



NGFA

Newsletter

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Industry Leaders Urge Balanced, Rational Approach to Biofuels Growth

During the U.S. Department of Agriculture's annual Outlook Forum today (March 1), three top industry leaders urged U.S. policymakers to take a balanced, rational approach to biofuels growth, based on sound economics.

And each projected that the United States could sustain the use of corn-based ethanol to replace about 10 percent of U.S. gasoline consumption – equivalent to about 14 billion to 15 billion gallons – while still providing sufficient corn stocks for food, feed and export markets.

The Outlook Forum's featured biofuels session featured presentations by Patricia Woertz, president and chief executive officer of Archer Daniels Midland, Decatur, Ill; Greg Page, president and chief operating officer of Cargill Inc., Minneapolis, Minn., and John Johnson, president and chief executive officer of CHS Inc., St. Paul, Minn. Also appearing on the panel was Red Caveney, president and chief executive officer of the American Petroleum Institute.

ADM's Woertz recommended that the United States achieve 10 percent corn-based ethanol usage incrementally, by gradually increasing the blend in the U.S. fuel supply to 15 or 20 percent. If higher renewable fuel standards are mandated, Woertz recommended that they be phased in to allow the development of new technologies, yield improvements and additional acreage that will be needed. She also said ADM believes additional land may be needed to support ethanol production beyond what is available currently, and specifically cited the Conservation Reserve Program as a source of some of those acres that could be farmed in an environmentally sustained way.

Meanwhile, CHS's Johnson advocated a requirement that all gasoline sold nationwide contain 10 percent ethanol, rather than mandating an increase in the renewable fuels standard. He also recommended that E-85 ethanol be an option for those who can use it, with a 20 percent ethanol blend provided as an

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Harkin Reintroduces Revised Ag Competition Bill

...Would Prohibit Pre-Dispute Mandatory Arbitration Clauses...

Senate Agriculture Committee Chairman Tom Harkin, D-Iowa, on Feb. 15 announced his intention to introduce a slightly revised version of the "competitive and fair" agricultural markets legislation that he has introduced in previous years, and announced his intent to use it as the basis for writing a competition title in the 2007 farm bill.

While the specific legislative language has not been finalized yet, a near-final draft of the bill provided to the NGFA focuses primarily on contracting in livestock and poultry markets. But it also includes language that states that if an arbitration clause is present in livestock, poultry and "marketing" contracts (presumably including those for grain), both parties would need to consent in writing to proceed with arbitration **after a dispute arises**. The bill defines "marketing contracts" as a "written agreement between a covered person" (e.g., buyer) "and a producer for the purchase of an agricultural commodity produced or raised by the producer." As such, the bill would ban pre-dispute mandatory arbitration clauses, such as those referencing NGFA arbitration that are found in

commercial grain, feed, feed ingredient and other contracts to equitably resolve disputes.

For crops, the bill would prohibit any "unfair, unjustly discriminatory or deceptive act, device or anticompetitive practice" and would make it unlawful for "dealers, handlers, contractors, processors or commercial merchants" to give "undue" or "unreasonable" advantage or disadvantage to persons or localities "in any respect." It also would prohibit monopolies or monopolistic practices.

The bill also contains a provision that would give producers three business days to walk away from a contract by "mailing a cancellation notice." However, the drafting of this provision makes it uncertain as to whether it applies to grain or livestock/poultry contracts, or both.

The bill also would create within the U.S. Department of Agriculture an Office of Special Counsel for Competition Matters, which would be empowered to "investigate and

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Newsletter

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prosecute" violations of the Agricultural Fair Practices Act and Packers and Stockyards Act. The USDA office also would serve as a liaison with the U.S. Justice Department and Federal Trade Commission in investigating alleged anti-competitive practices involving agricultural products.

In addition, the bill would prohibit confidentiality clauses in production and marketing contracts, unless the clause pertains to a trade secret.

The NGFA is carefully evaluating the draft language, and will provide updated reports to members as soon as the final bill is introduced.



Forum

by Kendell W. Keith
President
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Rail Rates – Shall There Be Limits?

