



Clinton Administration to Propose Expansion of CRP to 40 Million Acres

...Part of \$1.3 Billion in Additional Spending for USDA Conservation Programs...

The Clinton administration will seek legislative authority and funding to expand the Conservation Reserve Program to 40 million acres as part of its fiscal year 2001 budget proposal.

The long-expected announcement was made by Vice President Al Gore during a campaign stop in Iowa on Jan. 7. The proposal was part of a broad array of conservation-related programs for which Gore said the administration will seek a total of nearly \$1.3 billion in additional federal spending when Congress reconvenes on Jan. 27.

The proposed expansion of the CRP would allow more than twice as many acres to be enrolled in fiscal year 2001 as would be allowed under current law, the administration said. The current statutory cap on the CRP is 36.4 million acres.

The conservation initiatives, as well as other proposals that the administration believes are necessary to "strengthen the farm safety net" are to be included in President Clinton's

fiscal year 2001 budget request, which is scheduled to be submitted to Congress on Feb. 7.

Expansion of Continuous CRP Enrollment: Gore said the administration also plans, on its own initiative, to offer bonuses totaling up to an additional \$100 million annually for fiscal years 2000 through 2002 to increase enrollment of riparian buffers, grassed waterways and filter strips as part of the CRP continuous sign-up. That would bring the total annual spending to \$125 million for this initiative. No congressional action would be required, the administration said.

Conservation Security Program: The administration also plans to seek \$600 million per year for fiscal years 2001 and 2002 to fund a new "Conservation Security Program" proposed by Sen. Tom Harkin, D-Iowa, that would be allocated to "family farmers" who

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EPA Agrees to Change Phosphine Restrictions; Responds to NGFA

The NGFA has been informed by manufacturers/registrants of aluminum and magnesium phosphide that the Environmental Protection Agency has tentatively agreed to drastically scale back its proposed restrictions on the use of the two substances, which produce phosphine gas fumigant used at grain handling and processing facilities.

In a related matter, EPA in a letter dated Jan. 6 responded to an earlier NGFA document submitted to the agency that demonstrated the economic impact of the agency's originally proposed risk-mitigation measures for phosphine would have ranged from \$341 million to \$1.135 billion annually, with the most severe impact occurring on the wheat sector. "We sincerely appreciate the National Grain and Feed Association's continued interest in this important matter," wrote EPA Deputy Assistant Administrator Susan H. Wayland. "Significant progress has been made toward reaching our (risk-mitigation) objectives, and we are developing several methods that will eliminate the

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NGFA Relocating Offices Jan. 29-31; Telephone Service to be Disrupted

During the period of Jan. 29-31, the NGFA will be moving to its new office at Suite 1003, 1250 Eye St., N.W., Washington, D.C., 20005-3917.

While the NGFA's telephone numbers will remain unchanged (phone: 202-289-0873; fax: 202-289-5388), **we have been alerted by the telephone company that telephone service will be disrupted for a period of a few hours sometime during the day on Monday, Jan. 31 while service is installed at the new office.** This disruption also may interrupt e-mail service, as well, for a few hours. Telephone service is scheduled to be restored fully by Tuesday, Feb. 1. We apologize in advance for this interruption, but look forward to welcoming members to our new office location!



STB Expects to Receive CN-BNSF Application by June

The Canadian National and Burlington Northern Santa Fe expect to file a formal application between March and June to implement their proposed end-to-end rail combination that would create North America's largest rail system, the federal Surface Transportation Board said this week.

The filing of the application will set in motion a full-scale review of the proposed combination by the STB and other federal agencies, which the carriers expect to last 18 months.

