



Work on Senate Food/Feed Safety Bill Halted by Attempt to Legislatively Ban Use of Chemical in Food, Beverage Packaging

The insistence of several key senators to legislate a federal ban on the use of the chemical bisphenol A (BPA) in food and beverage packaging this week brought work on the Senate's version of food/feed safety legislation (S. 510) to a screeching halt.

Sens. Dianne Feinstein, D-Calif., Charles Schumer, D-N.Y., and Russ Feingold, D-Wis., last year introduced legislation (S. 753) – dubbed the “BPA-Free Kids Act of 2009” – that among other things would impose a federal ban on any children's food or beverage container comprised in whole or in part of BPA. The chemical is used in a wide variety of consumer product packaging, including food containers, water bottles and other metal and plastic containers. Feinstein, in particular, insisted this week that the BPA legislative ban be included in the food/feed safety bill.

The use of BPA, which detractors have suspected of being a

human carcinogen since the 1930s, has been approved as a food and beverage packaging material by the U.S. Food and Drug Administration (FDA) and European Food Safety Authority (EFSA), among others. But BPA is under renewed scrutiny, with FDA and EFSA currently launching new safety assessments, and the National Institutes of Health devoting \$30 million to a two-year study on the chemical's safety. Today (April 8), a group of eight scientists from the United Kingdom, Italy and the United States recommended a ban on BPA, invoking Europe's precautionary principle.

But opponents of the BPA ban have urged that Congress give FDA and other scientific bodies time to complete their ongoing reviews, rather than prematurely banning the chemical legislatively. Any attempt to include the ban in the Senate food/feed safety bill is widely viewed as a “poison pill” that has the potential to derail the measure.

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Attorneys General from 14 States Voice Alarm Over Market Power in Agriculture

Responding to the proceedings initiated by the Obama administration last year on agricultural concentration and competition, attorneys general from 14 states recently joined in voicing concern over the “economic welfare” of U.S. farmers and ranchers and their “susceptibility to the harmful exercise of market power.”

The administration has begun a series of five public “workshops” being conducted this year – the first of which occurred in March in Iowa – to examine agricultural competition, concentration and contracting issues. The workshops, which are being chaired jointly by the U.S. Departments of Agriculture and Justice, also are exploring the application of the nation's antitrust laws to agricultural “concentration” and potential “anticompetitive conduct.” Secretary of Agriculture Tom Vilsack and Attorney General Eric Holder indicated interest in comments on a variety of topics, including: 1) application of antitrust laws to monopsony (buying power) and vertical integration in the agricultural sector; 2) patents and intellectual property affecting agricultural marketing or production; and 3) market practices

(e.g., price spreads, forward contracts, packer ownership of livestock, market transparency and increasing concentration).

In response, the attorneys general from 14 states – Montana, Iowa, Maine, Maryland, Mississippi, New Hampshire, New Mexico, Ohio, Oklahoma, Oregon, South Dakota, Tennessee, Vermont and West Virginia – on March 11 joined in submitting extensive comments regarding the economic welfare of U.S. farmers and ranchers, and their alleged “susceptibility to the harmful exercise of market power.” The attorneys general stated that farmers and ranchers are “twice disadvantaged” based upon “anti-competitive conduct” that affects them – “as *consumers* in various input markets where monopoly or seller power is abused through lower output and higher prices” and – “as *producers*, where monopsony or buyer power among processors is abused through lower demand and lower prices.”

The attorneys general called for increased cooperation among state and federal officials to enforce competition laws, as well as reconsideration of laws and regulations “that may no longer

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NGFA Chairman Appoints Committee Chairpersons

Recently elected NGFA Chairman Hal Reed has announced the appointment of industry leaders to chair NGFA committees and councils during his term of office.

“NGFA committees are one of the most important membership benefits offered by the association, as they proactively address, for the mutual benefit of the industry, issues that are of bottom-line importance to all NGFA-member companies,” said Reed, president, Grain and Ethanol Group, The Andersons Inc., Maumee, Ohio. “In concert with the Board of Directors, it is committees that set the agenda and priorities for our industry-driven Association. We’re fortunate to have such an outstanding cadre of dedicated and highly talented industry leaders willing to serve.”

Reed noted that about 300 volunteers from all types and sizes of NGFA-member companies serve on committees and are on the cutting-edge of government policies and programs, as well as industry trends and practices. The NGFA keeps all members apprised of the work of its committees through its *Issues and Actions* publication.

