



Senators Call for Rail Legislation After STB Merger Moratorium

...CN, BNSF File Petitions Seeking Court Review of STB Decision...

Several key senators today urged Congress to enact substantive rail legislation at a hearing that focused on the Surface Transportation Board's decision to impose a 15-month moratorium on rail mergers.

The STB's unprecedented decision, issued March 17, expressly suspended the proceeding that would have considered the proposed combination of the Burlington Northern and Santa Fe Railway Co. and the Canadian National Railway Co. During the Senate hearing today, STB Chairman Linda Morgan announced that the agency would begin its rulemaking to develop new rail merger rules by issuing an advanced notice of proposed rulemaking by April 6.

In its decision, the STB said it would issue new rules governing rail mergers within 15 months. "Not only would it be impractical for us to try to act on a final round of mergers while we are in the process of developing new merger rules, it would be disruptive to the rail system and to

rail service that remains below acceptable levels in many areas," the agency said in its decision.

The STB's decision placed great emphasis on its concern over how processing further mergers at this time could affect other large railroads: "Carriers whose management should be focused on fixing their service problems would instead be fixated on finding merger partners, defending their proposals, and responding in the regulatory arena to other carriers' proposals.... And railroads could find it more difficult to finance the capital improvements necessary to provide the better service that is key to their financial revitalization. In short, the already fragile rail industry could be further destabilized."

The STB decision also contained separate comments by all three commissioners. STB Chairman Linda Morgan made it clear that she proposed a two-year

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USDA Hopes to Begin Farm Storage Subsidy Program by June 1

The NGFA has learned that the U.S. Department of Agriculture now hopes to implement its farm storage loan subsidy program by **June 1**.

USDA policymakers have decided to implement the program by issuing an interim final rule rather than a proposed rule. In effect, this will allow USDA to begin awarding subsidized loans under the farm storage facility loan program before evaluating the comments that are to be submitted by affected parties during a 30-day comment period. USDA officials told the NGFA that their goal is to have the interim final rule published in the *Federal Register* by May 1. The rules still are undergoing clearance within USDA before being forwarded to the White House Office of Management and Budget for approval.

Significant Changes: During the last week, there have been several significant changes in how USDA intends to implement the program, the NGFA has learned. They include the following:

▶ **Condo-Storage Prohibited:** USDA has reversed course and now plans to issue the rules by referencing a section of the Commodity Credit Corporation (CCC) Charter Act (Section 4h) that will restrict the loans solely to on-farm storage facilities, which would

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**Access the Web Site
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Web Site Address:**
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Freedom to Farm – More Flexibility for Farmers, or Not?

Bashing current farm programs has become popular political fodder. But in many cases, the criticisms of the 1996 farm law -- dubbed "Freedom to Farm" -- not only are without merit, they are also factually weak.

During his address at USDA's Agricultural Outlook Forum, Secretary of Agriculture Dan Glickman made the following statement: "I've always thought it was curious that the '96 Farm Bill (Freedom to Farm) was supposed to encourage planting flexibility, and yet we continue to have a narrow, seven-crop, regional system that doesn't support or reward farmers for branching out into new and specialty crops."

How does the secretary's statement square with the evidence?

Let's look at USDA's own data. USDA planting data show the acreage of seven major crops (corn, sorghum, oats, barley, cotton, soybeans and wheat) have declined 10 million acres (4 percent) since 1996, the year that Freedom to Farm became law. If the influence of rapid expansion in soybean acres (driven in some measure by relative loan rates) is removed, planted acreage of the other six major crops has declined almost 20 million acres in four years, or 10 percent. The acreage of the other crops (minor, specialty crops, and other) have increased by 6 percent during this period. Among the more dramatic changes, minor oilseed acres have jumped 41 percent, rice acres increased 27 percent, acreage devoted to haying is up 2 million acres (3 percent), sugar beets and sugar cane acreage combined is up 13 percent, and dry bean/lentil acreage is up 13 percent.

In addition, total plantings of all crops in the United States have **declined** by 4.3 million acres at the same time that acreage idled under Conservation Reserve Program fell by 4 million acres. These kind of acreage adjustments are quite large relative to historical planting shifts, and particularly sizable given that annual acreage-idling programs no longer are driving the shifts.

