for official inspections at export facilities.
- We have enhanced training.
- Supervisor scheduling for increased coverage and more connectivity for document review.
- Increasing agility in talent management and rapid response.

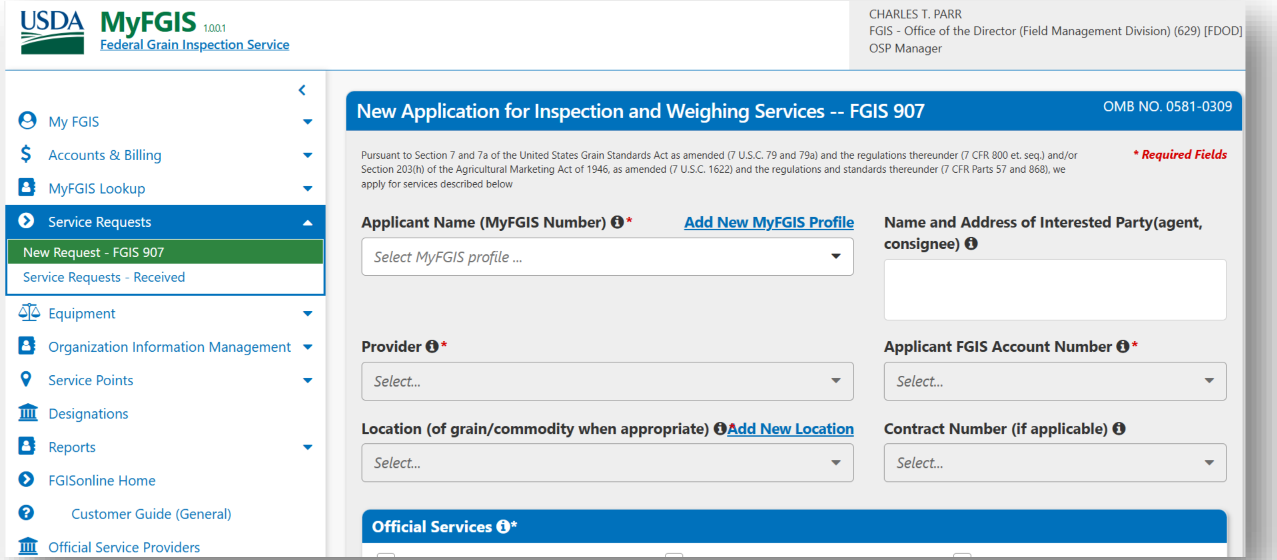
Challenges and Opportunities

- Global factors like weather disruptions in competitor countries highlight U.S. reliability, but trade policies and currency fluctuations could impact these projections.
- FGIS remains committed to upholding standards that build buyer confidence and is working on contingencies as defined by USGSA and AMA.

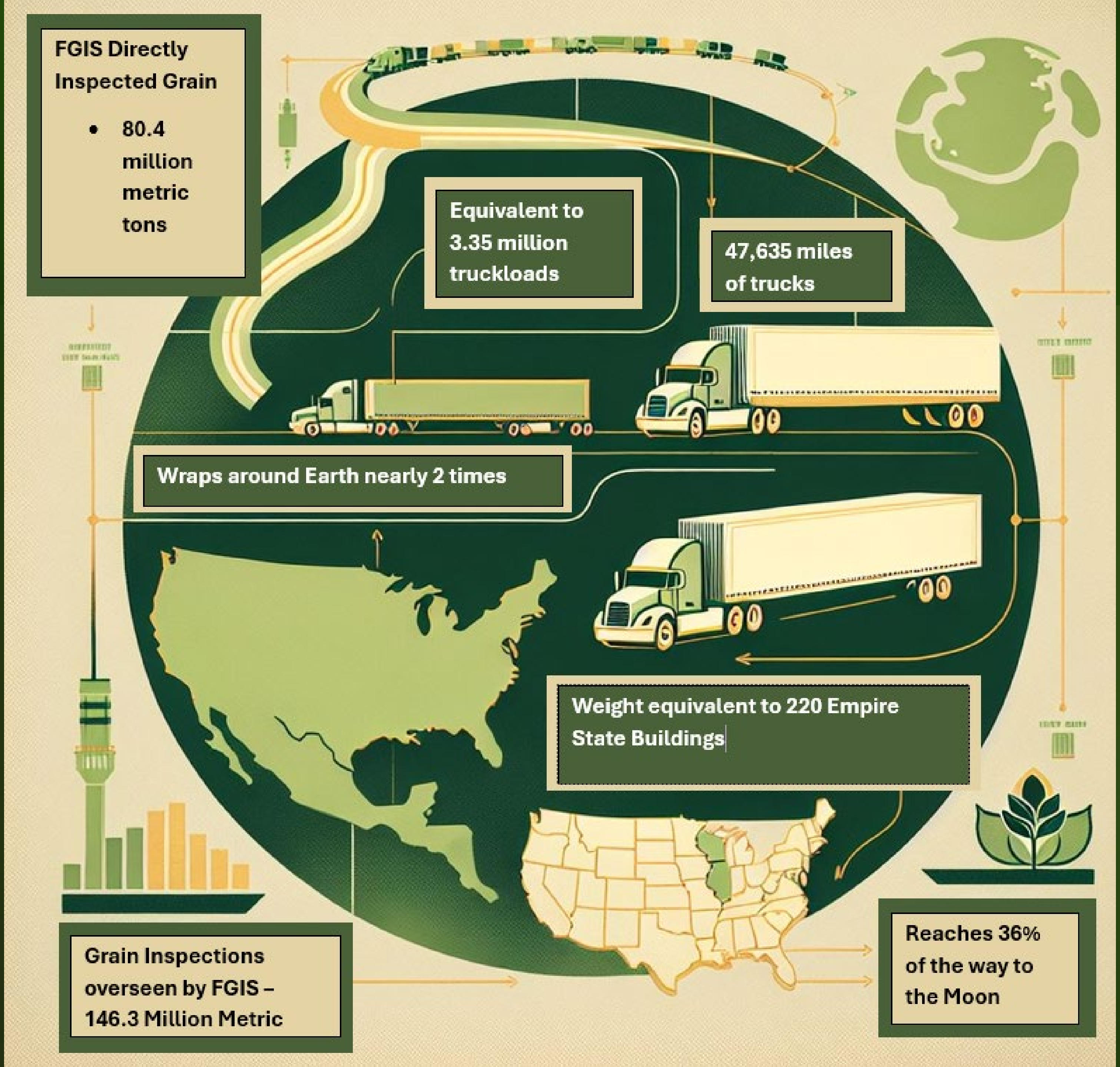
Recommendations

Council input needed for:

- Prioritizing resources for high-growth commodities would be valuable.
- Deployment of Grading Technology
- Fee Schedule changes to simplify billing process.
- Digital FGIS Form 907- Service Request



In summary, 2026 promises strong U.S. export performance for corn, wheat, and sorghum, with soybeans facing headwinds. These projections position the U.S. as a key global supplier, and FGIS is ready to support this through world-class inspection services.


FGIS Directly Inspected Grain
• 80.4 million metric tons
Equivalent to 3.35 million truckloads
47,635 miles of trucks
Wraps around Earth nearly 2 times
Weight equivalent to 220 Empire State Buildings
Grain Inspections overseen by FGIS – 146.3 Million Metric
Reaches 36% of the way to the Moon

FGIS Export Inspection Volumes and Trends

Rob Dorman
Grain Marketing Specialist
Policies Procedures, and Market Analysis
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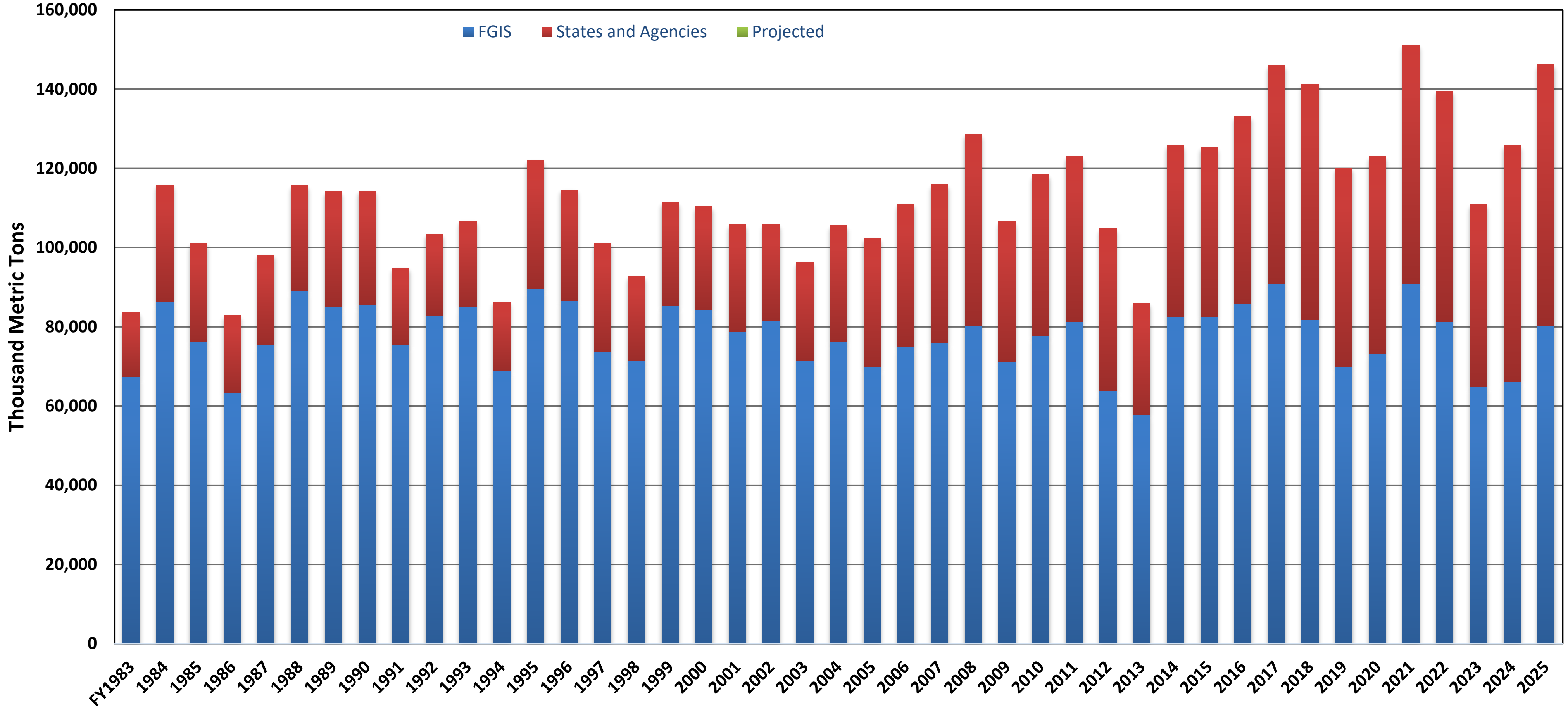
Highlights

-2024/25 Market Recap
-Current trends
-Corn and Wheat to Mexico
-Soybeans and Sorghum to China

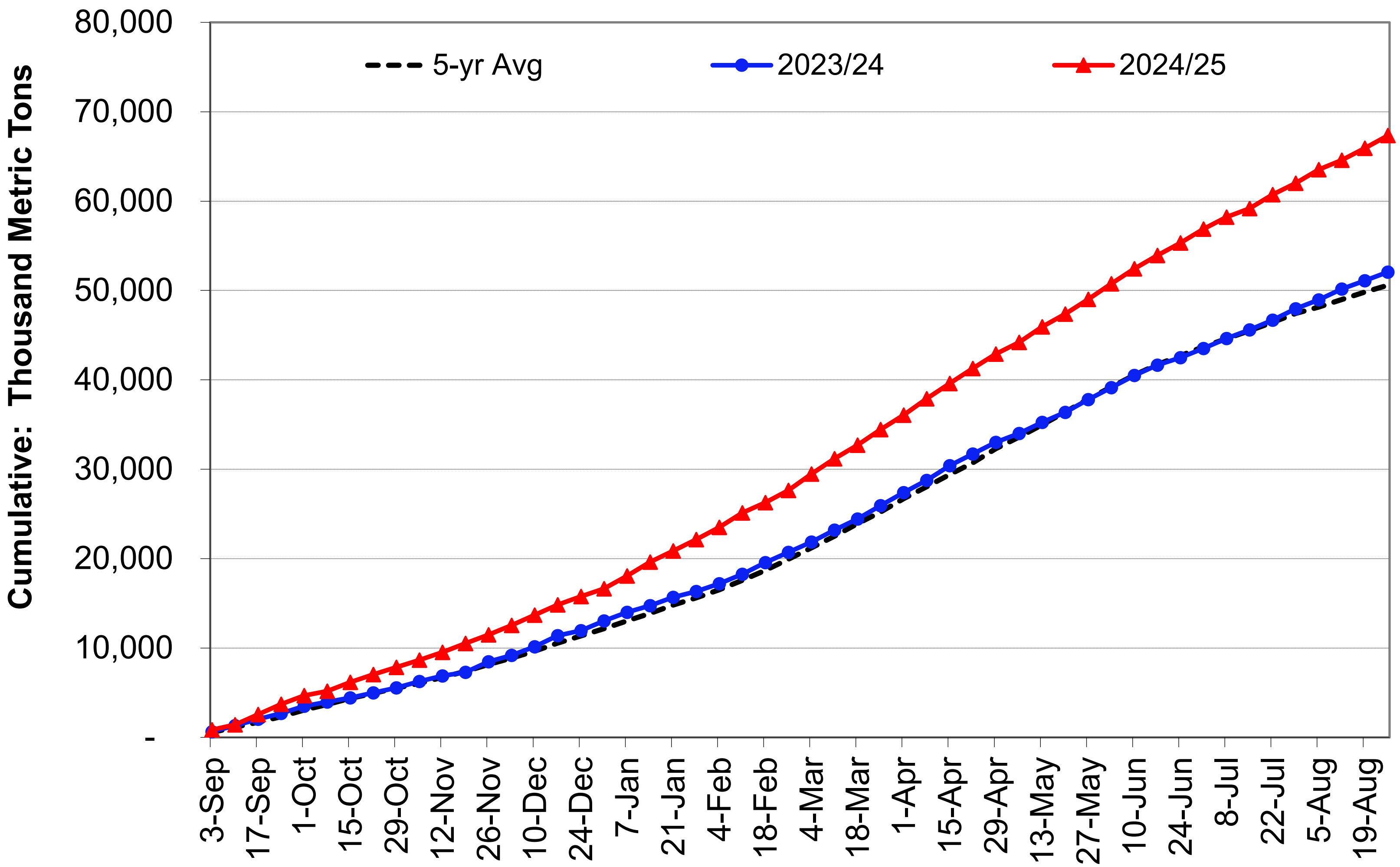
2024/25 Market Summary

-Total U.S. grain exports ranked second all-time.
-Corn exports hit a Marketing Year record high.
-China's purchases of U.S. soybeans and sorghum were down significantly from previous year
-Mexico and South Korea set records for U.S. wheat purchases