Committee chairpersons appointed by Reed are as follows:

- ▶ **Agroterrorism-Prevention and Facility Security: Judy Fadden**, global security manager, U.S. operations, General Mills Inc., Minneapolis, Minn. This committee addresses legislative and regulatory issues, and provides practical best practices, education and information for the industry, to mitigate the risk of intentional contamination of the food and feed supply. The committee is a joint endeavor of the NGFA and North American Export Grain Association (NAEGA). In fulfilling its function, the committee interacts extensively with the U.S. Department of Homeland Security, Food and Drug Administration (FDA), U.S. Department of Agriculture (USDA), FBI and other federal and state agencies.
- ▶ **Arbitration Appeals Panel: Roger Krueger**, vice president, grain, South Dakota Wheat Growers Association, Aberdeen, S.D. This committee is the linchpin in one of the NGFA’s premier member services – the unique and time-honored Arbitration System that resolves trade disputes involving grain, feed and grain products; barge freight and secondary rail freight.
- ▶ **Biofuels Committee: Matt Gibson**, vice president, feed, ICM, Colwich, Kan. This committee identifies trends and addresses issues in the biofuels industry significant to NGFA-member companies, including those related to the production and use of biofuel co-products used as feed ingredients.
- ▶ **Biotechnology Committee: James Stitzlein**, manager, market development, Consolidated Grain & Barge Co., Chesterfield, Mo. This committee represents the interests of commercial grain handlers, grain processors, feed and feed ingredient

manufacturers, and other grain users on policies and issues arising from biotechnology-enhanced commodities. As such, it addresses U.S. regulatory and international trade developments pertaining to agricultural biotechnology, and provides a forum for interacting with biotechnology providers on issues affecting the commercial grain, feed and processing industry.

- ▶ **Country Elevator Committee: James Black**, general manager, Maplehurst Farms Inc., Rochelle, Ill. This committee addresses issues important to grain warehouse operators, including federal and state regulatory issues. In so doing, it works extensively with USDA and state grain warehouse regulatory agencies. It also provides input on cross-cutting issues important to country elevator managers, including futures market performance, transportation, biotechnology and industry education/training needs.
- ▶ **Feed and Animal Agriculture Strategic Issues Committee: David Hoogmoed**, executive vice president, Land O’Lakes Inc., and chief operating officer, feed, Land O’Lakes Purina Feed LLC, Shoreview, Minn. This committee provides a unique forum in which senior-level managers from feed, feed ingredient, and integrated livestock and poultry operations identify and develop strategies to address major domestic and international issues affecting the feed sector. The committee also interacts with animal agriculture and species organizations to maintain and enhance the economic viability of U.S. animal agriculture production. And it interfaces with the grocery, restaurant and retail food industries, which influence feed and food-animal production practices.
- ▶ **Feed Legislative and Regulatory Affairs Committee: Jarvis Haugeberg**, general manager, DakotaLand Feeds LLC, Huron, S.D. This committee addresses federal, state and international legislative and regulatory issues important to, or affecting, feed and feed ingredient manufacturers and integrators, including animal feed safety and world animal health codes. It interacts extensively with FDA, the Association of American Feed Control Officials and state feed regulatory agencies.
- ▶ **Feed Manufacturing and Technology Committee: David Kier**, president, DFS Inc., Newell, Iowa. This committee addresses operations issues and technological developments important to the manufacturing operations of commercial feed mills, feed ingredient firms and integrators. Among other things, it evaluates the latest developments in safety, quality, production and manufacturing technology; interacts with universities; and provides education and communication on feed operations issues.
- ▶ **Finance and Administration Committee: John Heck**, vice president, The Scoular Co., Omaha, Neb. This committee monitors economic, financial, business administration, tax,

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accounting and related legal matters affecting the industry. It also identifies industry needs concerning financing issues; provides a forum for discussions between lenders and customers to address capital availability and liquidity issues, and recommends potential policy responses; and provides information to NGFA members on alternative financing tools.

- ▶ **Grain Grades and Weights Committee:** *Tim Paurus*, vice president, terminal operations, CHS Inc., St. Paul, Minn. This committee advocates grain standards, as well as inspection and weighing practices that facilitate orderly trade responsive to customer needs. It is the principal liaison to USDA's Grain Inspection, Packers and Stockyards Administration on official grain inspection and weighing issues.
- ▶ **International Trade/Agricultural Policy Committee:** *Thomas Erickson*, vice president, government affairs, Bunge North America Inc., Washington, D.C. This committee advocates policies that promote sustained economic growth for all sectors of U.S. agriculture. It works to minimize market-distorting farm and acreage-idling programs to encourage U.S. agricultural growth to meet expanding demand for food, feed, exports and biofuels. And it promotes free trade agreements that significantly reduce and eliminate trade-distorting domestic and export subsidies, and enhance U.S. access to foreign markets.
- ▶ **Legal Council:** *Joan Maclin*, senior vice president and general counsel, The Scoular Co., Minneapolis, Minn. This group provides input and strategies on broad legal issues affecting NGFA-member companies, and provides a forum for corporate legal experts to learn about cutting-edge legal developments affecting the industry.
- ▶ **Marketing and Business Development Committee:** *Mark Avery*, publisher, *Grain Journal*, Decatur, Ill. This committee advises on appropriate marketing strategies for products and services provided by the NGFA.
- ▶ **Rail Arbitration Rules Committee:** *Kyle Hancock*, vice president, industrial and agricultural products, CSX Transportation Co., Jacksonville, Fla. This committee, comprised of equal representation from carriers and shippers, oversees the application of the NGFA's unique Rail Arbitration Rules that address specified rail service-related disputes and issues arising between shippers and carriers.
- ▶ **Rail Shipper-Receiver Committee:** *Dan Mack*, vice president, transportation, CHS Inc., St. Paul, Minn. The NGFA is widely regarded as the lead agribusiness trade association on rail transportation and service issues. This committee represents the interest of grain shippers/receivers, feed and ingredient manufacturers, integrators and other NGFA rail users.
- ▶ **Risk Management Committee:** *Matt Bruns*, vice president,