Given the natural "stickiness" in agricultural supply adjustments caused by farming habits, cultural and rotation practices, and machinery investments, these acreage shifts are quite responsive to the marketplace signals to shift out of some of the traditional, and currently surplus, farm program commodities into other minor crops. Opponents of the concepts embodied in Freedom to Farm have suggested that farmers are incapable of reducing supplies in the face of declining prices. The record on plantings proves this claim erroneous. Markets work in both forward and reverse after all!

Current farm legislation is permitting the marketplace to adjust supplies as rapidly, accurately and optimally as is possible -- much more efficiently than any government program or administration. *[Recall the disastrous 7.5 percent corn acreage reduction program in 1995?]* Grain stocks are sizable today. But supplies overhanging the market would be even larger if payments were still tied to production. And, contrary to the charges that Freedom to Farm's fixed payments are somehow "illogical," those fixed payments without the accompanying requirement to produce a specific crop are providing a major incentive to shift into other crops. The fixed payment gives the farmer an income support "lifeline" as he/she ventures into the new (and potentially more risky) territory of non-traditional crop production.

Has "Freedom to Farm" given farmers the flexibility to adjust to changing markets? USDA's own crop data confirm that it has!



NGFA Introduces 'NGFA E-Alert' Electronic Information Service

As an additional service exclusively for member companies, the NGFA on March 13 introduced a free new electronic mail service to provide more timely information about issues affecting your business.

"**NGFA E-Alert**" is distributed by e-mail several times each week to all NGFA members for whom we have e-mail addresses. The information is organized under subject-matter headings for ease of reading, and to enable readers to forward specific articles to others in your company responsible for certain job functions. Topics include ag policy/farm programs, biotechnology, environmental, feed, food safety, grain inspection/quality, legal, international trade, safety and health, transportation, warehousing and more. The articles are brief and concise, and include a "hyperlink" to the NGFA's web site if the reader wants more information on the subject. Attached to the **NGFA E-Alert** every other Friday is a hyperlink to the **NGFA Newsletter** published that day.

If you haven't seen **NGFA E-Alert**, it's because we don't have your e-mail address. Please send your e-mail address to jbutler@ngfa.org. And start getting real valuable information in real time! Thanks for your membership in the NGFA!



Senate Passes Crop Insurance Bill

The Senate on March 23, by a 95-5 vote, approved a bipartisan crop insurance bill, setting the stage for a conference meeting with the House, which passed a similar version (H.R. 2559) on Sept. 29.

Under current law, \$1.9 billion is spent on crop insurance annually. Final passage of a crop insurance bill will result in roughly \$6 billion in new expenditures over four years, equating to a total of \$3.4 billion per year.

The Senate bill (S. 2251), authored by Sens. Pat Roberts, R-Kan., and Bob Kerrey, D-Neb., seeks to increase producer participation in the crop insurance program by inverting the current premium buy-down formula to make higher levels of coverage more affordable. Specifically, it would revamp the crop insurance premium subsidy level to: 1) 60 percent for 50/100 coverage; 2) 55 percent for 50/100 and 75/100 coverage; 3) 50 percent for 65/100 and 70/100 coverage; 4) 45 percent for 55/100 and 60/100 coverage; and 5) up to 75 percent of the dollar amount for 80/100 or 85/100 coverage. Current insurance subsidy levels range from 13 to 57 percent.

The Roberts/Kerrey bill also would authorize \$200 million over four years to establish pilot programs that seek to expand crop insurance to new commodities and regions not currently covered, as well as to improve crop insurance policies. It also contains provisions that would:

- ▶ allow producers to opt out of prevented-planting coverage, with an adjustment in premium. Also allows second crop to be planted on same acreage, but second crop not insurable;
- ▶ authorizes funding to conduct studies on a new rating system to address lower-risk producers not currently using crop insurance;
- ▶ authorizes \$500 million in funding for a three-year national pilot program that allows producers to choose between a payment for risk-management purposes or crop insurance. Design of the program parameters would be delegated largely to USDA;
- ▶ authorizes pilot programs for livestock coverage; and
- ▶ authorizes up to \$20 million annually for USDA's Risk Management Agency to create partnerships with other entities to explore ways to develop new risk-management techniques for specialty crops.

