



Grain Grading

Issue

During last year's harvest season, Farm Bureau heard concerns from farmers that grain dealers were using grain quality unfairly to dock prices on contracted and uncontracted grain. Grain dealers must follow rules of the Federal Grain Inspection Service (FGIS) division of USDA. Today FGIS facilitates the marketing of U.S. grain and related products by establishing standards for quality assessments, regulating handling practices, and managing a network of federal, state, and private laboratories that provide impartial official inspection and weighing services. Some states have programs through their department of agriculture to develop state standards for sampling and grading grain. The laws also establish procedures for settling disputes between dealers and farmers. Farm Bureau policy supports an interstate grain industry oversight board comprised of actively engaged farmers from surrounding states to discuss new markets, dock schedules, and proper grading.

Background

Currently a federally licensed grain dealer must have federally licensed graders on staff. For the employees to obtain this federal license the applicant must: complete an application, acknowledge they know how to grade grain, and the elevator must sign off that they know how to grade grain. The application does not require training to obtain the federal license. The application does require that the applicant sign off saying that they will *"comply and abide by the terms of the USGSA, regulations and the AMA, regulations, thereunder and instructions prescribed by FGIS. I further understand that the license issued to me will terminate 3 years from the date of issuance, unless renewed and that upon resignation or dismissal, my license will be suspended for 1 year or its termination date."*

Some states have programs through their department of agriculture to develop state standards for sampling and grading grain. The laws also establish procedures for settling disputes between dealers and farmers. Following concerns from farmers similar to what was heard in Tennessee, the state of Arkansas recently passed legislation that requires the Arkansas Agriculture Department to promulgate rules for a certification program, based on USDA FGIS standards, to ensure grain buyers are training staff in the scale house. The Arkansas law covers corn, soybeans, and wheat. In order to enforce the rules the law allows Arkansas Agriculture Department officials to inspect scale houses to ensure the graders are following proper sampling and grading procedures as outlined by USDA. If an elevator is found to be without a certified grader in the scale house, the elevator can be placed on probation. If on probation, the elevator is required to notify farmers that a certified grader is not grading grain.

The Arkansas law also requires elevators to hold a sample of grain with excessive damage for two days to give farmers the ability to challenge the grade. For purposes of this law, excessive damage is only based on foreign matter, but does not include moisture. In cases of a disputed sample, the farmer could request to send the sample to an USDA official grading agency to be graded. The results of this grade of the sample, whether better or worse, would be the new official grade. It costs the farmer \$12.50 to get a full grade on a sample of grain.

Questions

1. Have you or other farmers in your county had major disagreements with their grain elevator on the dock placed on the grain?
2. Should there be a state procedure for farmers to challenge a disputed grain sample?
3. Should Tennessee Farm Bureau have policy pertaining to state law on the issue?

Farm Bureau Policy

Commodity Markets (Partial)

We support an interstate grain industry oversight board comprised of actively engaged farmers from surrounding states. The board would be appointed by the participating state's governors. The board would meet as needed with grain merchandisers to discuss new markets, dock schedules, proper grading and any other important issues facing farmers.

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