corn processing, Archer Daniels Midland Co., Decatur, Ill. This committee represents the interests of commercial hedgers with the grain exchanges, the Commodity Futures Trading Commission and Congress in urging policies that create an environment where cash and futures markets can remain efficient, sound and viable for agricultural users. It also addresses issues concerning new risk-management products and the expanded role of USDA's federal crop insurance programs.

- ▶ **Safety, Health and Environmental Quality Committee:** *Paul Luther*, environmental, health and safety leader, Land O'Lakes Purina Feed LLC, St. Louis, Mo. This committee focuses on operations-related issues and proactively represents the industry's interests on matters affecting occupational safety and health, as well as the environment. It interacts extensively with the Occupational Safety and Health Administration and Environmental Protection Agency. It also develops regulatory compliance guidance and education/training materials for use by the industry.

The committee has two subcommittees chaired by the following industry leaders:

- **Education Subcommittee:** *Gary Kearn*, loss control/prevention manager, The Scoular Co., Salina, Kan.
- **Grain Subcommittee:** *Stacy Schmidt*, director of safety, health and environmental protection, The Andersons Inc., Maumee, Ohio
- ▶ **Trade Rules Committee:** *James Keistler*, merchandising manager, Twomey Co., Smithshire, Ill. This committee has four subcommittees that maintain and update the NGFA's Barge Trade Rules, Barge Freight Trading Rules, Feed Trade Rules and Grain Trade Rules to ensure they reflect current trade practice.
 - **Barge Trade Rules Subcommittee:** *C.C. Craig*, vice president, grain merchandising, Farmers Grain Terminal Inc., Greenville, Miss.
 - **Barge Freight Trading Rules Subcommittee:** *Laurie Hiler*, manager/owner, Seneca Transportation LLC, Creve Coeur, Mo
 - **Feed Trade Rules Subcommittee:** *Jack Smit*, president, Furst-McNess Co. of Canada Ltd., Ingersoll, Ontario, Canada.
 - **Grain Trade Rules Subcommittee:** *Michael Sumpter*, trading manager, Zen-Noh Grain Corp., Mandeville, La.
- ▶ **Waterborne Commerce Committee:** *Mark J. Carr*, communications, AEP River Operations, Chesterfield, Mo. This committee interacts with Congress and the U.S. Army Corps of Engineers to advocate improvements to inland waterways and ports to facilitate the cost-effective transport and export of U.S. agricultural commodities and products.



("Food/Feed Safety Bill" continued from page 1)

Other hurdles, raised primarily by Democrats, also emerged this week to the Senate food/feed safety bill. For instance, Sen. Jon Tester, D-Mont., reportedly is insisting that the bill exempt facilities with an annual adjusted gross income of less than \$500,000 from the bill's requirements to conduct an analysis of hazards that could pose a danger to human or animal health, as well as the sections that would require such facilities to implement controls and written food/feed safety plans to prevent or minimize such hazards to acceptable levels. Other changes that threaten the bill's bipartisan consensus also are being advocated.

Combined, these disruptions caused staff members from six senatorial offices to suspend work this week on developing the final version of the bill that is to be considered on the Senate floor. The NGFA was told by several Senate staff members that it now appears it will be at least two more weeks at the earliest – even if the impasse over BPA and other issues is resolved – before a final version is ready for review. But they said a more realistic timetable for unveiling the final bill might be shortly before Congress begins its Memorial Day recess.

The bipartisan Senate staff effort is being led by the offices of Sens. Tom Harkin, D-Iowa, Richard Durbin, D-Ill., Christopher Dodd, D-Conn., Michael Enzi, R-Wyo., Judd Gregg, R-N.H., and Richard Burr, R-N.C. Harkin chairs and Enzi serves as ranking member of the Senate Health, Education, Labor and Pensions Committee that has jurisdiction over the bill, while Dodd, Gregg and Burr are committee members. Durbin, the Senate majority whip (its second most powerful post), is lead sponsor of the Senate bill. The Senate committee unanimously approved the bill on Nov. 18 after a pledge by Harkin to further address outstanding issues prior to floor consideration.

