

PERSPECTIVES ON REAUTHORIZATION OF THE U.S. GRAIN STANDARDS ACT

HEARING

BEFORE THE

COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY

UNITED STATES SENATE

ONE HUNDRED NINETEENTH CONGRESS

FIRST SESSION

July 29, 2025

Printed for the use of the
Committee on Agriculture, Nutrition, and Forestry



Available on <http://www.govinfo.gov/>

U.S. GOVERNMENT PUBLISHING OFFICE

61–295 PDF

WASHINGTON : 2025

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

JOHN BOOZMAN, Arkansas, *Chairman*

MITCH McCONNELL, Kentucky	AMY KLOBUCHAR, Minnesota
JOHN HOEVEN, North Dakota	MICHAEL F. BENNET, Colorado
JONI ERNST, Iowa	TINA SMITH, Minnesota
CINDY HYDE-SMITH, Mississippi	RICHARD J. DURBIN, Illinois
ROGER MARSHALL, Kansas	CORY BOOKER, New Jersey
TOMMY TUBERVILLE, Alabama	BEN RAY LUJAN, New Mexico
JAMES C. JUSTICE, West Virginia	RAPHAEL WARNOCK, Georgia
CHARLES GRASSLEY, Iowa	PETER WELCH, Vermont
JOHN THUNE, South Dakota	JOHN FETTERMAN, Pennsylvania
DEB FISCHER, Nebraska	ADAM SCHIFF, California
JERRY MORAN, Kansas	ELISSA SLOTKIN, Michigan

FITZHUGH ELDER IV, Majority Staff Director

JESSICA L. WILLIAMS, Chief Clerk

LAUREN SANTABAR, Minority Staff Director

CHU-YUAN HWANG, Minority Chief Counsel

C O N T E N T S

Tuesday, July 29, 2025

	Page
HEARING:	
Perspectives on Reauthorization of The U.S. Grain Standards Act	1

STATEMENTS PRESENTED BY SENATORS

Boozman, Hon. John, U.S. Senator from the State of Arkansas	1
Klobuchar, Hon. Amy, U.S. Senator from the State of Minnesota	2

WITNESSES

Friant, Nicholas, Chairman, Grain Grades and Weights Committee, National Grain and Feed Association, Chanhassen, MN	4
Mikesh, Kia, President, American Association of Grain Inspection and Weighing Agencies, Fargo, ND	6
Wipf, Brandon, Board of Directors Member, American Soybean Association, Huron, SD	7

APPENDIX

PREPARED STATEMENT:	
Friant, Nicholas	22
Mikesh, Kia	33
Wipf, Brandon	37
QUESTION AND ANSWER:	
Friant, Nicholas:	
Written response to questions from Hon. Amy Klobuchar	42
Written response to questions from Hon. Adam Schiff	42
Mikesh, Kia:	
Written response to questions from Hon. Amy Klobuchar	44
Written response to questions from Hon. Charles Grassley	45
Written response to questions from Hon. Adam Schiff	46
Wipf, Brandon:	
Written response to questions from Hon. Amy Klobuchar	49
Written response to questions from Hon. Charles Grassley	49

PERSPECTIVES ON REAUTHORIZATION OF THE U.S. GRAIN STANDARDS ACT

TUESDAY, JULY 29, 2025

U.S. SENATE
COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY
Washington, DC.

The Committee met, pursuant to notice, at 3 p.m., in Room 328A, Russell Senate Office Building, Hon. John Boozman, Chairman of the Committee, presiding.

Present: Senators Boozman [presiding], Hoeven, Ernst, Hyde-Smith, Marshall, Thune, Klobuchar, Bennet, Smith, Warnock and Fetterman.

STATEMENT OF HON. BOOZMAN, U.S. SENATOR FROM THE STATE OF ARKANSAS, CHAIRMAN, U.S. COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Chairman BOOZMAN. Good afternoon. It is my privilege to call the hearing to order. Senator Klobuchar will be with us in just a few minutes.

The only thing we have got to do around here is vote, and we have got a lot of people down there doing the second vote right now. I know you all are busy, and there is just so much going on right now as we wrap up this week, so I think we are going to go ahead and get started.

It is my privilege to call the hearing to order. I thank my colleagues for joining us and the witnesses before us taking the time to be here today. Today, we will consider three perspectives from expert witnesses regarding the need to reauthorize critical components of the U.S. Grain Standards Act, which are set to expire at the end of September.

From farmers to consumers, our Nation's partners, our Nation's agricultural system relies on the critical weighing and inspection services provided by the U.S. Department of Agriculture's Federal Grain Inspection Service and partner agencies across the country. These services facilitate the timely marketing of high-quality U.S. grain into the global marketplace and help set the U.S. apart as a trusted, consistent, and reliable source for the world's grain needs.

Mr. Friant, Mrs. Mikesch, and Mr. Wipf, did I get that right?

Mr. WIPF. Wipf.

Chairman BOOZMAN. Wipf.

Mr. WIPF. One syllable.

Chairman BOOZMAN. Well, you are like me. You are used to being called everything.

[Laughter.]

Chairman BOOZMAN. Wipf. Your testimony today will help inform us how we can best proceed. We appreciate the engagement for you and your organizations. As I always say, the best ideas come from the ground up.

We will also be working with USDA to ensure our farmers, and the grain value chain continue to receive quality service and that USDA has the authority and flexibility it needs to adequately respond to any issue that may arise.

I look forward to working with Ranking Member Klobuchar, Members of this Committee, and the stakeholders who depend on the U.S. grain standards functioning properly to ensure a timely, productive, and bipartisan reauthorization of this act. Thank you all again for being here today.

As I said, Senator Klobuchar will be with us in just a little bit, and so we will go ahead, though, and proceed with our introductions.

Yes, we were just about to introduce Mr. Friant, and so I think you are going to do that for us.

**STATEMENT OF HON. KLOBUCHAR, U.S. SENATOR FROM THE
STATE OF MINNESOTA**

Senator KLOBUCHAR. All right. I am going to just say a few words. Sorry I am late, but we were doing our caucus event. I also am going to have to leave a little early, but I am really excited that you are having this hearing, Mr. Chairman, and to focus on the grain inspection system, and I would especially like to welcome Mr. Nick Friant from Chanhassen, Minnesota, who is joined here today by his daughter Clara as well. Where are you, Clara? Right back there. Thank you. Good school experience there to bring home.

Before we begin, I would like to underscore how damaging USDA's recently announced reorganization could be to American agriculture. I truly appreciate that Senator Boozman is having a hearing, and we are going to hear from the Deputy Secretary tomorrow because we had little analysis, zero consultation. Amid all of this, a hearing on grain standards may seem unusual, but this statute and the services provided by the Federal Grain Inspection Service serve as a critical role in the U.S. and global marketplace for grains and oilseeds, and we have had bipartisan support for working on this issue in the past and plan to have that keep happening in the future. Any lapse in this authority, which is set to expire at the end of September, will only create more uncertainty for farmers.

Though the Grain Standards Act was first enacted in 1916, the current grain inspection system was born out of the 1970s, when the credibility of U.S. agricultural exports was seriously called into question following a series of scandals in the private inspection system. While American farmers were producing high-quality grain, private individuals and companies tasked with inspection were shortchanging customers abroad through intentional mis-grading, inaccurately weighing grain, and even bribery that led to several federal indictments and convictions.

Following those events, Congress created the Federal Grain Inspection System to return integrity to the U.S. brand. The official

USDA Certificate of Inspection and Weighing helps ensure American farmers are getting a fair price and guarantees international customers can trust the products they are buying, whether it is from Minnesota with our soybeans or rice from Arkansas.

Since this time, with various periodic updates, the trust associated with the certificate has become the gold standard for international customers and has made American farmers the premier suppliers of high-quality grains and oilseeds. These export markets have been a bright spot in our economy in recent decades. With all the uncertainty going on with tariffs, it is more important than ever that we maintain the integrity of our grain inspection system today. I look forward to working with you, Mr. Chairman, to do just that as we begin to work together in a bipartisan way to reauthorize the legislation.

Chairman BOOZMAN. Thank you very much. I am going to go ahead and introduce Mrs. Kia Mikesch, and Senator Hoeven will be along at some point. He is busy working hard to get the ag bill so that we can discuss it and hopefully get it voted out this week.

She brings a wealth of knowledge and experience to the Committee today. A North Dakota native, Mrs. Mikesch is the third generation of her family's agriculture inspection and testing service. Her upbringing in the grain inspection field has continued to make her an asset to several industry organizations, including her current roles as President of AAGIWA and Vice President of North Dakota Grain Inspection. She is also Chair of USDA's FGIS Advisory Committee.

Mrs. Mikesch's in-depth industry understanding and leadership make her a fantastic representative of the grain sector as we look to fine-tune FGIS. I am grateful to Mrs. Mikesch's willingness to share her testimony today.

Finally, I am going to go ahead and introduce Mr. Wipf. Again, same situation as Senator Thune. He is busy running the place, and he is one of our most active Members. Mr. Wipf manages a soybean, corn, and wheat farm with his wife and parents in South Dakota. I think your wife is with us, isn't she? Very good. It is good to have you here. Upon graduation from Dordt University in Iowa, he returned to the farm and led their family business in expanding to alfalfa.

Go ahead, John.

[Laughter.]

Chairman BOOZMAN. I just told him that you are busy running the place.

Senator KLOBUCHAR. Not too busy for a grain inspection hearing.

Senator THUNE. Of all the super exciting topics we get to deal with here, but it is an important one.

Well, thank you, Mr. Chairman and Ranking Member Klobuchar, for having today's hearing. I appreciate the chance, as always, to serve on this Committee and to advocate on behalf of South Dakota's farmers and ranchers. Production agriculture is so important to our state. It is our number one industry, and we are very blessed to have people represented like Brandon Wipf, so it is nice to have you here. I had an opportunity—he was in town with the South Dakota Soybean Association and Growers here just a few weeks

ago. Thanks again for making the trip out to D.C. and representing our state's soybean growers.

I think, as you were starting to say, Mr. Chairman, he served on the American Soybean Association board since 2017, held an appointment to the CFTC Ag Advisory Council, has spoken in support of U.S. agricultural trade on multiple continents, and most recently appointed by Governor Larry Rhoden to a vacancy in the South Dakota State Senate.

Again, welcome, Brandon. Good to have you here. I think they raise about 1,200 acres of soybeans, and on top of that, some corn and wheat, among other things, with his family. I think an engineer by training, correct? Making a difference on so many levels in South Dakota agriculture and for the future of our state and country. Brandon, welcome. Welcome back. We look forward to hearing from you and our other panelists today, too, on a subject that has great importance and relevance to our state and to a lot of states across the country. Thank you.

Chairman BOOZMAN. Thank you.

Mr. Friant, you are recognized for your testimony.

STATEMENT OF NICHOLAS FRIANT, CHAIRMAN, GRAIN GRADES AND WEIGHTS COMMITTEE, NATIONAL GRAIN AND FEED ASSOCIATION, CHANHASSEN, MN

Mr. FRIANT. Chairman Boozman, Ranking Member Klobuchar, and Members of the Committee, thank you for the opportunity to appear before you today to provide the perspective of the National Grain and Feed Association on reauthorizing the U.S. Grain Standards Act. I am Nick Friant, the Director of Raw Material Quality and Regulatory at Cargill and Chairman of NGFA's Grain Grades and Weights Committee.

Cargill is proud to be a longtime participant in the U.S. grain export system and member of NGFA. Since 1896, NGFA has represented grain industry members that operate more than 8,000 facilities. This includes farmer-owned cooperatives and multinational grain exporters. Together, we rely on a strong, consistent, and transparent official inspection and weighing system to deliver confidence and value across the global supply chain.

We urge Congress to reauthorize the U.S. Grain Standards Act in a timely and bipartisan manner. Doing so will provide certainty to farmers, grain handlers, and international customers who depend on the integrity of the U.S. official grain inspection system.