2025 Fiscal Year Total Export Grain Inspections



2024/25 Total Export Corn



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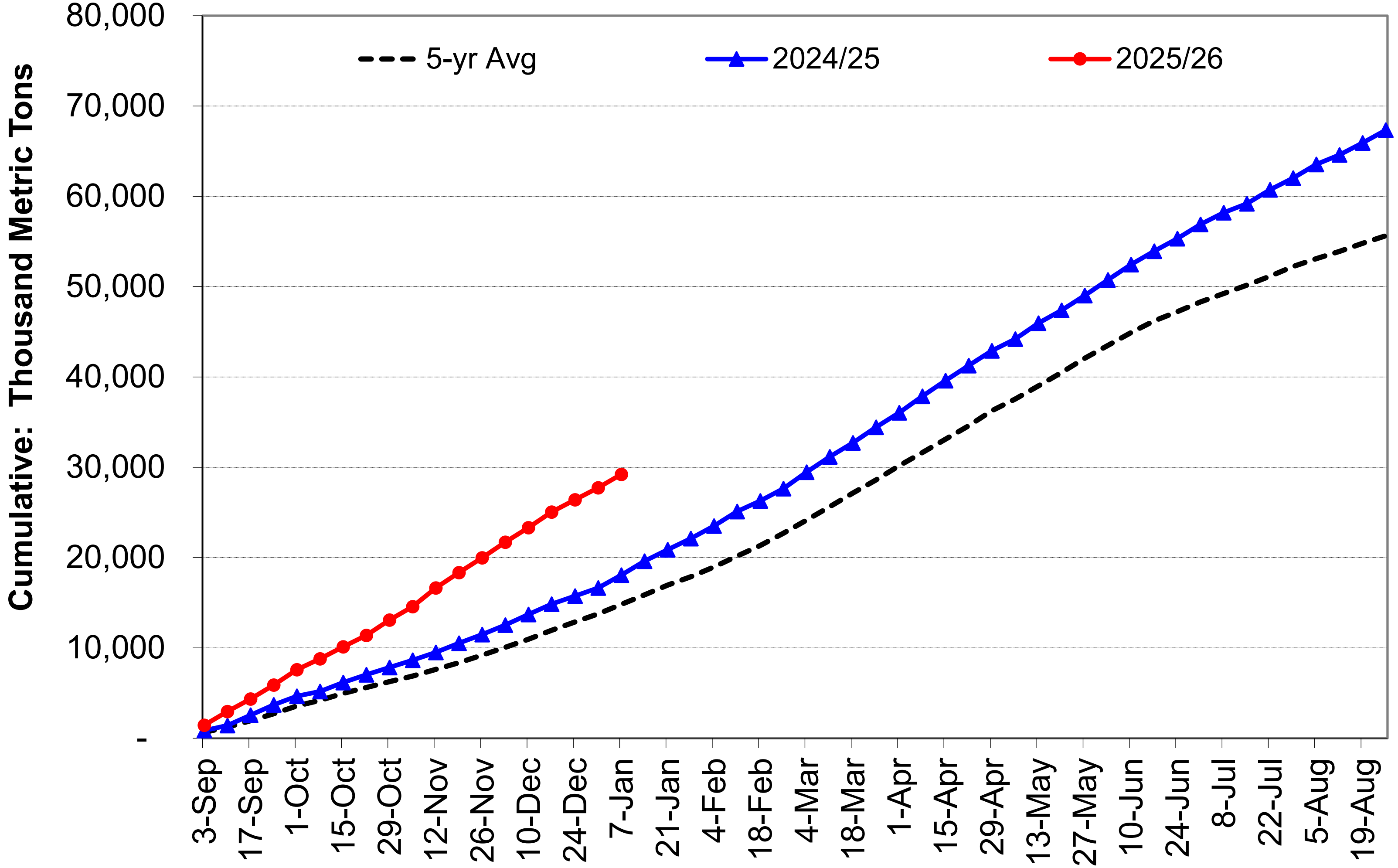
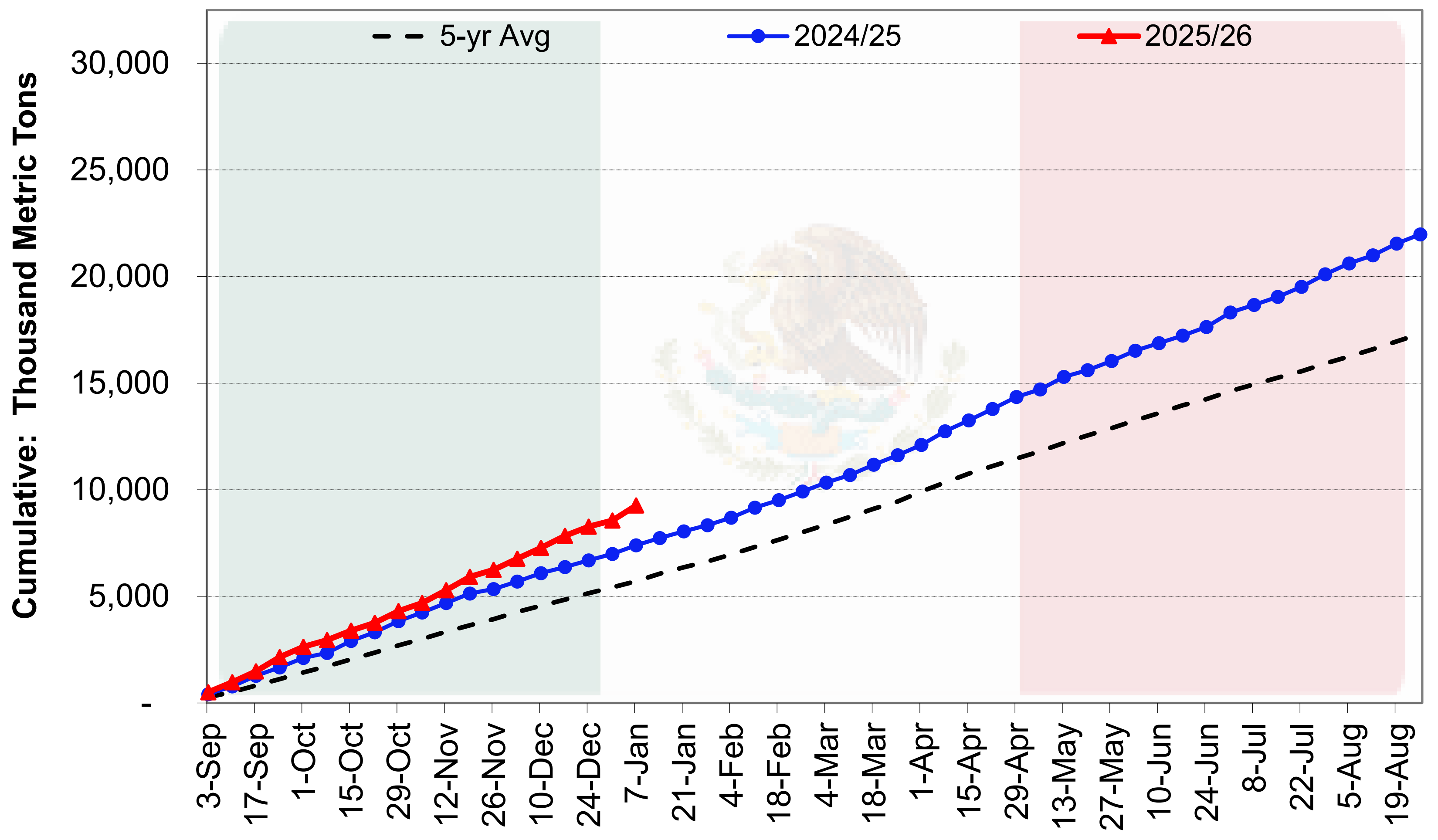
Current Total Export Corn



Current Export Corn to Mexico



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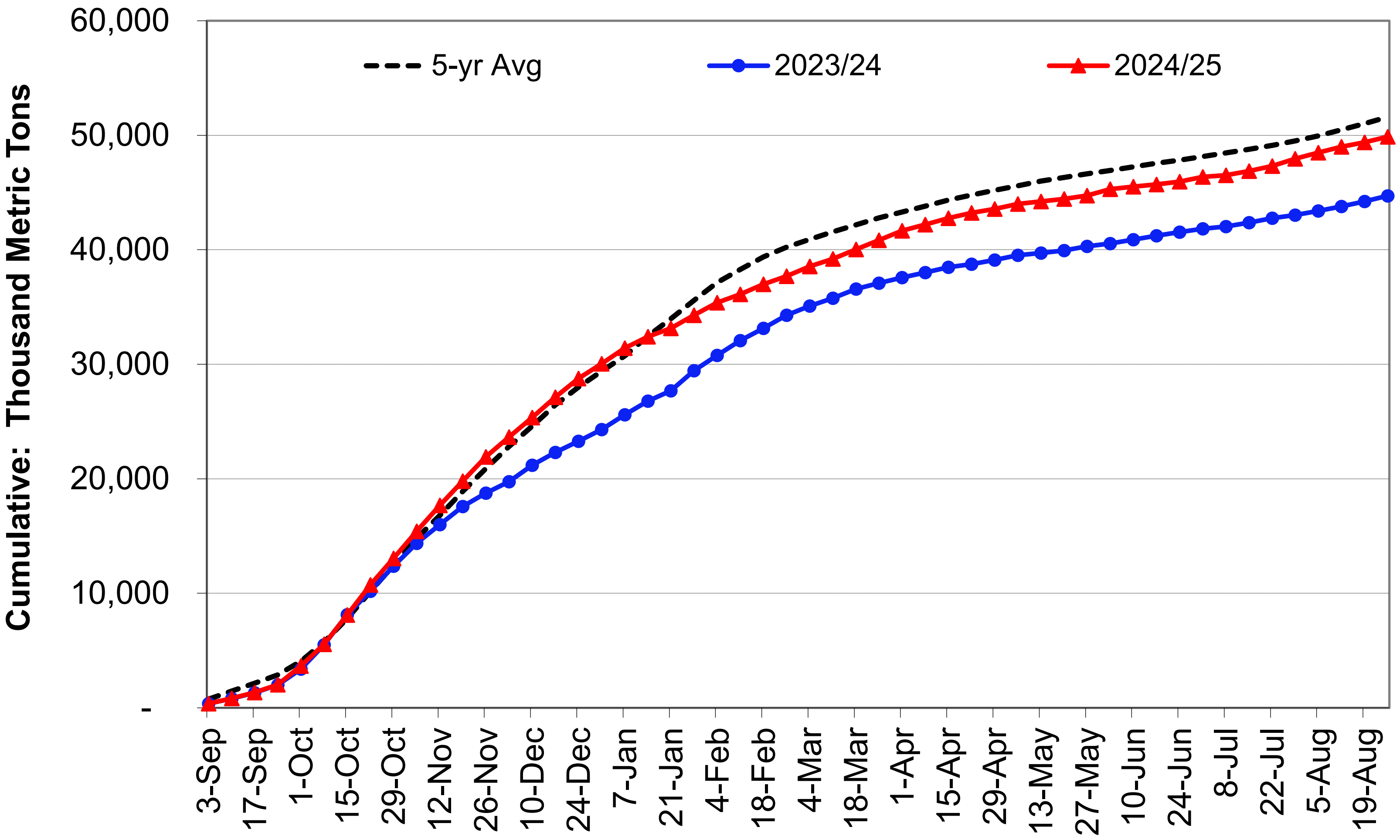
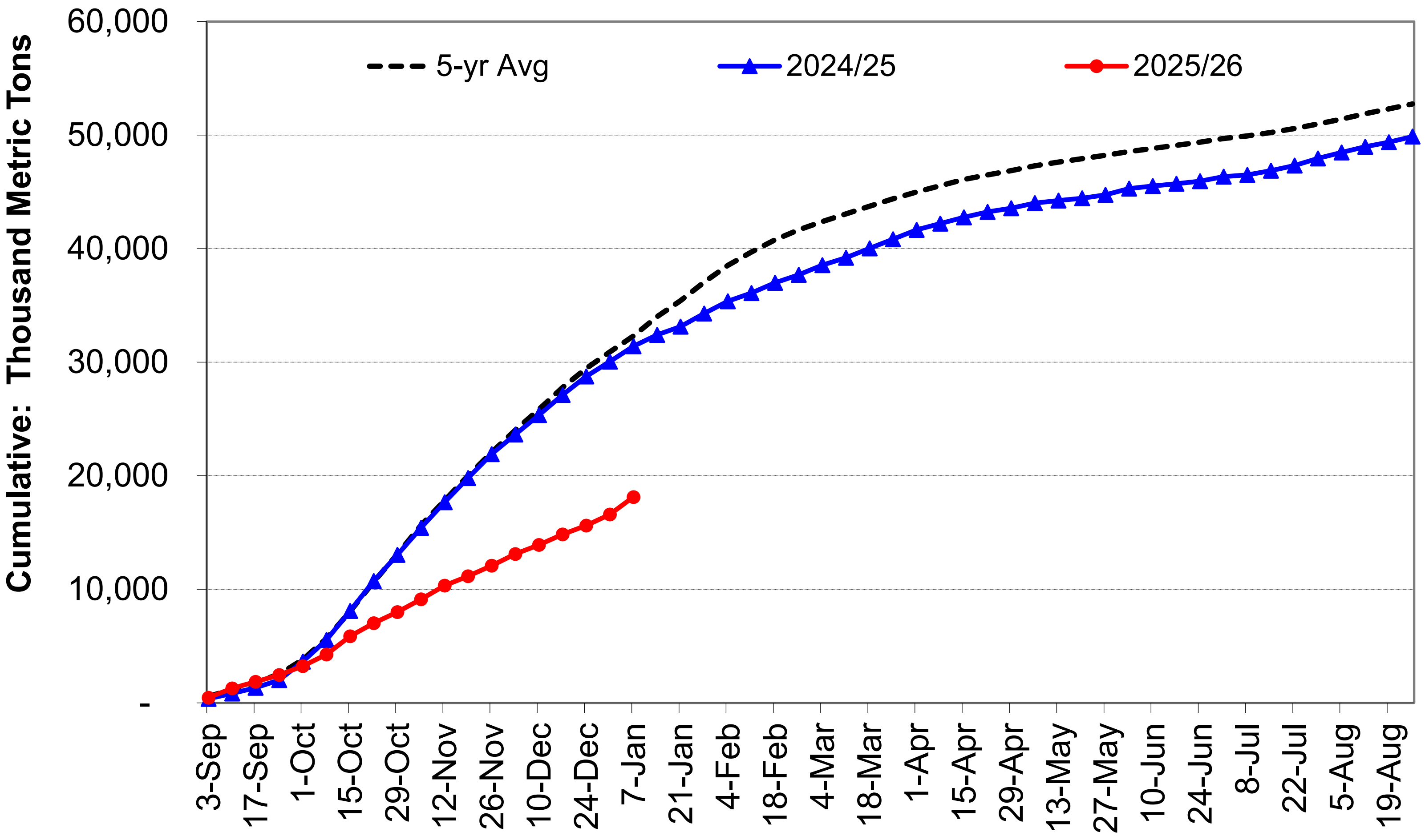
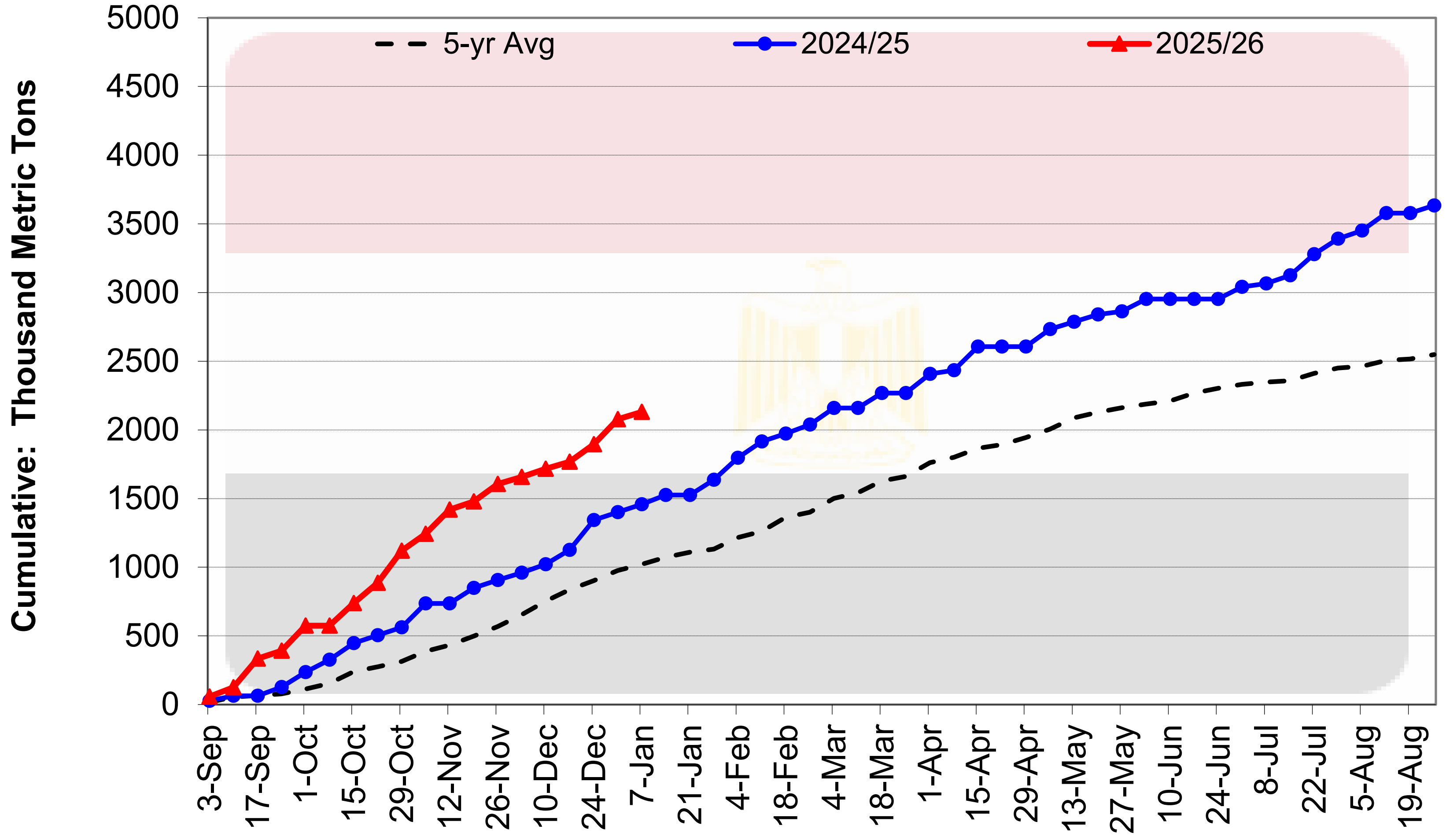
2024/25 Total Soybean Exports