Parties involved in the federal Surface Transportation Board's (STB) rulemaking [*Ex Parte No. 646 (Sub. No. 1)*] on establishing simplified standards for filing freight rail rate challenges filed final arguments in the case on Feb. 26.

Those comments included a 50-page submission filed by the NGFA and a diverse array of 36 other major national and state organizations, including Montana Gov. Brian Schweitzer.

There is no deadline for the STB to act, so a final decision could come in 2007 or be delayed further. A cynic might suggest that, given there has been no practical freight rail rate relief process available for small cases for the last 26 years, what's the hurry? But chances are that the agency will act, given the significance of this rulemaking and the widespread belief among rail customer organizations that the STB (and the Interstate Commerce Commission before it) have failed to provide an adequate balance between carrier and shipper interests in administering the law.

But the STB really should take the time necessary to "do it right" and come up with a workable and realistic solution. For the agency to fail yet again in this regulatory exercise will only invite Congress to more explicitly define through legislation what it intended in 1995 when, in passing the Interstate Commerce Commission Termination Act, it directed the STB "to establish a simplified and expedited method for determining the reasonableness of challenged rail rates in those cases in which a full stand-alone cost presentation is too costly, given the value of the case."

Somewhat interestingly, both shippers and carriers (at least most carriers) have acknowledged in testimony that the current system of challenging rail rates needs to be improved to permit more reasonable access to rate relief for small shipment cases. What is meant by "small cases"? The STB's only procedures for challenging rates that are being used at all are the so-called "stand-alone cost" (SAC) standards, under which it costs more than \$4 million to bring a case (these costs include both legal and technical cost analysis). With that kind of tab, who can afford to bring a rate challenge? Answer: Coal and energy companies that have huge volumes over the same origin-destination locations are just about the only rail-customer entities in a position to afford this kind of rate relief.

Shippers and carriers agree the current system could be improved. But the "agreement" pretty much stops

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Calendar

March 18-20, 2007: NGFA's 111th Annual Convention
Westin St. Francis, San Francisco, Calif.

June 10-11, 2007: NGFA Executive Committee Meeting
Graves 601 Hotel, Minneapolis, Minn.

Sept. 10-11, 2007: NGFA Board of Directors
Fairmont Chateau Frontenac, Quebec City, Canada

Dec. 9-11, 2007: NGFA's 36th Annual Country Elevator and
11th Annual Feed Industry Conference
Chicago Marriott Miracle Mile Hotel, Chicago, Ill.



there, and there are multiple wide chasms in positions as to what the STB should do to fix the matter. For example, the STB proposed a “three-benchmark” (3-B) standard for the smallest of rate cases. The NGFA and other shipper organizations have estimated that even this “low-cost” kind of case could easily range in price from \$100,000 to \$200,000 in out-of-pocket costs for the shipper. The STB’s original proposal was that the total theoretical gain for a shipper that would be permitted for a 3-B case with an outright and total win (which means that the rail rate would be forced to the statutory minimum of 180 percent of variable cost) would be \$200,000 over five years.

The NGFA and other shipper organizations argued that no rational businessman would even consider bringing a rate challenge given the prospect of a theoretical maximum of \$200,000 in benefits for an out-of-pocket cost of \$100,000 to \$200,000, particularly given: 1) the risk of litigation (you don’t win them all!); 2) the improbability that a win would force a rail rate that low (all the way to 180 percent, which does not even occur in SAC cases!); 3) the additional internal company costs of litigation in terms of managers’ time; and 4) the potential fallout in business relationships with the carrier.

Both the U.S. Department of Agriculture (USDA) and the U.S. Department of Transportation (DOT) fully backed shippers on this point, and urged the STB to consider a more appropriate (higher) level of prospective benefits. USDA went so far as to compute the litigation risk and most probable levels of rate reduction to conclude that the 3-B rate challenge standard should be permitted on cases that have a theoretical benefit as high as \$1.6 million. This number also is arguably too low, as demonstrated in joint shipper testimony.