I want to focus on two core issues that are top priorities for our industry in this reauthorization. First, investment in grain grading technology to speed and improve the inspection process; and second, strengthening the emergency waiver authority to ensure continuity and flexibility in grain export inspection services.

The U.S. grain inspection system has long set a global benchmark for quality and reliability. While the basic framework of grain standards has remained stable over time, the international grain market has become increasingly competitive. Thus, our inspection and grading systems must evolve accordingly. Today, FGIS still relies on legacy technologies for determining grade factors that ultimately influence a commodity's value and fungibility. FGIS must

prioritize research, development, and validation of modern grain grading technologies that improve accuracy, speed, and consistency.

The agency should actively collaborate with industry and academia to identify innovative tools that can reduce human error and improve grading objectivity. Furthermore, we believe that new technologies can help the agency drive efficiencies, reduce costs, and address the staffing challenges it faces, all of which ultimately benefit U.S. farmers, agribusinesses, and rural economies. We believe the USDA should allocate dedicated resources, both staff and funding, to expedite this process.

NGFA and its members are ready and willing to partner with USDA and FGIS to pilot and implement new technologies, provided there is a clear pathway for scientific validation, standardization, and eventual deployment. Therefore, we have worked with our partners at AAGIWA and the American Soybean Association on language for the U.S. Grain Standards Reauthorization Act that will provide FGIS with the necessary tools to focus their resources on this important issue. We encourage the Committee to approve the proposal.

The second central area we encourage Congress to address is the need for enhanced flexibility in issuing emergency waivers of official inspection requirements during service disruptions. The 2015 reauthorization wisely included provisions requiring FGIS to act transparently when official services are disrupted at export ports.

Let me be clear. The U.S. industry strongly supports the requirement for mandatory official inspection and weighing of export grain. It is fundamental to preserving market integrity and the credibility of our supply chain. During natural disasters or other force majeure events, or in rare instances where buyers and sellers mutually agree to waive inspection due to service disruptions, the act must allow for pragmatic flexibility.

We recommend that Congress revise the act to clarify the definition of emergency and authorize FGIS to issue conditional waivers. Further, the waiver would be applied provided that the buyer and seller voluntarily agree, the absence of an official inspection does not impair the transaction, and such a waiver would not undermine the objectives of the act. Establishing a transparent and predictable contingency plan for future disruptions would provide exporters, importers, and customers with the confidence that the flow of U.S. grain can continue during unexpected challenges without compromising the overall integrity of the system. While I have highlighted two core priorities, we are ready to discuss other elements of the act, including advisory committee functionality, clarifying the use of user fees, and user fee cap reform.

The U.S. Grain Inspection System is a foundation of our country's reputation as a reliable agricultural supplier. Timely reauthorization of the U.S. Grain Standards Act, combined with the enhancements we have outlined today, will ensure that our inspection system continues to meet the high expectation of U.S. producers and our global customers.

As Chairman of the NGFA's Grain Grades and Weights Committee, and on behalf of Cargill and the broader industry, I would like to express my sincere appreciation for your oversight and bipartisan leadership on this issue. We look forward to working with

you to modernize and strengthen this vital act. Thank you for the opportunity to testify today, and I will welcome your questions.

[The prepared statement of Mr. Friant can be found on pages 22–32 in the appendix.]

Chairman BOOZMAN. Thank you. Mrs. Mikesh.

STATEMENT OF KIA MIKESH, PRESIDENT, AMERICAN ASSOCIATION OF GRAIN INSPECTION AND WEIGHING AGENCIES, FARGO, ND

Mrs. MIKESH. Good morning. Thank you, Chairman Boozman and Ranking Member Klobuchar, for prioritizing this important issue and working together to hold this bipartisan hearing. My name is Kia Mikesh, and I am privileged to serve as the President of the American Association of Grain Inspection and Weighing Agencies. I am also the Vice President of North Dakota Grain Inspection, the third generation of my family, to help lead the business.

AAGIWA's members are agencies delegated and designated by USDA's Federal Grain Inspection Service to weigh and inspect the Nation's grain. From the public agencies, such as the State Departments of Agriculture of Washington and Alabama, to private agencies like my own, AAGIWA's members work alongside USDA's FGIS to provide essential support to the agricultural economy. The U.S. Grain Standards Act authorizes this unique public-private partnership to carry out its uniform standards and export grain inspection mandate.

While FGIS and certain state agencies weigh and inspect every load of grain on an export vessel, state and private agencies will conduct nine times as many inspections before grain ever reaches port. At all hours of the day and night, our inspectors are at railyards, grain elevators, and in the lab.

Yes, we work to maintain trust in U.S. grain contracts, but we are also testing for toxins harmful to Americans and our livestock herds. The export inspection mandate underlies official inspection, but it also allows a uniform voluntary inspection system to provide trust in U.S. grain, no matter whether it is destined for export or for domestic feed, food, or biofuels production. The significance of this system might not be obvious, but it helps explain why America remains the world's leading agricultural exporter.

Before the 1976 act, our grain markets were inefficient, even chaotic. Markets did not trust U.S. grades and weights, which meant that producers and agribusinesses earned lower prices abroad than their grain was really worth. Today, thanks to official inspection, U.S. grain standards and quality are the gold standard of the world. Buyers will pay a premium for American grain, giving our farmers and exporters a critical competitive edge.

American standards are the universal reference for grain contracts. Even transactions that never touch our country rely on them. Our system is so successful that changes to the act should always be weighed very cautiously, but the Committee should also know that cracks are beginning to show, and maintenance is required. Grain inspection has relied on the same basic technology for 100 years. As the ag supply chain has become more efficient, inspection remains reliant on an ever-shrinking pool of highly

trained human inspectors. It is time- and personnel-intensive. The lack of technological advancement is creating unnecessary costs to taxpayers, exporters, producers, and our own agencies. We have become the bottleneck.

Without new technology, the consequences could be stark. The rigorous standards that were yesterday's privilege will be tomorrow's burden, simply because we lack modern tools to implement them efficiently. On the other hand, the efficiencies reaped by grain inspection technology would reduce costs in the food supply chain and the direct costs to taxpayers of maintaining the inspection system.

The barriers to new technology reflect the fact that FGIS and official agencies have a near monopoly on the data and expertise necessary to develop technology, but we are not R&D agencies nor venture capitalists. We need to be able to work flexibly with the private sector to find solutions to our unique problems and foster the conditions necessary for investors to take risks in our field.

FGIS's dedicated staff have made a heroic effort to advance technology, but they need more than resources. They need flexibility that reflects the realities of the unusual small market for inspection technology. I urge the Committee to reauthorize the act with a small, modest toolbox of new authorities for FGIS to speed technology development. Specifically, Congress should clarify in the statute that FGIS may leverage official agencies for R&D, provide other transactions authority for inspection technology research and development, and establish a modest dedicated funding account through user fees and appropriations to support the evaluation and deployment of new technology. With these tools, FGIS can coordinate flexible partnerships with research institutions, technology developers, official agencies, and the grain trade so that promising technologies can be developed outside government, validated in the real world, and approved quickly once they reach FGIS.

This reauthorization is an opportunity to modernize the most trusted inspection system in the world, ensuring it remains competitive, cost-effective, and resilient.

I want to thank the Committee for recognizing the urgency of this issue and for your ongoing support of American agriculture and the inspection system that underpins it.

I look forward to your questions.

[The prepared statement of Mrs. Mikesch can be found on pages 33–36 in the appendix.]

Chairman BOOZMAN. Mr. Wipf.

**STATEMENT OF BRANDON WIPF, BOARD OF DIRECTORS
MEMBER, AMERICAN SOYBEAN ASSOCIATION, HURON, SD**

Mr. WIPF. Good afternoon, Chairman Boozman, Ranking Member Klobuchar, and distinguished Members of the Senate Committee on Agriculture. It is an honor to join you today to testify on behalf of the American Soybean Association regarding this Committee's review of the U.S. Grain Standards Act. My name is Brandon Wipf, and I am a soybean farmer from South Dakota. I also have the privilege of serving on the board of directors of ASA, which represents over 500,000 U.S. soybean farmers across the 30 main soy-producing states.

Soybeans are the largest ag export in the U.S., and robust international trade is a priority for our industry. Market access and relationship maintenance would not be possible were it not for the trusted and reliable grain inspection and marketing efforts undertaken by the Agriculture Marketing Services Federal Grain Inspection Service, as authorized by the U.S. Grain Standards Act.

For most soybean farmers, our main interaction with FGIS, its designated or delegated agencies, and the U.S. grain standards are at our local grain elevator. When I deliver my soybeans to the elevator, they are tested, sorted, and consolidated into larger lots for eventual shipment. The grain standards determine the price a farmer like me receives for their soybeans at the elevator, and I know the official grain grades provide our international customers with the knowledge that the commodities they receive have been assessed for quality, purity, moisture, and soundness.

Recently, the industry conducted a series of conversations with stakeholders across the soybean sector, including farmers, inspectors, regulators, exporters, and international buyers about the value and perception of FGIS and the U.S. grain standards. While the full results of these conversations are still being evaluated, initial feedback shows that the value of the U.S. grain standards and federal inspection is extremely high for the soybean export value chain and for our international customers.

Global customers consider FGIS to be the gold standard for grain grading. Inspections carry the weight of the U.S. Government, creating peace of mind for international customers and providing impartiality that private inspections may lack. Additionally, the standards are simple, and customers rely on that simplicity to mitigate risk. The ability to effectively hedge through futures markets is a key differentiator for U.S. origin soybeans. The longstanding simplicity and consistency of U.S. grain standards have allowed for the development of extensive futures and derivatives markets for U.S. products that promote true price discovery.

The U.S. soybean industry has a strong relationship with FGIS, and when issues arise, we can address them in a manner that meets the needs of U.S. farmers while maintaining the integrity of those standards. Most recently, the U.S. soy industry worked with FGIS to review and remove soybeans of other color, or SBOC, as an official grade determining factor under the U.S. standard for soybeans. This was due to a rising occurrence of SBOC, resulting from a new soybean seed variety that had a tendency to produce off-color seed coats. This had no impact on the soybeans' protein, oil content, or quality, but farmers like me were being penalized because of the seed coat's color.

In response to rising levels of SBOC, FGIS conducted a study on the functionality of protein and oil content of soybean samples containing varying amounts of SBOC. The results found no significant differences in the protein or oil content as compared to samples not containing this phenomenon. However, marketing concerns did remain, and FGIS took multiple meetings with industry, solicited feedback, and provided a notice of proposed rulemaking to remove SBOC from the U.S. standard for soybeans.

In July 2023, a final rule was issued removing SBOC as a grade-determining factor for U.S. soybeans, a win for soybean farmers

and an example of industry collaboration. Changing the standard for soybeans benefited farmers, exporters, and international customers by providing additional clarity and ensuring our trading partners knew that no matter what, they were still receiving the soybeans that they required.

Reauthorization of the U.S. Grain Standards Act is vital for the continued success of U.S. soy in the international marketplace. On behalf of ASA, I thank the Committee for their timely attention to the expiring provisions of the U.S. Grain Standards Act. We appreciate the opportunity to share the importance of the FGIS system and look forward to working with this Committee to reauthorize the Grain Standards Act this year.

Thank you, Senators, and I look forward to your questions.

[The prepared statement of Mr. Wipf can be found on pages 37–40 in the appendix.]

Chairman BOOZMAN. Leader Thune.

Senator THUNE. Thank you, Mr. Chairman. I will be very brief. We have got other Members here who want to ask questions, but I could just say I think we all recognize the importance of promoting U.S. agriculture on the world stage, which is why we must use every available tool to facilitate international trade to support farmers, grain processors, and exporters.

As the United States engages and continues to engage in negotiations with our trading partners, we need to ensure that U.S. grains are seen as a reliable and high-quality product by foreign buyers. The Federal Grain Inspection Service works to maintain these standards so that our grain remains a reliable purchasing option.

