



National Grain
and Feed
Association



North American
Export Grain
Association



Grain Elevator
and Processing
Society

For Release
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Grain Groups Submit Views on Proposed Grain Inspection Fees

WASHINGTON – The three major U.S. grain associations have submitted a joint statement to the U.S. Department of Agriculture’s Grain Inspection, Packers and Stockyards Administration (GIPSA) concerning the agency’s wide-ranging proposal to change the fee schedule for official grain inspection and weighing services.

The National Grain and Feed Association (NGFA), North American Export Grain Association (NAEGA) and the Grain Elevator and Processing Society (GEAPS) strongly opposed GIPSA’s proposal to increase the hourly inspection rates for official grain inspection services, saying that instead it is time for the agency to implement further reductions in its employee costs to remain competitive – just as the private sector has been forced to do. GIPSA proposed to increase its hourly rate for one-year contracts by approximately 20 percent and its non-contract rate by 47 percent, saying that such increases were necessary because federal employee benefit costs, longevity pay and locality pay have increased nearly 36 percent over the last few years. Similarly, the agency proposed to increase by 11.5 percent the hourly rate for services not performed at the facility.

“At a time when the private sector is cutting benefits for its workers to remain competitive, it is troubling that the public sector has not taken similar actions, particularly when the cost of government is borne directly by industry,” the NGFA, NAEGA and GEAPS said. “GIPSA should not rely on fee increases to offset rising employee benefit costs or administrative costs. Rather, the agency must continue to pursue cost-cutting, increased productivity and reconfigure its work force to mitigate price increases, just as the industry it serves is required to do to stay in business.”

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The NGFA, NAEGA and GEAPS sought further clarification of GIPSA's proposal to change the method used to assess fees to state agencies authorized to perform official inspection and weighing services to reflect the agency's oversight costs.

The NGFA, NAEGA and GEAPS did not object to the following fee schedule changes proposed by GIPSA:

- Eliminate the current six-level administrative tonnage fee and replace it with an administrative tonnage fee specific to each field office that reflects local overhead costs plus a uniform national administrative tonnage fee of 4.4-cents per ton. Such an approach would enhance transparency of the agency's administrative and supervisory costs and encourage customers to work directly with field offices to continue implementation of efficiencies, the groups agreed.
- Eliminate provisions for the three- and six-month official grain inspection and weighing contracts, since demand has been very limited. Instead, if the proposal is adopted, GIPSA would offer either a one-year contract or a non-contract rate.
- Increase hourly fees for special weighing services by approximately 30 percent more than the non-contract hourly rate. These services include scale testing and certification. The groups did not oppose this fee because it is not mandatory and is offered as a service on a request basis.
- Implement a \$500-per-facility usage fee when the GIPSA test car is used to check track scales. The groups also did not oppose this fee because it is not mandatory and is offered as a service on a request basis.
- Increase unit fees for additional services performed in a GIPSA on-site laboratory at the facility of the party requesting the service.

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The NGFA, established in 1896, consists of 1,000 grain, feed, processing, exporting and other grain-related companies that operate about 5,000 facilities that handle more than two-thirds of all U.S. grains and oilseeds. The NGFA's membership encompasses all sectors of the industry, including country, terminal and export elevators; feed manufacturers; cash grain and feed merchants; end users of grain and grain products, including processors, flour millers, and livestock and poultry integrators; commodity futures brokers and commission merchants; and allied industries. The NGFA also consists of 36 affiliated state and regional grain and feed associations, as well as two international affiliated associations. The NGFA has strategic alliances with GEAPS and the Pet Food Institute, and is collocated and has a joint operating and services agreement with NAEGA.

NAEGA, established in 1912, is a not-for-profit trade association comprised of private and publicly owned companies and farmer-owned cooperatives involved in and providing services to the bulk grain and oilseed exporting industry. NAEGA member companies ship practically all of the bulk grains and oilseeds exported each year from the United States.

GEAPS, as a professional society, is the primary information resource for the world of grain-handling operations. It promotes innovation, networking, professionalism, quality, safety, environmental responsibility and sharing information. The organization, which includes 31 local chapters across North America, is headquartered in Minneapolis, Minn.

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