In contrast, the railroads argue vehemently that litigation risk has no part in establishing regulatory standards for eligibility, asserting that such risk will vary by case. That could be said of any form of litigation. But it ignores the reality that risk is a part of every business decision – whether it’s deciding whether to build new shipping or receiving plants, whether the railroad should add more track and locomotives, or whether a litigation strategy should be pursued. So, it is only logical that litigation risk be considered when the STB decides how high to “set the bar” on small rate cases under the 3-B approach.

The railroads further warn the STB that it should make rate-relief access under the 3-B approach as narrow as possible (creating the absolute minimum exposure for rail

carriers) because it is the “crudest” measurement of excessive rates. While cost experts could debate this point for days, DOT had a novel idea! That agency urged the STB to conduct public demonstrations of the proposed methods (such as 3-B) it was considering to show how they would work in practice. The 3-B approach might be a little less precise, but what if 3-B measurements have a tendency to be biased on the “high” side relative to SAC case outcomes (suggesting that the railroad has an inherent advantage under the 3-B approach) or the outcomes have a fairly consistent and predictable relation with the outcomes of SAC cases? Just because an approach like 3-B is less costly than bringing a \$4 million SAC case doesn’t mean it should be restricted to the narrowest possible classification of small rate cases. And the DOT suggestion might dispel some uncertainties among both shippers and carriers regarding the 3-B approach.

Are high rail rates an issue for the agricultural industry? Certainly not on every rail movement, as there are markets where competition clearly provides an acceptable degree of discipline. A study analyzing grain and oilseed rail rates in 2005 demonstrated that 57 percent of the rates were below 180 percent of variable cost (the level at which the STB has regulatory jurisdiction; and another admittedly “crude” measure of the reasonableness of a rail rate); and only 7.6 percent of grain rail movements were above 300 percent of variable costs. Regardless of the proportion of rail customers confronting high rail rates, potentially hundreds of thousands of rail car movements are affected. And those shippers deserve the right to rate relief as prescribed by Congress.

I have yet to hear a rail customer shipper or receiver say that he/she wishes that the STB would establish reasonable rail rate review standards because he/she can’t wait to bring a bunch of rate cases before the STB! Rail customers don’t want to litigate with their carriers. Rather, they want to be able to sit down and discuss what level of rates makes sense to preserve market access to destination markets and origin suppliers; and what rates make the most economic sense in the short and longer term to move grain and products by rail where there are fundamental advantages for doing so. The STB can create such a business environment by establishing practical methods for settling rate issues.

Simply put, this STB case is not about creating new wealth for lawyers and cost experts. It is about establishing some market disciplines that will help both railroads and their customers compete and grow markets in the years ahead.



Warehouse Operators Reminded of Deadlines for Removing Grain from Emergency, Temporary Storage Space

The U.S. Department of Agriculture's Farm Service Agency (FSA) is reminding federally licensed grain warehouses of the deadlines that apply for relocating non-company-owned grain stored in temporary and emergency storage space.

Soybeans and rice currently stored authorized for storage in **temporary space** at federally licensed grain warehouses is required to be relocated to licensed conventional storage by no later than the close of business on **March 31**, FSA said. Further, the agency said that warehouse operators who wish to continue using temporary space to store company-owned soybeans or rice are required to remove the affected quantities from the operator's official record and that such stocks will not be counted when determining the warehouse's storage or warehouse-receipted obligations during a federal warehouse examination.

Under regulations issued by FSA in the Aug. 14, 2006 *Federal Register*, 2006-crop corn, wheat and sorghum stored in temporary space at federally licensed grain warehouses is required to be transferred to licensed conventional storage space on or before **July 1**.

Meanwhile, the same **March 31 deadline** also applies to the requirement that **all grain** stored in **emergency storage space** at federally licensed grain warehouses be relocated to licensed conventional storage. Again, if the warehouse operator chooses to continue using emergency storage space for

company-owned grain, those quantities are not to be shown on the official record and will not be included in any examination by federal grain warehouse examiners and are not to be used to cover storage or warehouse-receipted obligations. USDA's regulations governing emergency storage for 2006 crops of corn, wheat and sorghum were issued in the July 3, 2006 *Federal Register*.

