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DEPARTMENT OF AGRICULTURE

Grain Inspection, Packers and Stockyards Administration

Request for Public Comment on Services Currently Offered or Needed to Facilitate the Marketing of Grain and Related Products

AGENCY: Grain Inspection, Packers and Stockyards Administration, USDA

ACTION: Request for Information

SUMMARY: The U.S. Department of Agriculture's (USDA) Grain Inspection, Packers and Stockyards Administration (GIPSA) is informing the public that it is soliciting comments to ensure that current services reflect market needs to facilitate the marketing of grain and related commodities. Specifically, GIPSA is inviting comments from producers, handlers, processors, food manufacturers, exporters, importers, consumers, scientists, academicians, industry stakeholders, and other interested persons on how GIPSA can best facilitate the marketing of grains, oilseeds, rice, pulses, and related products or products made from them, including co-products of ethanol production, commonly referred to as distillers' grains, based on market-identified quality attributes. To ensure that standards and official grading practices remain relevant in the market, GIPSA invites interested parties to comment on the relevance of current standards, methods, and grading practices, and on potential market needs for new standards or services.

DATES: Comments must be received on or before **[INSERT 90 DAYS FROM THE DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: You may submit your written or electronic comments on this notice to:

- Mail: R. Dexter Thomas, GIPSA, USDA, 1400 Independence Avenue, SW, Room 2530, Washington, DC 20250-3604.
- Fax: (202) 690-2173
- Internet: Go to <http://www.regulations.gov> and follow the on-line instruction for submitting comments.

Instructions: All comments will become a matter of public record and should be identified as “U.S. Services Offered for Grains Notice Comments,” making reference to the date and page number of this issue of the *Federal Register*. All comments received become the property of the Federal government, are made a part of the public record, and will generally be posted to www.regulations.gov without change. Comments may also be viewed in the above office during regular business hours (7 CFR 1.27(b)). Please call the GIPSA Management Support Staff at (202) 720-6529 to make an appointment to read comments received. If you send a comment directly to GIPSA without going through www.regulations.gov, or you submit a comment to GIPSA via fax, the originating address or telephone number will be captured automatically and included as part of the comment that is placed in the public docket and made available on the Internet. Also, all personal identifying information (for example, name, address, etc.) voluntarily submitted by the commenter may be publicly accessible. Do not submit confidential business information or otherwise sensitive or protected information.

Electronic submissions should avoid the use of special characters, avoid any form of encryption, and be free of any defects or viruses, since these may prevent GIPSA from being able to read and understand, and thus consider your comment.

FOR FURTHER INFORMATION CONTACT: Anthony Goodeman at GIPSA, USDA, 1400 Independence Avenue, S.W., Washington, D.C., 20250; Telephone (202)-720-0228; Fax Number (202) 720-1015; email Anthony.T.Goodeman@usda.gov.

SUPPLEMENTARY INFORMATION:

Background

Under the authority of the United States Grain Standards Act, as amended, and the Agricultural Marketing Act of 1946, as amended, GIPSA establishes standards for grains, oilseeds, rice, pulses, and related graded and processed commodities, regarding kind, class, quality and condition. The standards facilitate marketing and define U.S. grain and commodity quality in the domestic and global marketplace. The standards define commonly used industry terms; contain basic principles governing the application of standards, such as the type of sample used for a particular quality analysis; specify grades, grade requirements, special grades; and special grade requirements. Official procedures for determining grading factors are provided in GIPSA's Inspection Handbooks, which also include standardized procedures for additional quality attributes not used to determine grade, such as protein content and falling number. Together, the grade standards and inspection procedures allow buyers and sellers to communicate quality requirements, compare quality using equivalent forms of measurement, and assist in price discovery.

GIPSA periodically reviews the standards to ensure they reflect marketplace needs. In 2007, when the U.S. ethanol industry was expanding rapidly, GIPSA issued an Advance Notice of Proposed Rulemaking (ANPR) titled "The Role of USDA in Differentiating Grain Inputs for Ethanol Production and Standardizing Testing of the Co-

Products of Ethanol Production” (72 FR 39762). The ANPR sought comments from the marketplace asking if there were any additional services GIPSA should offer to facilitate the marketing of ethanol co-products. Commenters overwhelmingly agreed that GIPSA should not intervene in standardizing testing of ethanol inputs and outputs. Commenters did state that an appropriate role for GIPSA was to continue approving rapid test kits for determining the concentration of mycotoxins. Accordingly, GIPSA did not initiate any rulemaking action related to the matters presented in the ANPR. However, GIPSA did agree to monitor the industry and remain actively engaged with the ethanol and co-product markets and to support the industry, as appropriate, in its efforts to successfully market ethanol co-products. Further, GIPSA has continued to approve rapid test kits for mycotoxins.

The production of distillers’ grains has continued to grow in recent years concurrent with increased ethanol production. GIPSA will broadly refer to “distillers’ grains” as being any of the plethora of co-products generated by dry-mill ethanol plants, including distillers’ wet grains (DWG), distillers’ dried grains (DDG), distillers’ wet grains with solubles (DWGS), distillers’ dried grains with solubles (DDGS), and condensed distillers’ solubles (CDS), unless otherwise specified. According to USDA’s Economic Research Service, the United States produced an estimated 44.6 million metric tons of DDGS in the 2014/15 crop year, compared to 12.4 million metric tons of DDGS in 2006/07, when GIPSA’s previous ANPR was first published. Increasing supply, two years of higher prices for competing feeds (soybean meal and corn), and successful foreign market development efforts by USDA and trade associations have led to a surge in DDGS exports from the United States. Exports now constitute nearly 25 percent of

domestic DDGS production, totaling 11.0 million metric tons in the 2014/15 crop year, compared to exports of only 14.5 percent of production, totaling 1.8 million metric tons in 2006/07.

In order for U.S. standards and grading procedures to remain relevant, GIPSA is issuing this Request for Information to invite interested parties to submit comments, ideas, and recommendations on GIPSA's role in the marketing of grain, oilseeds, and related agricultural products, including distillers' grains. All interested persons are specifically encouraged to comment on the following issues related to this notice:

1. Are there any market-identified quality attributes that GIPSA does not currently describe (or provide testing) that would facilitate the marketing of grain, oilseeds, and related products?
2. What role should GIPSA take, if any, in standardizing the testing of inputs and outputs of ethanol co-product processing? Has anything changed in the marketing of ethanol and ethanol co-products since GIPSA's last ANPR in 2007 related to standardization, product description, or quality assessment?
3. Are there any other services that GIPSA could offer to facilitate the marketing of grain, oilseeds, or related products?

Authority: 7 U.S.C. 71-87K; 7 U.S.C. 1621-1638D

Larry Mitchell
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Grain Inspection, Packers and Stockyards Administration