Voting against the bill were Sens. Thad Cochran, R-Miss., Judd Gregg, R-N.H., John Kyle, R-Ariz., Trent Lott, R-Miss., and John McCain, R-Ariz.

Included in the bill is a provision authored by Sen. Tom Harkin, D-Iowa, that would require producers who partici-

pate in the federal crop insurance program to develop conservation plans for land prone to soil erosion. This requirement is standard in many other federal farm programs.

Also approved -- by a 99-1 vote, with only Sen. Fred Thompson, R-Tenn., dissenting -- was a non-binding amendment offered by Sen. Paul Wellstone, D-Minn., that congratulated and commended the participants in this week's "Rally for Rural America," whose organizers called for, among other things, immediate passage of a new farm bill. The Wellstone amendment urged Congress to respond to the rally by "reforming rural policies" with the intention of ending the commodity price crisis, ensuring competitive markets, investing in rural education and health care, protecting natural resources, and ensuring a safe food supply. The provision did not list any specific policy decisions that Congress should take.

Technical Clarification: The March 9 edition of the *NGFA Newsletter* reported that the Senate Agriculture Committee defeated a risk management plan authored by Sen. Richard G. Lugar, R-Ind., by a 10-8 vote. In fact, the vote was on a Roberts-Kerrey amendment to the Lugar bill in the nature of a substitute.

Ag Aid in House GOP Budget Plan

As the *NGFA Newsletter* went to press, the House was beginning consideration of the Republican version of the fiscal year 2001 budget resolution (H. Con. Res. 290), which contains \$6 billion to provide direct assistance to farmers in the current fiscal year. The funds could not be released until the House and Senate pass specific legislation authorizing its disbursement. According to congressional staff, under the terms of the resolution only producers who are eligible for AMTA payments would be able to receive the supplemental funding.

In addition, the Republican plan contains a second reserve fund of more than \$8 billion in authority over fiscal years 2001 through 2005 for crop insurance reform. The fund could be tapped after Congress passes a final crop insurance reform bill.

The Senate Budget Committee has not approved its version of the budget resolution yet because of disagreements over spending levels. If the committee is unable to agree on a plan by April 1, Senate Majority Leader Trent Lott, R-Miss., can bring a budget plan directly to the Senate floor. Once the two chambers have voted on their respective resolutions, the two versions would need to be reconciled by a joint House-Senate conference committee.



(“Farm Storage” continued from page 1)

preclude so-called “condo-storage” arrangements at commercial facilities. “Condo-storage” refers to arrangements in which produces lease storage space at a commercial facility for an extended period.

- ▶ **Interest Rate:** USDA now is exploring whether it can use a Treasury Department interest rate as the benchmark for the farm storage facility loans. That Treasury rate typically is about **one-half percent less than the CCC interest rate**; for March, the CCC rate is 6.25 percent.
- ▶ **Loan Period and Maximum Loan Amount:** USDA plans to propose that the loans be for seven years, and that the maximum amount for any individual loan be \$100,000.
- ▶ **Down-Payment and Repayment Terms:** Producers would be required to make a down-payment equivalent to 25 percent of the loan amount. Annual repayments would be required. Payments that are more than 30 days delinquent would be collected through offsets against the producer’s farm program benefits.
- ▶ **Flat Storage Permitted:** Contrary to its initial intentions, USDA now plans to permit loans for building or renovating flat grain storage structures on the farm. USDA also indicates it will approve loans for storage facilities for high-moisture whole grain, but is resisting pressure from some farm groups and congressional offices to permit loans for storage structures for silage.

In addition, as previously reported by the NGFA, USDA at this writing plans to include the following provisions in its interim final rule: 1) Loan requests would be approved to finance storage for up to two years’ crop production on the individual farm. Existing storage capacity and historic

yields would be used in determining this calculation; and 2) Eligible participants will be required to complete an environmental assessment form concerning the impact of the structures before the loans are approved.

Importantly, though, additional changes in the program may occur during the interim final rule’s clearance process. The latest information will be provided during the Country Elevator Committee’s Open Forum meeting on March 29 at the NGFA’s convention in San Diego.