In a notice [*STB Finance Docket No. 33842, Decision No. 1*] issued Dec. 28, the STB said it would consider the rail combination as a "major transaction" and would deviate from its normal procedures to permit the applicants and affected parties to submit views on the potential "cumulative impacts and crossover effects that are likely to occur in the wake of the BNSF-CN transaction" on the future structure of the North American rail industry. The STB notice also said that given the agency's "recent experience with post-merger service disruptions," it expects the applicants and other parties to submit evidence on the likely effects of the combination on rail service. [*See NGFA Newsletter, Dec. 29, 1999.*]

Competing Rail Carriers Respond: On Jan. 10, four affected rail carriers – the Canadian Pacific, CSX Corp., Norfolk Southern, and Union Pacific – issued a joint "open communication" to customers expressing concern with the proposed CN-BNSF combination, and encouraging their customers to write to the STB and participate in the agency's review. The letter expressed "concern" that the CN-BNSF combination would force "strategic responses" that "may trigger another round of railroad consolidations, resulting in two large rail systems serving North America." The letter, which subsequently was published in *The Wall Street Journal*, the *Journal of Commerce*, *The Washington Post* and the trade magazine, *Traffic World*, was signed by Richard K. Davidson, chairman, president and chief executive officer of the Union Pacific Corp.; David R. Goode, chairman, president and chief executive officer of the Norfolk Southern Corp.; Robert J. Ritchie, president and chief executive officer of the Canadian Pacific Railway; and John W. Snow, chairman, president and chief executive officer of the CSX Corp.

In their joint letter, the four railroad executives said the merger of the Burlington Northern and Santa Fe Railroads had "launched the last round of rail consolidations," and said they believe that "another wave of mergers would be premature." The rail industry, they wrote, "has little experience with the new...structure resulting from the last round of mergers," which they said have not been "fully implemented." And they said that "expected benefits are still emerging as service stabilizes."

"Fewer railroads, coupled with improved business processes and new business processes and new technology, should allow us to provide more reliable, seamless interline service," Davidson, Goode, Ritchie and Snow wrote. "It is now time for the railroads to concentrate on existing opportunities to improve service, rather than on further consolidation."

Short Lines

In other transportation news:

► **STB Approves RailAmerica's Acquisition of RailTex:**

The federal Surface Transportation Board has granted a petition under which RailAmerica Inc. will acquire control of RailTex and RailTex's 17 domestic Class III rail carriers, effective Jan. 14.

The 12 RailAmerica railroads and 17 RailTex railroads involved in the transaction are all Class III railroads, and operate in 26 states. The petition was filed on Nov. 8 by RailAmerica Inc., and RailTex Inc., and received support from more than 100 of the carriers' customers, the STB said, as well as Sen. Spencer Abraham, R-Mich., Reps. Robert Wexler, D-Fla., and Ray LaHood, R-Ill., and several state and local government officials. The petition also was supported by the Burlington Northern and Santa Fe Railway Co.; Canadian Pacific Railway Co.; CSX Transportation Inc.; Norfolk Southern Corp.; Union Pacific Railroad Co.; and the National Railroad Passenger Corporation (Amtrak). The largest rail union, United Transportation Union, also submitted a letter stating that it did not oppose the acquisition. No opposing comments were filed, the STB said.

The STB said it found that the proposed transaction, which is expected to yield \$10 million in annual cost savings without a substantial change in rail operations or service to shippers, would not result in any competitive harm.

The Board's decision was issued Jan. 10 in *RailAmerica, Inc. – Control Exemption – RailTex, Inc.*, [*STB Finance Docket No. 33813*]. A copy of the decision is available on the STB's web site at www.stb.dot.gov, or by contacting Jackie Congress at the NGFA at (202) 289-0873.

► **Burkes Designated as STB Vice Chairman:** Wayne Burkes has been designated as vice chairman of the Surface Transportation Board, it was announced Jan. 4. He succeeds Commissioner William Clyburn, Jr., who served in that position during 1999. The Board's vice chairmanship rotates among Commissioners on an annual basis. Burkes became a member of the STB in February 1999 for a term expiring on Dec. 31, 2002. He serves with STB Chairman Linda Morgan and commissioner Clyburn.



NGFA Informs Conrail Transaction Council of Service Issues

While NGFA member companies report "significant improvement" in service provided by both the CSX Transportation Co. and Norfolk Southern Corp. during the last 40 days, continued improvements are needed if eastern rail grain receivers – especially smaller firms – are to have sufficient stocks to meet their needs until the Fall 2000 harvest.