Meanwhile, the timing for floor consideration of food/feed safety legislation is becoming more uncertain given a busy post-recess agenda when the Senate reconvenes the week of April 12. The Senate confronts such issues as consideration of the fiscal 2011 budget resolution, appropriations bills to finance federal agencies, consideration of financial regulatory reform legislation and potentially even on Earth Day (April 22) unveiling of climate-change legislation – all of which threaten to leap-frog the food/feed safety bill on the Senate calendar.

NGFA Continues Work: Despite the slow-down on the Senate bill, the NGFA continued to interact with key Senate staff in urging several additional improvements that could generate bipartisan support. The NGFA, together with the American Farm Bureau Federation and American Meat Institute, is leading a broad and diverse array of 25 national agricultural producer, agribusiness, livestock, poultry and meat organizations in working on the legislation.

Much of the NGFA's recent focus has been on two provisions expected to be included in the final bill. One

involves product-traceability language being developed by Sen. Sherrod Brown, D-Ohio, which is expected to be dramatically improved from the amendment he originally offered and the onerous version contained in the food/feed safety bill (H.R. 2749) approved by the House last July 29.

The other involves language developed by the NGFA in cooperation with the National Oilseed Processors Association that would direct the Food and Drug Administration (FDA) to recognize existing effective good manufacturing practices utilized by the industry that are effective in minimizing, but not necessarily eliminating, the presence of hazards so as to protect human and animal health. It also would direct FDA to differentiate between the relative risk posed by various hazards and contaminants when present in animal feed versus human food, including those present in, and which cannot be eliminated from, the natural environment. In so doing, this change would recognize that various food-producing animal species have a greater tolerance than humans for the presence of certain contaminants, and do not transmit those hazards through food at levels that pose a danger to human health. This provision also would require FDA to use notice-and-comment rulemaking (which includes economic impact analyses) to establish binding regulatory requirements, rather than using guidance documents that bind neither the agency nor regulated industry, and to consult with expert advisory committees when establishing product-safety standards.

Other changes being advocated by the NGFA and other agricultural producer and agribusiness groups were reported in the March 11 edition of the *NGFA Newsletter*, which can be accessed by [clicking here](#) (see page 3).



Calendar

- June 8-9, 2010:** NGFA Country Elevator Committee
L'Enfant Plaza Hotel, Washington, D.C.
- July 28-29, 2010:** NGFA/Grain Journal Safety, Health and Environmental Quality Seminar
Hilton Hotel, Omaha, Neb.
- Sept. 7-9, 2010:** NGFA Board of Directors
Chicago Marriott Magnificent Mile, Chicago, Ill.
- Sept. 22, 2010:** NGFA Feed Legislative and Regulatory Affairs Committee; Feed Manufacturing and Technology Committee; Feed and Animal Agriculture Strategic Issues Committee
Chicago Marriott Magnificent Mile, Chicago, Ill.
- Sept. 22-24, 2010:** NGFA-PFI Feed/Pet Food Joint Industries Conference
Chicago Marriott Magnificent Mile, Chicago, Ill.
- Dec. 5-7, 2010:** NGFA Country Elevator Conference & Trade Show
Marriott Indianapolis, Indianapolis, Ind.





FDA Sampling, Testing Grain, Grain Products for Vomitoxin

The Food and Drug Administration (FDA) and several states have begun sampling and testing grain and grain products for the presence of the mycotoxin deoxynivalenol (vomitoxin).

As reported first exclusively in the March 26 edition of the *NGFA Newsletter*, the FDA sampling and testing assignment to its district offices is designed to provide the agency with better information about the potential prevalence of vomitoxin in raw wheat, corn, barley and oats, as well as milled co-products, intended for both human food and animal feed. Importantly, FDA said that states will **not** be collecting samples under an FDA contract or as FDA-commissioned officers under this assignment, but will utilize the same approach for any separate state-sampling activities they decide to undertake. FDA district offices were directed to work in collaboration with state agencies to avoid duplication of effort.

The sampling of grains and grain co-products is in response to the cooler and wetter weather conditions that occurred in several parts of the country during the 2009 crop-growing season that were conducive to the development of the *Fusarium* fungi that produce vomitoxin, as well as such other mycotoxins as zearalenone and T-2. As finalized, FDA's plan calls for collecting 200 total samples, equally split between: 1) human-grade milled wheat products (flour, germ and bran); and 2) feed-grade products (raw corn, wheat, barley and oats, as well as corn and wheat co-products). FDA officials told the NGFA that they anticipate completing testing of the samples by July.