USDA Advises FSA County Offices that Farm Storage Subsidy Program Near:

In a related development, USDA’s Farm Service Agency has issued a notice (Notice FSFL-1) advising its state and county offices that the forms producers will be required to use to apply for the farm storage subsidy loans have been developed, a handbook of procedures has been drafted and that plans are being developed for national training of FSA offices on the program.

Importantly, as reported previously by the NGFA, the notice also spells out actions that producers **cannot** take before the interim final rule is published if they wish to qualify for subsidized storage loans. **Prohibited activities** include: 1) “purchasing, executing purchase contracts, or ordering storage structures, drying equipment or handling equipment; 2) accepting delivery of purchased equipment; and 3) beginning site preparation, foundation construction or structure construction.”

In addition, the notice states that a producer who takes any of the following actions after the interim final rule is issued, but before his or her loan application is approved, will do so at their own risk: 1) authorize construction or upgrading of a facility; 2) delivery of parts; or 3) “other actions related to construction or renovation of storage facilities.”

USDA Considering Four Options to Address ‘Clean-Wheat’ Initiative

The NGFA has learned that a “decision memorandum” is being prepared for Secretary of Agriculture Dan Glickman that will outline four options for improving the “cleanliness” of U.S. wheat exports.

Foreign Agricultural Service Administrator Tim Galvin has directed that various agencies – including the Grain Inspection, Packers and Stockyards Administration, the Farm Service Agency and FAS – participate in drafting different sections of the decision memorandum. The action is a follow-up to USDA’s January hearings on whether the Commodity Credit Corporation should finance the installation or upgrading of grain-cleaning systems at U.S. wheat export elevators, particularly at the Texas Gulf.

While using federal funds to finance the installa-

tion of grain cleaners remains one of the options, it has been joined by three others:

- ▶ requiring that CCC purchase “clean wheat” for shipments under its concessional and food aid programs, such as P.L. 480;
- ▶ amending the U.S. grain standards for wheat to make dockage a grade-determining factor (as was recommended by a commercial trade organization); and
- ▶ provide bonuses for clean wheat under the Export Enhancement Program (EEP) if its use is reinstated. USDA officials told the NGFA that while work on the decision memorandum has begun, its completion is not imminent.





Country/Terminal Corner

USDA Announces Storage, Handling Rate Criteria for UGRSA Warehouses

USDA's Commodity Credit Corporation announced it is approving storage and handling rate offers submitted by warehouse operators for the Uniform Grain and Rice Storage Agreement's 2000-01 contract year using the same criteria it has used for the last decade. The new UGRSA contract year begins April 1.

That means CCC is approving storage rate offers so long as they do not exceed a 1-cent-per-bushel increase or the maximum 38-cent-per-bushel ceiling. Handling rate offers are approved so long as they do not exceed a 1/2-cent-per-bushel increase, and providing the resulting rate does not exceed the 10-cent-per-bushel ceiling on receiving and load-out rates. These criteria are depicted in the accompanying chart.

Warehouse operators who decreased their storage or handling rates at some point during the 1999-2000 contract year are allowed to recoup an amount equivalent to the amount of the decrease, plus the amount of the permitted increase (1-cent for storage and 1/2 cent for handling). These are the same criteria USDA has used since the 1991-92 UGRSA contract year.

CCC Negotiating Rejected Rate Offers: USDA officials told the NGFA that about 80 percent of approximately 2,800 UGRSA warehouses offered the same or lower rates than the previous contract year. About 20

percent of the warehouses sought an increase in storage and/or handling rates.

USDA's Kansas City Commodity Office has telephoned UGRSA warehouse operators whose rates were rejected by CCC, which USDA estimates amounts to less than 10 percent of the warehouses operating under the UGRSA. **Importantly, warehouses who had individual rate offers rejected by CCC have the right to increase other rates previously offered, so long as the resulting rates remain within CCC's acceptable levels.**

CCC's UGRSA Rate Criteria (Effective for 2000-01 Contract)		
	Storage Rates (cents/bu./year)	Handling Rates (cents/bu.)
Maximum Rate	38 ¢	10¢ receiving and load-out, respectively. Total maximum handling rate: 20¢
Maximum Increase Allowed (if rate not reduced during 1999-2000 contract year)	1¢	0.5 ¢ (total)
Maximum Increase Allowed (if rate reduced during 1999-2000 contract year)	Amount of decrease, plus 1¢	Amount of decrease, plus 0.5¢ (total)