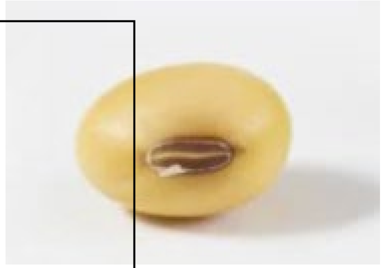


Current Total Soybean Exports



Current Total Soybeans to Egypt





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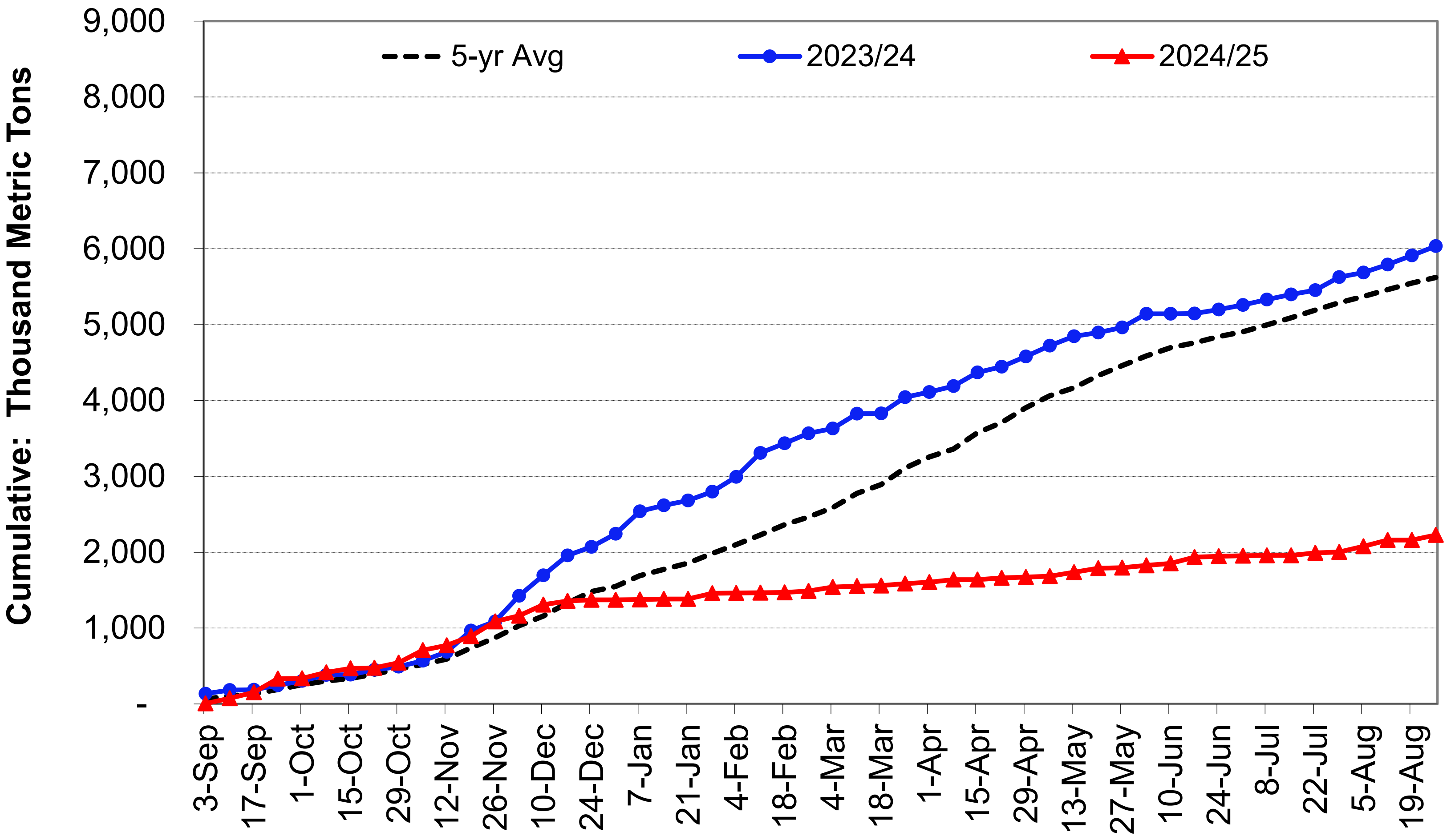
2024/25 Total Sorghum Exports



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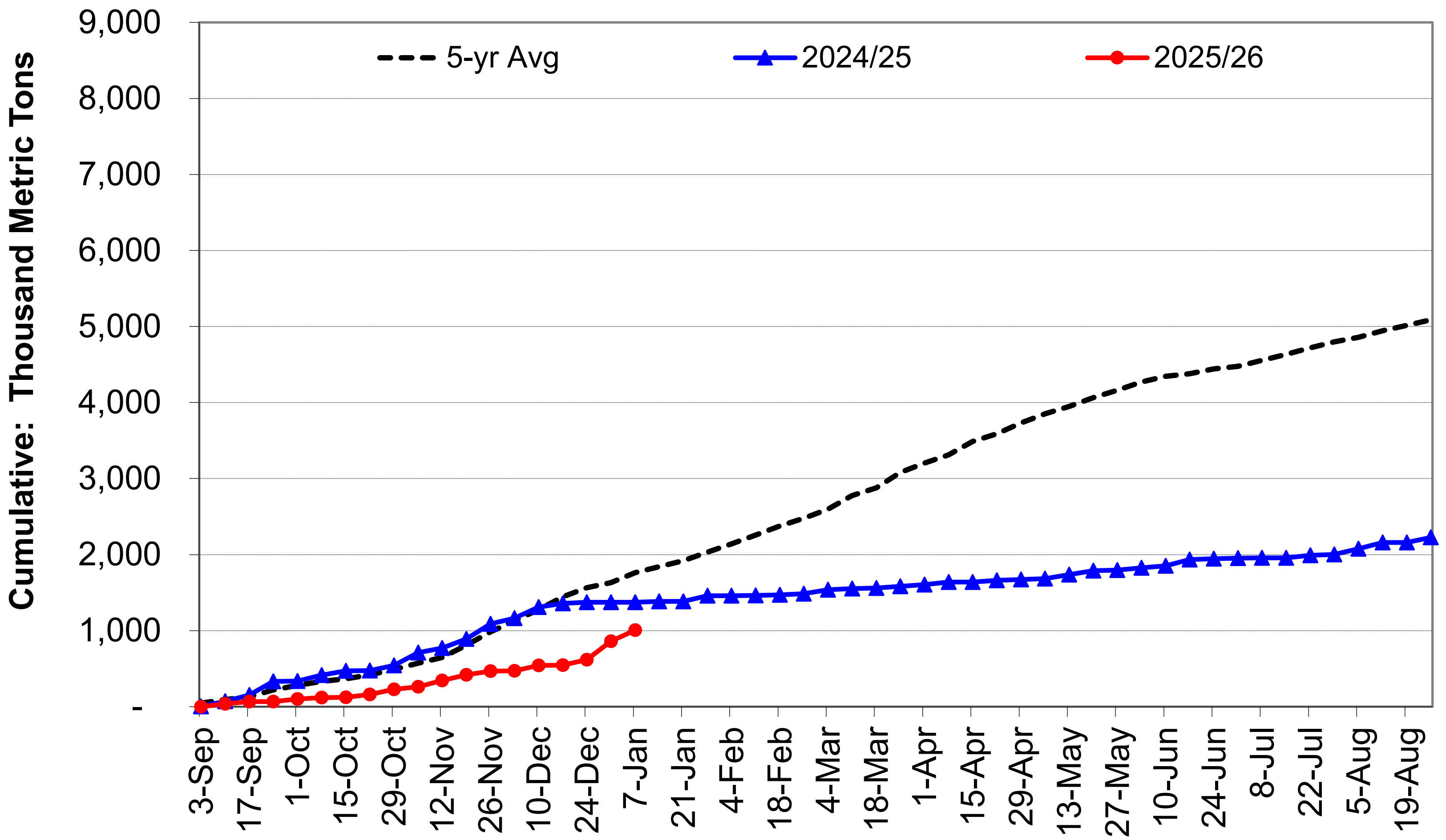
Current Total Sorghum Exports



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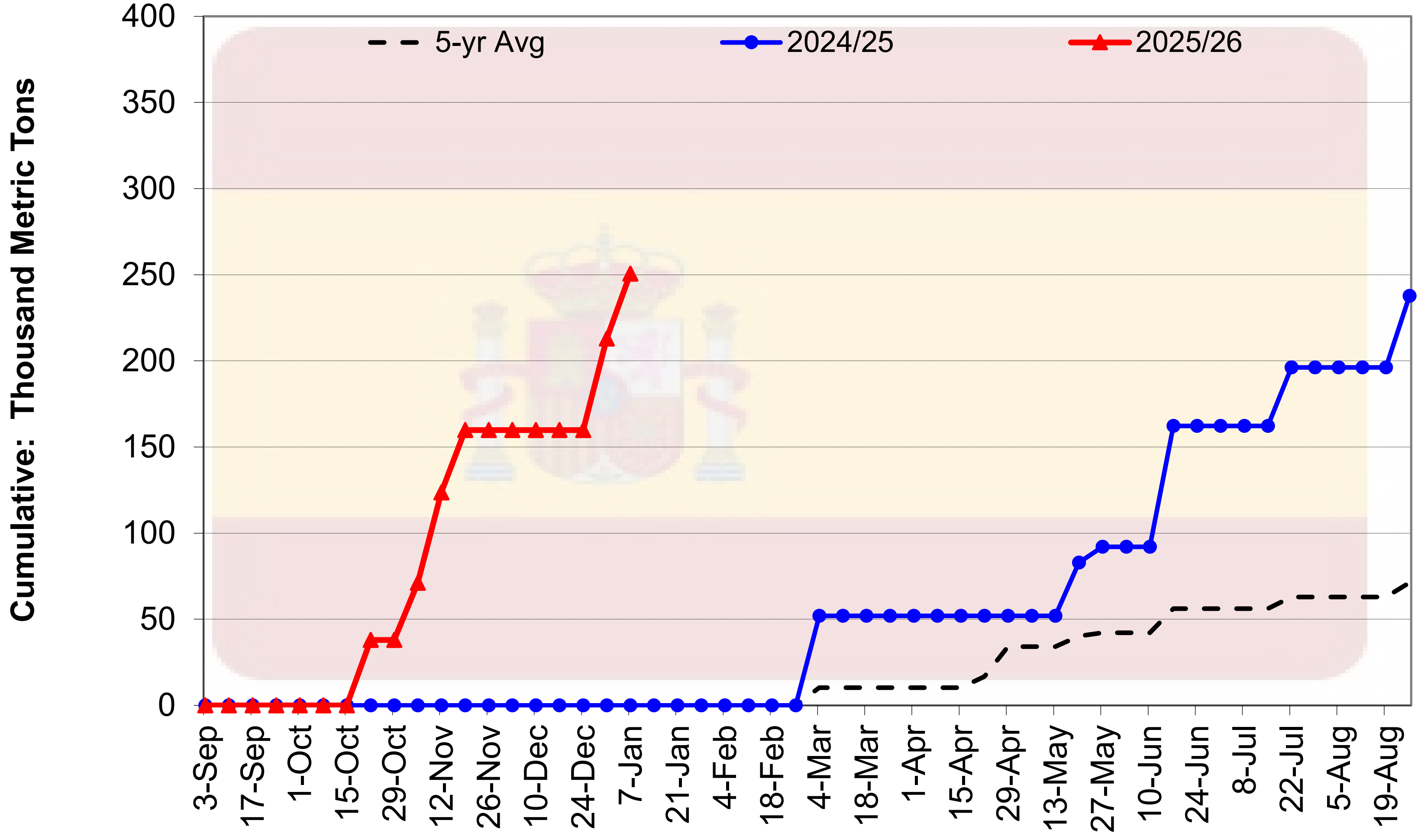
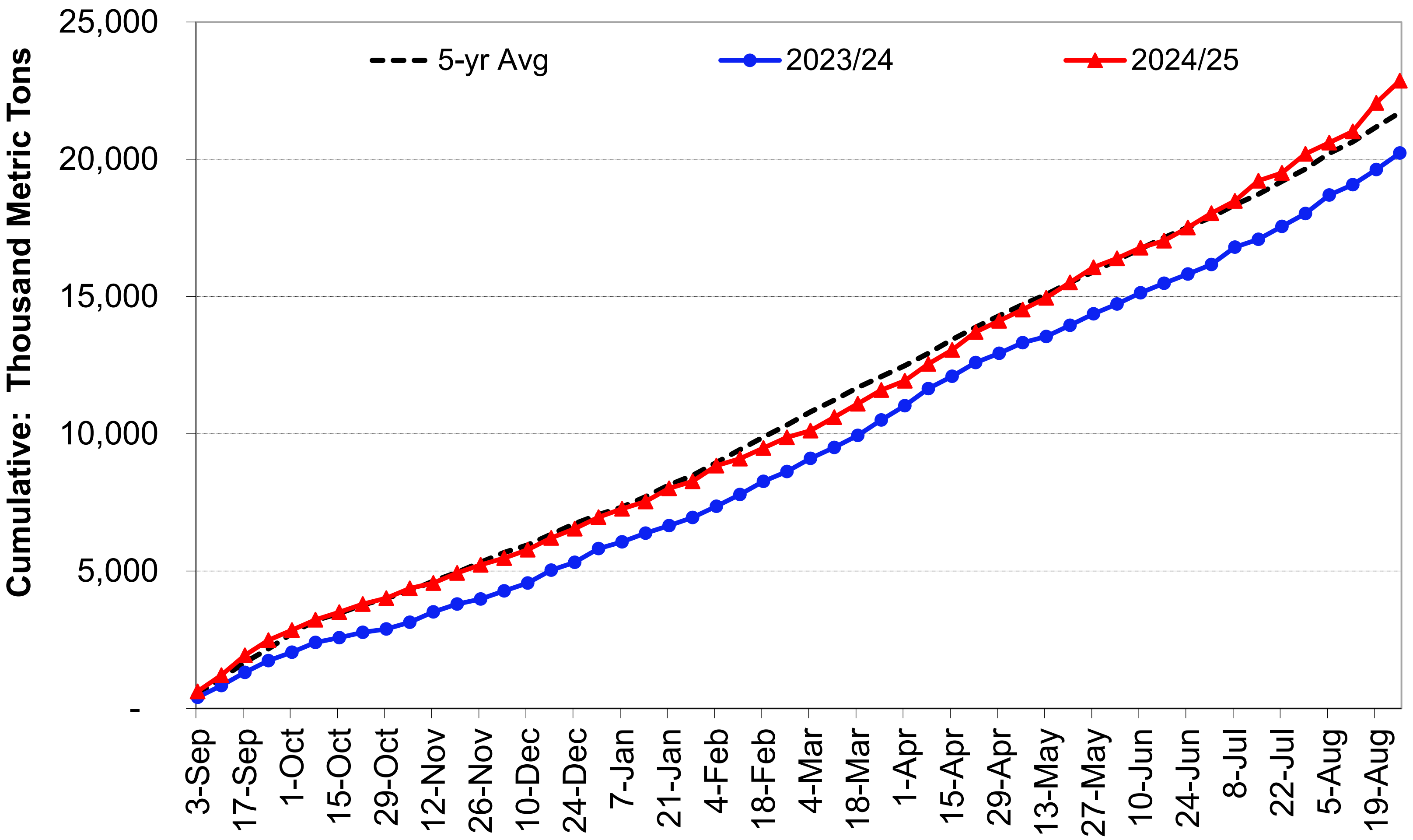
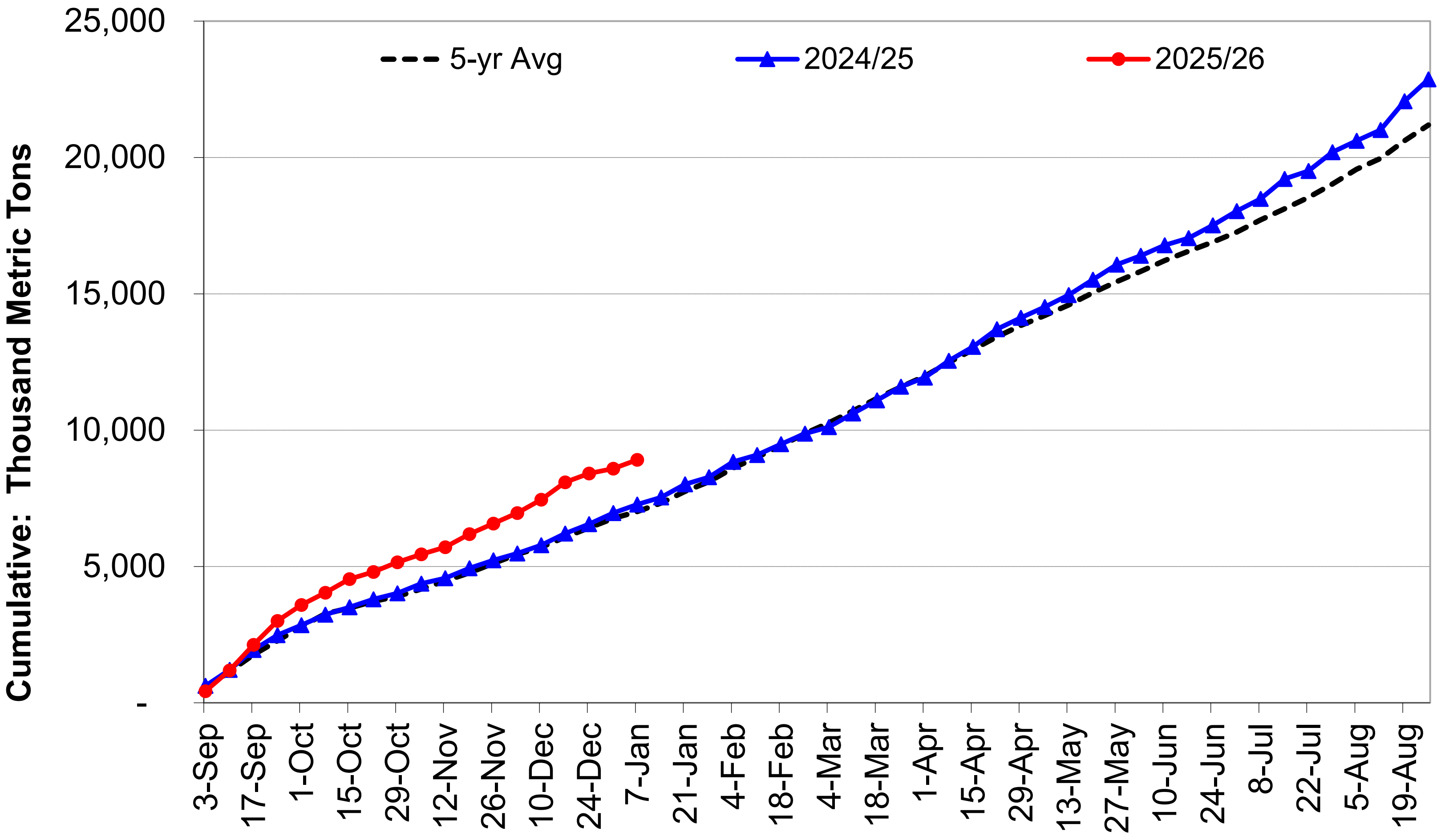
Current Total Sorghum to Spain