That was the core message conveyed by the NGFA at the Jan. 11 open public meeting of the Conrail Transaction Council in Philadelphia, Pa. The council conducted the public meeting to assess the state of rail service following the acquisition of Conrail by the CSXT and Norfolk Southern. The meeting was attended by approximately 300 persons, including shippers, railroad executives, government officials and the media.

The NGFA's statement noted that there has been more than usual demand for rail grain movements to the Northeast, Mid-Atlantic and Southeast because adverse weather in 1999 depleted local grain supplies. During the past month, the NGFA said, some eastern rail users, particularly large poultry and hog operators, have been able to rebuild grain inventories. But small receivers continue to experience service problems, the NGFA stressed. The NGFA also noted that the Buffalo, N.Y., terminal continues to be perceived by rail users as a problem in terms of interchanges between carriers, and lack of timely spots and pulls of trains. In addition, switching into and out of New York City transfer sites have been reported as a continuing problem.

The NGFA's statement was presented by Rail Shipper/Receiver Committee Chairman **John Bratten**, vice president, transportation, Central Soya Co. Inc., Fort Wayne, Ind., and NGFA Counsel for Public Affairs **David C. Barrett Jr.**

Statements by Carrier Representatives: During the meeting, officials of the CSXT and Norfolk Southern reported that service had markedly improved since mid-November. The carriers also responded to questions and issues raised by the numerous first-time attendees that ranged from how to file claims to complaints about rate increases coming on the heels of the carriers' widespread service problems.

Norfolk Southern said that it would place a renewed emphasis on restoring service to acceptable levels and increasing the system's velocity now that the system had stabilized. NS said it would continue to add new and leased locomotives to its system. Likewise, the NS said that its new problem resolution group would address problems needing research and review. CSXT reported that its plan for year 2000 included adding capacity in key rail yards, increasing the number of cars per train and strengthening the carrier's resiliency to the impacts of inclement weather, volume fluctuations and "unusual occurrences."

The next meeting of the Conrail Transaction Council is scheduled for February in Washington, D.C. Please contact David Barrett at the NGFA for further information.

Ag Trade Option Registration Materials Available from NFA

The NGFA has been informed that those wishing to register as agricultural trade option merchants now may obtain a copy of the official registration materials from the National Futures Association (NFA).

The registration documents may be obtained by telephoning the NFA at 1-800-621-3570.

The CFTC on Nov. 29 issued final regulations governing its agricultural trade options pilot program that retained the requirement that agricultural trade option merchants register with the NFA. This and other CFTC regulations governing agricultural trade options apply to sellers of such options unless both the buyer and seller have a minimum net worth of \$10 million each. [See *NGFA Newsletter*, Dec. 2, 1999.]

**The NGFA's web site --
Check it out!**

**Access the Web Site
by Typing the NGFA's
Web Site Address:**
<http://www.ngfa.org>

Enter the User Name: ngfa
Enter the Password: soybean



("CRP" continued from page 1)

voluntarily adopt comprehensive plans to curb erosion and protect groundwater. Under this program, for which legislative authority would be required, payment levels would be based on the range and comprehensiveness of the conservation practices implemented. Eligible practices would include comprehensive nutrient management, prescribed grazing and partial-field conservation practices, such as grassed waterways and windbreaks.

Increased Funding for Other Conservation Programs: In addition, the administration said it will seek \$550 million to "strengthen" several other existing USDA conservation programs, each of which would require congressional approval. These programs include:

▶ the **Environmental Quality Incentives Program (EQIP)**, for which the administration will seek an increase of \$125 million per year, bringing total spending to \$325 million annually. This program provides financial, technical and educational assistance to farmers and ranchers who enter into contracts of five to 10 years to implement conservation practices on land currently in production. Under existing law, half of the program funds must be used to address environmental issues related to livestock. Eligible practices include animal waste management, integrated pest management, habitat restoration and livestock water development. Currently, the annual authorized spending level for this program is \$200 million (although Congress limited it to \$174 million in fiscal year 2000).