From the Bench

by David C. Barrett Jr.
Counsel for Public Affairs

Ohio Federal Court Confirms NGFA Arbitration Award

An Ohio federal court on March 9 issued an order confirming a \$950,357.99 arbitration award issued in a hedge-to-arrive case by a NGFA arbitration committee [*SunMark, Ltd. vs. Schumacher Farms, Inc.*, NGFA Arbitration Case No. 1839]. The court also expressly rejected the losing party's arguments that the legal conclusions in an unpublished district court opinion dealing with HTA contracts should have been adhered to by the NGFA arbitrators.

The federal court case arose from an earlier action in which the U.S. District Court for the Northern District of Ohio (Eastern Division) had ordered the parties to proceed with NGFA arbitration. After conducting an oral hearing, the NGFA arbitrators entered a judgment for SunMark against Schumacher, a corporate farming operation. Schumacher sought to have the court vacate

the NGFA arbitration award, while SunMark asked the court to confirm the award. Among other things, Schumacher contended that the NGFA arbitrators "willfully ignored a decision by U.S. District Judge James Carr [in an unrelated case known as *CoBank v. Alexander*], which Schumacher submitted to the arbitration panel after presentation of the evidence and before issuance of the award." Judge Carr had found that certain "resultant hedge-to-arrive" contracts were illegal and unenforceable.

But U.S. District Judge Patricia A. Gaughan expressly rejected Schumacher's challenge of the NGFA arbitrators' award and found that "*CoBank* does not represent well-settled law or clearly established precedent." For a copy of the court decision, contact Juli Butler at the NGFA at (202) 289-0873.





(“STB” continued from page 1)

moratorium and that the 15-month moratorium was a compromise reached by the agency.

Court Challenge: The two major carriers affected by the decision – the CN and BNSF – responded by immediately filing separate petitions for judicial review with the U.S. Court of Appeals for the District of Columbia Circuit, alleging that the agency exceeded its legal authority by halting all further rail merger activity until it issues new rules governing such transactions, which it said it would do within 15 months.

In a March 17 statement following the STB’s announcement, CN President and Chief Executive Officer Paul M. Tellier said, “The effect of the STB decision is to deprive CN and BNSF of their statutory right to a prompt and fair hearing. There is no justification for the STB to refuse to review the CN/BNSF combination promptly on its merits....The notion that the two most efficient railroads in North America cannot combine now to improve their business because the other major railroads are having trouble running theirs has the effect of protecting competitors, not rail competition, and clearly is against the public interest.” Tellier pledged to “vigorously pursue all avenues that are open to us under applicable law.”

Meanwhile, the BNSF, in addition to its court petition, filed a petition with the STB asking the agency to stay its decision until the court reviews the matter, which would have the practical effect of allowing the CN and BNSF to file their application for an end-to-end combination. In a statement, BNSF Chairman and Chief Executive Officer Robert D. Krebs called the STB’s moratorium decision “radical” and said its effect “would be something unheard of in any industry. For a period of 15 months, industry participants will be denied the opportunity to realize service and efficiency improvements that a carefully conceived and well-executed combination can provide shippers, shareholders, employees and the public,” he said.

Senate Hearing: While the Senate hearing – conducted by the Commerce, Science and Transportation Committee’s Surface Transportation and Merchant Marine Subcommittee – was designed to hear STB Chairman Morgan explain the agency’s decision, it was comments from senators that drew the most attention. Subcommittee Chairman Sen. Kay Bailey Hutchison, R-Texas, said she believed the STB was “rightly concerned” about factors considered in rail mergers, but also expressed concern about placing the proposed combination of the Burlington Northern and Santa Fe Railway Co. and Canadian National Railway Co. “in limbo.” Hutchison declared, “the STB’s actions have sounded the alarm, and now is the time for Congress to get moving.”