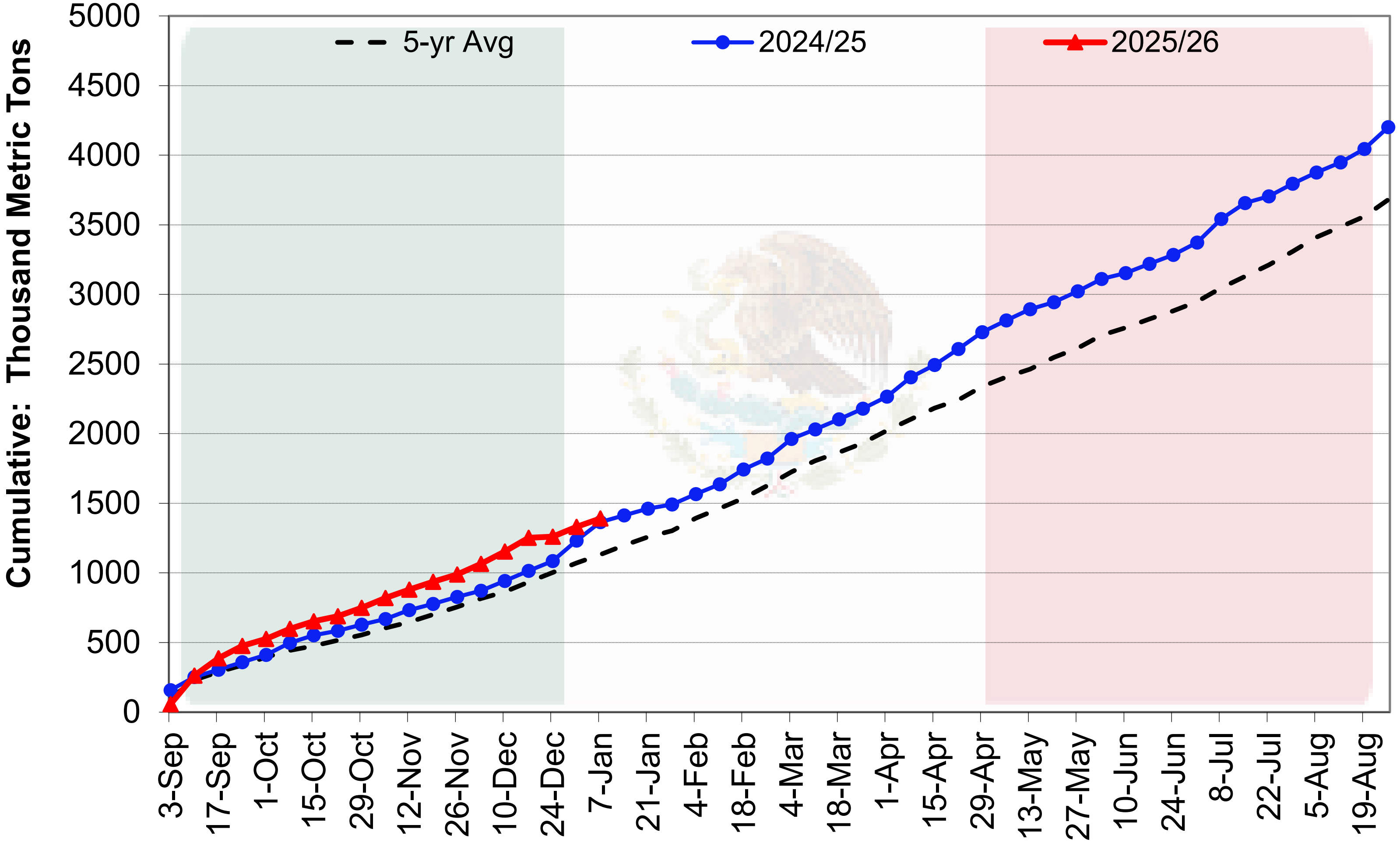
2024/25 Total Wheat Exports



Current Total Wheat Exports



Current Total Wheat to Mexico



Quick Point

-FGIS Export Inspection raw data can be found here:
https://fgisonline.ams.usda.gov/ExportGrainReport/default.aspx

-Updated weekly

Federal Grain Inspection Services Yearly Export Grain Totals

The full listing of Standardized names and codes is available within the Agricultural Products Standards (APS) system.

Effective January 1, 2021, all reports have been updated to reflect the current Destination descriptions available from U.S. Census Bureau.

Export Port and Region Definitions

Click on the title of the report to download or view the document.

- Export Grain Inspection 2026 (last updated 1/12/2026 2:28:29 PM)
- Export Grain Inspection 2025 (last updated 1/12/2026 2:28:53 PM)
- Export Grain Inspection 2024 (last updated 7/28/2025 1:19:50 PM)
- Export Grain Inspection 2023 (last updated 1/29/2024 2:08:25 PM)
- Export Grain Inspection 2022 (last updated 8/4/2025 1:32:47 PM)
- Export Grain Inspection 2021 (last updated 9/19/2022 1:09:44 PM)
- Export Grain Inspection 2020 (last updated 9/6/2022 1:43:57 PM)
- Export Grain Inspection 2019 (last updated 8/9/2021 1:54:17 PM)
- Export Grain Inspection 2018 (last updated 8/9/2021 1:54:28 PM)
- Export Grain Inspection 2017 (last updated 8/9/2021 1:54:37 PM)
- Export Grain Inspection 2016 (last updated 1/4/2021 3:45:04 PM)
- Export Grain Inspection 2015 (last updated 1/4/2021 3:45:18 PM)
- Export Grain Inspection 2014 (last updated 1/4/2021 3:45:29 PM)
- Export Grain Inspection 2013 (last updated 1/4/2021 3:45:44 PM)
- Export Grain Inspection 2012 (last updated 1/4/2021 3:45:55 PM)

If you ever have any questions or ideas regarding FGIS inspection data, please reach out!

- Rob Dorman
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AMS Federal Grain Inspection Service

Instructions Look-Ahead

FGIS Handbooks (FY 26)

Noteworthy Projects

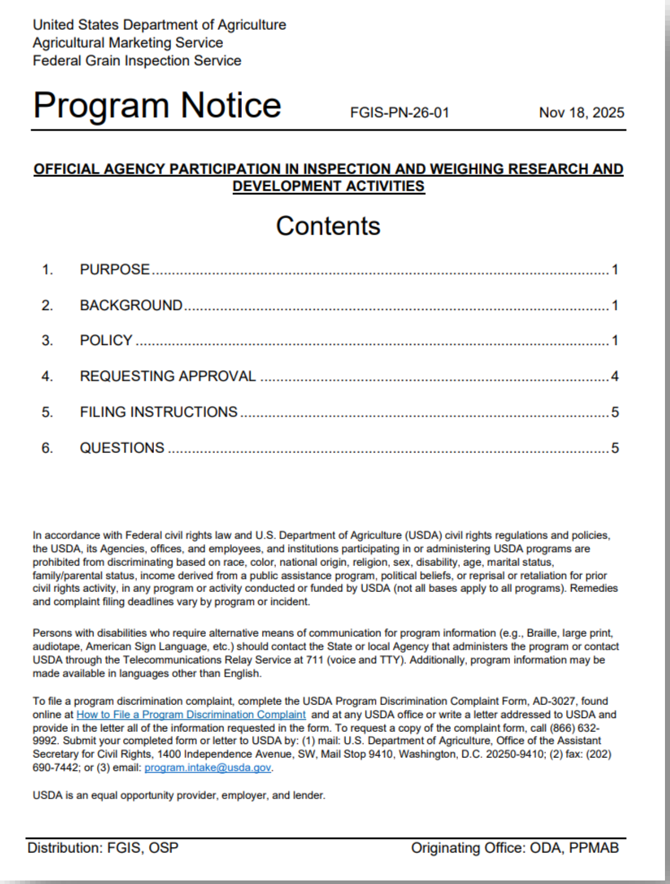
- Rice Inspection Handbook – *Under Internal Review* (*Evaluating public comments to Federal Register Notice)*
- Grain Inspection Handbook, Book II Grading (All Chapters) – *Under Internal Review (Finalizing Canola and Mixed Grain Chapters)*
- Equipment Handbook – *Under Internal Review (Chapter 2 Lab Scale Testing Updates)*
- Weighing Handbook – *Under Internal Review (Updates to FGIS Track Scale Testing Procedures and TWR)*
- Mycotoxin Handbook – *Upcoming*
- *New* Licensing Handbook (Drafted) – *Under Internal Review*
- *New* Non-standardized Grain and Miscellaneous Commodities Inspection Handbook (Drafted) – *Under Internal Review*
- *New* Container Inspection Handbook – *Under Construction*

FGIS Directives and Notices (FY 26)

Noteworthy Projects

- *New* Directive – Inspection of Pasta Products (Drafted) – *Under Branch Chief Review*
- *New* Directive – National Mycotoxin Quality Assurance Program *(TSD)*
- *New* Program Notice – Updates to FGIS Scale Testing Program (Drafted) – *Under Internal Review*
- *New* Program Notice – Optional Certificate and Letterhead Statements – *Under Construction*
- *New* Program Notice – New Sample Grinding Requirements for Mycotoxin Testing *(TSD)*
- *New* Program Notice – Procedures for Testing Ochratoxin A Using High Sensitivity Test Kits *(TSD)*

OFFICIAL AGENCY (OA) PARTICIPATION IN INSPECTION AND WEIGHING RESEARCH AND DEVELOPMENT ACTIVITIES (R & D)



United States Department of Agriculture
Agricultural Marketing Service
Federal Grain Inspection Service

Program Notice FGIS-PN-26-01 Nov 18, 2025

OFFICIAL AGENCY PARTICIPATION IN INSPECTION AND WEIGHING RESEARCH AND DEVELOPMENT ACTIVITIES

Contents

Distribution: FGIS, OSP Originating Office: ODA, PPMAB

- PN-26-01 published November 18, 2025.
- Authorizes OAs to participate in R &D type activities with the written approval of FGIS.
- Outlines requirements and limitations for OAs to participate in R & D type activities.
- Provides detailed instructions for OAs to request approval from FGIS.
- Requests evaluated by FGIS to ensure compliance with policy and that no conflict of interest exists.

Laboratory Scales and Weights Update

- Workplan submitted September 3, 2025, for a proposed rule to amend 7 CFR 802 regulations.
- Workplan approved by OMB on January 13, 2026, allowing FGIS to start working through the rulemaking process.
- Proposed rule updates references to incorporate 2025 version of NIST Handbook 44 and 2019 version of NIST Handbook 105-1. NIST Handbook 105-1 (2019) references phasing out Class F weights for lab scale testing when new weights are put into service.
- Allows FGIS to continue moving forward with GIAC recommendation to require use of higher accuracy ASTM Class 4 or better weights (ASTM Class 3 or 2 optional) and as a result, simplify testing procedures.
- Will also positively impact AMA inspection and grading services (e.g., rice grading) since lab scale testing is performed uniformly under both USGSA and AMA.

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Laboratory Scales and Weights Update

Planning temporary update to FGIS instructions during rulemaking process:

- Allow continued use of Class F weights as a minimum requirement for laboratory scale testing in alignment with current regulatory language in 7 CFR 802. Provided, they can continue to be certified every 3 years by a certified or State metrology lab.

- Assign “or better” designation to Class F weights to allow the optional use of weights that are more accurate than Class F. “Or better” will be further defined as ASTM Class 4, 3, or 2 weights. Use of ASTM Class 4 or better weights will not be required until rulemaking process is complete and final instructions are issued to incorporate the change.

Container Inspection Handbook Project

FGIS recently resumed weekly working group meetings.

- Working group comprised of Jacob Thein (PPMAB), Rob Dorman (PPMAB), Jeff L’Heureux (FMD), and Ron Bundy (FMD).
- Partial outline completed and shared with OA members for feedback (Chapters 1 & 2).
- Working group will continue to draft remaining handbook outline (Chapters 3 – 5).

Master Scale Program Update

- Notice to Trade (NTT) issued by AMS on November 10, 2025, announced final decision to terminate the master scale testing program and close the master scale depot in Chicago, IL.