Mr. Wipf, could you maybe just explain in your view what impact on soybean markets in South Dakota and across the country would happen if the Grain Standards Act is allowed to expire?

Mr. WIPF. Well, customers that buy from us do so under the auspices of these rules, and if those are allowed to lapse or if the funding for them is compromised, I think it would compromise the confidence that international buyers have in what they are purchasing from us. We urge a timely reauthorization.

Senator THUNE. Reauthorization. Okay. All right.

A follow-up, and to anybody on the panel, but by providing impartial inspections and weighing services, FGIS has created a transparent, trustworthy system. I think we all agree that that system reduces the chances of price disparity and eliminates quality discrepancies. I say this to all of you. How have you seen the Federal Grain Inspection Service contribute to global grain price discovery, and what would be the potential consequences for international markets if FGIS services lapsed?

Mr. WIPF. Well, you know, uncertainty is kind of a way of life in agriculture when you depend on the weather, but we try to do everything we can to remove as much uncertainty as we can, and we also understand those are the same priorities for our international buyers. Anytime you buy anything from a shirt to a car to a cargo of soybeans, you want to know what you are paying and what you are getting for it. If you know both of those things, I think you have a very good relationship. These rules are imperative to the continuation of our good relationships abroad.

Senator THUNE. Okay. Others? Mrs. Mikesch?

Mrs. MIKESH. As part of my position, I work a lot with different associations to host trade groups that are coming over from all across the globe, and part of my presentation is going over what actually is the official grain inspection and the services that we do. What we do is unlike anywhere else in the world. After I am done with this hour-long presentation, the sparkle in their eyes, I know that sounds crazy, but they get so excited to buy our grain and the assurances that they are going to receive what it is that they are paying for, and they are always extremely impressed by what our system is.

Senator THUNE. Perfect. Thank you. Mr. Friant?

Mr. FRIANT. I think, Senator, we have heard a couple times in the testimonies and in your remarks, the international buyer holds that USDA certificate as the gold standard. They want that when they buy from exporters like Cargill or other members of NGFA. If we lose the integrity and the guarantee of that certificate, I think it really hurts us as being recognized as that reliable supplier of quality grain.

Senator THUNE. Well, we want to be the reliable quality supplier and have people excited to buy. Thank you, Mr. Chairman.

Chairman BOOZMAN. Senator Hyde-Smith.

Senator HYDE-SMITH. Thank you, Mr. Chairman.

We know that those who buy U.S. grain, both domestically and internationally, must trust our grain inspection system functions properly. We know how important that is, and I certainly appreciate all of you willing to testify today and give us some insight on that.

This trust in a functional system ensures that farmers, merchandisers, and end users all know they are operating within a system that is transparent, that is consistent, and it is science-based. I hear regularly from farmers and grain elevator operators in Mississippi who rely on the grain inspection system to protect the value of their grain and to ensure that they are competing on a level playing field with everyone else. The Grain Inspection Advisory Committee plays an important role in helping advise the Federal Grain Inspection Service navigate the technical and policy challenges of implementing the Grain Standards Act.

Mr. Friant, I am going to let you take this first one. I agree with your testimony that the Grain Inspection Advisory Committee serves a critical role in advising FGIS, and I appreciate your service and commitment on that committee and your enthusiasm as well. Given the technical nature of the grain standards and the weighing systems, the advisory committee's role is essential for ensuring that FGIS actions continue to facilitate the export of the world's highest quality grain grown by producers in Mississippi and across the country.

Are there any recommendations you might make to improve how FGIS incorporates the advice and counsel by the advisory committee into the agency's decision-making process? Is there something that you would like to suggest today while you have our attention that we can listen to you on?

Mr. FRIANT. Well, thank you very much, Senator, for the question. I appreciate that. The advisory committee is near and dear to my heart, having served three times and participate as a member

of the public as often as possible. It has been a great public opportunity for industry and service providers and producers for public record to talk about the needs and what we want to see the agency do. We have seen some good work come out of that, and we have some recommendations in our testimony around how we can ensure that members are appointed to the committee in a timely manner.

One of the areas that the committee has struggled with over the last handful of years is folks' term is a three-year term limit, and they roll off, and new folks are not nominated in time to be seated on the committee. We want to see some provisions around how existing members can stay on the committee, if their time expires at three years, until a new person has been appointed and nominated to serve and replace that person on the committee.

Senator HYDE-SMITH. Yes, it makes sense that you need that continuity, and you certainly do not need the void and the spaces there.

I have a little more time left. I would like to highlight the importance of protecting the trade surplus in the United States has historically maintained the grain and oilseeds. While overall agriculture trade surplus has evaporated into what USDA now projects to be a \$49 billion deficit in 2025, grain continues to be the bright spot for agriculture. You know, in fact, America enjoys \$65 billion of trade surplus on U.S. grains and oilseeds, very exciting.

This is a credit to our farmers who continue to grow the highest quality grain in the world, and it is a credit to our transportation system, our infrastructure, including the critical American waterways, highways, and rail systems that ship this out. It is a result of decades of diligent work to develop and to grow these markets and to protect these markets.

Mississippi farmers contribute significantly to our country's grain production, particularly through crops like rice, soybeans, and corn. These crops are exported down the Mississippi River and through the Gulf of America, let me get that right, which supports several grain transport operations in my home state. Ensuring we maintain the integrity of our inspection system is of paramount importance to me, especially as it relates to our export markets.

This question is for all of you. What are some of the challenges that we face with grain exports? What can we do in the Grain Standards Act's reauthorization to help overcome those challenges? I am a little bit over, but if you guys are allowed to answer that right now.

Mrs. MIKESH. Thank you for that question. One of the things that you will likely hear each of us talk about is the need for developing technology. One of those reasons is down at the exports, the port locations, there is not consistency of the volume that there used to be. I remember when I was younger, we would have—it was always harvest time at harvest time. We had to staff up for that, and then usually there was natural attrition, and then you would get through the summers.

Well, because of just how the market has changed, there are a lot of ups and downs as far as volume. One thing that we really think could help in maintaining consistency is bringing forth more technology within the grain inspection system so that we can rely

on this technology and more consistency among people. That is something that we think could really help.

Senator HYDE-SMITH. Thank you.

Mr. WIPF. The only thing that comes to mind for me is, as farmers have added on-farm storage for grain, it has changed the profile of when that grain comes to market. If there are areas where government can target funds to help farmers in certain areas, to plus up their storage, to maybe make it a little bit more predictable, and then also education for farmers because using that storage effectively does not happen by accident. You do have to know what you are doing, so I think there is an educational piece there too. Thank you.

Senator HYDE-SMITH. Very good points.

Mr. FRIANT. I think just a timely and bipartisan reauthorization of the U.S. Grain Standard Act. It ensures that continuity and consistency of the program. Then to agree with my co-witness, Mrs. Mikesch, we have talked about it for a couple years now, technology. What technology can we adapt and adopt for grain grading? I think it is paramount.

Senator HYDE-SMITH. What kind of technology are you referring to?

Mr. FRIANT. I might defer to Kia, but we have been looking at a lot of different possibilities. I think the biggest one—and frankly, I have been hearing about it since the first day I walked into Cargill over 20 years ago, and it is visual imaging technology, to be able to look at a grain sample and say, what is the level of damage?

Senator HYDE-SMITH. Got you. Yes, very important and could speed up things. Thank you, Mr. Chairman.

Chairman BOOZMAN. Senator Hoeven.

Senator HOEVEN. Thank you, Mr. Chair. I did not get her right at the beginning, but I definitely want to take just a few minutes to talk about Kia from Fargo, North Dakota. What did you do with your buddy from Grand Forks? Is he around here? Okay, there he is. Good. Okay, glad you are both here. I want to welcome you both and just make sure that if somebody did not bring it up sooner, that Kia is third generation in the grain inspection business, which is pretty cool, Vice President of North Dakota Grain Inspection, but President of the American Association of Grain Inspection and Weighing Agencies at a very young age, I must say, so pretty awesome.

Her grandfather, Steve Adams, began his career at North Dakota Grain Inspection shortly after its founding in 1968, and I think it is pretty awesome that you are following in your grandfather's footsteps.

I am pro grandpas——

[Laughter.]

Senator HOEVEN [continuing]. and I am pro grandkids following in grandpa's footsteps. So is the Chairman. You can tell by looking he is a grandpa too, right? Yes. Just because he looks real happy, not because he looks old or anything like that. It is so awesome that you are here, and obviously, your input is very important, along with your colleagues as far as the Grain Inspection Service.

I am actually going to shift gears a little. I thought Senator Hyde-Smith, who was in the cattle business, had great questions on the grain side, obviously knows agriculture. I want to ask what you all are hearing from our farmers and our ranchers in terms of grain sales.

You know, in our part of the world, obviously they are combining soybeans, corn, other crops. Particularly for some of the younger producers and those that are more leveraged, they have to sell right off the combine or at least contract. You know, we are hearing concerns, you know, whether it is corn or soybeans or other crops.

Just talk to us a little bit on what you are hearing in terms of the marketing of those crops and just any ideas you have along those lines to make sure that we are not only well informed but doing whatever we can to be helpful.

Kia, we get to start with you because you are from North Dakota. Then we are going to go to South Dakota out of deference to the Majority Leader. Then Nick, you are the cleanup hitter. You look like a cleanup hitter, like you can put it out of the park.

Mrs. MIKESH. Thank you so much for that question. Grain sales are not something that is within my expertise. However, what I have been very proud of that all the grain inspection agencies like ours do is we help make sure that there is consistency in the grading that is done. If you are in North Dakota and there is a grain elevator selling their soybeans or their corn, and it is going out to the PNW, they are meeting the consistency of when they are having it graded at the origin versus destination, and that is something that is paramount to make sure that you are able to sell your grain properly and give you the best outcome that you can have. From my perspective, that is one thing that we do.

Mr. WIPF. Well, I will start, Senator Hoeven, by saying I was not invited here because of my expertise on getting it right, marketing my grain every time. Some days you feel like a hero, and some days you just do not.

Discussions amongst farmers about the sales that they make are sometimes—it is a difficult topic because it comes right down to how much money are you making, and when you grow up on a farm, you do not talk about that. We are taught to be very humble about things. When you get it right, you maybe do not talk about that. When you really blow it, you would be sure to——

Senator HOEVEN. An aggressive farmer is one that looks at the other guy's shoes instead of his own shoes.

Mr. WIPF. Yes. You know, you will go down to the coffee shop and you are more likely to talk about the things that you have gotten wrong than right, counterintuitively, so it is sometimes hard to know exactly where my peers are at. I am on a learning curve just like everybody else. I am about 15 years in now as a farmer, and every year I learn something a little bit more.

Basically, the thing that I try to tell younger producers is lay off as much risk as you can because there is no shortage of uncertainty in our business. The ability to use futures markets, which in turn rely on the issue before the Committee here today, to hedge that risk is, I just cannot stress the importance of that enough.

Senator HOEVEN. Then tell me, how you are marketing your crop this year?

Mr. WIPF. Well, I am probably 40 to 50 percent sold on my row crops.

Senator HOEVEN. You did that earlier in the year?

Mr. WIPF. Yes, staged out throughout the year. We are right in the middle of wheat harvest right now, so I am not that popular with my dad, by the way, taking a quick trip to D.C. this time of year. No, we are fine. We are selling some of that right off the combine because we are looking at a really big corn crop potentially coming in. We are going to need all the storage we have.

Senator HOEVEN. Are you having any trouble moving that crop?

Mr. WIPF. No. I might not like the price I am getting right now, but there is no trouble.

Senator HOEVEN. That is not a function of the inspection service and——

Mr. WIPF. No. No, sir. No. I would love to be able to sit on it and wait for maybe a little better price, but we do see a pretty big crop coming this fall, and we are going to need all of the space on our farm available for that just to keep the combines moving.