▶ the **Wetlands Reserve Program**, to enroll an additional 250,000 acres annually. The administration said it will propose removing the 975,000-acre enrollment cap on this program, which was established under the 1996 farm law and provides up to 100 percent of the payments needed to finance restoration and protection of agricultural wetlands. USDA also provides up to 100 percent of the fair market agricultural value of the land in return for permanent or 30-year easements or wetlands restoration cost-share agreements. USDA said that after fiscal year 2000, which expires Sept. 30, there will be only 40,000 acres remaining available to enroll under the existing cap. If the cap is lifted by Congress, USDA said it would plan to enroll an additional 210,000 acres in fiscal 2001 (for a total of 250,000 acres), and an additional 250,000 acres in each subsequent year.

▶ the **Wildlife Habitat Incentives Program (WHIP)**, for which the administration will seek \$50 million annually. Funding for this program, which was

authorized by the 1996 farm law, has expired. Under WHIP, landowners who enter into five- to 10-year contracts to implement wildlife habitat practices receive cost-share assistance for up to 75 percent of the habitat restoration expenses, as well as technical assistance. Eligible practices include restoration of native grasses and riparian areas, as well as establishment of aquatic habitat.

▶ the **Farmland Protection Program**, for which it will seek \$65 million per year to provide matching funds that finance up to 50 percent of the fair-market farmland value to state, local and Tribal governments for purchasing easements that preserve the farm use of land threatened by development from urban and suburban "sprawl." The administration said it has used up the funding for this program, which was authorized under the 1996 farm law. Under this program, applications are prioritized based upon such criteria as quality of the land (including environmental, historical and scenic qualities), likelihood of development and availability of non-federal matching funds.

Glickman Announces Grants for Research, Rural Development

At a Jan. 10 briefing attended by the NGFA, the U.S. Department of Agriculture announced that it will award \$180 million to fund a wide assortment of initiatives, including some agricultural research.

Of the total, \$120 million is to be allocated under a competitive grant process to a new "Initiative for Future Agriculture and Food Systems" authorized by Congress in 1998 to finance research, education and extension projects focusing on production agriculture, natural resource management and consumer issues. The initiatives are to include: 1) agricultural genomics and biotechnology risk assessment; 2) food safety and the role of nutrition in health; 3) new uses for agricultural products, including biomass fuel sources; 4) natural resources management, pest management and precision agriculture; and 5) farm efficiency and profitability, "with an emphasis on small- and mid-sized family farms."

The remaining \$60 million will be spent as part of "Fund for Rural America" grants, focusing primarily on animal waste management control systems, as well as business and industry loan guarantees.





Clinton Administration Preparing Farm Policy Proposals

The Clinton administration is developing a series of farm policy proposals as the House Agriculture Committee prepares to open hearings on the 1996 farm law in February.

Expected to be at the core of the administration's proposals is a new, targeted payment that would be directed to producers that have a certain range of gross sales and adjusted gross income. For example, one proposal believed to be under consideration would target the income payments at producers with gross sales ranging from \$50,000 to \$500,000 annually, provided the family's gross income did not exceed \$75,000.

The level of payments – which would be in addition to and would not affect the direct, fixed AMTA payments provided under the 1996 farm law – is uncertain at this writing. But USDA officials told the NGFA they could range up to \$10,000 per year. As a prerequisite for obtaining the multi-year payments, which could carry a budget exposure as great as \$5 billion per year, the administration is considering requiring that producers use the funds on such expenses as health care, crop insurance, education or other specific items.

► **'Rebalancing' Loan Rates:** The NGFA also has learned that the administration is considering proposing that Congress enact legislation that would "rebalance" loan rates between commodities to address the planting incentive for soybeans that some believe has been provided by the statutory maximum \$5.26-per-bushel soybean loan rate contained in the 1996 farm law. Under this concept, wheat and feed grain loan rates would be increased to as-yet-unspecified levels, while the soybean loan rate would be retained at \$5.26 per bushel. The proposal could have a budget impact of as much as \$2 billion per year, officials told the NGFA.