- Reasons for terminating the program:
    - Significantly reduced customer usage.
    - Majority of testing performed was not for the grain industry.
    - In 2020, AAR elected not to renew longstanding funding agreement with FGIS.
    - > $200,000 needed annually to operate the program. Revenue without agreement funding < $50,000.
    - 100% user fee-based program. No appropriations.
    - Fees collected for scale testing are not adequate to cover program costs. Significant general scale testing fee increase would be required to continue program. FGIS feels customers would find this level of fee increase unreasonable.

Master Scale Program Update

- Allows FGIS to streamline official service delivery and return to its core functions and services mandated by the USGSA.
- Working to complete master scale service requests over the next couple months that were made prior to the NTT announcement.
- FGIS is planning to draft an NTT announcing the discontinuation of test weight reverification (TWR) services as a result of terminating the master scale program.
  - Service was tied to master scale laboratory accreditation and traceability to NIST.
  - FGIS has requested a formal extension of our current NIST accreditation (expires January 31, 2026) through June 30, 2026. NIST is currently reviewing the request.
  - Elevators will need to coordinate with their State, local government, or other NIST accredited metrology labs to have their test weights certified.
- Planning updates to FGIS track scale testing program for testing scales used to weigh grain and AMA commodities.
  - Use State, local government, or private scale testing companies to provide NIST traceable test weights and carts for track scale testing.
  - Only requires one FGIS scale specialist be present for test, resulting in estimated 50% reduction for time and travel costs billed by FGIS.

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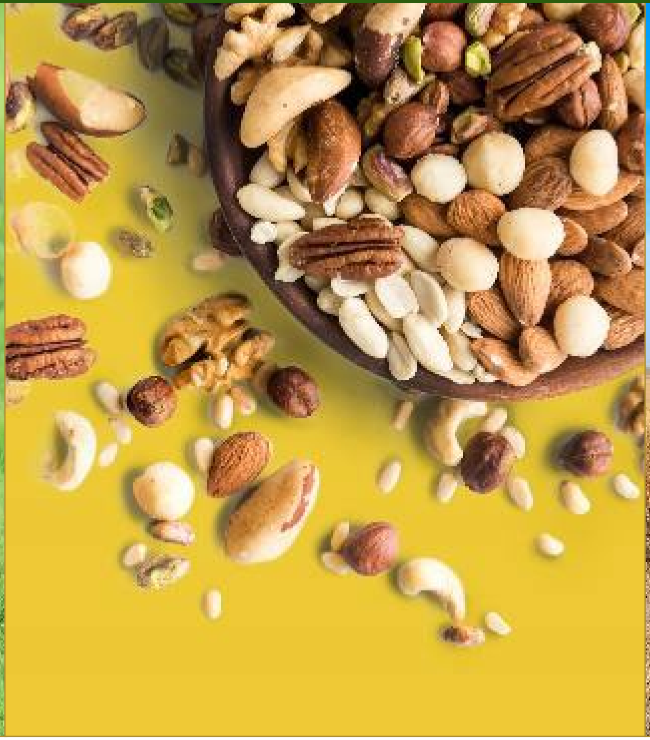


Grain Inspection Innovation

Technology Pathways

- ITE
- CRADA
- FGIS Program Notice (PN-26-01)
- Other

Cooperative Research and Development Agreement (CRADA)

- **Phase 1: Proof of Concept**
  - Equipment Evaluation
  - Collection/Verification of Kernels (sound/damaged)
  - Beta Model Development/Testing/Refinement
- **Phase 2: Field or In-House Testing**
- **Final Determination/Validation**
- **Agreements**
  - Rice: Milling Yield
  - Corn: Damage
  - Wheat: Damage

Videometer Updates (Corn)

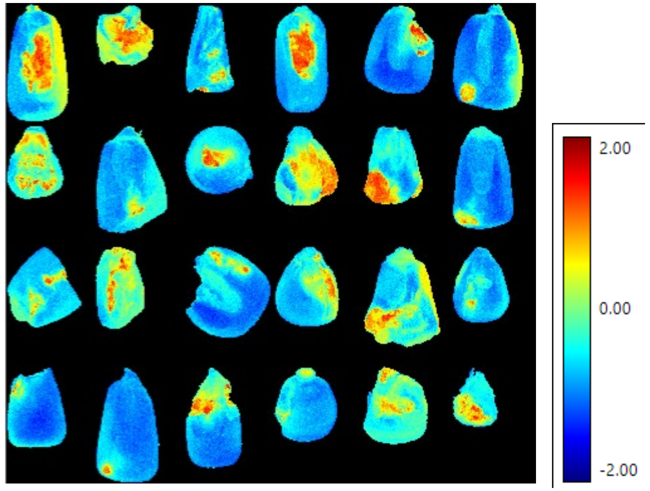
- **Origin: Denmark**
- **Tech**
  - Multispectral Imaging
  - Auto feeder
- **167,800 Kernels Evaluated**
- **Amending CRADA to extend to 4/30/2027**
- **Current Status: Phase 1: "Proof of Concept" testing on prediction model**
- **Targeting completion of Phase 1 testing by Summer 2026**
- **Determine next steps before 2026 corn harvest**

Multispectral image detection of Black Mold

RGB Color image | **Multispectral heat map**

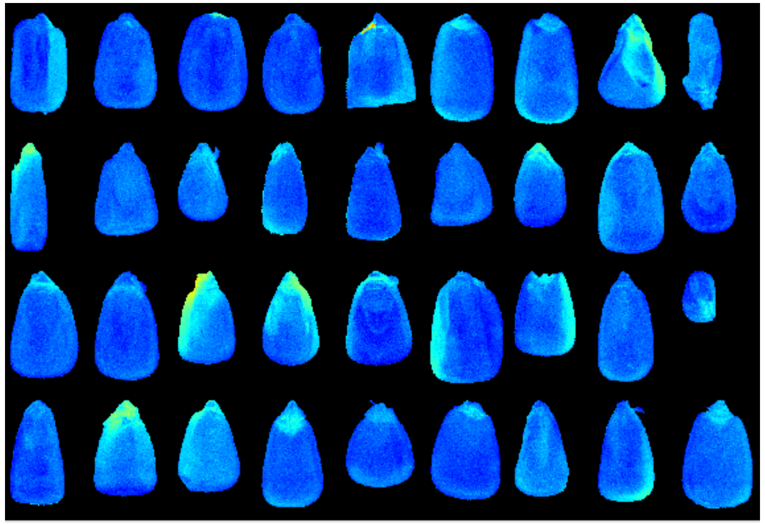
Black Mold Damaged kernels

Red rings in RGB image show locations of black mold. Black mold shows up as red colored pixels in heat map (positive score).



Healthy kernels

RGB image show examples of healthy kernels. Heat map shows only blue/green colors, i.e. no black mold detected.

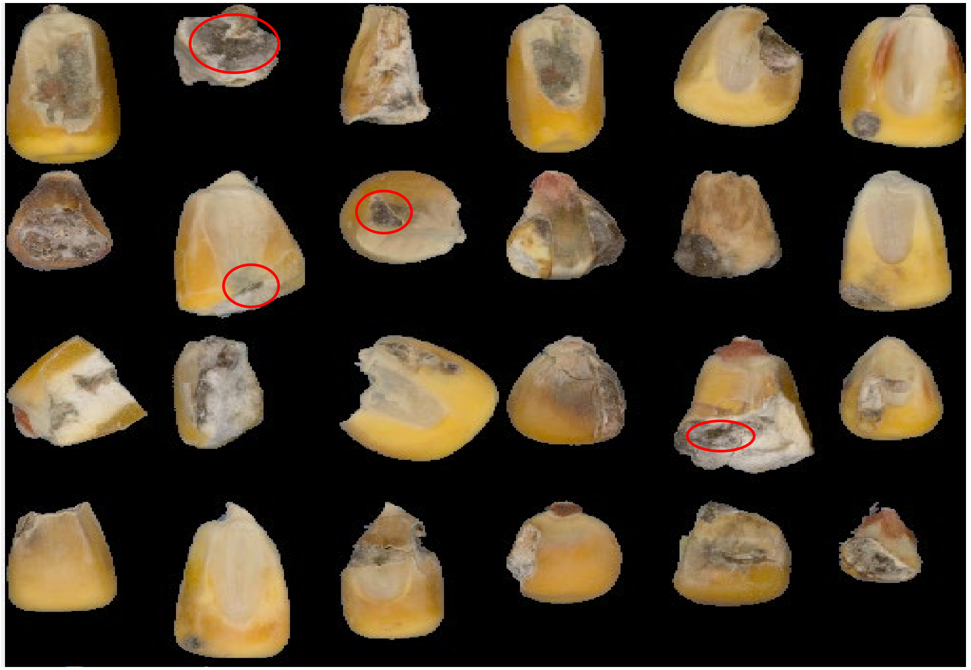


Multispectral image detection of Black Mold

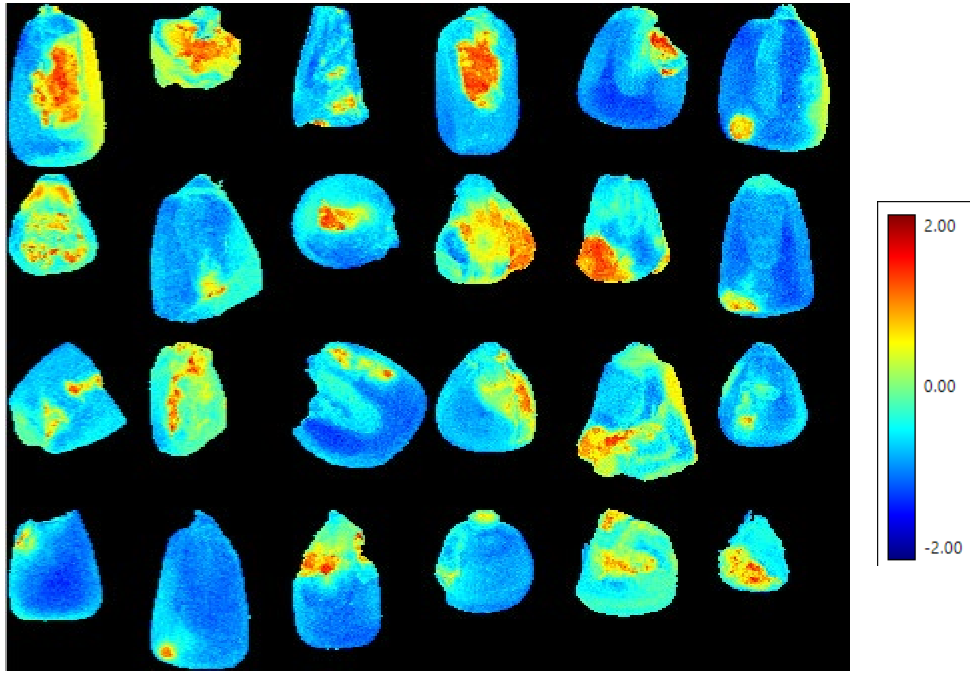
Red rings in RGB image show locations of black mold.
Black mold shows up as red colored pixels in heat map (positive score).

Black Mold Damaged kernels

RGB Color image



Multispectral heat map

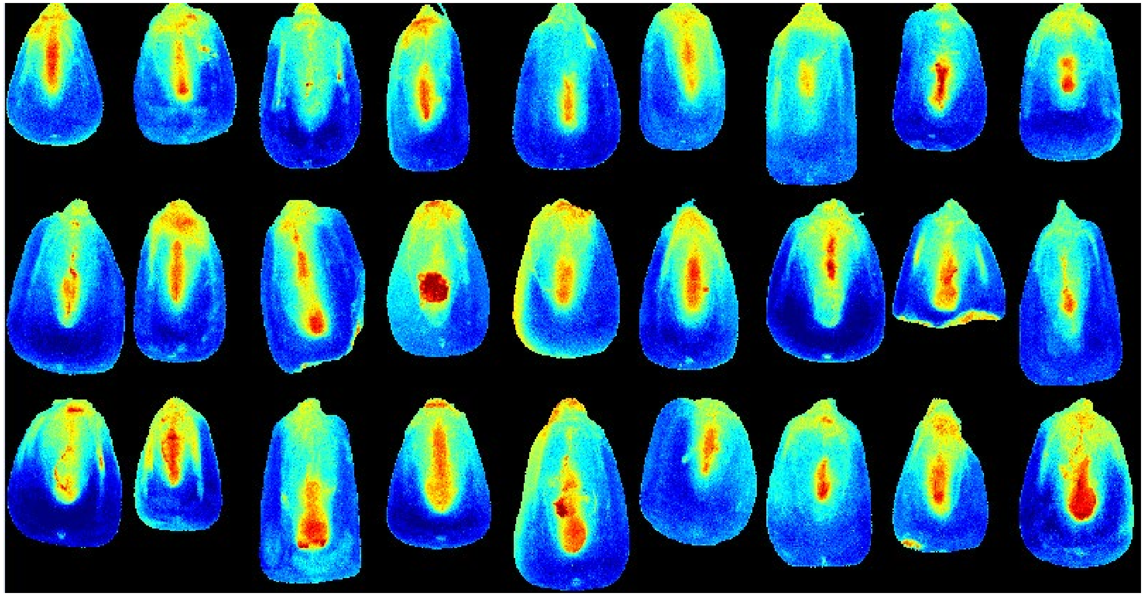


Multispectral Image Detection of Blue Eye Mold

Blue eye mold show up as red colors in the heat map (positive score).

RGB Color image

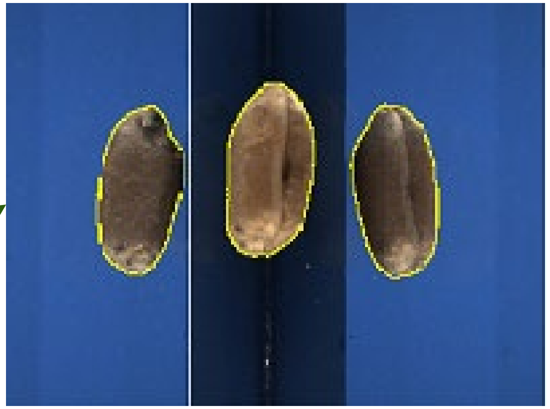
Multispectral heat map



Cgrain Updates (Wheat)

- **Origin: Sweden**
- **Tech**
  - High Resolution Camera
  - Mirror Design (>90% kernel)
- **121,600 Kernels Evaluated**
- **CRADA agreement thru 9/30/2026**
- **Current Status: Testing Beta HRW prediction model**