Senator HOEVEN. You are moving the wheat right off the combine. You are not having trouble getting that contracted?

Mr. WIPF. No, sir. No.

Senator HOEVEN. Okay. All right. You are making room for row crop with the idea you may hold it?

Mr. WIPF. Yes. Just because corn in particular is a high-volume crop, you want on-farm storage so you can keep that combine moving. If you are in line at the elevator waiting, you do not get much done in a day.

Senator HOEVEN. Yes.

Mr. WIPF. Yes.

Senator HOEVEN. Okay.

Mr. FRIANT. I am not sure how the cleanup hitter is going to follow that one up.

Senator HOEVEN. Well, you see it directly, right, in terms of buying crop and what farmers are doing. What are you seeing?

Mr. FRIANT. In my role at Cargill, I do not deal with the buying and selling. They call me when we have a problem with the quality or the Grain Standards Act or trying to manage inventory and storage. When I have market questions, I candidly walk over to the trading floor and talk to them and let them handle it. I think it is——

Senator HOEVEN. Last time you did that, what did they tell you?

Mr. FRIANT. They told me to go away.

[Laughter.]

Mr. FRIANT. Stay in my lane. I think that is the beauty of the U.S. Grain Standards Act, right? Kia kind of alluded to it, as did Brandon, right? Whether it was riding the truck with my dad to deliver to Minooka Grain and Lumber in my hometown, or when I was grading grain in Topeka, Kansas, or when I worked in New Orleans at Reserve at our export terminal, U.S. No. 2 soybean was the same. U.S. No. 2 was the same in Minooka, Topeka, New Orleans, and the international buyer. That consistency, and we heard about it, that is how, you know, the international market and the

domestic market uses it for price discovery, so we know it is going to be the same. I think that is the beauty of the U.S. standards is it does not matter where you are at in the U.S. and for most world buyers, you know that you are getting U.S. No. 2 soybean, and you have got that full backing of that Federal Grain Inspection Service certificate.

Senator HOEVEN. Yes, with the indulgence, Chairman, one final question. Are we doing a good job on the consistency? Are other countries doing a good job on consistency, or is that an advantage we have in the international markets?

Mr. FRIANT. I would say, yes, we are doing a very good job with consistency. We think, as we have shared in our testimonies, there are some things, particularly around technology that we could do that would help the consistency, help the efficiency. Yes, overall, I think we are doing a very good job. That is why we continue to say today and always that U.S. certificate is the gold standard. I think we are probably biased on this panel that we are better in the U.S. than our foreign competitors, and I think there have been some studies that show the value of the U.S. certificate and the U.S., you know, grain supply chain being reliable and consistent.

Mrs. MIKESH. I would agree. I see that we are having consistency across the Nation. However, in order to obtain that consistency, it takes a lot of time to grade that grain. When our team members are out at grain elevators, they are—when I was younger, I should say, I used to see where a train would take a few days to load. That gives a lot of time for a grain inspector to sit there and pick through the grain, pick through each individual kernel. Now we are sitting at grain elevators that will load 115 rail cars in under five hours. Even if you have multiple inspectors there, there is not always a lot of space, so that is difficult as well. It is hard to keep up with the loading process.

That is where technology can come into play and help as an aid in us to be able to consistently grade that grain and as well as help places like Cargill and farmers so that they can keep their grain moving at a fast pace.

Senator HOEVEN. Thanks again to all of you, appreciate it. Thank you, Mr. Chair.

Mr. WIPF. Well, I was just going to say, do not take my word for it. I will tell you what I see at foreign ports when I visited there and visited with the management and the blue-collar folks unloading those vessels. I have seen the issues they deal with with some of our competitors' cargos, and they very much prefer when they are unloading a cargo from a U.S. destination. It does not matter whether it is the PNW, off the Gulf, off the Eastern Seaboard. They know they are getting that consistent product because of our grading standards.

Senator HOEVEN. That is really good to hear. Again, thanks to all of you.

Chairman BOOZMAN. Senator Marshall.

Senator MARSHALL. All right. Thank you, Chairman, and welcome to our guests today.

I want to probably focus on trade for the first half. The tariffs get all the ink, but the non-tariff barriers is my biggest concern when it comes to agriculture. I want to ask some questions regard-

ing how do our grain standards help protect us from non-tariff barriers? And/or do you have examples when you feel like other countries have used that against us one way or another, that they are not accepting our grading system? Maybe, Mrs. Mikesch, you would not mind starting if you have a thought.

Mrs. MIKESH. Thank you, Senator. Yes, from what I see in my perspective with an official grain inspection is if there are complaints overseas about any shipments of grain, it is wonderful having the FGIS and USDA backing on that. FGIS has individuals that can work through that. Since everything that we do, the paper we write on, the certificates we do, is all considered federal property. As those questions come through, we are able to kind of go backward and see down to exactly when a stowage exam of looking inside a container was done and what was found during that. I think that that is something that has been very beneficial for our trading partners across the seas that they know that they can figure out what is going on, and it is a little more difficult for that to be used when we have very good records of what happened for those shipments.

Senator MARSHALL. Despite that, are there examples, though, when they ignore our grading system and reject our grains?

Mrs. MIKESH. That is something that I do not have expertise in. I apologize.

Senator MARSHALL. That is fine. Mr. Wipf, any comments?

Mr. WIPF. I had heard conversations about sometimes a foreign buyer might have become accustomed to getting maybe a little bit better than what the grade actually is. Then if you ever deliver at the grade, then they feel they have a complaint. You say, well, okay, what were you looking for? You know, let's work through this. They describe what they wanted, and you say, well, you just described No. 1 corn, and you paid for No. 2 corn. It is very nice to have this grading system to fall back on and say, you want better? We have better. Let's have that conversation. It is just that level playing field and that kind of "good fences make good neighbors" sort of rules that we can all agree on.

Senator MARSHALL. Okay. Mr. Friant, anything to add?

Mr. FRIANT. Yes. I mean, I think we would make the case—and I, through my craft, dealt with non-tariff trade barriers. We make the case that is why we have the U.S. grain standards, right? The U.S. grain standards help address some of those concerns, whether it is damage or insects or other quality factors. That is why we have them.

I think Mrs. Mikesch made a great point. We have got that backing. If there is a complaint from a foreign buyer, there is an official process. FGIS gets involved and they re-look at the sample and provide an official report or a formal report. In my experience, almost every single time, we proved that we loaded what we said we were going to load, and the quality met what the buyer was expecting to get.

Senator MARSHALL. Okay. With the time I have remaining, I want to kind of put on my MAHA hat here and give you all a chance to brag too. I think there was a misconception out there that we are not testing grain, that we are not testing what we milled for—let's maybe focus on pesticides for a second. I think that

is the biggest concern. Just describe what we are doing and what those standards look like. What type of reassurance would you give my daughter, the mother of my two grandsons, that American grain is safe? Maybe go in reverse order, Mr. Friant. Friant, go first, perhaps.

Mr. FRIANT. Sure. I would start with, I eat the products made out of the grain. I am happy to feed them to my family. My daughter is here today without—

Senator MARSHALL. So far, so good?

Mr. FRIANT. Yes. We have a really strong system here, right? EPA regulates, FDA enforces. We have strong programs to ensure that proper residue limits are set, and they are monitored, and we do not see those in our supply chain.

Senator MARSHALL. Okay. Mr. Wipf.

Mr. WIPF. Yes. My role as the farmer is really to understand the pesticide labels, make sure that I am applying those right, and then to every extent that I can, invest in the latest technology so that I am able to apply timely and properly. As long as I am doing that, that is kind of the last stage I have in it, but I stand behind every bushel that I produce.

Senator MARSHALL. Then you take it to the elevator, I am going to say elevator, maybe take it different places, and the grain is tested there for residues.

Mr. WIPF. I do not believe each load. I am not really sure at what point that that happens. The ticket I get when I dump a truck of grain mainly deals with moisture, maybe protein content, mainly things that deal with will this grain spoil too quickly, or will it stay in condition until it gets to the end customer?

Senator MARSHALL. Right.

Mr. WIPF. Perhaps there is somebody better than me to address your question.

Mrs. MIKESH. Thank you for that question. That is something that I am very passionate about as far as making sure that the quality of our grain is there.

Some of the factors that we look for that are important in respect to what you are discussing is mycotoxins, so making sure that corn does not have aflatoxin or vomitoxin in it or our wheat does not have ergot or vomitoxin or many other factors where they are safety factors to make sure that either the end consumer, whether that is a human or cattle is going to be okay and be healthy through that.

I think that one of the things that I see is that, you know, I spoke a little bit in my testimony that exports are mandated to have quality inspection but nothing domestically is, and so our entire official agency is done on mainly permissive work. Even though it is not mandated under the Grain Standards Act that the grain at an elevator in Castleton, North Dakota, is done, the whole entire system finds that essentially mandatory in their own right. The buyers will require the sellers to provide them with heavy testing. We have grades on every single railcar that goes out that show those different damages that can be very toxic—some of them can be—but then also doing mycotoxins on every railcar. I think that shows the commitment to safety in the industry.

Senator MARSHALL. Are you testing for pesticides as well?

Mrs. MIKESH. We are not testing for pesticides. That does go to a different level. Grain inspections, we do more of the quicker analysis that they can do to buy and sell, but I know that FGIS does pesticide residue testing, as well as other private agencies.

Senator MARSHALL. Okay. All right. Mr. Friant, are you wanting to add something? Nope, okay.

Thank you so much, Chairman.

Chairman BOOZMAN. Mrs. Mikes, your testimony highlights the request for official agencies to take part in research activities. As the Vice President of an official agency, can you speak to the impact this clarification would have on your family's business and the inspection system as a whole?

Mrs. MIKESH. Thank you, Chairman. Yes, we have seen over the years that FGIS has worked very hard to help get technology going, but it is a difficult process. Nick and I, a few years back, went to an agricultural marketing services innovation summit, and we were there with, you know, fruits and vegetables and organics. Everyone else was having a little bit easier of a time finding technology to help aid in their inspection process.

You know, when people think that, you know, you are in an isolated area and you feel maybe that you are a unicorn, everything is a lot more difficult for our area. We found that for grain, that was definitely true. You know, when you are looking at a tomato, you can see things pretty visibly, whereas we are looking at tiny little kernels and looking at them individually per sample we do for railcar.

With that, there is a lot that has been going on in technology. There is definitely a bottleneck in having the Federal Government do all of the testing or all of the analysis on it to determine if something is fit for purpose.

One of the things that we discuss in the advisory committee is, you know, new technologies will come through, but you always have to make sure that it is the same or better. That is difficult to do and takes a lot of time. One of the things that we have discussed is that official agencies could take on some of that in the beginning, let's say 80 to 90 percent.

When I was talking about mycotoxins earlier, that is where you have seen the most evolution in technology is things that there is a great scientific base that is outside of the official agencies' purview as well, whereas when you are talking about visual grading, that is something that there are very few that are experts in, FGIS being one, as well as official agencies.

We think that official agencies would be able to take on a lot of that and help escalate the timeliness of getting technology improved, as well as being able to see a lot of real-life examples that happen right away, instead of figuring it out when something is already approved.

You know, our agency provides service in nine states. That is a lot of different types of damages, different types of corn, soybeans, and different geographical environments. We think that that would be an added benefit for official agencies to help as well.

Chairman BOOZMAN. Very good.

Mr. Wipf, you outlined the successful and swift action by FGIS and stakeholders to remedy the "soybeans of other color" issue a

few years ago. Can you speak to the need for this process to be adaptable to new seed technologies that maintain the expectation of consistency and quality worldwide?

Mr. WIPF. Yes, so to me that situation that I highlighted with the soybeans of other color, it just shows us that the system worked. It is robust enough to deal with a curveball we had not seen before maybe. Luckily, we were able to work through that process and very grateful that we were able to do so and that nothing was disrupted for the farmers. I think it is important that we continue to offer that flexibility because of the unknown unknowns. We do not know maybe what the next sort of similar situation might be, but I am grateful that the system worked.