Temporary storage consists of structures (such as bunkers) with rigid, self-supporting sidewalls; an asphalt or concrete floor; aeration; and an acceptable covering, usually consisting of a polyurethane or vinyl tarp. For federally licensed grain warehouse operators, USDA requires that temporary storage be operated in conjunction with a conventional (permanent) licensed warehouse structure. In addition, the federal warehouse operator is required to comply with the net asset and bonding requirements of the federal license, fully insure the grain against losses and maintain a separate daily position record for grain stored in temporary space. These requirements are unchanged from 2005.

Meanwhile, emergency storage consists of outside ground piles. Federally licensed grain warehouse operators are required to meet the U.S. Warehouse Act's security, net worth, bonding and insurance requirements that apply to conventional storage space; maintain a separate inventory record of grain stored in emergency space, as well as account for such grain in the daily position record.

FDA Issues Internet-Based Food Defense 'ALERT' Training Materials

The Food and Drug Administration (FDA) on Feb. 21 announced the availability of an internet-based food defense information initiative that it has dubbed "ALERT."

The FDA-created acronym stands for "assure," "look," "employees," "reports" and "threat." FDA's suggestions in the ALERT materials – which are generic and fairly basic – are intended for use by FDA investigators; other federal, state and local regulatory agencies; and food and feed industry operators and managers. The agency said the three-fold objective of the training materials is to: 1) provide examples of preventive measures that can be considered by firms to protect against intentional contamination of food and feed; 2) identify several elements that may be appropriate as part of a company's agroterrorism-prevention/food-defense plan; and 3) increase awareness among the food and feed industry and to "encourage" adoption of best practices to help protect the food supply from intentional contamination from internal or external sources.

Among FDA's suggestions for the individual aspects of "ALERT" are:

- ▶ **Assure:** Know your suppliers and encourage that they implement food-defense measures. Request locked or sealed vehicles, containers and railcars for inbound product deliveries. Supervise the unloading of incoming materials.
- ▶ **Look:** Implement a system for receiving, storing and handling distressed, damaged, returned and rework products that minimize the potential to contaminate or compromise the integrity of other products. Track inbound materials. Store product labels in a secure location and destroying outdated or obsolete labels. Track finished products.
- ▶ **Employees:** Conduct background checks on "all staff (including seasonal, temporary, contract and volunteer staff, whether hired directly or through a recruitment firm)"





Country/Terminal Corner

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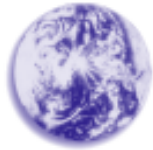
based on their position, access to sensitive areas of the plant where the safety and integrity of food or feed could be compromised, and the degree to which they are supervised. Know who belongs in the facility, and where. Establish an employee-identification system, and limit access of employees to areas necessary for their job functions. Prevent customers from gaining access to food preparation and storage areas in non-public areas of the facility, including loading/unloading docks.

► **Reports:** Periodically evaluate the effectiveness of security-management systems; perform random food-defense inspections of appropriate areas of the facility; establish and

maintain records of the immediate previous source and immediate subsequent recipient (as required under the agency's bioterrorism recordkeeping regulations); and evaluate lessons learned from any previous incidents.

► **Threat:** In response to a suspicious activity or event, hold any potentially contaminated product and contact FDA.

Members receiving the *NGFA Newsletter* electronically may view FDA's web-based training module by [clicking here](#). An FDA brochure on the ALERT initiative is available by [clicking here](#).



International Trade

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APHIS Again Delays User Fees on Imports from Canada by Rail, Truck

The U.S. Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) on Feb. 22 announced another delay – this time until June 1 – in the effective date for assessing user fees on all commercial rail and truck shipments imported from Canada.

The fees are part of an interim final rule issued last August that removed an exemption previously granted in 1991 under which fruit and vegetable shipments from Canada were excluded from agricultural quarantine inspections for potentially harmful pest and animal disease risks. Previously, APHIS had delayed the implementation date until March 1 for commercial rail, truck and vessel conveyances entering the United States from Canada to give the industry additional time to prepare. APHIS said the latest delay will give U.S. officials "additional time...to further evaluate several Canadian proposals intended to mitigate pest risk and potentially lower the cost of land-border inspections." APHIS implemented the user fee on Jan. 1 for commercial airlines and airline passengers and today (March 1) for commercial vessel shipments entering the United States from Canada.

