

# **Organizational Structure and Functions**

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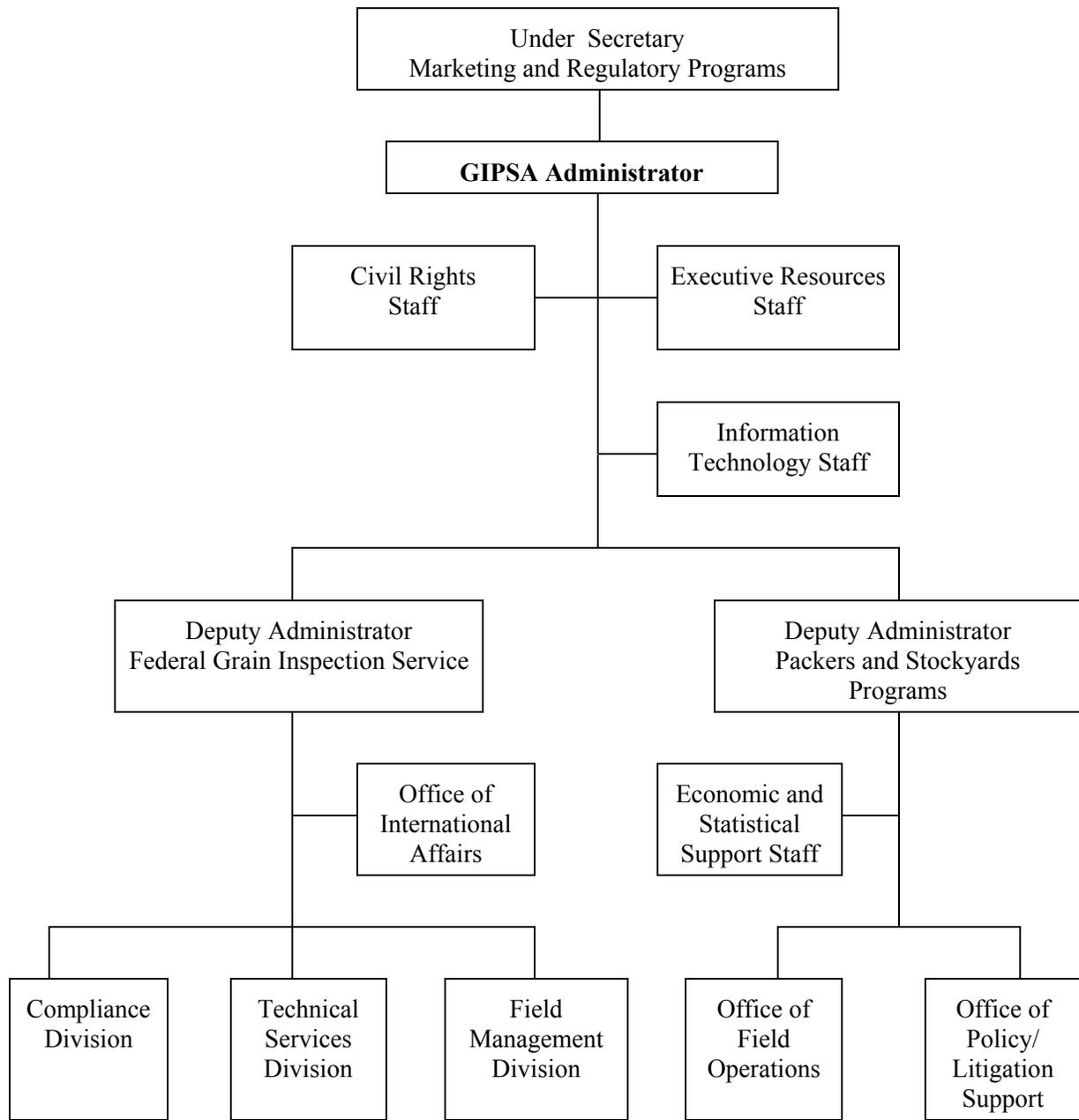
## **Organizational Structure and Functions**

The Grain Inspection, Packers and Stockyards Administration (GIPSA) works to ensure a productive and competitive global marketplace for U.S. agricultural products.