Chairman BOOZMAN. Very good. Mr. Friant, you served many years on the Grain Inspection Advisory Committee. Can you share additional insight in the importance of the advisory committee and if the committee has tried to tackle some of the priorities you raised today?

Mr. FRIANT. Yes, thank you, Chairman. I appreciate that question. Very much so the advisory committee has served a really important function for the agency and then for industry producers, official agencies, as I mentioned previously, that public forum to have the conversations and for FGIS to hear from stakeholders, what do we need.

I think one really good success story—and I want to thank Senator Hyde-Smith, and Senator Hoeven had to leave—dealing with FDA actionable grain, and that was something that the committee brought to the agency and said here are some concerns, here are some changes we would like to see happen. FGIS took those recommendations from the committee back, worked with FDA, and then, as I mentioned, the support from Senator Hyde-Smith and Senator Hoeven to help the process along. We ended up with some new directives and direction that has made it significantly easier for the industry to manage. Really, truly a good success story of how that advisory committee worked, and the agency took what was recommended and turned it into something actionable for the industry.

Chairman BOOZMAN. Very good.

Senator Hyde-Smith, have you got any other questions or comments?

Senator HYDE-SMITH. I do not have anything to add.

Chairman BOOZMAN. Well, thank you again, witnesses, for being here. You did a tremendous job, and this was very, very helpful. This helps us understand how important it is for us to get our work done and get this reauthorized. We do appreciate the fact that you took time, especially when it brings you out of the field and things like that. Tell your daddy I am sorry.

The record will remain open for five business days. Again, thanks always to all of the staff that worked so hard to make this happen on both sides.

With that, the hearing is adjourned.

[Whereupon, at 4:03 p.m., the Committee was adjourned.]

A P P E N D I X

JULY 29, 2025



National Grain and Feed Association
TRANSFORMING AMERICA'S HARVEST™

1400 Crystal Drive, Suite 260
Arlington, VA 22202
(202) 289-0873
ngfa.org

Written Testimony
on Reauthorization of the U.S. Grain Standards Act
Before the
Committee on Agriculture, Nutrition & Forestry
U.S. Senate
By Nick Friant, Director, Raw Material Quality and
Regulatory
Cargill, Inc., Wayzata, Minn.
on Behalf of
National Grain and Feed Association
July 29, 2025

Chairman Boozman, Ranking Member Klobuchar, and members of the Committee, I am Nick Friant, Director, Raw Material Quality and Regulatory at Cargill and Chairman of NGFA's Grain Grades and Weights Committee. I am pleased to testify today on the very important topic of reauthorizing the U.S. Grain Standards Act (USGSA) on behalf of the National Grain and Feed Association (NGFA), where I serve as Chairman of the Grain Grades and Weights Committee. I have also served several terms as an appointed member of the Federal Grain Inspection Service's (FGIS) Grain Inspection Advisory Committee.

I have been with Cargill for more than 20 years and I provide technical and regulatory compliance assistance on a wide range of issues related to grain quality, handling and inventory for Cargill's operations and merchandizing.

For 160 years, Cargill has been proudly headquartered in the United States, where today we connect 54,000 American farmers and ranchers to domestic and global markets and employ 39,000 people across 39 states. We have operations in 90% of the states represented (18 out of 20) on the full committee and are privileged to play an important role in your communities and local economies.

Globally, Cargill employs 160,000 people in 70 countries, providing food, ingredients, agricultural solutions, and industrial products that help nourish the world in a safe, responsible, and sustainable way. We are proud to connect farmers with markets so they can prosper. And by providing customers with products that are vital for living, we help businesses grow, communities prosper, and consumers live well in their daily lives.

NGFA, established in 1896, consists of grain, feed, processing, exporting and other grain handling companies that operate more than 8,000 facilities that handle grains and oilseeds. NGFA's membership encompasses all sectors of the industry, including country, terminal and export grain elevators; commercial feed and feed ingredient manufacturers; biofuels producers; 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 has a strategic alliance with the North

American Export Grain Association. In addition, affiliated with the NGFA are twenty-seven state and regional grain and feed trade associations.

NGFA strongly supports reauthorization of the USGSA to maintain and continually improve the U.S. Official grain inspection system. Our association has a long history of advocating for a federal Official grain inspection and weighing system. We have worked continuously for over 50 years to encourage continued improvements to this system – and have several recommendations to further enhance it in our testimony today. NGFA also works to improve the broader regulatory and commercial environment to enhance the value, safety, competitiveness and sustainability of U.S. agriculture, and the positive contribution it makes to America's balance of trade and job-creation.

FGIS performs an essential role by establishing, maintaining and updating the Official U.S. grain standards, which are critical to establishing value and price-discovery in the U.S. and global grain and oilseed marketplace. The inspection and other services provided by FGIS, which are funded principally through industry-paid fees, contribute significantly to the marketing and trading of U.S. grains and oilseeds by farmers and other commercial parties. The U.S. grain handling and export system is recognized around the world for its ability to market and provide a competitively priced, fungible, abundant, safe and sustainable commodity supply that is responsive to customer needs.

U.S. competitiveness in global markets, as well as stakeholders ranging from farmers to end-users, benefit when FGIS and its delegated and designated state and private agencies provide state-of-the-art, market-responsive Official inspection and weighing of bulk grains and oilseeds, and do so in a reliable, uninterrupted, consistent and cost-effective manner.

At the outset, I want to state that NGFA aligns itself with, and supports, the testimony being provided here today by the American Association of Grain Inspection and Weighing Agencies whose member companies provide Official inspection and weighing services on behalf of FGIS.

NGFA wishes to begin by expressing its appreciation to Congress -- and particularly this Committee -- for its leadership in enacting fundamental reforms as part of the 2015 reauthorization of this statute, which set in motion dramatic improvements within FGIS that place our industry and our farmer-customers in a much better position today than we were then, when the reputation of the Official system for providing reliable and cost-effective Official inspection and weighing service was under serious challenge during a service disruption in 2013-2014.

The second major contribution was former Secretary of Agriculture Sonny Perdue's decision as part of his 2017 USDA reorganization plan to extricate FGIS from the Grain Inspection, Packers and Stockyards Administration (GIPSA) and return it to the Agricultural Marketing Service, where it had resided prior to 1994, as well as to install fresh new leadership at the agency.

NGFA strongly supported this aspect of Secretary Perdue's reorganization plan. The merger of FGIS and the Packers and Stockyards Administration into GIPSA during the Clinton administration had always been an odd fit, since the two agencies have distinctly different missions and functions. FGIS is an agency focused on maintaining grain standards and providing Official inspection and weighing service to facilitate the marketing of U.S. agricultural products under authority provided by both the U.S. Grain Standards Act and the Agricultural Marketing Act, under the latter of which AMS operates. By contrast, the Packers and Stockyards Administration is primarily an enforcement agency operating under a completely different statute (the Packers and Stockyards Act).

In addition, the synergy provided by AMS's administrative support services, development of quality standards, training expertise and experience in operating user-fee-funded services have enhanced FGIS's performance. So, too, has the capable new leadership installed at the agency. Further, the reorganization helped FGIS address problems that occurred over the last decade involving the overall expense and effectiveness of federally mandated FGIS Official grain inspection services by eliminating programmatic redundancies, reducing administrative costs, and providing opportunities for interaction with AMS personnel with a similar mission and

focus. We especially want to recognize and commend the dedication of many career public servants within AMS and FGIS for their hard work and commitment in addressing important stakeholder issues during this transition.

While continual improvement is necessary and important for all enterprises, NGFA believes that the service-oriented culture of AMS has had a demonstrable and transformatively positive impact that is serving American farmers and our industry well.

While changes to the USGSA in 2015 and the reorganization of FGIS in 2017 have improved Official inspection and weighing services, NGFA believes there are several additional improvements that can be made to create an even more reliable, competitive and cost-effective system to facilitate the marketing of U.S. grains and oilseeds in export and domestic markets.

NGFA's recommendations consist of the following:

- First, we urge that the USGSA be strengthened by prioritizing the importance of modernizing grain grading technologies to assist FGIS in the research process to improve the accuracy, speed, and consistency of the Official inspection and weighing process.

The U.S. grain inspection system has long set a global benchmark for quality and reliability. However, as the international grain market becomes increasingly competitive, our inspection and grading systems must evolve accordingly.

Today, the FGIS still relies on legacy technologies—some of which date back decades—for determining grade factors that ultimately influence a commodity's value and fungibility. While the basic framework of grain standards has remained stable over time, the tools used to assess quality must keep pace with the demands of modern agriculture and the expectations of international buyers.

FGIS must prioritize research, development, and validation of modern grain grading technologies that improve accuracy, speed, and consistency. The agency should actively collaborate with industry and academia to identify innovative tools—such as enhanced visual imaging systems, rapid chemical analysis, and machine learning-based detection platforms—that can reduce human error and improve grading objectivity. Furthermore, we believe that new technologies can help the Agency drive efficiencies, reduce costs, and address the staffing challenges it faces—all of which ultimately benefit U.S. farmers, agribusinesses, and rural economies.

We believe the USDA should allocate dedicated resources—both staff and funding—to expedite this process. Updating the methods and technologies behind our Official inspections will enhance customer satisfaction, support U.S. export competitiveness, and reduce the long-term costs of service delivery.

NGFA and its members are ready and willing to partner with USDA and FGIS to pilot and implement new technologies, provided there is a clear pathway for scientific validation, standardization, and eventual deployment.

We have worked with our partners at AAGIWA on language for the USGSA that will provide FGIS with the necessary tools to focus their resources on this important issue. We encourage the committee to approve the proposal.

- Our second recommendation pertains to the need for enhanced flexibility in issuing emergency waivers of Official inspection and weighing requirements during service disruptions.

The 2015 USGSA Reauthorization wisely included provisions requiring FGIS to act transparently when Official services are disrupted at export ports due to the withdrawal of service by delegated state agencies. However, in practice, the implementation of these provisions under *7 CFR 800* has been overly restrictive and has not kept pace with operational realities.

The U.S. industry strongly supports the requirement for mandatory Official inspection and weighing of export grain. It is fundamental to preserving market integrity and the credibility of our supply chain. But during natural disasters or other *force majeure* events, or in rare instances where buyers and sellers mutually agree to waive inspection due to service disruptions, the Act must allow for pragmatic flexibility.

We recommend that Congress revise the Act to clarify the definition of “Emergency” and authorize FGIS to issue conditional waivers. Specifically, after the existence of a general emergency is declared, the agency would publicly identify the port(s), terminal(s), or region(s) so affected; and waive the requirements for official inspection and weighing for seven days or until the general emergency has concluded, whichever occurs first.

Further, the waiver would be applied provided that:

- The buyer and seller voluntarily agree;
- The absence of an official inspection does not impair the transaction;
- And such a waiver would not undermine the objectives of the Act.

Establishing a transparent and predictable contingency plan for future disruptions would provide exporters, importers, and customers with confidence that the flow of U.S. grain can continue during unexpected challenges without compromising the overall integrity of the system.

- Third, we recommend that the FGIS Grain Inspection Advisory Committee (GIAC) be reauthorized and modifications made to the process for accepting applications and officially announcing new members.

The advisory committee provides counsel to the FGIS administrator on the implementation of the USGSA. It is comprised of members who represent the interests of grain producers, exporters and handlers. NGFA believes the advisory committee serves a worthwhile function by providing expert advice and assistance to

FGIS – and helps hold the agency accountable – for fulfilling its core mission of ensuring that Official inspections are performed in a reliable, consistent, cost-effective and uninterrupted manner to facilitate the export of U.S. grains and oilseeds to global customers.