Since 1995, soybean planted acreage has increased by about 11.5 million acres. But almost 10 million of those acres were planted in 1996-98, when market prices exceeded the loan rate, in response to the planting flexibility provided under the 1996 law.

Meanwhile, in a preemptive strike, the American Soybean Association as written to Secretary of Agriculture Dan Glickman urging a continuation of the \$5.26 national average soybean marketing loan rate "to provide an adequate safety net for farmers...." Based on the soybean loan rate formula specified in the 1996 farm law, which bases loan rates on a five-year "Olympic" average price that disregards the high and low

price years, the soybean loan rate for 2000 could be reduced administratively to \$5.13 per bushel for the 2000 crop year, although Glickman has shown no inclination to do so.

► **Commodity Certificates:** In another farm program matter, the NGFA has learned that a decision memorandum has been forwarded to Glickman's office on how to implement the commodity certificate language included in the emergency ag spending bill passed last year by Congress.

The law required that USDA to implement a program under which producers could obtain commodity certificates for their Step 2 cotton payments. But USDA has maintained that the law gives it the discretion on whether to issue commodity certificates as part of the process of repaying marketing assistance loans to obtain marketing loan gains for other farm program commodities, such as grains and oilseeds.

The plan USDA is considering implementing would allow wheat, feed grain and oilseed producers with the option to receive commodity certificates to repay loans under a three-step process that would be exempt from the newly increased 1999-crop-year payment limit of \$150,000 per person. Here's how the process would work:

- **Step 1:** Producers would repay the full loan repayment amount (i.e., loan rate, plus accrued interest), thereby avoiding the marketing loan gain or loan deficiency payment that would count against the payment limit.
- **Step 2:** The producer then could "sell" the loan commodity back to the Commodity Credit Corporation at the full loan repayment value, in effect canceling out the payment made by the producer in step one.
- **Step 3:** CCC then would "resell" the commodity back to the producer – in the form of commodity certificates – at the posted county price (PCP). It is uncertain at this writing if certificates actually would be issued in this case, or whether this transaction would be a simultaneous computer transaction.

The key issue still to be decided by Glickman is whether this process will be able to be used by producers to circumvent the payment limit, which congressional staff members said was the entire intent of including the provision in the ag spending bill.





FDA to Issue Advisory Levels on Fumonisin in Corn

Food and Drug Administration officials announced Jan. 12 that the agency plans to issue "interim advisory" levels in the next few months for fumonisin in products made from corn, as well as whole corn destined for animal feed. The advisory levels would be subject to a 30- to 60-day comment period.

The announcement was made during a Jan. 10-12 workshop that focused on how to assess the health risk posed by fumonisin and the types of management options for fumonisin available to regulatory officials. FDA also announced plans to initiate a formal risk analysis of fumonisin. At the conclusion of the formal risk analysis, permanent advisory levels will be issued, FDA officials stated. In addition, it was reported that the Codex Alimentarius Commission (Codex) will be evaluating the need for an international standard for fumonisin. The Codex is a subsidiary body of the United Nation's Food and Agriculture Organization and the World Health

Organization that develops and promulgates international food safety standards.

Fumonisin is a toxin produced by the *Fusarium* mold, and has been associated with serious health effects in horses and swine. In addition, recent research performed by the FDA's National Center for Toxicological Research found that fumonisin can cause liver and kidney cancer in rats and mice.

FDA uses "advisory levels" to provide guidance to the industry concerning amounts of a substance present in food or feed that may be cause for concern for human or animal health. While FDA reserves the right to take regulatory action – including seizure of the product – on a case-by-case basis (particularly in egregious situations), enforcement is not the fundamental purpose of an advisory level. FDA has used advisory levels to provide guidance to the industry on deoxynivalenol (vomitoxin).

NFPA Seeks Input on Agricultural Dust Standard

The National Fire Protection Association (NFPA) is seeking input on potential changes to NFPA 61, *Standard for the Prevention of Fires and Dust Explosions in Agricultural and Food Products Facilities*.