Human Food Sampling/Testing: As finalized, FDA's assignment calls for sampling and testing milled wheat products derived from 2009-harvested crops in the following nine states: Delaware, Maryland, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Virginia and West Virginia. Samples to be collected at flour mills will include whole wheat flour, white flour, germ and bran. For each sample taken, FDA inspectors are to attempt to identify: 1) the geographic location of the harvest area for the wheat used in the product, which will involve traceback; 2) lot code information; 3) information on any distribution of product from the lot sampled, including the company name, location, date and volume to which product was shipped; and 4) the intended use, if known, of any distributed product (e.g., human food and the type of food manufactured or animal feed). FDA's assignment includes a list of specific mills to be sampled (their identity is **not** publicly available), as well as a sampling schedule for each of the FDA districts that oversee these states.

FDA's assignment states that follow-up investigations are to occur at food or feed manufacturers receiving milled wheat products if the sampled product exceeds 1 part per million (p.p.m.) vomitoxin. Such follow-up sample collection is to focus only on bread, pasta, pretzels and cereal using milled wheat from the implicated lot; each such sample is to consist of 10 retail units/subsamples of one-pound each.

Animal Feed Sampling/Testing: One hundred samples also are to be collected at feed mills, grain elevators, millers, distilleries and brewers of products intended for use in animal feed. Seventy samples are to be taken of 2009-crop corn, barley, oats, rye and wheat. Thirty samples are to be taken of co-products derived from corn (distillers dried grains/solubles, brewers dried grains/solubles, corn gluten meal and corn gluten feed) and wheat (bran, middlings, shorts, germ meal and mill-run products). The animal feed samples are to be collected from the following 30 states: Colorado, Connecticut, Delaware, Idaho, Iowa, Illinois, Indiana, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Missouri, Montana, Nebraska, New Jersey, New Hampshire, New York, North Carolina, North Dakota, Ohio, Pennsylvania, Rhode Island, South Dakota, Tennessee, Vermont, Virginia, West Virginia and Wyoming. But the vast majority of the samples – 71 – are to be collected in the central and northeastern states.

Similar to human food samples, FDA inspectors are to attempt to collect the following information about each animal feed ingredient sample collected: 1) the geographic location of the harvest area for the grain or grain co-product sampled; 2) information on the lot from which the sample was collected; 3) distribution information on any products from the lot sampled, including the company name, location, date and volume to which product was shipped; and 4) the intended use, if known, of any distributed feed, such as the type of animal feed manufactured from the lot, whether it was a complete feed or premix, and the animal species to which such feed was intended. Follow-up investigations are to occur at feed manufacturers receiving grain and grain co-products from samples that exceed 5 parts per million. Such follow up is to consist of sampling of complete feeds manufactured from the implicated lot.

The FDA vomitoxin sampling assignment may be accessed from the NGFA's website by [clicking here](#).

Current FDA Advisory Levels for Vomitoxin: Under the regulatory framework adopted by FDA, the agency issued its most recent advisory levels for vomitoxin in September 1993. FDA advisory levels provide guidance to the industry
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concerning levels of a substance present in food or feed that are believed by the agency to provide an adequate margin of safety to protect human and animal health. FDA's approach is to handle instances of vomitoxin contamination on a case-by-case basis to determine if the levels detected pose a health hazard to humans or animals that would make the product adulterated and subject to enforcement under the federal Food, Drug and Cosmetic Act.

Importantly, as reported previously, the NGFA is aware that the agency has begun a review of scientific studies on the health risk posed by vomitoxin to various animal species, particularly ruminants and poultry, to determine if somewhat higher levels may be fed safely. Based upon its review of such scientific data, the agency will determine whether it is appropriate to revise the current advisory levels. The NGFA is communicating closely with the agency during its review.

The nearby table shows FDA's current advisory levels for vomitoxin.

Current FDA Advisory Levels for Vomitoxin	
Product and Intended Use	Vomitoxin Level (parts per million)
Human food products	1 p.p.m.
For grain and grain byproducts destined for swine. (FDA advises that commodities containing this level of vomitoxin not exceed 20 percent of the ration.)	5 p.p.m.
For grain and grain byproducts destined for beef cattle and feedlot cattle older than four months, as well as for chickens. (FDA recommends that commodities containing this level of vomitoxin not exceed 50 percent of the ration for these species.)	10 p.p.m.
For grain and grain byproducts destined for all other animal species. (FDA recommends that commodities containing this level of vomitoxin not exceed 40 percent of the ration.)	5 p.p.m.

FDA Issues Reminder on Revised Approvals for Neomycin, Oxytetracycline

The Food and Drug Administration on April 6 issued a notice in which it reminded feed manufacturers of the revised approvals governing the use of Type A medicated articles containing neomycin and oxytetracycline.