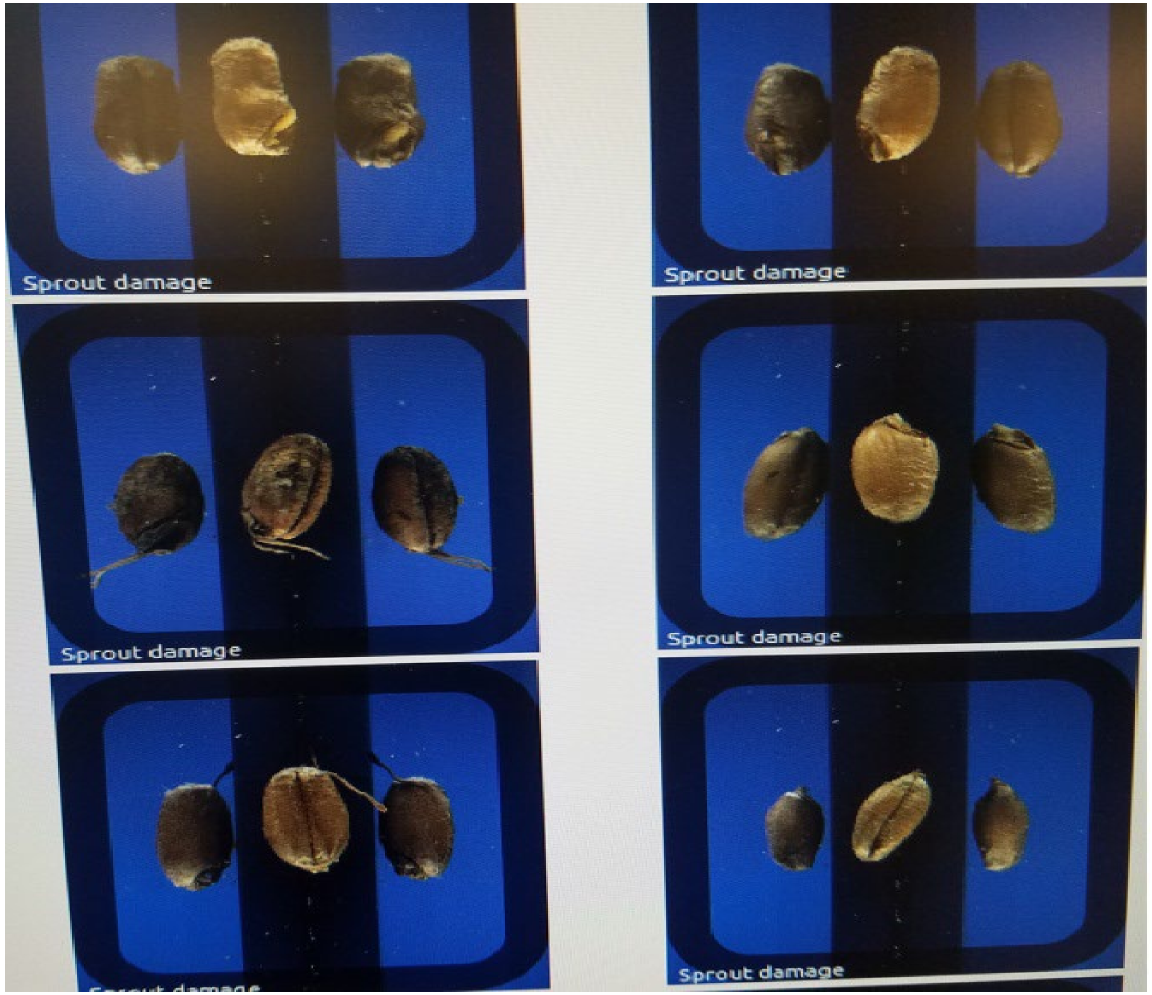
Sound Kernels



The yellow outline around the kernel shows what the model is looking at

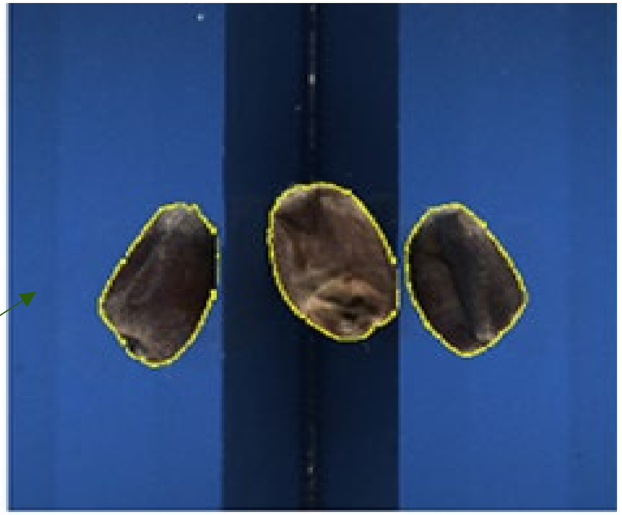
Sprout Damage

Single Image of sprout damage of wheat

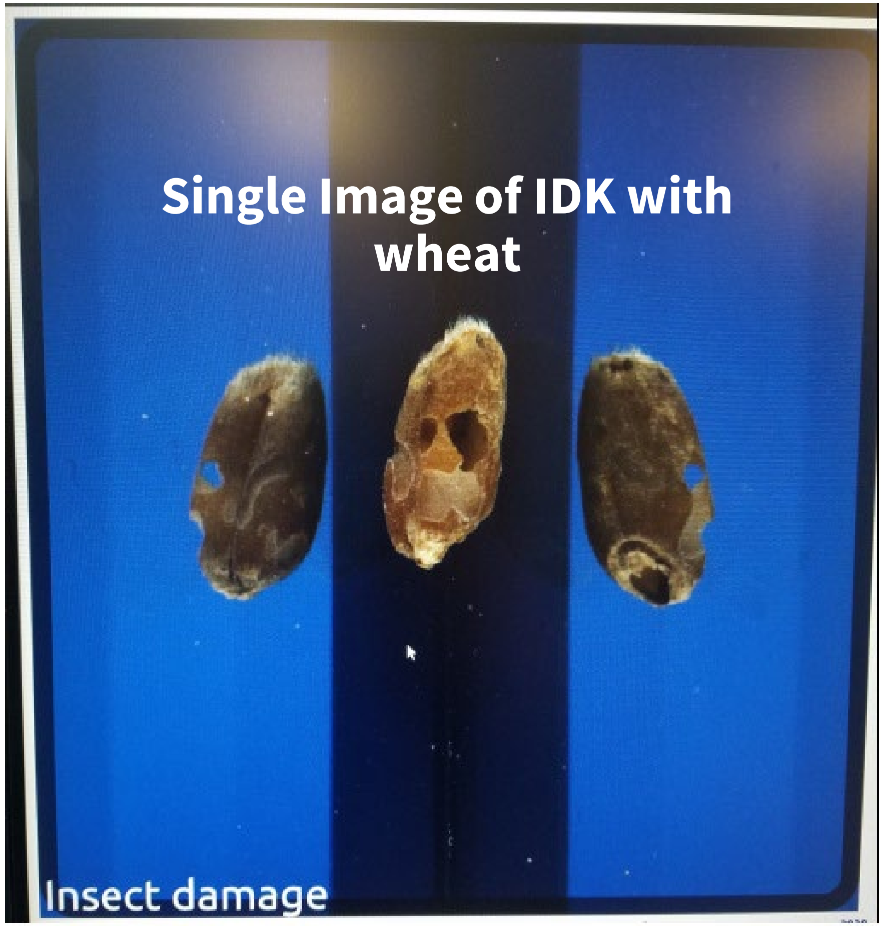


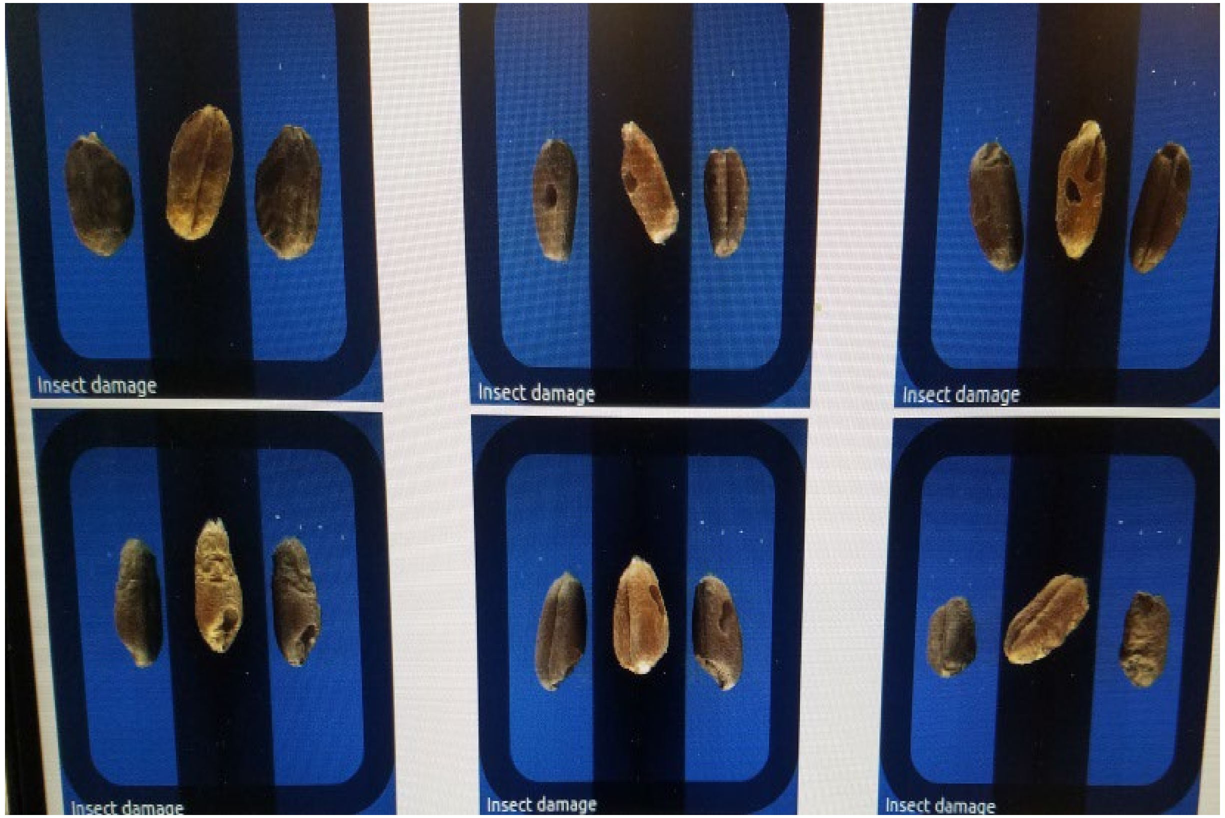
Germ Damage

The yellow outline around the kernel shows what the model is looking at



Insect Damaged Kernels (IDK)





Cgrain Updates (Rice)

- Updated Medium Rice prediction model (Version 2) for use with the 2025 harvest of western-region medium grain rice crop
- Analyze data collected from monitoring samples of 2025 harvest to determine if adjustments needed before 2026 harvest

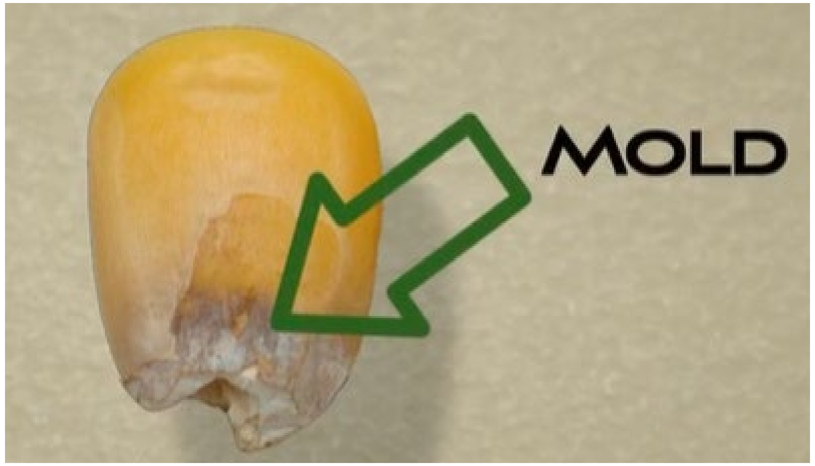
Inspection Technology Evaluation (ITE)

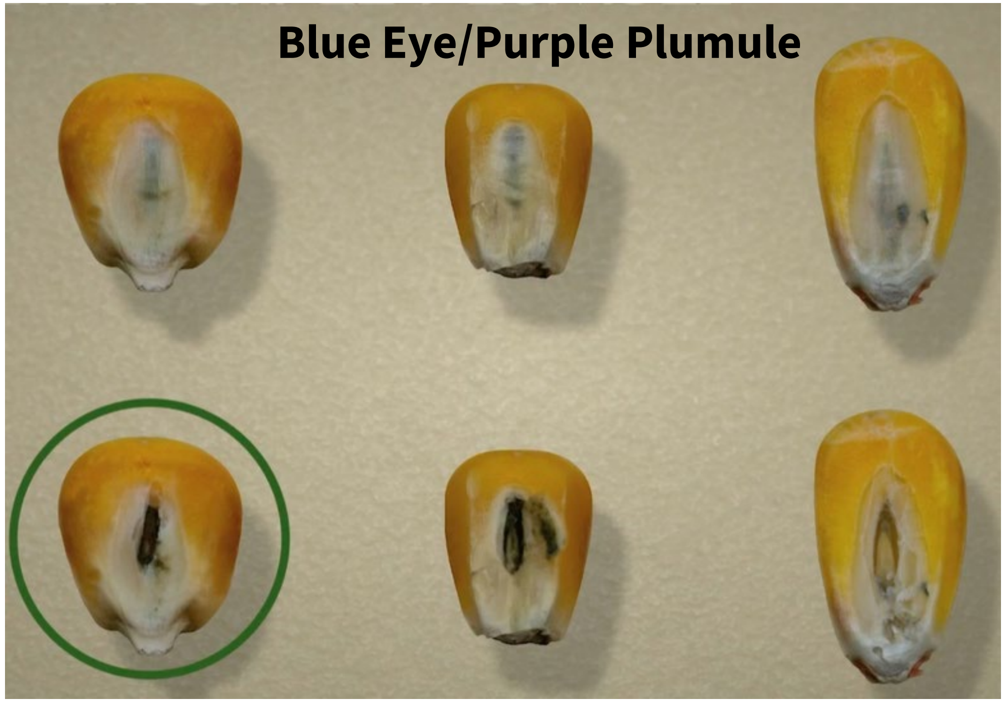
- **FGIS Approval Process for Technology in the Official System**
  - https://www.ams.usda.gov/sites/default/files/media/AMSITEUserGuide.pdf
- **Published in December 2022**
- **Technology Includes:**
  - Instrumentation, equipment, associated methods for measuring grain quality factors
- **ITE does not apply to R&D efforts**
  - Must be developed to generate factor specific results
- **Approval**
  - Must be equivalent/or better to existing technology
  - Certificate of conformance, which permits use in the official system

BAR Training Videos

- Corn damage video available online
- Soybean damage video in editing
- Wheat damage video in preproduction

Video Library | Agricultural Marketing Service





Next Steps

- **Proof of Concept Testing**
  - Corn and Wheat
- **Field Testing**
  - As soon as Summer 2026 (corn) depending on Phase 1 validation
- **ITE**
- **Other Partnerships**
  - Official Agencies (FGIS Program Notice)
  - USDA Research Organizations
  - Academia
  - Industry Associations

Questions?

Eric J. Jabs
Acting Director | Deputy Director
Federal Grain Inspection Service
Technology and Science Division
National Grain Center

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AMS

Federal Grain Inspection Service

International Activities & Reauthorization of the U.S. Grain Standards Act

International Affairs

China Updates
- Suspended exporters reinstated
- Shipments on the water since Dec. 1
  - 50 vessels, mostly panamaxes
  - 53 container lots
  - 3.4 million metric tons
- Registration

Sample Collection Surveys
- Participant signatures

Ochratoxin

Foreign Complaints
- 0 so far in FY26

Outreach

- **Available if needed; cite need for FGIS and relation to mission**
  - Planning for current FY
  - Contact Andy Ping or Tony Goodeman for more details
    - Andrew.Ping@usda.gov
    - Anthony.T.Goodeman@usda.gov

- **Codex Committees**
  - Cereals, Pulses, and Legumes
  - Methods of Analysis and Sampling

USGSA Reauthorization

USGSA enacted in 1916

- Amended ~~20~~ 21 times since enactment
- 1976 major changes to establish FGIS and mandate FGIS or State insp/weigh exports

Most of the USGSA is permanently authorized:

- Mandatory export inspection and weighing
- Establish/amend grain standards

Sunset clause on several provisions

Expiring Provisions

The following provisions expire January 30, 2026, and require Congressional action for extension:

- Authority for appropriations (7 U.S.C. 87h)
- Authority for charging fees required for Federal supervision of Official Agencies' inspections and weighing (7 U.S.C. 79(j)(4) and 7 U.S.C. 79a(l)(3))
- Administrative/supervisory cost cap of 30% (7 U.S.C. 79d)
- Authority for an advisory committee (7 U.S.C. 87j(e))

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Complexity of USGSA

- **86 mentions of "fee"**
- **Maintain 3- to 6-month operating reserve**
- **Tonnage calculations on 5-year rolling average**
- **Adjust fees annually**
- **Authorization for appropriations**
- **Cap on percentage of user fees that may be paid for supervisory and administrative expenses**
- **Some fee authorities sunset, but requirement to conduct oversight does not**
- **Annual Appropriations Law**
  - $55M user fee cap
  - Restriction on use of user fees for grain standards
- **Different authorities/language for inspection and weighing**

Inspection

(5) The duties imposed by paragraph (2) on designated official agencies and State agencies described in such paragraph and the investment authority provided by paragraph (3) shall expire on September 30, 2025.

After that date, the fees established by the Secretary pursuant to paragraph (1) shall not cover administrative and supervisory costs related to the official inspection of grain.

Weighing

(4) The authority provided to the Secretary by paragraph (1) and the duties imposed by paragraph (2) on agencies and other persons described in such paragraph shall expire on September 30, 2025.