The NFPA says proposals to amend NFPA 61 must be submitted to NFPA's Technical Committee on Agricultural Dusts by Jan. 1, 2001. After review and action on all proposals by the committee, a new standard will be issued in July 2002, the association notes. The combined NFPA 61 standard applies to grain elevators, feed mills and other facilities that "handle, process, use, blend, mill, receive, load, ship ... dry agricultural bulk materials. It also applies to facilities designed for manufacturing and handling of starch, and the seed preparation and meal-handling systems of oilseed processing plants not covered by NFPA 36, *Standard for Solvent Extraction Plants*. The standard was last amended in July 1999.

The NFPA is a consensus organization that develops codes, standards, recommended practices and guides on fire safety. The NFPA does not police or enforce compliance with its standards. However, local building officials and other regulatory agencies commonly rely on NFPA standards to establish the safety of new construction or modernization of existing facilities.

The NFPA 61 standard had its origin in 1923, when standards development for dust explosions in grain terminals in flour mills began. Originally, there were four standards associated with agricultural dusts. But in 1995, these standards were combined into a single standard.

NGFA's Safety, Health and Environmental Quality Committee is evaluating the existing standard and will suggest changes, as appropriate. James E. Maness, chairman of NGFA's Safety, Health and Environmental Quality Committee, serves as industry representative on NFPA's Technical Committee. Tom O'Connor, NGFA's director of technical services, recently was appointed to the committee as an alternate to Maness.

Tech Tidbits

► **GIPSA Proposes Fee Increase for Official Inspection, Weighing Services:** The U.S. Department of Agriculture's Grain Inspection, Packers and Stockyards Administration on Jan. 3 proposed a 2.4 percent increase in the hourly rates charged for official grain inspection and weighing services performed in the United States. GIPSA said the fee increase is needed to compensate for increased operational costs resulting from an approximate 4.8 percent mandatory salary increase.

Separately, GIPSA on Jan. 3 proposed a 4.8 percent increase for all hourly rates and certain unit rates for rice inspections performed under the Agricultural Marketing Act. The fee increase applies primarily to rice producers, processors and marketers located in Arkansas, Louisiana and Texas.

Submitting Comments: Comments on both proposals are due on or before March 3, and should be submitted to: Sharon Vassiliades, GIPSA/USDA, 1400 Independence Ave., S.W., Room 0623 South Bldg., Washington, D.C., 20250-3648. Comments also may be faxed to (202) 720-5091 or sent by electronic mail to: comments@gipsadc.usda.gov.





From the Bench

by David C. Barrett Jr.
Counsel for Public Affairs

Grain Buyer Recovers Landlord Lien Losses

A Tennessee court on Jan. 3 granted a grain buyer's claim for recovery of amounts paid on a statutory landlord lien.

The case is significant because grain buyers in many states are at risk from statutory liens that are not covered under the federal clear title lien law [7 U.S.C. Section 1631].

Facts of the Case: The case involved a contracted purchase of grain by Continental Grain Co. from Floyd and Ann Garner, *d.b.a.* G&G Farms (the producer). Upon delivery of the grain in 1997, Continental issued a check for \$264,560.55 made payable to both the producer and a secured creditor, Delta Corp.

Later, Rice Farm Products (the landlord) asserted a claim against Continental based upon a statutory lien under Tennessee law for rent owed by the producer. Continental said it had no prior knowledge of the existence of unpaid rent to the landlord or the statutory lien claim. When the producer failed to pay the full rent due, the landlord brought suit against Continental as the purchaser of the grain grown on the leased land. Continental paid \$50,000 to Rice Farm Products to settle the statutory lien claim and took an assignment of the landlord's rights. Continental then sought recovery against the producer and Delta Corp. for the payment on the statutory landlord's lien.

Testimony in the case showed that Delta Corp. financed

the producer's operations and was aware that the producer rented land from Rice Farm Products. Further, the facts showed that Delta Corp. did not seek a subordination agreement with the landlord; nor did it notify Continental of the existence of the landlord's lien. Delta Corp. received all of the proceeds paid by Continental in the joint check.