However, delays in approving nominees and failure to have a quorum for official business, limit the effectiveness of the committee and the knowledge and expertise of those that are limited in the time they can participate. Therefore, we propose that a specific time frame for the Secretary to name new committee members – e.g. 90 days – be included in the USGSA. Additionally, we recommend the USGSA allow the option for current GIAC Members to serve until new Members are announced by the Secretary. This provides flexibility for achieving a quorum and conducting business if the nominations process is delayed.

- Fourth, we support FGIS’s final rule that decoupled all other Schedule A fees from the rolling average-based tonnage fee. We will continue to monitor the user fee formula that was implemented by the FGIS on January 27, 2025. The formula is the same one used with other AMS agencies but is the first time that it has been used for Official grain inspection services.

Overall, NGFA supported the fee increase but urged the FGIS to take the necessary steps to mitigate the issues that could lead to significant fee increases moving forward. FGIS acknowledged that they supported the comments and are addressing the concerns raised.

FGIS published an interim rule in the *Federal Register* on June 6, 2024 establishing revised fees for official services performed by FGIS and requesting comments. The revised fees announced in the interim rule became effective on July 8, 2024. On December 27, FGIS published a [final rule](#) that adopts the fees established by the interim rule without change and responds to the comments submitted by NGFA.

The hourly contract rate increased from \$41.20 to \$65, and the non-contract rate increased from \$73 to \$93.30. The contract rate for weekends and overtime increased from \$49.10 to \$81.30. The non-contract rate increased from \$73 to \$116.60. With the increased revenue, as well as the continued implementation of cost-saving measures, FGIS “projected” positive revenue and a positive operating reserve balance by the end of FY24. Based on the interim final rule and the increase Officially inspected grain, FGIS completed FY24 with a one-month operating surplus of \$3.5 million. Further, FY24 Officially inspected grain reached 108mmt, a 12 percent increase from the previous year. The current revenue for FY25 is projected at \$38M. Prior years revenue was around \$30M.

All official USGSA services are financed by user fees, with the federal portion of fee revenue maintained in an operating reserve (OR) fund. Activities such as developing grain standards and procedures for measuring quality are financed through congressional appropriations (management level salaries are also covered by appropriated funds). Currently, 70 percent of FGIS’s budget is based on user fees while the other 30 percent is covered through appropriated funds. In addition, there is a \$55 million cap on these user fees that is maintained annually through Congressional appropriations. This means that FGIS cannot exceed \$55 million in expenses unless the Secretary of Agriculture makes a formal request to Congress. Therefore, any increase in expenses to perform official services counts against the user fee cap. In addition, the user fee cap includes work that FGIS does in inspecting rice and lentils which is regulated by the Agricultural Marketing Act, not the USGSA.

The USGSA provides FGIS with the authority to charge and collect reasonable fees to cover the cost of performing official services. In 2015, the USGSA was amended by the Agriculture Reauthorizations Act of 2015, to require FGIS to adjust annually the export grain inspection and weighing fees when the operating reserve (OR) is less than or more than 4 ½ months of operating expenses. The amendments also instructed the Program to adjust tonnage fees on an annual basis using a rolling five-year average of export tons.

NGFA led the efforts to amend the USGSA in 2015. NGFA believed that the rolling five-year average in tonnage fee calculations would result in predictable tonnage rates that will accurately reflect and gradually adjust to changing national and local tonnage volumes. Since the change to the fee structure, the national tonnage fees have decreased significantly while exports have increased which was the original intent. In addition, since the tonnage fee rates are directly impacted by FGIS's national and field office administrative costs, FGIS administrative cost reductions have also helped to lower the fees.

The significant increases in hourly contract rates and other Schedule A fees, not tonnage fees, paid by industry are unsustainable. User fees should be predictable and market-based to provide enough funding and properly reflect the work performed. We encourage the FGIS to continually monitor the fee formula, maintain transparency with industry and be flexible in streamlining the process to make changes when applicable.

- Fifth, and finally, we recommend that the USGSA-related expenses should only apply to the user fee cap. Each year, congressional Appropriations Committees set a cap on how much of the industry-funded user fees can be spent on FGIS's inspection and weighing services – currently set at \$55 million. The user cap covers commodities that fall under the scope of both the USGSA (e.g., corn, wheat and soybeans) as well as the Agricultural Marketing Act, or AMA, (e.g., rice and pulses).

The additional expenses for AMA commodities has limited the amount of resources that can be spent on administrative costs to improve grading and inspection services, e.g. technology related to the USGSA. This cap should exclude AMA crops since most fees are used to cover expenses for services on USGSA commodities.

Conclusion

The grain storage, handling and export industry specializes in the logistics of purchasing the commodities a farmer grows and finding a market for it here at home or in global markets. In serving this role, our industry relies on FGIS and its delegated and designated state and private agencies to provide competent, state-of-the-art and reliable Official inspection, weighing and related services for which the industry pays to facilitate the efficient and cost-effective marketing of U.S. grains and oilseeds.

NGFA believes our legislative recommendations to amend the USGSA will strengthen the Official inspection and weighing system, foster the competitive position of U.S. grains and oilseeds in world markets, and maintain the integrity of Official inspection results. In addition, reauthorizing the USGSA on schedule – or even a bit early – would provide continued certainty to grain handlers, farmers and our global customers. NGFA is committed to working constructively with Congress to enact policies that achieve these positive outcomes.

Thank you for the opportunity to testify. I am pleased to respond to questions you may have.



Written Testimony on Reauthorization of the U.S. Grain Standards Act

Before the Committee on Agriculture, Nutrition & Forestry

United States Senate

By Kia Mikesch, American Association of Grain Inspection and Weighing Agencies

July 29, 2025

Good morning. Thank you, Chairman Boozman and Ranking Member Klobuchar, for prioritizing this important issue, and working together to hold this bipartisan hearing.

My name is Kia Mikesch. I am privileged to serve as President of the American Association of Grain Inspection and Weighing Agencies (AAGIWA). I am also the Vice President of North Dakota Grain Inspection—the third generation of my family to help lead the business.

AAGIWA's members are agencies delegated and designated by USDA's Federal Grain Inspection Service (FGIS) to weigh and inspect the nation's grain.

From the public agencies—such as the State Departments of Agriculture of Washington, Missouri, Alabama, and North Carolina—to private agencies like my own, AAGIWA's members work alongside USDA's FGIS to provide essential support to the agricultural economy. The U.S. Grain Standards Act authorizes this unique public-private partnership to carry out its uniform standards and export grain inspection mandate.

While FGIS and certain state agencies weigh and inspect every load of grain on an export vessel, state and private agencies will conduct nine times as many inspections before grain ever reaches port. At all hours of the day and night, our inspectors are at railyards, grain elevators, and in the lab. Yes, we work to maintain trust in U.S. grain contracts, but we're also testing for toxins harmful to Americans and our livestock herds. The export inspection mandate underlies official inspection, but it also allows a uniform *voluntary* inspection system to provide trust in U.S. grain, no matter whether it is destined for export or for domestic feed, food, or biofuels production.

The significance of this system might not be obvious, but it helps explain why America remains the world's leading agricultural exporter.

Before the 1976 Act, our grain markets were inefficient, even chaotic. Markets did not trust U.S. grades and weights, which meant that producers and agribusinesses earned lower prices abroad than their grain was really worth.

Today, thanks to official inspection, U.S. grain standards and quality are the gold standard of the world. Buyers will pay a premium for American grain, giving our farmers and exporters a critical competitive edge. American standards are the universal reference for grain contracts—even transactions that never touch our country rely on them.

Our system is so successful that changes to the Act should always be weighed cautiously. But the Committee should also know that cracks are beginning to show, and maintenance is required.

Grain inspection has relied on the same basic technology for one hundred years. As the agricultural supply chain has become more efficient, inspection remains reliant on an ever-shrinking pool of highly trained human inspectors. It's time-and-personnel intensive. The lack of technological advancement is creating unnecessary costs to taxpayers, exporters, producers, and our own agencies—we have become the bottleneck.

Without new technology, the consequences could be stark. The rigorous standards that were yesterday's privilege will be tomorrow's burden, simply because we lack modern tools to implement them efficiently.

On the other hand, the efficiencies reaped by grain inspection technology would reduce costs in the food supply chain and the direct cost to taxpayers of maintaining the inspection system.

The barriers to new technology reflect the fact that FGIS and official agencies have a near-monopoly on the data and expertise necessary to develop technology, but we are neither R&D agencies nor venture capitalists. We need to be able to work flexibly with the private sector to find solutions to our unique problems and foster the conditions necessary for investors to take risks on our field.

FGIS's dedicated staff have made a heroic effort to advance technology. But they need more than resources—they need flexibility that reflects the realities of the unusual, small market for inspection technology.

I urge the Committee to reauthorize the Act with a modest toolbox of new authorities for FGIS to speed technology development. Specifically, Congress should clarify in the statute that FGIS may leverage official agencies for R&D, provide Other Transactions Authority for inspection technology research and development, and establish a modest, dedicated funding account—through user fees and appropriations—to support the evaluation and deployment of new technology.

A Technology Toolbox for FGIS

Authorizing Research Activities by Official Agencies

The objective of authorizing research activities by official agencies would be to resolve regulatory uncertainty that slows data collection in grain inspection technology development.

- Under current regulation, official agencies cannot use unapproved inspection methods under any circumstances. The intent of the existing restriction in 7 C.F.R. § 800.76 is well-meaning and a straightforward application of the Act's intent. But the regulation did not anticipate the need to leverage the whole official inspection network for technology development—these technologies often require an enormous volume of data, and collecting such data is a key bottleneck in the speed of developing technologies.

- Permitting the use of the whole network would exponentially increase the pace of data collection. It is unclear under current law if FGIS has the authority to except R&D purposes from the restriction—an outcome universally supported by stakeholders. The proposed provisions are essentially a technical correction that would resolve the uncertainty.

We recommend two changes toward this objective:

- Section 16 of the United States Grain Standards Act (7 U.S.C. § 87e(e)) currently authorizes the Secretary of Agriculture to conduct a continuing research program, in cooperation with other agencies within the Department of Agriculture, aimed at improving the accuracy and uniformity of grain grading methods. Additional language would explicitly authorize the Federal Grain Inspection Service (FGIS) to engage official agencies in its research and development efforts.
- Additionally, positive language could be included to clarify that official inspection agencies may use unofficial inspection methods solely for research and development purposes, but not for issuing official inspection certificates.

Other Transactions Authority

Lawmakers have long acknowledged that the constraints required of grants, cooperative agreements, and contracts, which are heavily regulated, are not always fit for small-scale technology development. Congress has situationally carved out innovation initiatives from these onerous requirements, authorizing lean and nimble research and development partnerships—called “Other Transactions.”

AAGIWA recommends the inclusion of Other Transactions Authority (OTA) to permit FGIS to enter into flexible research and development agreements led by the private sector with the facilitation and assistance of FGIS:

- OTA enables FGIS to pursue unconventional, outcome-driven agreements not governed by traditional procurement or cooperative agreement regulations.
- This tool is important for engaging vendors outside the usual federal contractors (which is most potential inspection technology developers) and accelerating experimentation.
- This provision does not require FGIS to assume development risk but enables it to support innovative partnerships where appropriate.

Grain Inspection Technology and Efficiency Fund

The Committee should consider establishing a dedicated fund to support innovation in grain inspection technology. The benefit of such a fund would be to:

- Hold multi-year or non-expiring appropriations and limited user-fee funds;
- Allow outlays to follow the technology cycle rather than the fiscal year;
- Ensure that technology development expenditures need not compete for resources with the day-to-day activities of FGIS.

One such model could be a “Grain Inspection Technology and Efficiency Fund:”

- Provide authorization for additional appropriations of \$5 million annually for FY2026–2030;
- Additional funding flexibility could be granted through permissive use of other appropriated dollars and up to 5% of user fees collected in the prior fiscal year, allowing the investment of excess collections from exporters after FGIS has met its reserve requirements;
- The fund would support the use of current personnel and short-term experts on technology evaluation, and provide funding for incentives, financing, or other resources useful to other transactions or cooperative agreements for research, development, and implementation of grain inspection technologies.