Unless reduced prior to the now-scheduled June 1 date, the user fees would amount to \$105 per year per trucks, while rail carriers would have the option of prepaying a \$155-per-car annual fee versus a \$7.75 per-loaded-car fee for each arrival. The fees would apply to **all shipments of commercial cargo** entering the United States from Canada, not just those transporting fruits and vegetables.

Canadian Embassy officials in Washington told the NGFA that additional discussions with APHIS were planned. Discussions include potential pilot projects or arrangements under

which specific agricultural commodities or products, such as certain raw grains that are produced in Canada and not commingled with imports, potentially could be exempted from the fee. APHIS officials have told the NGFA previously that enhanced agricultural quarantine inspections and user fees were necessary because of a three-fold increase since 1995 in transshipments of third-country fruits and vegetables through Canada to the United States. They cited qualitative risk-assessment data that showed an increased rate of seizures of plant, meat, poultry and dairy products at the Canadian border between fiscal years 2004 and 2006. During the same time frame, they said, the total number of pests identified had increased by nearly 76 percent. The agency said states, too, were detecting more plant pests at their borders that involve imports from Canada. Further, the agency said, fruit and vegetable shipments can be manifested as Canadian-origin if 51 percent of the content was produced in Canada, and no system currently exists to identify which shipments may contain significant quantities of commingled third-country products. APHIS also said that the risk of plant pests and animal disease agents in wood packaging material on imports from Canada, as well as the conveyances themselves, had increased dramatically.

APHIS and U.S. Department of Homeland Security officials have maintained that one of the reasons user fees on Canadian commercial conveyances were needed was to finance its risk-assessment activities, as well as to gather additional inspection data that could be used in determining risks and developing risk-management strategies. Additional background on this issue is available in the Jan. 19 edition of the *NGFA Newsletter* (pages 2-3).





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option to states. Johnson also said CHS seeks continued tax assistance for ethanol and biodiesel production and blending, as well as economic incentives for companies that substitute an alternative energy source for petroleum or natural gas-based production. He also advocated accelerated investment in cellulose-based ethanol and research.

"We must be cautious of overly ambitious targets that result in too-much, too-soon and upset this industry's economic equation through excess capacity or create other issues at a rate faster than we can address them," Johnson warned. Among those challenges, he cited transportation logistics for moving both renewable fuels production and distillers dried grains with solubles, as well as water-use concerns.

Cargill's Page focused extensively on the importance of allowing market forces and sound economics to provide a "balanced" biofuels policy, and posited the question of "what price levels are we prepared to make the world's poor pay for food?"

"Whatever incentives governments put in place, they should provide sufficient flexibility to allow markets to work and to allow relief from market distortions that mandates and other government programs can cause," Page said. "...[I]nflexible government mandates risk creating inefficiencies and exerting unnecessary pressures on food and feed supply systems, pressures that are likely to be inconsistent with market demands....Also, biofuels investors will react more rationally to incentive tools that move the industry toward free-market fundamentals." He also called for an "effective, transparent, predictable and non-political waiver" provision as part of any biofuels mandate to relieve pressure on the food and feed system that may result from a drought or other "stresses...on our food and feed systems."

The grain industry executives discussed the importance of relying on a diversity of supply – both in terms of feedstocks and foreign sources – to meet America's future renewable fuel energy needs. ADM's Woertz cited thermochemical treatment of corn hulls that allows part of the fiber to be fermented to alcohol that could increase ethanol production by 15 percent from the same amount of corn. She projected such technology "may be as little as two years away," while research on other cellulosic ethanol sources, such as switchgrass, could be five to 10 years away. Woertz urged that funding of renewable fuels research be both technology- and feedstock-neutral.

Meanwhile, Page stressed the importance of allowing biofuels to be freely traded worldwide under transpar-

ent trading arrangements that comply with international trading rules. "We should view overseas sources as an opportunity to develop a diverse and global biofuels market that can take advantage of multiple points of origin," Page said.