The Decision: In its decision, the circuit court for Dyer County, Tenn. (at Dyersburg) found that Continental, as purchaser of the producer's grain, was liable to the landlord for unpaid rent based upon the Tennessee statute. Since the landlord's rights were superior to Delta Corp. (the secured creditor), the court found that "any proceeds from the sale of crops Delta received from Continental is held in a constructive trust for the payment of rent owed [to the landlord]." In so doing, the court found that Continental could recover from the secured creditor the amounts paid by Continental to the landlord. This finding also means that the landlord could have sought payment directly from Delta Corp., rather than pursuing Continental in the first instance. Continental also was granted a default judgment against the producer.

Obtaining a Copy: NGFA members may obtain a copy of the decision by contacting Jackie Congress at the NGFA at (202) 289-0873.



Membership Matters

by Todd Kemp
Director of Marketing

Major Membership Contest and Prize!

New York? San Francisco? Chicago? How will you choose? Who will you take? Those dilemmas will face the winner of *February Frenzy*, a 29-day flurry of membership recruiting activity for the NGFA. Each sponsor of a new member during February will be eligible to win:

Two night's accommodations in a beautiful GATX corporate apartment in:

- 1. New York**, in a beautiful penthouse overlooking Central Park;
- 2. San Francisco**, in a luxurious suite on the famous Embarcadero; or
- 3. Chicago**, in a deluxe suite high atop the Ritz Carlton, with views of Lake Michigan!

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**Many thanks to GATX**  
**for sponsoring this fabulous prize!**  
Additional thanks to United Airlines  
for providing travel to the selected destination.

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Convention is just around the corner, and some serious work remains to be done to reach our membership recruiting goal of "104 by the 104th" in San Diego. Our prize will provide added incentive for recruiters to pull out all the stops to meet that ambitious goal.

Like the sound of a weekend for two in one of America's great cities? It could be you! Start warming up those membership prospects today!





Newsletter

by Randall C. Gordon
V.P., Communications/Gov't Relations

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need for a buffer and pre-notification zone....We are committed to revising the risk-mitigation measures...to take advantage of the most promising options developed through our stakeholder discussions."

At a late December meeting with the fumigant's manufacturers/registrants, EPA officials reportedly agreed to drop plans to prohibit the use of aluminum/magnesium phosphide within 500 feet of a residence, as well as require notification of all residences and businesses within a 750-foot radius of where such fumigation was to occur. Instead, the manufacturers/registrants reported that EPA accepted their alternative proposal that facilities using phosphine develop a fumigation management plan that would require a certified applicator to work with facility management to: 1) determine the suitability of the site for phosphine fumigation; 2) review relevant safety information with company employees; 3) develop appropriate safety measures for fumigators and nearby workers; 4) implement monitoring to confirm that workers and bystanders, including local residents, are not exposed to phosphine concentrations at levels exceeding current exposure limits; 5) develop procedures for use in an emergency; and 6) placard fumigated sites properly. Facilities using the fumigant also would be required annually to provide and review the material safety data sheets for phosphine, as well as the applicator's manual and relevant safety information, with local officials and emergency

responders (including fire departments, rescue squads and police). Other elements of the manufacturers/registrants' proposal was reported in the Nov. 18 edition of the *NGFA Newsletter*.

In her Jan. 6 letter to the NGFA, EPA's Wayland confirmed that the agency has "sought alternative means of assuring that nearby persons are properly notified in the event of a release of the gas above the exposure standard where exposure may occur...that will satisfactorily remove the need for a 750-foot pre-notification zone around fumigated structures."

In the most recent development, the manufacturers of aluminum/magnesium phosphide said EPA agreed to retain for now the current 0.3-part-per-million exposure limit for employees, rather than tightening the limit to the originally proposed 0.03 p.p.m. to permit review of just-completed research data on exposure levels. In exchange, the fumigant manufacturers/registrants agreed to conduct additional studies, if necessary, to characterize the exposure and exposure thresholds experienced with phosphine.

It is expected that the process for revising labels for aluminum/magnesium phosphide to reflect the changes will take about a year to complete, meaning that the new requirements would take effect sometime in early 2001. An announcement of the agreement is expected to be issued shortly after it receives final clearance within EPA.



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TIME SENSITIVE