One of GIPSA's programs, the Packers and Stockyards Programs (P&SP), promotes fair and competitive markets for livestock, meat, and poultry by enforcing the Packers and Stockyards Act of 1921. P&SP provides financial protection to producers and promotes fair and competitive markets within its regulatory framework. The other program, the Federal Grain Inspection Service (FGIS), provides the U.S. grain market with Federal quality standards and a uniform system for applying them. FGIS has both service and regulatory roles, and was founded to provide impartial, accurate quality and quantity measurements to create an environment that promotes fairness and efficiency.

The existence of GIPSA as an impartial, third-party entity helps ensure a fair and competitive marketing system for all involved in the merchandising of livestock, meat, and poultry, and grain and related products.

## GIPSA's Organizational Structure



## Packers and Stockyards Programs

GIPSA's Packers and Stockyards Programs (P&SP) administers the Packers and Stockyards (P&S) Act of 1921, as amended, and carries out the Secretary's responsibilities under Section 1324 of the Food Security Act of 1985 covering central filing systems established by States for pre-notification of security interests against farm products. P&SP is responsible for the Truth-in-Lending Act, the Fair Credit Reporting Act, Agriculture Fair Practices Act, and the Freedom of Information Act as each relates to persons and firms subject to the P&S Act.

The principal purpose of GIPSA's P&SP is to enforce the P&S Act. The Agency's regulatory responsibilities promote the integrity of livestock, meat, and poultry markets and the marketplace. This includes fostering fair and open competition, and guarding against deceptive and fraudulent practices that affect the movement and price of meat animals and their products. The Agency's work also aims to protect consumers and members of the livestock, meat, and poultry industries from unfair business practices that can unduly affect meat and poultry distribution and prices.

Under the Food Security Act of 1985, States may establish central filing systems to pre-notify buyers, commission merchants, and selling agents of security interests against farm products. GIPSA has been delegated responsibility for administering the section of the statute commonly referred to as the "Clear Title" provision. In fulfilling its responsibility, GIPSA has issued regulations governing pre-notification and certifies those State systems that meet the criteria in the statute.

### Activities Under the P&S Act

The principal activities involved in administering the P&S Act include:

- investigating competitive practices of livestock, meat, and poultry firms to guard against anticompetitive behavior that may violate the Act, such as price manipulation, price fixing, and territorial allocation;
- examining structural changes in the livestock, meat, and poultry industries to assess potential competitive implications;
- investigating trade practices of packers, market agencies, and dealers;
- investigating the financial conditions and payment practices of market agencies, dealers, and packers subject to the P&S Act to determine whether they are financially sound and capable of meeting their obligations;
- maintaining the integrity of the statutory trust for cash sellers of livestock and poultry growers;

- monitoring marketing practices at public markets and geographical market areas to foster and maintain fair and effective competition and avoid conflicts of interest;
- obtaining adequate surety bonds from auction markets, commission firms, dealers, order buyers, and meat packers (purchasing more than \$500,000 worth of livestock annually) to ensure payment for livestock purchased;
- investigating live poultry procurement practices to identify and correct those that are unfair, deceptive, or unjustly discriminatory to poultry growers and sellers; and
- performing checkweighing at auction markets, terminal stockyards, packer/poultry processors, and dealer buying stations to maintain integrity in the weights of subject transactions.

**Toll-Free Hotline**

GIPSA maintains a toll-free number (1-800-998-3447) to allow livestock producers, poultry growers, and the public to report complaints and share concerns. During FY 2001, P&SP received 124 hotline complaints from livestock producers, poultry growers, and the public. Each call was referred to the appropriate regional office for review.