The two sponsors of fixed-ratio Type A medicated articles containing neomycin and oxytetracycline – Phibro Animal Health and Pennfield Oil Co. – each submitted revised labeling that removed unsupported intended subtherapeutic uses of the two products. The revised conditions of use approved by FDA in these supplemental applications were codified in federal regulations in 2006 for Phibro and in 2009 for Pennfield.

As a result of these modifications, FDA's Center for Veterinary Medicine (FDA/CVM) stated that current regulations provide as follows:

◆ Only Type A medicated articles containing neomycin and oxytetracycline in a 1:1 ratio may be used for the ap-

proved uses reflected in federal regulations (21 CFR 558.455).

- ◆ Neomycin sulfate is the only chemical form of neomycin approved for feed use in combination with oxytetracycline.
- ◆ Combination medicated feeds containing neomycin and oxytetracycline are not approved for use in chickens or turkeys producing eggs for human consumption.
- ◆ Combination medicated feeds containing neomycin and oxytetracycline are not approved for use in baby pigs, such as in swine milk replacers.

FDA/CVM said Type B and C medicated feeds containing the two Type A medicated articles under the now-rescinded approval conditions should be removed from the market by Oct. 2. Members receiving the *NGFA Newsletter* electronically may [click here](#) to access the FDA message to stakeholders.





USDA Allows First Rate Increases in Four Years for UGRSA Warehouses

The U.S. Department of Agriculture's Farm Service Agency (FSA) for the first time in four years has permitted increases in storage and handling rates for warehouses operating under the Uniform Grain and Rice Storage Agreement (UGRSA) contract.

In response to an inquiry from the NGFA, FSA officials on April 1 said that for the 2010-11 UGRSA contract, USDA's Commodity Credit Corporation retained the previous rate ceilings of 40 cents per bushel per year for storage and 21 cents per bushel (combined) for handling, with separate caps of 10.5 cents per bushel for receiving and load out. But UGRSA warehouses that sought rate increases were given up to a 2-cent-per-bushel-per-year increase, while those seeking an increase in handling rates were allowed up to a 1-cent total combined increase – provided the resulting rates did not exceed the CCC-established storage and handling rate caps.

Consistent with past practice under the UGRSA offer-acceptance rate system, warehouses that reduced their rates

during the course of the 2009-10 UGRSA contract year and sought rate increases for 2010-11 were allowed to recoup the reduced rate, plus up to the allowed maximum increases if sought. CCC accepted rate offers that were equal to or less than the 2009-10 UGRSA contract rate.

On average, USDA officials told the NGFA that the rates offered by warehouse operators for wheat and corn were about the same as the rates contracted last year. Approximately 87 percent of the wheat and corn rate offers were unchanged. Less than 1 percent offered a lower rate, while 12 percent sought higher rates. The rate offers for other commodities tracked similarly, although 16 percent of the offers for sorghum proposed increases while only 6 percent of the rice offers proposed increases. USDA reports the UGRSA rate offers for minor oilseeds were varied.

Under its rate-renewal process, USDA automatically extends existing UGRSA rates for another year unless warehouse operators submit new rate offers or notify USDA of their intention to discontinue the UGRSA contract.

USDA to Require Electronic Registration of Warehouses, Transporters, Other Contractors Providing Goods, Services to CCC

All entities entering into contracts to provide goods and services to the U.S. Department of Agriculture's Commodity Credit Corporation (CCC) are being required to register with a government-wide Central Contractor Registration service by May 1.

In a notice issued March 29, USDA Kansas City Commodity Office (KCCO) Director Steven Sanders noted that all current and potential federal government vendors are being required to register with the government-wide database. KCCO officials told the NGFA today (April 8) that the requirement affects all warehouses operating under the Uniform Grain and Rice Storage Agreement (UGRSA) contract, regardless of whether they are storing CCC-owned or CCC-interest commodities (pledged by producers as collateral for marketing assistance loans). Also required to register will be transporters, private vendors, volunteer organizations and others that provide a wide range of goods and services to CCC, such as food aid, products for the school lunch program and other functions.

KCCO officials told the NGFA that commodity vendors to CCC have been required to register previously, and that the Central Contractor Registration system allows entities to

enter their own information in a secure format, without revealing such sensitive personal identity information as social security numbers, taxpayer identification numbers or other confidential data.

Affected entities will be required to complete a one-time registration providing basic information relevant to CCC's procurement of goods and services, as well as financial transactions associated with such procurement. Registrants are to update or renew their registrations annually, CCC said, to maintain an active status. There is no cost to register.