Meanwhile, Sens. Jay Rockefeller, D-W.Va., and Byron Dorgan, D-N.D., commended the STB for imposing a rail merger moratorium. But both senators gave impassioned remarks calling for the passage of legislation, and made it clear that the STB-imposed moratorium should not be viewed as an excuse for Congress to delay action while waiting to see what occurs next. Sen. John Kerry, D-Mass., also endorsed the STB’s decision and addressed what he called the unfairness of setting aside rail labor agreements as part of STB decisions approving rail mergers. Senate Majority Leader Trent Lott, R-Miss., was the only senator at the subcommittee hearing that cautioned against “rushing to legislation,” but he also commended the STB for its merger-moratorium decision.

Morgan defended the STB’s authority to impose the injunction against the proposed BNSF/CN combination, and said the agency “will continue to use that authority.” Responding to questions and statements from senators, Morgan also said that she understood the concern about the rights of captive shippers, “especially as it relates to rate cases.”

In closing the hearing, Hutchison made a pitch for support of her bill (S. 747), introduced in 1999, that she said addresses issues of concern to small shippers. She called on the railroad industry and shippers to help fashion a “balanced bill” that would alleviate the necessity for the STB’s 15-month merger moratorium. Hutchison described a balanced approach as one that would: 1) ensure competition; 2) provide needed relief for captive shippers; and 3) promote a healthy railroad industry.

At least three other rail bills are pending in the Senate:

- ◆ **S. 98**, introduced by Senate Commerce, Science and Transportation Committee Chairman John McCain, R-Ariz., Ernest Hollings, D-S.C., and Trent Lott, R-Miss., which is co-sponsored by 21 other senators and calls for a simple extension of the STB’s authority to operate and requires Senate consent to the president’s choice for the STB chair, with no change to substantive rail law.
- ◆ **S. 621**, introduced by Sens. Rockefeller, Dorgan, Conrad Burns, R-Mont., Pat Roberts, R-Kan., and Kent Conrad, D-N.D., which, among other things, would reverse the STB’s so-called “bottleneck” rail rate decision, address competitive access issues, amend the rail transportation policy, and codify the STB’s decision eliminating product-and-geographic competition in maximum rail rate cases.
- ◆ **S. 5190**, introduced by Sen. Mike Crapo, R-Idaho, and cosponsored by 16 other senators, which would mandate new provisions protecting employee rights during rail mergers.





Japan to Implement Zero Tolerance on Unapproved Biotech Varieties

The U.S. Grains Council is reporting that Japan's Ministry of Health has decided to implement a "zero-tolerance" policy for imports of biotech-enhanced grains that have not received its approval.

The implication of the policy is that vessels found to contain even minute quantities of unapproved biotech varieties would be rejected, the U.S. Grains Council said. Japan's Ministry of Health has approved the import of several varieties of transgenic corn, as well as Roundup Ready® soybeans. The varieties of corn approved by the Ministry of Health are:

- ▶ Dekalb Glufosinate Tolerant (DLL25)(B16) sold by Dekalb
- ▶ Monsanto YieldGard® (Mon 810) sold by Pioneer Hi-Bred, Dekalb, Cargill, Golden Harvest and Others
- ▶ Monsanto/Dekalb Roundup Ready® corn (GA21) sold by Dekalb
- ▶ Novartis YieldGard (Bt, LL) sold by Novartis
- ▶ Novartis/Ciba "Maximizer" with Knockout NaturoGard sold by Novartis, Ciba and Mycogen

- ▶ Pioneer (Bt,LL) (Mon 810/T25)(33Y11, 38B22, and 34T14) sold by Pioneer Hi-Bred
- ▶ Liberty Link® (T25) sold by Pioneer Hi-Bred and others

Not yet approved by Japan are the following transgenic corn varieties:

- ▶ AgrEvo "Star Link" (Bt, LL)(Cry 9c)
- ▶ Dekalb "Bt-Xtra" (DBT 418) sold by Dekalb.

Food Labeling Law: Japan also has approved a biotechnology food labeling law that will affect foods derived from corn, soybeans, potatoes, cotton and canola. Regulations implementing the food labeling law are scheduled to be announced by April 2000 and be implemented by April 2001.

The labeling regulations will affect products: 1) containing biotech ingredients not equivalent to the nutritional value or method of use of conventional products (such as high-oleic soybean oil); and 2) products (such as tofu or corn for direct human consumption) that are substantially equivalent to conventional foods but contain DNA or protein from transgenic material that can be detected with testing.