After that date, the Secretary shall, under such regulations as the Secretary may prescribe, charge and collect reasonable fees to cover the estimated costs of official weighing and supervision of weighing

except when the official weighing or supervision of weighing is performed by a designated official agency or by a State under a delegation of authority. The fees authorized by this paragraph shall, as nearly as practicable, cover the costs of the Secretary incident to its performance of official weighing and supervision of weighing services in the United States and on United States grain in Canadian ports, excluding administrative and supervisory costs….

Recent Activity

- **Summer 2025 Hearings**
- **House passed USGSA Reauth Sept. 8**
- **Senate Ag Committee passes version of bill Oct. 25**
- **Provisions expired Sept. 30; reinstated Nov. 12**
- **House and Senate versions differ slightly**

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AMS

FGIS Industry Engagement

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FY25 User Fee Year-End

FGIS Year To Date Fiscal Year 2025 Financial Summary - 9/30/2025					
Fee Fund Balances (dollars in thousands) - Based on Revenue Received					
	Beginning Bal	Actual Revenue	Actual Obligations	Ending Reserve Balance	EOY Operating Reserve
Inspection & Weighing (G2)	$1,343	$38,237	$32,625	$6,955	2.6
Official Agencies (G3)	$283	$1,446	$1,219	$510	5.0
Rice Inspection (G7)	$2,318	$5,539	$5,379	$2,478	5.5
Commodity Inspection (G8)	$920	$1,430	$1,343	$1,007	9.0

Annual Fund Balances (dollars in thousands)				
	FY25 Allocation	FY25 Obligations	% Expensed (Based on $16.8M)	Unobligated Balance
Grain Regulatory	$16,804	$16,675	99.2%	$129

Current FY26 Snapshot

FGIS Year To Date Fiscal Year 2026 Financial Summary - 12/31/2025					
Fee Fund Balances (dollars in thousands) - Based on Revenue Received					
	Beginning Bal	Current Revenue	Current Obligations	Current Reserve Balance	Current Operating Reserve
Inspection & Weighing (G2)	$6,956	$10,506	$7,287	$10,175	3.8
Official Agencies (G3)	$510	$278	$190	$598	4.5
Rice Inspection (G7)	$2,478	$804	$1,052	$2,230	4.7
Commodity Inspection (G8)	$1,007	$287	$187	$1,107	7.7

Core Elements of Fee Analysis

1. Shutdown Analysis
2. Direct Service Fee (Hourly) Calculation
3. Tonnage Fee Calculation

Reason for Shutdown Analysis (G2)

- Calculates the required shutdown expense amount – based on 6 months.
- USGSA requires 3-to-6 months of operating reserves.

Gross, Shutdown Costs	$15.9M
Estimated Receivable at Shutdown	$1.34M
Net, Shutdown Costs	14.56M
Net Months of Operating Reserve Needed after Receivables at Shutdown	**5**

Operating Reserve Calculation	
Adjusted Obligations	$34,702,676
Reserve Required 5 months	$14,459,448
Difference Needed	$20,243,228
Receivables or other adjustments	
Net Difference Needed	$20,243,228
Net Difference Needed Distributed to Hourly Fees	$15,798,524
Net Difference Needed Distributed to Tonnage Fees	$4,444,704

Reason for Direct Service (Hourly) Calculation

- Using hours billed data, calculates fee rates for contract, non-contract, and other services.

GBA Services Provided Data)				
Percentage of Hours/Billed Based on GBA data)		73.04%	17.45%	9.51%
Overall Hours	411,529	300,599	71,805	39,126
Overall Services Billed Charges (Dollars)	$22,243,049	$14,900,018	$5,390,426	$1,952,605
Services Billed Hours				
Direct Hours (Regular Hours, No OT or Holiday		219,186.50	43,791.00	39,126
Overtime Hours		74,620.25	26,988.25	
Holiday Hours		6,791.75	1,025.50	
Total Hours		300,598.50	71,804.75	39,126

Direct Service (Hourly) – Cont.

Operating Reserve Calculation	
Adjusted Obligations	$34,702,676
Reserve Required 5 months	$14,459,448
Difference Needed	$20,243,228
Receivables or other adjustments	
Net Difference Needed	$20,243,228
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	FY 2024 Total Obligations	Contract Service	Non-Contract Service	Other Hourly Services
Direct Costs				
Subtotal Salary/Benefits	$29,354,644	$21,441,883	$5,121,879	$2,790,883
Subtotal Direct Operating Costs	$2,348,032	$1,270,662	$192,544	$104,916
Total Direct Costs	$31,702,676	$22,712,545	$5,314,423	$2,895,799
Subtotal Indirect Operating Costs	$0	$0	$0	$0
Total Operating Costs (Direct & Indirect)	$2,348,032	$1,270,662	$192,544	$104,916
Total Obligations Reported	$31,702,676	$22,712,545	$5,314,423	$2,895,799
Additional Indirect Costs:				
Operating Reserve Adjustment (Add to Operating Costs)	$15,798,524	$11,539,915	$2,756,570	$1,502,039
Bad Debt Allowance	$32,259	$23,563	$5,629	$3,067
Total Costs	$31,702,676.12	$22,712,545.36	$5,314,422.70	$2,895,798.71

Important Flag

- ✓ Percent of hours billed distribution used here to spread OR adjustment across each of the hourly rates using GBA data.

Direct Service (Hourly) – Cont.

	Fee Calculations								
	Functional Area G2								
						Calculated Rates (Rounded)			
	FY 2024 Obligations	Units	Base Rate	COLA Adj.	Regular Rate	Regular Workday, Monday - Saturday (6 a.m. to 6 p.m)	Regular Workday - Monday - Friday (6 p.m. to 6. a.m.)	Overtime - Monday - Saturday (6 p.m. to 6 a.m.)	Holiday
	Contract Rate								
Direct Pay Cost/Rate	$16,326,799.16	219,187	$74.49	3.60%	$77.17	$77.17	$84.89	$115.75	$154.34
Benefits Cost/Rate	$5,115,083.96	300,599	$17.02	3.60%	$17.63	$17.63	$17.63	$17.63	$17.63
Operating Cost/Rate	$12,810,577.49	300,599	$42.62	5.20%	$44.83	$44.83	$44.83	$44.83	$44.83
Allowance for Bad Debt Rate	$23,563	300,599	$0.08	5.20%	$0.08	$0.08	$0.08	$0.08	$0.08
Total			$134.20		$139.71	$140.00	$147.00	$178.00	$217.00
	Non-Contract Rate								
Direct Pay Cost/Rate	$3,900,025.22	43,791	$89.06	3.60%	$92.27	$92.27	$101.49	$138.40	$184.53
Benefits Cost/Rate	$1,221,853.49	71,804.75	$17.02	3.60%	$17.63	$17.63	$17.63	$17.63	$17.63
Operating Cost/Rate	$2,949,113.74	71,804.75	$41.07	5.20%	$43.21	$43.21	$43.21	$43.21	$43.21
Allowance for Bad Debt Rate	$5,629	71,804.75	$0.08	5.20%	$0.08	$0.08	$0.08	$0.08	$0.08
Total			$147.23		$153.18	$153.00	$162.00	$199.00	$245.00
	Other Services Rate								
Direct Pay Cost/Rate	$2,125,101.57	39,126	$54.31	3.60%	$56.27	$56.27	$61.90		
Benefits Cost/Rate	$665,781.02	39,126	$17.02	3.60%	$17.63	$17.63	$19.39		
Operating Cost/Rate	$1,606,955.31	39,126	$41.07	5.20%	$43.21	$43.21	$47.53		
Allowance for Bad Debt Rate	$3,067	39,126	$0.08	5.20%	$0.08	$0.08	$0.09		
Total						$117.00	$129.00	$0.00	$0.00

Important Flags

- ✓ To support industry via reasonable adjustment, FGIS calculated percent increases from 2% to 10% - which included what potential months of operating reserve would be provided by an increase at whichever selected level.
- ✓ FGIS selected the 7% adjustment approach.

Hourly Rate Overview

FY 2026 Rate Breakdown (based on FY 2024 cost)	Contract	Non-Contract
Direct Pay [Total direct pay divided by direct hours + Cost of Living Increase (COLA)]	$39.65	$61.64
Operating Rate [Total rent, utilities, overhead, equipment, training, contractual services, supplies, operating reserve adjustment, equipment, etc divided by direct hours]	$9.06	$11.78
Benefits [Cost of benefits divided by direct hours + COLA]	$21.25	$26.53
Bad Debt Allowance	$0.04	$0.05
Total Rate:	$70.00	$100.00

- A **reserve balance is required** to shut down the program should demand for services cease (since no other funds can be used for user-fee programs).
- **Shut down expense analysis** for Inspection & Weighing services totals $14.56 million (or 5 months of operating reserve).
- At the time of the analysis, the reserve had just 1.8 months of operating reserve. This **gap accounted for a significant portion** of the FY 2026 rate increase.

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Tonnage Rates Overview

Tonnage by Fiscal Year (Metric Tons)						
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	5 Year Average
Official Agencies Total Tons	36,847,004	45,941,250	42,588,079	31,926,418	40,731,244	39,606,799
FGIS Total Tons	73,833,104	91,143,738	81,557,812	65,085,434	66,660,089	75,656,035
Total Tons Per Fiscal Year	110,680,108	137,084,988	124,145,891	97,011,852	107,391,333	115,262,834
League City Field Office	9,784,289	13,325,255	8,765,162	6,196,929	6,767,349	8,967,797
New Orleans Field Office	59,768,303	72,527,145	68,880,711	56,342,940	56,135,646	62,730,949
Pacific Northwest Field Office	3,331,672	4,136,482	2,720,001	1,755,165	2,966,154	2,981,895
Toledo Field Office	948,840	1,154,856	1,191,938	790,400	790,940	975,395

Tonnage for Rate Adjustments

1. Calculate 5-year rolling average based on FGIS data.
2. Calculate the expenses by office. This includes factoring in any operating reserve gap to be assigned to tonnage.
3. Calculate the rates based on dividing the corresponding tonnage average to the office expense.

Expenses Per Office, Per Fiscal Year					
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Headquarters	$5,704,963	$6,687,477	$3,793,021	$6,250,062	$6,895,706
League City Field Office	$574,717	$444,041	$665,113	$672,847	$840,826
New Orleans Field Office	$1,209,886	$1,268,285	$1,372,632	$715,554	$1,547,411
Pacific Northwest Field Office	$346,941	$531,013	$414,143	$374,859	$135,074
Toledo Field Office	$238,162	$182,736	$354,073	$167,053	$279,697

	Added to HQ	Original Amount	Difference
Operating Reserve Charged to Tonnage	$3,489,703.57	$4,444,703.57	$955,000.00

Operating Reserve Calculation	
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	Tonnage Rate Calculation				Comparison of Potential Revenue		
	Calculated Rate	Rate Plus National Rate	Existing Rate	Difference	$Calculated	$Existing	$Diff
Headquarters	$0.060		$0.057	$0.003	$6,895,705.75	$6,569,981.56	$325,724.19
League City Field Office	$0.094	$0.154	$0.137	$0.017	$1,377,332.36	$1,228,588.16	$148,744.20
New Orleans Field Office	$0.025	$0.084	$0.069	$0.015	$5,300,348.29	$4,328,435.48	$971,912.81
Pacific Northwest Field Office	$0.045	$0.105	$0.192	($0.087)	$313,468.31	$572,523.80	($259,055.50)
Toledo Field Office	$0.287	$0.347	$0.211	$0.136	$338,051.29	$205,808.30	$132,242.98
					$14,224,906.00	$12,905,337.31	$1,319,568.69

Aside from the adjusted rate – what is contributing to the 2026 forecasted financial performance?

1. Operational efficiencies & changes to manage costs:
   - ✓ Reduced overhead and administrative costs by consolidating offices to reduce rent/building costs.
   - ✓ Enhanced account management by standardizing billing processes across each Field Office.
   - ✓ Improved debt management & customer coordination around electronic payments.

2. Use of WASDE Report to forecast tonnage for revenue projection.
   - ✓ World Agricultural Supply and Demand Estimates (WASDE) is a monthly report published by the United States Department of Agriculture providing a comprehensive forecast of supply and demand for major crops and livestock.

2026 Path Forward

1) Improve Historical Data via Fiscal Reports
   - Ex: Supports better YOY hours billed analysis to illustrate savings
2) Update the CFR for Other Commodities (G8)
3) Conduct Rate Adjustment Analysis
4) Launch Evaluation of Single Hourly Rate
5) Rebalance the Grain Regulatory Account Activities
   - Ex: Evaluate services charged to the regulatory account versus user fee accounts. This would allow industry to use existing funds to cover ongoing service needs, while rebalancing grain regulatory funds to support technology advances/research.

Rebalancing Grain Regulatory Account Activity

USDA Agricultural Marketing Service (AMS) ($1,000's)	2025 Enacted	2026 Budget	2026 Budget Compromise	Change FY26 to FY25
Account : Marketing Services				
Grain Regulatory..	19,342	19,342	16,853	-2,489

Account : Marketing Services	
Grain Regulatory..	16,853
*FY26 Agency Overhead + Greebook Expenses (est)	2,299
FY26 Program - Net Allocation Amount	**14,554**

Questions?

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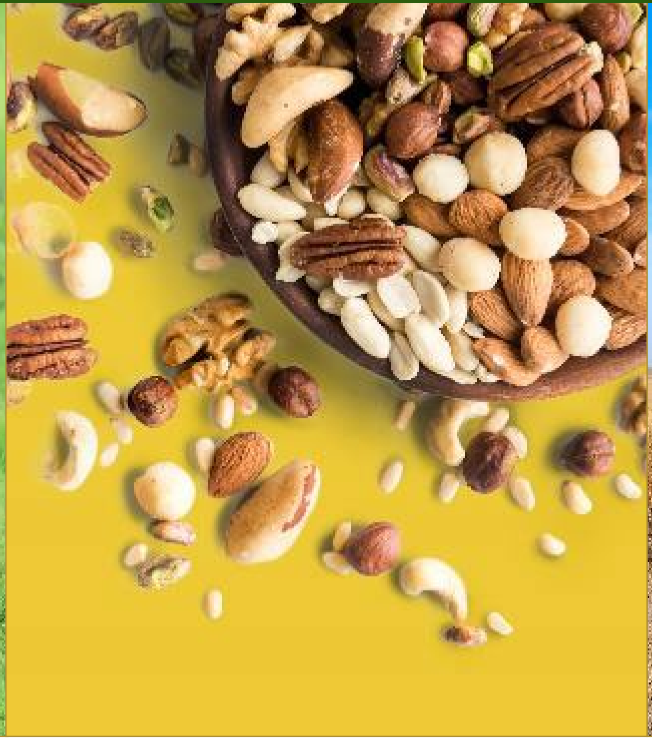