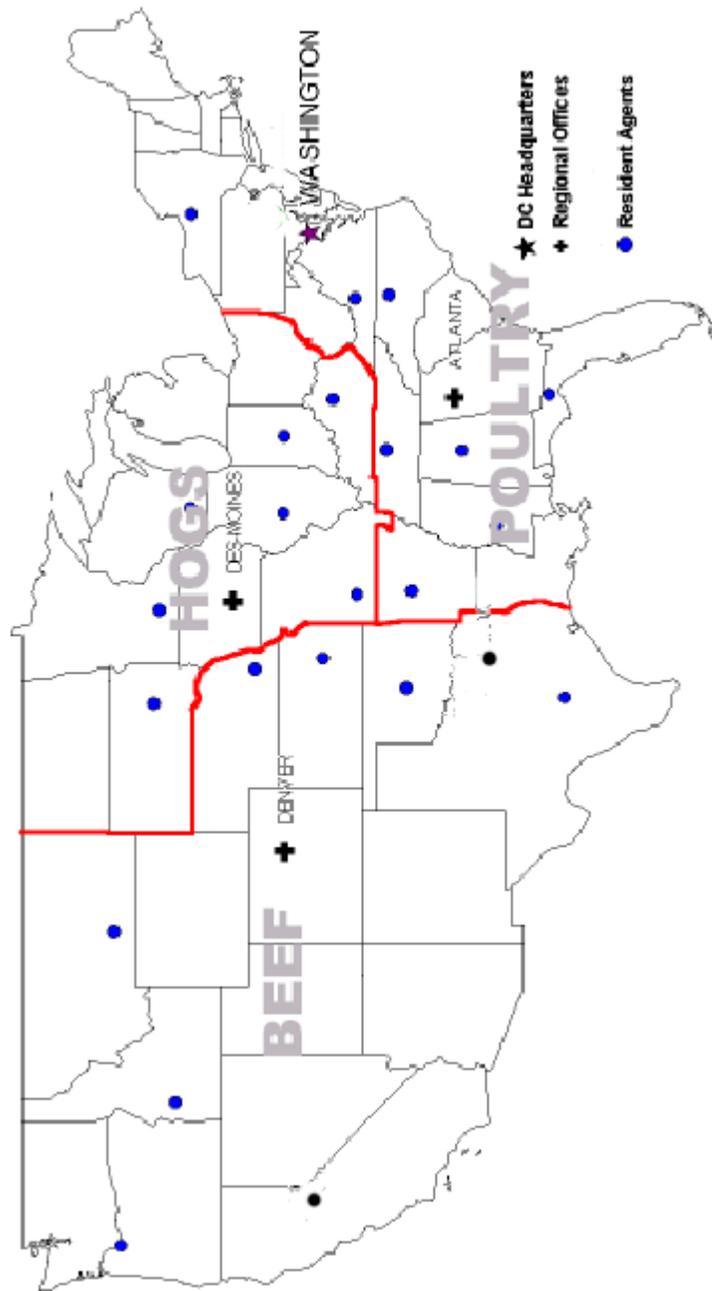
**P&SP Structure**

The headquarters office of the P&S Programs is located in Washington, D.C. Following the consolidation of the field activities into three regions in 1998, regional offices are located in Atlanta, GA; Denver, CO; and Des Moines, IA. Resident agent positions are in 28 locations across the Nation to provide core services. As of September 30, 2001, P&S had 166 full-time employees.

**P&SP Regional Offices**

Atlanta Regional Office Suite 5R10 100 Alabama Street, SW Atlanta, GA 30303-5R10	Phone: 404-562-5840 FAX: 404-562-5848 E-mail: Elkin_W.Parker@usda.gov
Denver Regional Office 1 Gateway Center, Suite 200 3950 Lewiston Street Aurora, CO 80011	Phone: 303-375-4240 FAX: 303-371-4609 E-mail: Milton_B.Hansen@usda.gov
Des Moines Regional Office Federal Building, Suite 317 210 Walnut Street Des Moines, IA 50309	Phone: 515-323-2579 FAX: 515-323-2590 E-mail: Jay_A.Johnson@usda.gov

# Packers and Stockyards Programs Field Structure



# Federal Grain Inspection Service

A Federal grain inspection entity was instituted by Congress in 1976 to manage the national grain inspection system, which initially was established in 1916, and to institute a national grain weighing program. The goal of creating a single Federal grain inspection entity was to ensure development and maintenance of uniform U.S. standards, to develop inspection and weighing procedures for grain in domestic and export trade, and to facilitate grain marketing.

## Activities Under the U.S. Grain Standards Act

GIPSA administers uniform, national grain inspection and weighing programs established by the U.S. Grain Standards Act, as amended (hereinafter, the Act). Services under the Act are performed on a fee basis for both export and domestic grain shipments. The Act requires generally that export grain be inspected and weighed; prohibits deceptive practices and criminal acts with respect to the inspection and weighing of grain; and provides penalties for violations.