KCCO officials said entities will need to have a data universal numbering system (DUNS) number to begin the registration process. To obtain the free nine-digit identification number, if one is not already assigned, entities should visit www.ccr.gov. KCCO said new registrations usually take one to two business days to process once completed by the registrant.

Members receiving the *NGFA Newsletter* electronically may [click here](#) to access the USDA notice.



From the Bench

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serve their original pro-competitive purposes." Specifically, the attorneys general in their comments urged the following:

- ▶ In the seed industry, that continued awareness and scrutiny be placed on policies and existing laws concerning property rights and patents.
- ▶ In the transportation of grain, that Congress repeal the antitrust immunity of railroads and reform rules governing common-carrier obligations to make "quality transport" more accessible to agricultural shippers.
- ▶ In the livestock (cattle, poultry, hog) sectors, increase federal, state and interagency coordination in enforcing antitrust laws and the Packers and Stockyards Act to counter what they termed the dramatic adverse effects of continued horizontal and vertical integration and concentration in those sectors.
- ▶ In the dairy industry, review the: 1) antitrust immunity afforded what they termed "dominant" dairy cooperatives under the Capper-Volstead Act; and 2) "labyrinth" of current federal milk-marketing regulations "to ensure that they continue to protect and benefit farmers as originally intended."

The NGFA attended the first of the day-long workshops on March 12 at the Des Moines Area Community College in Ankeny, Iowa. Vilsack opened the event by highlighting the productivity of U.S. farmers, but then lamented that farm income was disproportionately low and an issue warranting examination.

Meanwhile, Holder pledged to take "concrete action" in challenging potential monopolies or unfair business practices in agriculture. Holder termed the workshop a "milestone event" and said alleged lack of competition is "one of the greatest threats to our economy" and that the Justice Department is "committed to enforcing antitrust laws within the agricultural sector." He said the principal goal of the workshops was to garner more information about conditions in the agricultural sector so the Justice Department can more "effectively" address competition issues, maintaining that the department did not have "preconceived notions" and was "not looking to hurt anybody here...." The crowd of more than 800 included large delegations from the National Farmers Union and United Food and Commercial Workers Union.

Upcoming Workshops: The schedule for the four remaining workshops is: 1) May 21, Normal, Ala., focusing on the poultry industry, including production contracts, concentration and "buyer power"; 2) June 7, Madison, Wis., focusing on the dairy sector, including market concentration, marketplace transparency and vertical integration; 3) Aug. 26, Fort Collins, Colo., examining the livestock sector, including beef, hog and other animal agriculture sector issues, market concentration and enforcement of the Packers and Stockyards Act; and 4) Dec. 8, Washington, D.C., focusing on margins in the agricultural marketplace, including what USDA and the Justice Department termed "discrepancies" between prices received by farmers and prices paid by consumers.

The NGFA will continue to attend the remaining workshops and keep members updated on developments.



Rails, Rivers and Roads

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NGFA Declares Opening of Mid-Mississippi River

Pursuant to NGFA Barge Freight Trading Rule 18(I), the NGFA declared that the mid-Mississippi River opened for navigation as of 7 a.m. on April 8.

NGFA Barge Freight Trading Rule 18(I) provides as follows: *"The Dubuque and South (Mid-Mississippi) opening commences the first 07:00 hours of the first business day after the first tow originating at or below Winfield, Mo., reaches Dubuque, Iowa. Said tow shall include at least one empty dry cargo covered barge suitable for loading. The Mid-Miss opening shall be determined by a majority vote of a three-person committee appointed by the NGFA chairman and shall be announced by publishing the committee's confirma-*

tion of the opening on the NGFA website."

As set forth in the rule, the three-person committee appointed by the NGFA chairman determined that the Mid-Mississippi River was open after the *Bernard G* departed from Dubuque at 7:30 p.m. on April 7, with at least one empty dry cargo covered barge suitable for loading. Serving on the NGFA committee are: **Laurie Hiler**, chairperson, manager/owner, Seneca Transportation LLC, Clayton, Mo.; **Brant Harper**, manager, Marine Department, Bunge North America Inc., St. Louis, Mo.; and **John Trampas**, manager, grain freight sales, Ingram Barge Co., Nashville, Tenn.





NGFA, Grain Journal to Partner on New Safety, Health, Environmental Quality Seminar!

...Mark Your Calendars for **July 28-29, Omaha, Neb.!...**

For the first time, the NGFA is partnering with the industry publication *Grain Journal* to host a major education/training event for managers and employees of the grain, feed and grain processing industry.

The NGFA and *Grain Journal* will conduct a **Safety, Health and Environmental Quality Seminar** on **July 28-29**. The seminar will be conducted at the Omaha Hilton hotel, located adjacent to the Qwest Center in downtown Omaha, Neb. The seminar will begin with registration at 11:30 a.m. on July 28 and conclude at noon on July 29. A small tabletop trade show will be featured.