Conclusion

With these tools, FGIS can coordinate flexible partnerships with research institutions, technology developers, official agencies, and the grain trade—so that promising technologies can be developed outside government, validated in the real world, and approved quickly once they reach FGIS.

Other Recommendations

AAGIWA is aligned with and supports the testimony provided by the National Grain and Feed Association (NGFA). AAGIWA supports NGFA’s proposals on:

- The definition of a new category of emergency to address major disruptions to grain inspection
- Amendments to the Grain Inspection Advisory Committee
- Decoupling Schedule A fees from the rolling-average-based tonnage fee
- Applying the user-fee cap only to USGSA expenses

Conclusion

AAGIWA believes that these changes would improve the grain inspection system and enhance the significant value it provides to American agriculture. I want to thank the Committee for the opportunity to testify, for recognizing the urgency of this issue, and for your ongoing support of American agriculture and the inspection system that underpins it.

I look forward to your questions.



Prepared Testimony of:

Brandon Wipf
American Soybean Association

Before the U.S. Senate Committee on Agriculture, Nutrition, and Forestry
Hearing on *Perspectives on Reauthorization of the U.S. Grain Standards Act*

July 29, 2025

Introduction

Good morning, Chairman Boozman, Ranking Member Klobuchar, and Members of the Senate Agriculture Committee. It is an honor to join you today to testify on behalf of the American Soybean Association regarding the reauthorization of the U.S. Grain Standards Act. My name is Brandon Wipf. I am a soybean farmer from Huron, South Dakota, where I grow soybeans, corn, alfalfa, and grass hay alongside my wife and my parents. I serve as a representative from South Dakota on the Board of Directors for ASA. Our association, founded in 1920, represents U.S. soybean farmers on domestic and international policy issues important to the soybean industry. ASA has 26 affiliated state soybean associations representing nearly 500,000 farmers in the 30 primary soybean-producing states.

The U.S. soybean industry has a profound, positive impact on the U.S. economy. We have long been U.S. agriculture's #1 export crop, and a by-the-numbers look demonstrates the value of the soybean industry to our domestic economic health. The U.S. Department of Agriculture (USDA) reported 86 million acres of soy were harvested in 2024, with production of 4.4 billion bushels. Soybean production accounts for more than \$4 billion in wages and over \$80 billion in economic impacts, according to a study by the United Soybean Board (USB)/Soy Checkoff and National Oilseed Processors Association (NOPA). This economic impact does not include secondary soy markets and supporting industries like biofuels, grain elevators, feed mills, ports, rail, refining, barges, etc., which bring the national total economic impact of the soybean value chain to a significant \$124 billion.

Soybeans are the largest agricultural export in the U.S., and robust international trade is a priority of the U.S. soybean industry. In conjunction with our partners at the U.S. Soybean Export Council (USSEC), the World Initiative for Soy in Human Health (ASA-WISHH), USDA, and the Office of the U.S. Trade Representative (USTR), our industry is working actively across the world to open new markets and introduce new customers to the value of high quality, high protein U.S. soy. Opening new markets is just the beginning: Markets require time, attention, and long-term relationship maintenance to ensure that once a market is open to U.S. soybean exports, access remains unhindered.

Market access and relationship maintenance would not be possible if it were not for trusted and reliable grain inspection and marketing efforts undertaken by the Agricultural Marketing Service's (AMS) Federal Grain Inspection Service (FGIS) as authorized by the U.S. Grain Standards Act of 1916 (since amended). The Act authorized FGIS to establish official marketing standards for certain grains and oilseeds, including soybeans, corn, oats, wheat, and sorghum, among others. Prior to export, inspections are carried out by FGIS or by state agencies that have delegated inspection authority by FGIS.

FGIS offers specialized testing in addition to standard grading offered by inspectors. These tests can vary by commodity, and include aflatoxin testing for corn, testing oil content in soybeans, and protein content in wheat. Inspectors also conduct cargo inspections to ensure grain vessels are free from contamination, ensuring U.S. grain reaches its international customers at the same high-quality it was when it left the U.S.

For most soybean farmers, our sole interaction with FGIS, designated or delegated agencies, and the U.S. grain standards are at our local grain elevator. When I deliver my soybeans to the elevator, they are then tested, sorted, and consolidated into larger lots for eventual shipment. The grain standards determine the price a farmer receives for their soybeans at the elevator, and I know the official grain grades provide our

international customers with the knowledge that the commodity they receive has been assessed for quality, purity, moisture, and soundness.

The official standard for U.S. soybeans includes the following:

1. U.S. Grades No. 1 to 4 (1 being highest quality) are based on:
 - a. Test weight (52-60 pounds/bushel)
 - b. Damaged kernels (2-8%)
 - c. Foreign material (1-5%)
 - d. Splits (10-30%)

Additional grading factors can include moisture and oil content for processing into vegetable oil and soybean meal. Grain grades are a true vector for price discovery due to their influence over the marketability for U.S. soybeans and other commodities.

Recently, the industry conducted a set of conversations with stakeholders across the soybean sector (including farmers, inspectors/regulators, exporters, and international buyers) about the value and perception of FGIS and the U.S. grain standards. While the full results from those conversations are still being evaluated, initial feedback shows that the value of the U.S. grain standards and federal inspection is extremely high for the soybean exports value chain and our international customers. A few highlights of these conversations include these themes:

Trust: Global customers consider FGIS the “gold standard” internationally for grain grading. Inspections carry the weight and impartiality of the U.S. government, creating peace of mind for international customers and providing impartiality that private inspections may lack. Customers in export markets trust that when they receive a shipment of U.S. soybeans, they are receiving a high-quality, inspected product because of the services provided by FGIS. Furthermore, this trust is reinforced by the transparent and impartial appeal system available through FGIS. Samples are retained by FGIS for 90 days, allowing any disputes between customers to be resolved by an independent board. U.S. customers can also file complaints and note discrepancies in grades through U.S. embassies throughout the world, further reinforcing the integrity of U.S. grain standards and FGIS’s services with U.S. soy customers

Consistency: The standards established and carried out by FGIS are simple, and customers rely on that simplicity to mitigate risk. The ability for buyers and sellers to effectively hedge risk through futures markets is a key differentiator for U.S. origin soybeans. FGIS’s standards and their simplicity and consistency over time have allowed for the development of extensive futures markets for U.S. products that promote price discovery and liquidity. These markets benefit the entire supply chain, from farmers to end users, and are underwritten by the grade factors developed by FGIS.

FGIS’s quality controls also ensure that when trading partners in Japan place an order for No. 1 soybeans in November, and another order for that same grade soybeans in February, both orders – despite being placed months apart – will comprise of soybeans graded to the grade standard for No. 1 yellow soybeans.

When asked about what would happen should the U.S. grain standards no longer be in place, the most common answer was “chaos.” Ultimately, our strong grain standards, backed by the force and weight of the U.S. government, are one of the strongest reputational enhancements available to U.S. soybean farmers.

The U.S. soybean industry has a strong relationship with FGIS, and when issues arise, we can address them in a manner that meets the needs of U.S. farmers while maintaining the integrity of the standards. As part of its duties, AMS regularly reviews grain standards to ensure they are able to effectively meet the marketing needs of the grain trade, and groups like ASA regularly engage with AMS when our industry faces issues regarding the standard.

Prior to 2023, USDA maintained “soybeans of other colors,” or SBOC, as an official grade-determining factor under the U.S. Standard for Soybeans. The seed coat of a soybean can naturally vary in color based on a variety of reasons, and the grading standard allowed for a certain percentage of SBOC within the soybean standards. For example, U.S. #1 soybeans could have up to 1% SBOC, U.S. #2 soybeans up to 2%, et cetera.

However, occurrences of SBOC began to rise in 2021, and in 2022 hit levels that had not been seen before in the modern era. This was due to adoption of a new seed variety by many farmers across the U.S. This new variety is extremely popular and has proven to combat herbicide-resistant weeds. An unexpected side effect of this new soybean seed variety was the occasional occurrence of off-color seed coats. In response to rising levels of SBOC, FGIS conducted a study on the functionality of protein and oil content of soybean samples containing amounts of SBOC. The results found no significant differences in the protein or oil content as compared to samples not containing SBOC.¹

However, marketing concerns remained, and FGIS took multiple meetings with industry, solicited feedback, and provided notice and comment on a proposed rule to remove SBOC from the U.S. Standard for Soybeans. In July 2023, a final rule was issued removing SBOC as a grade-determining factor for U.S. soybeans – a win for soybean farmers and an example of industry collaboration. Changing the U.S. Standard for Soybeans benefited farmers, exporters, and international customers by providing additional clarity and ensuring our trading partners knew that no matter what, they were still receiving the soybeans they wanted.

Reauthorization of the U.S. Grain Standards Act is vital for the continued success of U.S. soy in the international marketplace. As industry noted in a letter to this committee during the 2020 reauthorization process, international buyers place a premium on the U.S. inspection service, which helped U.S. farmers maintain some competitiveness despite the negative impact of tariffs on exports. In 2025, we are again seeing negative tariff impacts on exports, and the value provided by FGIS and our grain inspection system can help keep our exports competitive.

On behalf of U.S. soybean farmers, I thank the committee for their timely attention to the expiring provisions of the U.S. Grain Standards Act. We appreciate the opportunity to share the importance of the federal grain inspection system. ASA looks forward to working with this committee to reauthorize the Grain Standards Act this year.

Thank you again for your attention to this matter, and I look forward to your questions.

¹ USDA, Agricultural Marketing Service. (2022). “Study of Soybeans of Other Colors and the Impact on End-Use Functionality in 2021-2022 Market Samples.” (Link: <https://www.ams.usda.gov/sites/default/files/media/FGISSBOCStudy.pdf>)

QUESTIONS AND ANSWERS

JULY 29, 2025

U.S. Senate Committee on Agriculture, Nutrition, and Forestry
Perspectives on Reauthorization of the U.S. Grain Standards Act
 July 29, 2025
 Questions for the Record
Mr. Nicholas Friant

Senator Amy Klobuchar

1. ***Grain Inspection Advisory Committee***

What is the role of the Grain Inspection Advisory Committee members in informing and shaping the work of Federal Grain Inspection Service? What actions has the Federal Grain Inspection Service taken as a result of the advisory committee?

Response: The role of the Grain Inspection Advisory Committee is to provide advice to AMS with respect to the implementation of the U.S. Grain Standards Act. As an example, USDA received numerous requests from representatives of U.S. soybean producers and grain traders to remove soybeans of other colors (SBOC) as a grading factor. Additionally, at the request of the USDA Grain Inspection Advisory Committee, FGIS conducted a study to evaluate whether the presence of SBOC had an impact on the quality of soybean protein and oil. The study found no significant differences in official protein or oil content. In response to the requests for changes to the soybean standard and to the findings of the study, and following notice and comment, USDA amended the soybean standards, accordingly.

Senator Adam Schiff

1. While U.S. grain production, particularly of soy and corn, has increased over the past decade, oats specifically saw production significantly decline by nearly 95 percent from 1924 to 2000. Still, American families rely on oats as a nutrient-rich food for breakfast, bars, and beverages. Science coming out of state universities may create a pathway for more domestic oat production. In my home state, UC-Davis research found that only 10% of oat production in California is bound for human consumption, and their breeding programs aim to better match oat cultivation to the climate. I also understand that North Dakota State University investigates challenges related to oat quality and yield. American food manufacturers still rely on Canadian oats, and uncertainty in the trade environment has drawn attention to rationale for domestic oat production. The U.S. Grain Standards Act provides the structure to cut red tape for human-grade oat producers and invest in the U.S oat market.
 - a. Can you outline what kinds of opportunities there are for increased resources to help reinvigorate certain grain markets, like oats, that may not have as many benefits as soybean and corn?