In administering and enforcing the Act, GIPSA:

- establishes and maintains official U.S. grain standards for barley, canola, corn, flaxseed, oats, rye, sorghum, soybeans, sunflower seed, triticale, wheat, and mixed grain;
- promotes the uniform application of official U.S. grain standards by official inspection personnel;
- establishes methods and procedures, and approves equipment for the official inspection and weighing<sup>1</sup> of grain;

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<sup>1</sup> Official Inspection. The determination by original inspection, reinspection, and appeal inspection and the certification by official personnel of the kind, class, quality, or condition of grain under standards provided for in the Act; or, the condition of vessels and other carriers or receptacles for the transportation of grain insofar as it may affect the quality of such grain under other criteria approved by the Secretary. (The term "officially inspected" shall be construed accordingly.)

Official Weighing. (Class X Weighing). The determination and certification by official personnel of the quantity of a lot of grain under standards provided for in the Act, based on the actual performance of weighing or the physical supervision thereof, including the physical inspection and testing for accuracy of the weights and scales, the physical inspection of the premises at which weighing is performed, and the monitoring of the discharge of grain into the elevator or conveyance. (The terms "official weight" and "officially weighed" shall be construed accordingly.)

- provides official inspection and weighing services at certain U.S. export port locations,<sup>2</sup> and official inspection of U.S. grain at certain export port locations in eastern Canada along the St. Lawrence Seaway;
- delegates qualified State agencies to inspect and weigh grain at certain U.S. export port locations;
- designates qualified State and private agencies to inspect and weigh grain at interior locations;
- licenses qualified State and private agency personnel to perform inspection and weighing services;
- provides Federal oversight of the official inspection and weighing of grain by delegated States and designated agencies;
- provides review inspection services<sup>3</sup> of U.S. grain in the United States and at certain export port locations in eastern Canada;
- investigates, in cooperation with the USDA Office of Inspector General, alleged violations of the Act and initiates appropriate corrective action;
- monitors the quality and weight of U.S. grain as received at destination ports, and investigates complaints or discrepancies reported by importers; and
- assists U.S. trading partners in developing and improving their grain inspection and weighing programs.

### **Mandatory Services**

Under provisions of the Act, most grain exported from U.S. export port locations must be officially weighed. A similar requirement exists for inspection, except for grain which is not sold or described by grade. Intercompany-barge grain received at export port locations also must be officially weighed. And, the Act requires that all corn exported from the United States be tested for aflatoxin prior to shipment, unless the contract stipulates that testing is not required.

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<sup>2</sup> Export Port Locations. Commonly recognized ports of export in the United States or Canada, as determined by the Secretary, from which grain produced in the United States is shipped to any place outside the United States. Such locations include any coastal or border location, or any site in the United States that contains one or more export elevators and is identified by FGIS as an export port location.

<sup>3</sup> Review Inspection Service. A reinspection, appeal inspection, or Board appeal inspection service performed when discrepancies are alleged between the true quality of the grain and the inspection results.

Mandatory inspection and weighing services are provided by GIPSA on a fee basis at 38 export elevators (including 5 floating elevators). Under a cooperative agreement with GIPSA, the Canadian Grain Commission provides official services, with GIPSA oversight, at seven locations in Canada exporting U.S. grain. Eight delegated States provide official services at an additional 19 export elevators under GIPSA oversight.

Grain exporters shipping less than 15,000 metric tons of grain abroad annually are exempt from mandatory official inspection and weighing requirements. Grain exported by train or truck to Canada or Mexico also is exempt from official inspection and weighing requirements.

**Permissive Services**

Official inspection and weighing of U.S. grain in domestic commerce are performed upon request and require payment of a fee by the applicant for services. Domestic inspection and weighing services are provided by 59 designated agencies that employ personnel licensed by GIPSA to provide such services in accordance with regulations and instructions.

**Activities under the Agricultural Marketing Act**

Under the Agricultural Marketing Act of 1946 (hereinafter, the AMA), GIPSA administers and enforces certain inspection and standardization activities related to rice, pulses, lentils, and processed grain products such as flour and corn meal, as well as other agricultural commodities. Services under the AMA are performed upon request on a fee basis for both domestic and export shipments by either GIPSA employees or individual contractors, or through cooperative agreements with States.