The NGFA's Safety, Health and Environmental Quality Committee is spearheading the seminar program content, which will be relevant to both managers and employees. Among the topics identified thus far are:

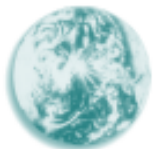
▶ **How to Properly Address Engulfment Hazards:** Given the increase in tragic engulfment incidents, this session will reiterate safe bin entry practices, as well as safe alternatives to bin entry.

▶ **Update on Emerging and Evolving Regulatory Issues at OSHA and EPA:** Topics will include the Occupational Safety and Health Administration's policies and rulemakings on such issues as sweep augers located inside bins and combustible dust, as well as the Environmental Protection Agency's review of its policy on temporary storage and its spill-prevention and countermeasures rule.

▶ **EPA Hazardous Air Pollutant Standard for Feed Manufacturers:** Officials from EPA's Office of Enforcement and Compliance Assistance, state agencies and Small Business Environmental Assistance Program have been invited to address new requirements applying to feed and feed ingredient manufacturers using chromium and manganese compounds.

▶ **How to Properly Perform a Safety Audit and Address Risks:** The session will examine the five most significant violations cited by OSHA under its grain handling safety standard during the past five years, and discuss how to comply.

Program and registration information will be forthcoming shortly. For now, reserve the dates!



U.S.-Brazil Agreement on 'Path Forward' to Resolve Cotton Trade Dispute Has Implications for GSM-102 Program

The agreement announced on April 6 by the United States and Brazil on a "path forward" to reach a negotiated settlement over the long-standing trade dispute over U.S. subsidies to cotton growers contains implications for additional changes to the GSM-102 export credit guarantee program.

The agreement forestalled, for the time being, the imposition of up to \$820 million in higher tariffs and countermeasures Brazil could have imposed on a range of U.S. products after winning a World Trade Organization (WTO) case challenging U.S. payments to cotton producers under the marketing loan and countercyclical payment farm programs, as well as export credit guarantees provided under the GSM-102 program. U.S. products targeted by Brazil for higher tariffs that had been scheduled to go into effect April 7 included wheat, cotton, fruits and nuts, autos, pharmaceuticals, medical equipment, electronics and textiles.

In exchange for Brazil putting in abeyance the tariffs and other countermeasures, the United States agreed to establish an

approximately \$147.3 million annual fund (equal to the value of retaliation the WTO had authorized Brazil to impose for trade-violative payments to U.S. cotton producers) to provide technical assistance and capacity building for Brazil, including for its cotton sector. The fund is to remain in place until Congress enacts a new farm law to correct the provisions of the U.S. cotton program found by the WTO to be violative, or until a mutually agreed solution is reached to resolve the trade dispute, whichever occurs first. The United States also agreed to make unspecified near-term changes to the operation of the GSM-102 program, and to undertake "technical discussions" with Brazil concerning future operation of the program. The United States also will initiate a rulemaking to recognize the Brazilian state of Santa Catarina as being free of several animal diseases, based on guidelines issued by the World Organization for Animal Health (OIE), which if finalized would make beef and pork products from that region eligible for export to the United States.





Low Meibergen Inducted into Oklahoma Agricultural Hall of Fame



The NGFA offers its heartiest congratulations to **Lew Meibergen**, chairman of Johnson Enterprises, Enid, Okla., upon his recent induction into the Oklahoma Agricultural Hall of Fame.

Meibergen, 78, who formerly served on the NGFA's Board of

Directors, is the 13th Oklahoma agricultural leader to receive the state's most prestigious agricultural award. The award was presented by Oklahoma Lt. Gov. Jari Askins, who called Meibergen "the epitome of a successful agricultural entrepreneur and...an asset to agriculture and the entire state."

Meibergen's family roots in Oklahoma agriculture date to before statehood. His grandfather started what would become a successful grain handling business in 1893. The company has

grown to become the state's largest independent grain company, with two terminals and 22 country elevators in Oklahoma, Texas and Kansas.

Meibergen served as Oklahoma commissioner of agriculture under then-Gov. Henry Bellmon from 1960-66. Among other posts and offices, he also served on the Oklahoma State University Board of Regents; was a director and chairman of the Oklahoma Banker's Association's Agriculture Committee; and was a past commissioner of the Kansas-Oklahoma-Arkansas River Association. Meibergen also was credited with developing the state's expanded port and waterway system in the early 1980s in response to rail carriers' changes to rate structures. He also has been a leader in statewide efforts to improve the state's roads and bridges, as well as working on behalf of various education, research and community organizations and projects.

Lew's son Butch Meibergen, president and chief executive officer of Johnston Enterprises, recently completed terms as a member of the NGFA's Board and Country Elevator Committee.

Congratulations, Lew!



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