- b. How can USDA cut bureaucratic red tape for domestic oat producers who want to ensure what they are growing is graded swiftly and appropriately?
- c. What benefits may there be to efforts to reinvigorate U.S. human-grade oat production?
- d. I am concerned about the impact on tariffs on the cost of food made with oats. According to the North American Millers Association, imposition of a 25% tariff on Canadian oats could have devastating impacts on school breakfast programs in which oatmeal and oat-based cereals are staples. The associated cost increases may mean fewer school breakfast meals each year. How are you seeing tariffs and uncertainty in the market impact goods? With us almost completely dependent on foreign sources for human grade oats, would we be well served to invest in domestic capacity for this crop?

Response: The U.S. Grain Standards Act allows the U.S. Secretary of Agriculture to establish official marketing or quality standards for grains, including oats. NGFA strongly supports reauthorization of the USGSA to maintain and continually improve the U.S. Official grain inspection system. We support prioritizing modernization of grain grading technologies to assist FGIS in the research process to improve the accuracy, speed, and consistency which would be a benefit for all grains. Strengthening export markets for U.S. grain is important for U.S. agriculture. The U.S. currently has a \$65 billion trade surplus on grains and oilseeds. NGFA believes we should reduce both tariff and non-tariff barriers to trade while upholding the gold standard science and approval processes that have made the U.S. a leader in food quality and safety for decades. U.S. grain standards help us address some trade-related concerns, whether it's damage or insects or other quality factors, and a key reason we support timely reauthorization of the USGSA. We appreciate the questions on oat production and would welcome the opportunity to visit further with your office and include stakeholders that have a broader representation of the domestic oat industry.

U.S. Senate Committee on Agriculture, Nutrition, and Forestry
Perspectives on Reauthorization of the U.S. Grain Standards Act

July 29, 2025

Questions for the Record

Mrs. Kia Mikesb
(Responses in Bold)

Senator Amy Klobuchar

1. *Grain Inspection Advisory Committee*

What is the role of the Grain Inspection Advisory Committee members in informing and shaping the work of Federal Grain Inspection Service? What actions has the Federal Grain Inspection Service taken as a result of the advisory committee?

The Grain Inspection Advisory Committee (GIAC) was authorized by Congress in the late 1970s to ensure that FGIS decisions would be informed by the real conditions in markets, in grain inspection laboratories, and in the field.

Today, I have the honor and privilege of serving as Chair of the GIAC. In my view, it continues to serve its original purpose well today. Our input continually informs FGIS rulemaking and other administrative decisions.

Notably, GIAC requested that FGIS to investigate whether the presence of Soybeans of Other Color (SBOC) signified quality issues with soybean protein or oil. The study found that SBOC had no effect on these metrics, leading FGIS to revise the soybean standard.

Further, GIAC promoted consultations between FGIS, the Food and Drug Administration (FDA), and industry which helped produce an improved Memorandum of Understanding.

GIAC has also played a major role in promoting discussions between FGIS and industry on the development of grain inspection technology, reviewing FGIS user fee accounts, and developing standards for phytosanitary certificates.

Senator Charles Grassley

1. How valuable is the ability to market commodities quickly, and how would improvements to the Federal Grain Inspection Service help get the high-quality products of the United States exported more quickly?

I thank the Senator for this question, which directly relates to the urgency of developing grain inspection technology.

U.S. grain export markets are operating optimally if commodities are exported as quickly as customers demand and present technology allows. With any export, there are transaction, transportation, and policy costs (such as tariffs at destination) which affect the competitiveness of U.S. exports.

On one hand, grain inspection facilitates competitiveness by assuring markets that U.S. grain exports will reliably match the grade and weight prescribed by contract. On the other hand, exporters have adopted innovations that over time have reduced the cost of export by improving the speed of loading, transportation, and other cost factors, while grain inspection has not made such innovations.

Several conditions inhibit innovation, despite the good faith efforts of FGIS to promote development of grain inspection technology. I will highlight two major contributors:

- (1) First, private investment in grain inspection technology accompanies risks that markets appear to be unwilling to bear without assurances or support. FGIS standards are, wisely, quite rigorous. Significant investment in designing and testing new technologies accompanies little guarantee of speedy regulatory approval, if any. Coupled with the fact that the customer base for these technologies is relatively limited—FGIS itself, official agencies, and larger grain exporters—developers are likely to turn a profit only if they are the first to the finish line and enjoy universal adoption of their technology. These market dynamics motivated AAGIWA and other stakeholders to advocate for new tools for FGIS to flexibly partner with private industry on technology development. The tools FGIS has at its disposal are not designed for rapid, iterative technology pilots and current funding to support FGIS evaluation is insufficient. If they were, we would observe more cooperative agreements and a faster pace of approval, in light of the significant efforts made by FGIS personnel to date. Consequently, we recommend providing Other Transactions Authority to FGIS or AMS broadly. With the new authorities and funding we recommend, we envision that FGIS would provide incentives, data, technical support, and other cooperation as necessary without the restrictive and burdensome rules that can preclude small businesses and organizations from engaging in formal arrangements with the federal government. In turn, the private sector would**

carry the primary responsibility of technology development, and deliver a nearly-finished product to FGIS for swift evaluation and feedback at the late stage of development.

- (2) Second, technical quirks of law and regulation have produced the unintended consequence of precluding official inspection agencies from generating the data necessary to test new technologies and to participate in the testing of these technologies. As official agencies conduct the overwhelming volume of inspections, these ambiguities are a major obstacle. Even where such limitations are not prohibitive to developing technology, they markedly slow the progress of development. We recommend clarifying in the law that official agencies are indeed authorized to participate in research and development activities, including the testing of technologies, with FGIS oversight, alongside official inspection activity.

AAGIWA believes that the changes I propose here and in my written testimony would mark significant steps towards a new chapter in grain inspection, in which the pace of innovation improves and new technologies support greater efficiency and speed in delivering exports to overseas customers. With targeted authority and resources for pilots, validation, and official-agency participation, FGIS can reduce inspection-driven dwell time without relaxing standards, improving vessel/rail turnaround and price competitiveness.

Senator Adam Schiff

1. While U.S. grain production, particularly of soy and corn, has increased over the past decade, oats specifically saw production significantly decline by nearly 95 percent from 1924 to 2000. Still, American families rely on oats as a nutrient-rich food for breakfast, bars, and beverages. Science coming out of state universities may create a pathway for more domestic oat production. In my home state, UC-Davis research found that only 10% of oat production in California is bound for human consumption, and their breeding programs aim to better match oat cultivation to the climate. I also understand that North Dakota State University investigates challenges related to oat quality and yield. American food manufacturers still rely on Canadian oats, and uncertainty in the trade environment has drawn attention to rationale for domestic oat production. The U.S. Grain Standards Act provides the structure to cut red tape for human-grade oat producers and invest in the U.S oat market.

- a. Can you outline what kinds of opportunities there are for increased resources to help reinvigorate certain grain markets, like oats, that may not have as many benefits as soybean and corn?

Thank you for your questions Senator. Though this question is outside AAGIWA's policy remit, I understand that U.S. producers, including the oat producers in my home state of North Dakota, will be motivated by agronomic and economic conditions, among other factors, when deciding whether it is more profitable to plant oats on their land or to utilize it for other means. As you note, agricultural research plays a significant role in enhancing the yields and efficiency of production of commodities of all kinds. As these research programs and other commodity supports are outside the scope of the U.S. Grain Standards Act, AAGIWA has no official policy position on such programs as of now.

- b. How can USDA cut bureaucratic red tape for domestic oat producers who want to ensure what they are growing is graded swiftly and appropriately?

As the leader of an official agency which is highly regulated by FGIS, I certainly understand the position that USDA regulations be appropriately calibrated to policy goals without being unnecessarily burdensome. It is AAGIWA's view that, in general, FGIS achieves this aim, even under the constraints of administering an exceptionally complex statute which has evolved over nearly fifty years. Though no statute or regulation can be expected to be perfect, FGIS's able administration of the law and maintenance of rigorous grain standards help explain why FGIS and the U.S. Grain Standards Act engender such strong support and trust within the industry.

By contrast, all of us in grain inspection share the frustration of producers and exporters that inspection procedures can cause bottlenecks in the marketing of all grains, including oats. Relaxing grain standards to improve speed would backfire for producers because rigorous standards are indeed what the market values—which the industry proves by continuing to opt for voluntary official inspections for domestic grain. Instead, as we have urged, steps should be taken to accelerate innovation in grain inspection that supports faster and more efficient grain inspection procedures.

- c. What benefits may there be to efforts to reinvigorate U.S. human-grade oat production?

Support of individual commodities is outside of AAGIWA's remit, though I appreciate the Senator's attention to the issues facing agricultural producers in his state.

- d. I am concerned about the impact on tariffs on the cost of food made with oats. According to the North American Millers Association, imposition of a 25% tariff on Canadian oats could have devastating impacts on school breakfast programs in which oatmeal and oat-based cereals are staples. The associated cost increases may mean fewer school breakfast meals each year. How are you seeing tariffs and uncertainty in the market impact goods? With us almost completely dependent on foreign sources for human grade oats, would we be well served to invest in domestic capacity for this crop?

Though AAGIWA has no positions on the issues specifically raised here, I am happy to speak to my understanding of the general sentiment of our members and for myself—which is that we commend policies that promote economic opportunities for American agricultural production.

U.S. Senate Committee on Agriculture, Nutrition, and Forestry
Perspectives on Reauthorization of the U.S. Grain Standards Act
 July 29, 2025
 Questions for the Record
Mr. Brandon Wipf

Senator Amy Klobuchar

1. ***Certainty in Markets and the Role of FGIS***

What have the impacts of across-the-board tariffs been on commodity markets from your perspective and your ability to forward market your crop? What compounding impact would a lapse in authorization of the Grain Standards Act have on soybean markets?

Customers have a choice when they decide to purchase U.S. soybeans. While many factors can impact that choice, price is often the deciding factor. Retaliatory tariffs impact U.S. soybean exports by reducing our competitiveness in export markets. Right now, U.S. soybean farmers are facing a 20% retaliatory duty from our biggest export market – China. This means that U.S. soybean farmers are not price competitive in contrast to our competitors in South America.

Due to tariffs, our customers in China have not yet purchased any new crop soybeans for the upcoming marketing year. This is extremely concerning; traditionally by this time of year, and in years in which trade disputes were a non-issue, China has typically ordered an average of 14% of its anticipated soybean purchases from the U.S. before soybean harvest begins in the Heartland, with a high of 27% ordered going into MY 2022/23. To put this in perspective – in a normal year by this point in the season, China would have already made forward purchases of about 5 million metric tonnes (MMT) of U.S. soybeans. That equates nearly the entirety of the annual soybean production in South Dakota.

As mentioned in my written testimony, the expiring provisions of the Grain Standards Act are set to expire when soybean farmers typically secure contracts and begin harvest. A lapse in services coupled with an ongoing trade dispute has the capacity to potentially cripple soybean exports at the worst possible time.

Senator Charles Grassley

1. What perspective do you think most farmers have about the grain grading system and are there gaps in transparency that Congress could address?

For the most part, farmers do not interact with FGIS or the Standards on a daily basis, but we are aware of the U.S. standards for soybeans. Every farmer can tell you what the grades for soybeans are, and many farmers have additional requirements for their soybeans based on their contract. In my written testimony, I discussed seed coat color. Our food-grade customers place a

high value on uniform coloration for seed coats, and customers can build those requirements in their contracts.

For ASA, our major request of the committee is to reauthorize the Grain Standards Act in a timely fashion. The expiring provisions of the Act are set to sunset on September 30, 2025. That's right when soybean farmers across the country are locking up contracts and preparing to harvest. A lapse in the four provisions set to expire in September could potentially have negative impacts on soybeans destined for export, depending on how long the lapse lasts.