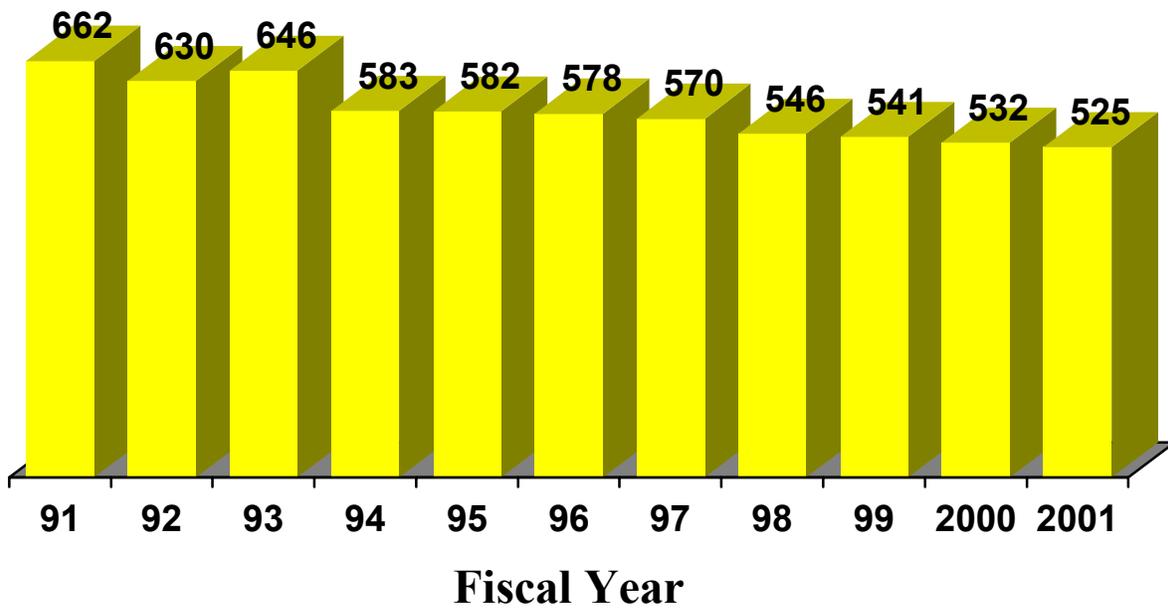
**FGIS Structure**

FGIS is comprised of 542 full-time, permanent employees and 45 part-time, intermittent, or other employees located at 2 headquarters units, 12 field offices, 2 Federal/State offices, and 7 suboffices. FGIS has headquarters units in both Washington, DC, and Kansas City, MO. Field offices are located in Stuttgart, AR; Sacramento, CA; Cedar Rapids, IA; Wichita, KS; New Orleans, LA; Baltimore, MD; Minneapolis, MN; Kansas City, MO; Grand Forks, ND; Portland, OR; League City, TX; Toledo, OH; and Olympia, WA; thus ensuring the availability of official inspection and weighing services anywhere in the United States. FGIS personnel also are located in eastern Canada to provide inspection of U.S. grain at Canadian ports.

**Official Inspection and Weighing Service Providers**

**Federal Grain Inspection Service  
Full-Time Permanent Employment, FY 1991-2001**

**Number of Employees**



Source: Executive Resources Staff, SF-113-A

## Provision of Inspection and Weighing Services by State

State	Grain			Commodities		
	State Agencies		Private Designated Agencies	GIPSA Locations	State/Private Agencies	GIPSA Locations
	Delegated	Designated				
Alabama	.	.			.	
Alaska						
Arizona			.		.	
Arkansas			.	.		.
California	.	.		*	.	
Colorado			.			.
Connecticut						
Delaware						
Florida						.
Georgia		.		.	.	.
Hawaii						
Idaho			.	.	.	.
Illinois			.	.	.	
Indiana			.			
Iowa			.	.		.
Kansas			.	.		.
Kentucky			.			
Louisiana		.		.	.	.
Maine						
Maryland				.		.
Massachusetts						
Michigan			.			.
Minnesota	.	.		.	.	.
Mississippi	.	.		.	.	
Missouri		.		.	.	.
Montana		.		.	.	.
Nebraska			.	.	.	.
Nevada						
New Hampshire						
New Jersey						
New Mexico			.			
New York						.
North Carolina		.			.	
North Dakota			.	.	.	.
Ohio			.	.		.
Oklahoma			.			.
Oregon		.		.	.	.
Pennsylvania						
Rhode Island						
South Carolina	.	.				
South Dakota			.			.
Tennessee			.			
Texas			.	.		.
Utah		.				.
Vermont						
Virginia	.	.				
Washington	.	.		*	.	.
West Virginia						
Wisconsin	.	.			.	.
Wyoming			.		.	.

\* Federal/State office.