Optimizing Technology Operations

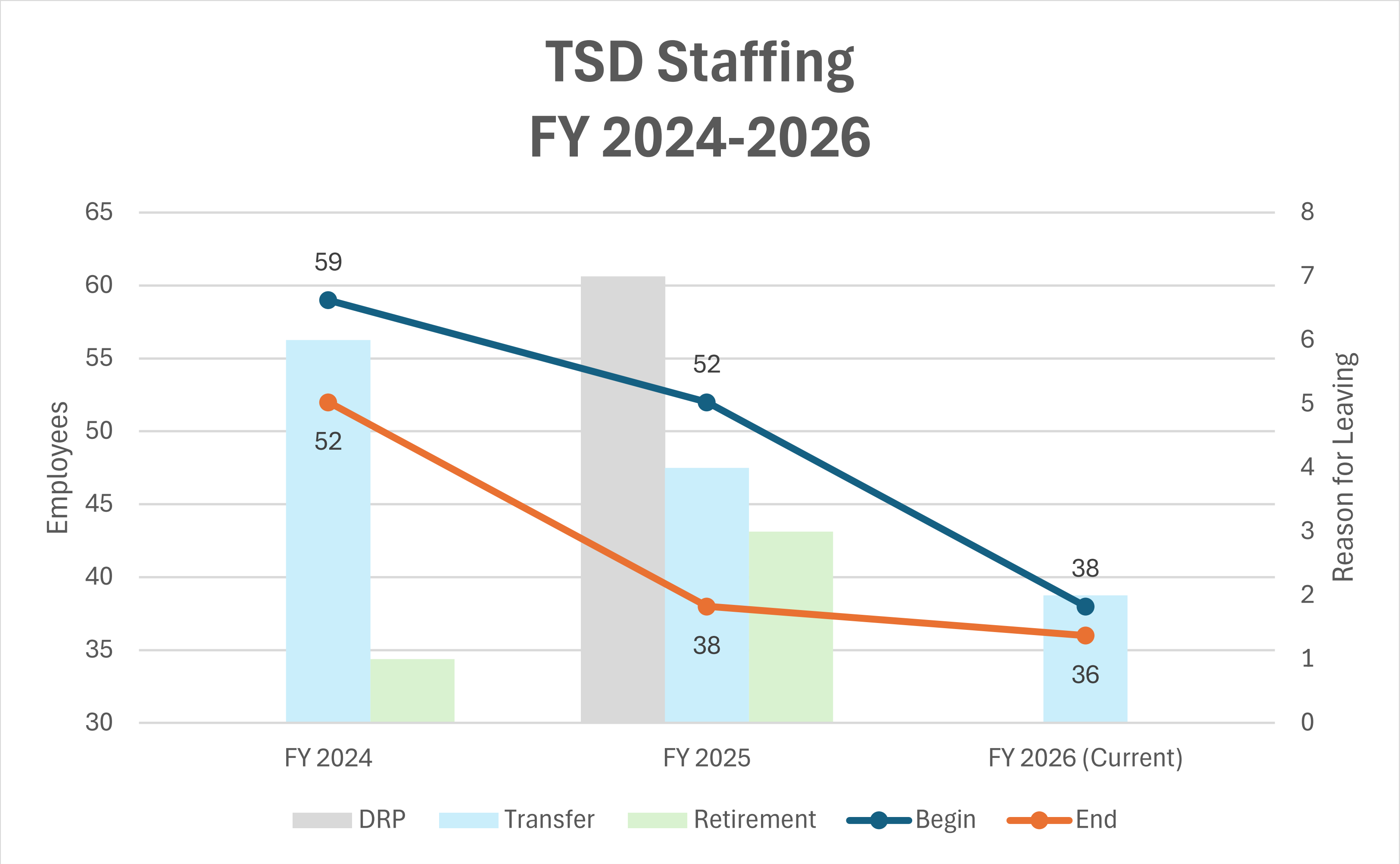
Outline

- **Financial Optimization**
- **Program Updates**
  - Mycotoxins
  - Monitoring
  - Publications
- **Questions**

Optimization Techniques

- **Core Program Analysis**
- **Efficiency Tracker**
- **Cross Utilization of Staff**
- **Discontinuation of Programs**
  - USAID
  - Biotechnology Proficiency Program
- **Branch Budgeting**
- **Resource Optimization**

Staffing


TSD Staffing
FY 2024-2026
Employees
Reason for Leaving
65
60
55
50
45
40
35
30
8
7
6
5
4
3
2
1
0
59
52
52
38
38
36
FY 2024
FY 2025
FY 2026 (Current)
DRP
Transfer
Retirement
Begin
End

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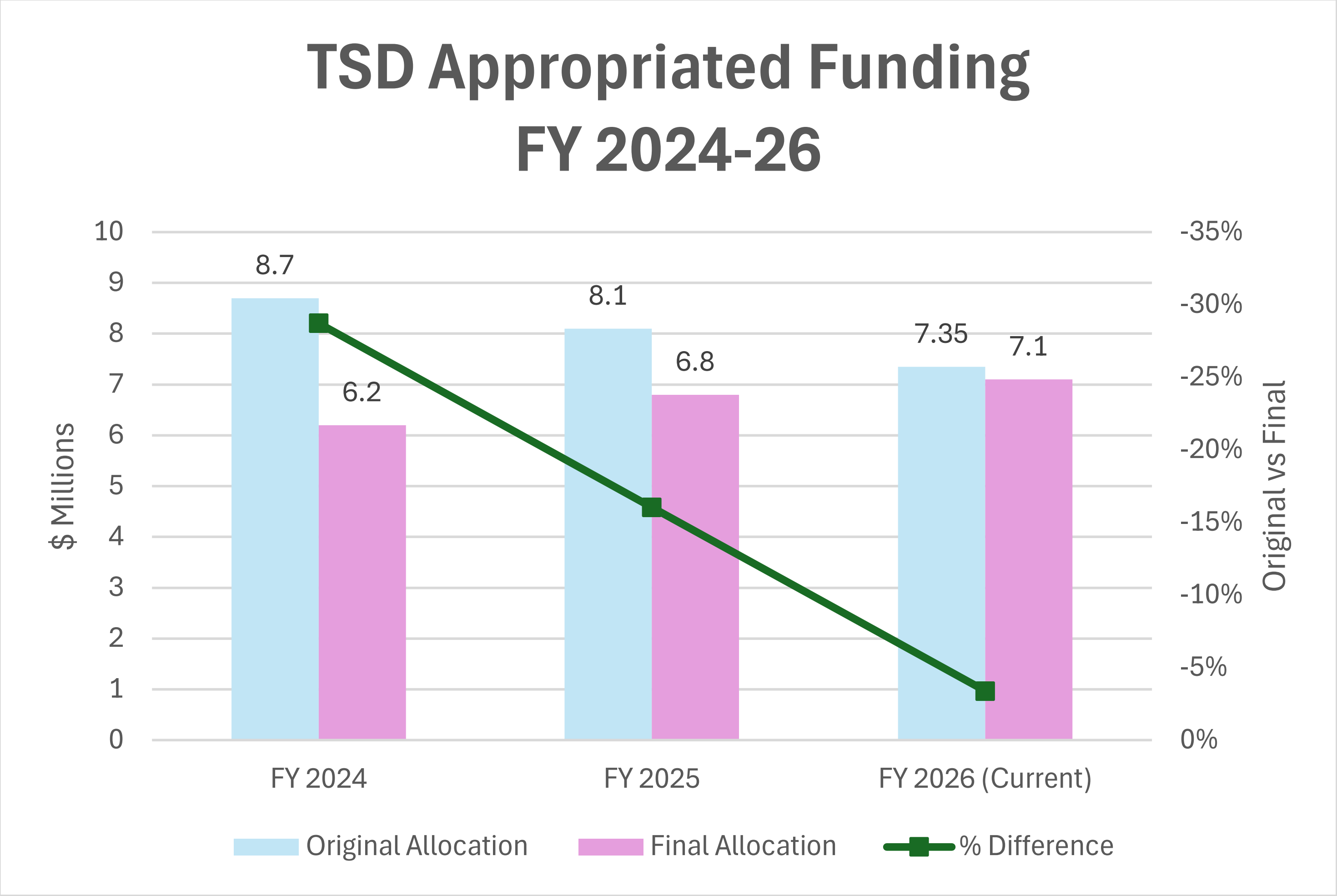
Appropriated Funding



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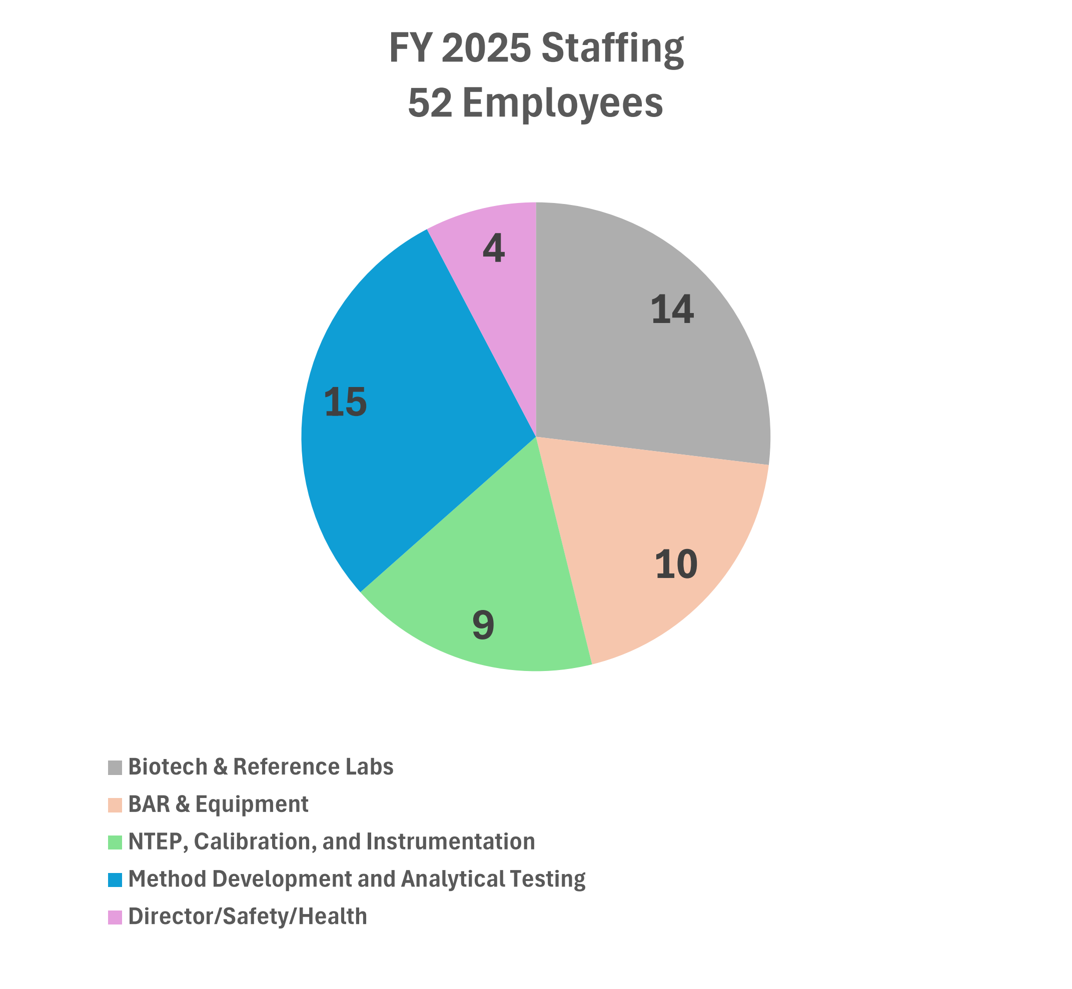
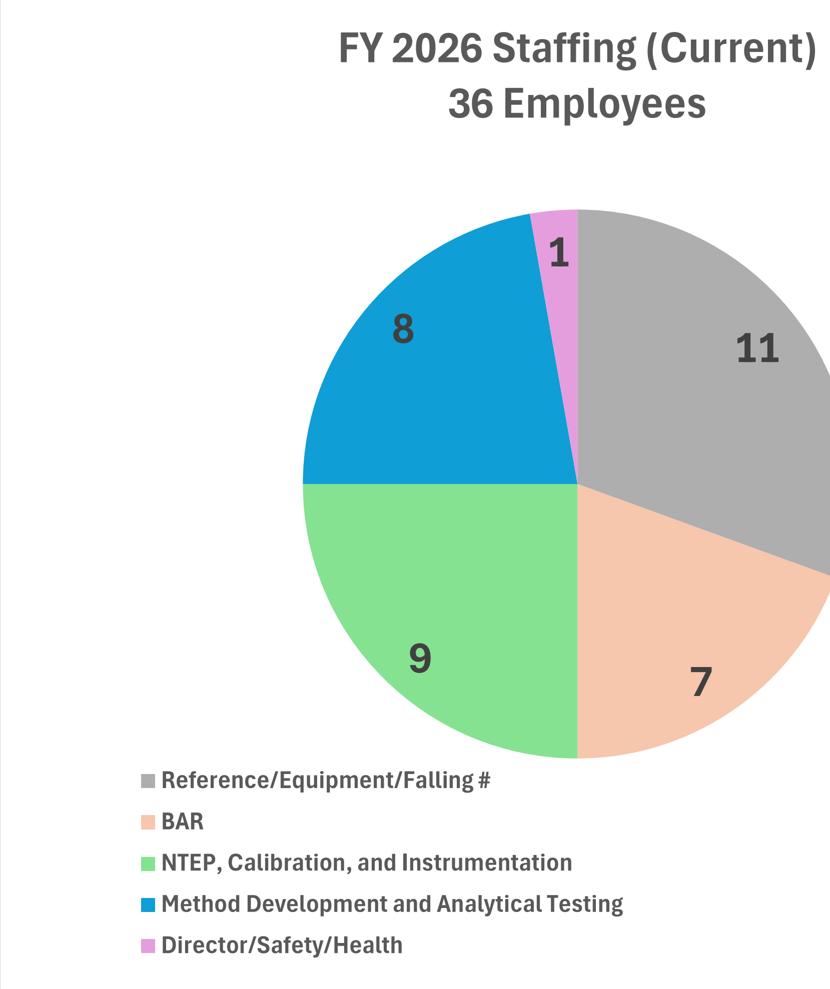
Organizational Changes





Changes:
1) Focus on Core Activities
2) Moved Equipment & Falling # Program
3) Discontinuation of USAID and Biotech Proficiency Program

Mycotoxins

- **Ochratoxin A (OTA): Reduction in Limits**
  - 5 ppb maximum level in wheat
  - Need testing 2–10 ppb
  - Supported by Codex Alimentarius Commission
- **FGIS**
  - 5 ppb currently lowest level of FGIS certification
  - Preliminary assessment of test kits 2–10 ppb completed
  - Issued revised test kit criteria November 2025
  - Modified FGIS reference method
  - Revised sample grinding procedure

Mycotoxin Grinding: Procedures

- **Grind to reduce particle size**
  - Increases Homogenization, which generally reduces subsampling variation
  - Increases Extraction Efficiency, which generally reduces bias and variation
- **Aflatoxins, deoxynivalenol, and ochratoxin A studies**
  - Significant increase in variability or bias with coarser grind
- **Alignment**
  - ≥ 60% to pass No. 20 sieve required for inspections
  - ≥ 95% to pass No. 20 sieve required for reference method and test kit evaluations (No. 30 sieve for ochratoxin A)

Mycotoxin Grinding: Alignment

- **Why Align?**
  - Matches test kit evaluation and certification conditions
  - Reduces subsampling variation and bias
  - Conforms with Codex Alimentarius standards
  - Addresses concern from stakeholders about disparity
  - Improves confidence in results and reduces misclassifications/conformity risks
- **Grinders/Mills**
  - Disc-type mill suitable for cereal grains
  - Impact-type mill needed for soybeans
  - Cost Varies

Mycotoxin Grinding: Next Steps

- **Next Steps**
  - Address questions and concerns
  - Issue program notice with effective date
  - Update approved equipment list
  - Clarify policy on use of equivalent grinders/mills
  - Continue to evaluate additional grinders/mills

Monitoring Changes

- **FGISonline's Quality Assurance and Control (QAC) module under development for mycotoxins and falling numbers**
- **Benefits**
  - Reduced burden on official service providers to manually select samples
  - Increased data collection/supervision
  - Consistent/Representative Selection
  - Easier to implement any future changes
- **New FGIS Mycotoxin Directive will consolidate information**

Publication Calendar

- **Mycotoxin Directive (May)**
- **Falling Number Directive (May)**
- **UGMA Moisture Calibration Directive**
  - May (Spring Grains)
  - August (Fall Grains)
- **Moisture Sample Collection Program Notice (June)**
- **Pesticide Residue Directive (September)**
- **NIRT Protein and Oil Calibration Directive (TBD)**

Questions?

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Acting Director | Deputy Director
Federal Grain Inspection Service
Technology and Science Division
National Grain Center

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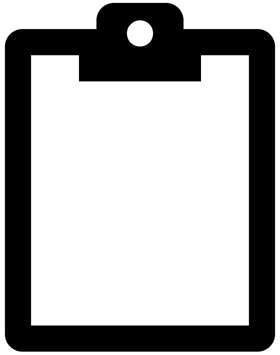
AMS Federal Grain Inspection Service

Quality Assurance & Compliance Division

Audit Trends

- **Facilities, Equipment, and Personnel.**
- **Official Recordkeeping Requirements.**
- **Compliance with the U.S. Grain Standards Act, Regulations, and Instructions.**
- **Training Requirements and Personnel Standards.**
- **Conducting Training and Providing Supervision.**



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Upcoming Audits

- Aberdeen Grain Inspection, Inc
- Alabama Department of Agriculture and Industries
- Farwell Commodity and Grain Services
- Hastings Grain Inspection, Inc.
- Kankakee Grain Inspection, Inc
- Michigan Grain Inspection Services, Inc
- Missouri Department of Agriculture
- Montana Department of Agriculture
- Sioux City Inspection and Weighing Service Company

Federal Register Notices

- Designation Award Notices
- Opportunity Notices

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