Tech Tidbits

There were these other developments affecting grain, feed and processing operations:

Reldan Faces Removal from Market: The NGFA has learned that the organophosphate chemical sold under the trade name Reldan™ (Chlorpyrifos-methyl) may face removal from the market within the next six to 12 months.

The Environmental Protection Agency has notified the manufacturer, Dow Chemical, that additional toxicological studies are needed to clarify the risk posed to workers that may be exposed to the chemical during application. But it appears that Dow does not plan to conduct the studies because annual sales (reported at \$900,000) are inadequate to justify the expense, which could cause EPA to cancel the product's registration as early as late April or early May unless there is substantial evidence that the costs would outweigh the benefits. In addition, EPA has denied a request for a minor-use exemption for the product. Reldan currently is registered for application to wheat, rice, barley, oats and grain sorghum, and as a bin and equipment spray.

Normal procedures would allow the use of existing stocks during a phase-out period. The U.S. Department of Agriculture has invited the NGFA to participate in a

conference call with users in mid-April to determine the chemical's importance and the likely impact of its removal from the market. Such information then would be forwarded to EPA, if warranted.

NGFA members with information about the impact of a ban on the use of Reldan are urged to contact NGFA Director of Technical Services Tom O'Connor at (202) 289-0873, or to e-mail him at toconnor@ngfa.org.

GIPSA Requests Input on Change in Sublot Size for Unit Trains under Cu-sum Loading Plan: The U.S. Department of Agriculture's Grain Inspection, Packers and Stockyards Administration (GIPSA) has requested the NGFA's input on the agency's plan to modify its Cu-sum sublot size for loading unit trains of 50 cars or more.

Specifically, GIPSA proposes to increase the sublot size from five cars per sublot to 10 cars per sublot for unit trains having 50 or more cars. A minimum of five sublots would be taken.

GIPSA said the change is designed to improve loading efficiency without compromising the integrity of the inspection certificate. The change also is designed to facilitate the implementation and utilization of shipping bins for unit train loading.



Tech Talk

("Tech Tidbits" continued from page 6)

GIPSA Outlines Potential Changes to Official Wheat Inspection, Certification: USDA's Grain Inspection, Packers and Stockyards Administration is circulating a draft paper that discusses several changes in how wheat is officially inspected and certified.

The agency issued the paper prior to the scheduled April 6-7 meeting of the Grain Quality Workshop, a consortium of agricultural organizations that have met since 1984 to discuss issues associated with the quality of U.S. grains and oilseeds.

The paper discusses several issues related to wheat quality, including:

- ▶ what changes may be necessary in the standards for garlic in Soft Red Winter wheat;
- ▶ issues involved in developing a feed or utility wheat class.
- ▶ the status of one accepted means to measure protein or gluten quality.
- ▶ the status of efforts to develop one definitive dockage procedure to replace the current "regular" procedure and the four "special procedures for chess, cob joints and chaff, buckwheat, and flaxseed/canola; and

The draft paper also notes that GIPSA has decided to offer certification of wheat protein using the current 12 percent moisture basis and any other moisture basis requested by the

applicant. The NGFA had advised against this type of certification because it could be confusing to the market and create documentation problems for processing letters of credit. Copies of the GIPSA draft paper are available by contacting Jackie Congress at the NGFA at (202) 289-0873.



NGFA/GEAPS Plan Second Safety, Health and Environmental Compliance Seminar

The NGFA and Grain Elevator and Processing Society this week announced they will join to conduct a major Safety, Health and Environmental Compliance Seminar on July 13-14 in Overland Park, Kan.

A task force of NGFA and GEAPS representatives met on March 13 in St. Louis to select the program topics, format and speakers for the seminar, which is designed especially for those who have responsibilities for safety, health or environmental compliance at grain handling and processing facilities, as well as managers of country elevators and feed mills.

The seminar is a followup to a highly acclaimed 1998 conference conducted jointly by the NGFA and GEAPS, and will contain **new information and additional program topics** that will be of great interest to anyone responsible managing or addressing safety, health and environmental challenges or compliance activities. See the enclosed flyer for details. And register today!



National Grain and Feed Association
1250 Eye St., N.W., Suite 1003
Washington, D.C. 20005-3917

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