Johnson and Page also cited the importance of energy conservation. Johnson noted agriculture's contribution to reduced energy use through such techniques as no-till farming, and said increased corporate average fuel economy standards or other incentives may be necessary. Meanwhile, Page said policy incentives to reduce consumption "could have an important impact on the energy-reliance equation."

Terming renewable fuels – corn-based ethanol and soy biodiesel – "essentially a commodity business," CHS's Johnson concluded it was important "to be prudent, to continually revisit the big picture and to make certain we recognize and address all the challenges that come along....[T]o succeed in this industry and to sustain this kind of change, the economics must work. Just as they must for any business."

White House Adviser Says Bush Chose Most Aggressive Biofuels Plan:

During an earlier address at USDA's Outlook Forum today, a top White House official said President Bush had chosen the "most aggressive" of several possible plans that he was presented when announcing his State of the Union proposal to expand the renewable fuels standard to provide that 35 billion gallons of renewable fuels be used by 2017. Al Hubbard, director of the National Economic Council at the White House, said the president had challenged his staff to "push the envelope" and said the administration's proposal would provide a large, certain market for investors while "bringing low costs to consumers and low market distortion." He also said that Secretary of Agriculture Mike Johanns had "insisted" that the proposal contain safety valves that would suspend the renewable fuels mandate if the nation experienced weather-related or other supply disruptions of available feedstocks, or if the mandate caused agricultural price or supply disruptions.

Hubbard also said 12 eminent cellulosic ethanol research scientists had met with the president last week and told Bush that technological advancements should make cellulosic ethanol production commercially feasible by 2012 or earlier, given sufficient public investment. He also said Monsanto representatives would be meeting with him later in the day to discuss research to enhance corn yields.





EPA Proposes to Exempt Farms from Some Air-Emission Reporting

Environmental Protection Agency (EPA) Administrator Stephen L. Johnson on Feb. 28 told members of the House Appropriations Committee's Interior Environmental Subcommittee that the agency plans to exempt farms from regulations that currently require them to alert emergency first-responders and the National Response Center when certain components of air emissions from livestock and poultry waste exceed established thresholds.

The proposed exemption, according to the EPA, would save work for farmers and regulatory officials by eliminating the "uncertainty" over the farm sector's obligation in reporting air emissions. In justifying the proposal, EPA stated that local emergency response committees currently are not responding to reports they do receive on manure emissions. EPA's Johnson told Congress the agency will issue the proposed rule defining the exemption later this year.

EPA currently considers emissions from animal feeding operations (AFOs) subject to relevant air quality laws if emissions exceed established thresholds. For instance, EPA's Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and Emergency Planning and Community Right-to-Know Act (EPCRA) currently mandate that AFOs report releases of ammonia and hydrogen sulfide from barns, lagoons and retention ponds of 100 pounds or more. Other regulated substances potentially emitted by livestock and poultry include volatile organic compounds, nitrous oxides and particulate matter.

EPA's pending proposal comes in the aftermath of a voluntary air quality compliance agreement and national monitoring study the agency offered to certain AFOs in 2005. Under the agreement and study, EPA is allowed to collect air emissions data from participating AFOs during a two-year national monitoring study to establish methods for estimating air emissions from AFOs. In exchange, participating AFOs are protected from federal and state liability for past air emissions violations of federal laws, as well as air emissions during the monitoring study and data-analysis and policy-development period. Approximately 2,600 AFOs signed up to participate, representing operations from more than 6,200 farms in 42 states. EPA intends to complete the monitoring program by the end of 2008.

Several House subcommittee members voiced their support of EPA's pending proposed exemption. Rep. Jo Ann Emerson, R-Mo., in supporting the proposal, noted that Missouri farmers are very concerned that manure and its odor would force them to hire lawyers under EPA's laws. Likewise, Rep. Ralph M. Hall, R-Texas, in endorsing the proposed exemption, said EPA's current regulations never were intended to ensnare farmers and ranchers. Hall also said he intends to revive efforts to pass legislation in Congress specifying that manure cannot be treated as a "hazardous substance" under the law. Attempts to pass similar legislation have failed in previous Congresses.



World Animal Health Panel Recommends Designating U.S., Canada as 'Controlled Risk' Countries for BSE

A panel of the World Organization for Animal Health – known by its French acronym "OIE" – this week recommended that the United States and Canada both be designated as "controlled-risk" countries for bovine spongiform encephalopathy (BSE).

OIE is scheduled to meet on May 20 to consider and approve the recommendation.

The designation is one of three categories in OIE's new system for classifying BSE risks in its 167-member countries. The "controlled-risk" category means that the country has conducted a risk assessment to identify historical and existing risk factors, and has demonstrated that appropriate control measures – such as an effective ban on preventing the feeding of ruminant-derived material to cattle and other ruminants – have been implemented. Countries designated as "controlled

risk" also must implement surveillance programs to test and detect a certain number of animals; the United States plans to test about 40,000 cattle for BSE this fiscal year, which exceeds the OIE guidelines.

The other two BSE risk categories are "negligible risk" and "undetermined risk." The negligible risk category is reserved for countries that either: 1) have had no cases of BSE or its only detected cases have been imported and the infected animal has been destroyed; or 2) its only native cases of BSE were born more than 11 years ago. Several other criteria also apply. Countries categorized as "undetermined risk" are those that cannot demonstrate that they meet the requirements of one of the other two categories. This category includes countries that have no documented cases of BSE, but which do not have sufficient surveillance and testing programs to detect the disease.





Membership Matters

by Todd Kemp
Director of Marketing/Treasurer

Hugely Successful February Frenzy !

This year's annual *February Frenzy* membership promotion netted 29 new NGFA member companies, the best results for the February contest since its inception!

As a result, 23 hard-working NGFA recruiters qualified for the Windy City Weekend grand prize drawing for:

- ▶ Airfare for two to Chicago, sponsored by **R.J. O'Brien**, Chicago, Ill.
- ▶ Two nights at the luxurious Talbott Hotel, courtesy of **GATX Rail**, Chicago, Ill.
- ▶ Dinner at Ditka's Restaurant, also courtesy of **GATX Rail**.

And the winner is...

Ron Olson, vice president, grain operations, General Mills Inc., Minneapolis, Minn. – the NGFA chairman himself! Ron became eligible by recruiting Conestoga Energy Partners, a Liberal, Kan., ethanol producer. Congratulations to Ron – leadership by example!

More Fabulous Prizes at NGFA Annual Convention: At the NGFA's 111th annual convention in San Francisco, major membership prizes will be awarded to four leading recruiters since last year's convention. As announced in a previous edition of the *NGFA Newsletter*, prizes include:

- ▶ **Maui Wowie!** This prize consists of airfare for two to Maui, co-sponsored by **J.W. Nutt Co.**, North Little Rock, Ark. (*additional co-sponsor needed*); three nights at the



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fabulous Westin Maui Resort and Spa, courtesy of the resort; a luau for two, courtesy of the **Old Lahaina Luau**; and two rounds of championship golf, courtesy of the **Kaanapali Golf Resort**.

- ▶ **Newport Regatta:** This prize features airfare for two to Providence, R.I. (*sponsor needed*); two nights at the Hyatt Regency Newport & Spa, courtesy of the **Hyatt**; and a Newport Harbor Sailboat Cruise (*sponsor needed*).
- ▶ **Disney Dream:** This price consists of airfare for two to Orlando (*sponsor needed*); two nights at the Walt Disney World Swan Resort, courtesy of the **resort**; and Disney Park Tickets.
- ▶ **Brickyard Breakaway:** This prize features airfare for two to Indianapolis (*sponsor needed*); two nights at the Indianapolis Marriott East, co-sponsored by **Demeter LP**, Fowler, Ind. (*another co-sponsor needed*); and two tickets to the Brickyard 400 NASCAR race, courtesy of **Pioneer, a DuPont Co.**
- ▶ **Nootbaar Prize:** This is a \$1,000 cash award! And it is made possible by the generous endowment of former NGFA president **Herb Nootbaar**. All successful recruiters will be entered in this random drawing!

If these prizes don't get your motor started, nothing will! Sign up a new member before convention and get in the running for a fabulous membership prize! To help sponsor one of the prizes above, contact NGFA Director of Marketing/Treasurer Todd Kemp at tkemp@ngfa.org.

