



FDA Issues Proposed Rule Requiring Mandatory Premarket Clearance for Biotech Foods, Feed

The Food and Drug Administration in the Jan. 18 *Federal Register* published its long-awaited proposed rule that would require the submission of data and information concerning plant-derived biotech foods intended for use by humans or animals at least 120 days prior to commercial distribution.

The agency proposed to define “commercial distribution” as the “introduction, or delivery for introduction, into interstate commerce for sale or exchange for consumption in any form by humans or animals.” Currently, developers of food and feed containing biotech ingredients participate in a voluntary consultation program with FDA. To date, all such food and feed marketed in the United States have undergone this consultation program before entering the market, FDA said.

Under FDA’s proposal, on which it is seeking comment by [April 3](#), premarket notification would be required for any bioengineered food or feed, including those derived from a new plant variety modified to contain a pesticidal

substance (such as *Bt*), unless all of the following conditions have been met: 1) The bioengineered food or feed is derived from a plant line that represents a biotech transformation event that has been addressed in a previous premarket biotech notification; 2) The use or application of the bioengineered food or feed has been addressed in a previous notification; and 3) A letter from FDA demonstrates that the agency has evaluated the use or application of the bioengineered food or feed and has no questions about it.

Under the proposal, FDA would have the option to extend its evaluation period by another 120 days – or a total of 240 days after the filing of the notification by the biotech provider – during which time it would “expect that the bioengineered food/(feed) would not be marketed.”

FDA’s proposal also recommends that those parties that would be required to submit pre-market notifications for biotech products to also participate in a

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Veneman Sworn in as 27th Secretary of Agriculture

Ann M. Veneman on Jan. 20 – inauguration day – was confirmed by the Senate and later sworn in as the 27th secretary of agriculture.

During remarks on Jan. 22, Veneman said her first task, given such issues as restarting international agricultural trade negotiations and providing income support payments to producers, was to fill key political appointments within USDA, including those of deputy secretary, undersecretary for farm and foreign agricultural services, and administrator of the Farm Service Agency. She pledged to work to foster an “atmosphere of teamwork, innovation, mutual respect and common sense within the department and focus our delivery systems on quality service to our customers.”

Veneman’s confirmation followed a Jan. 18 hearing by the Senate Agriculture Committee, during which she generated bipartisan support.

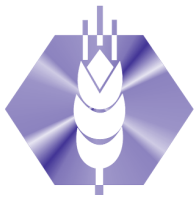
Sen. Tom Harkin, D-Iowa, praised Bush’s choice of Veneman, calling her intelligent and capable. He also urged the secretary-designate to determine a way to improve the

producer income safety net while maintaining the planting flexibility of the 1996 farm law. Harkin also cited the need to address biotechnology; urged the creation of more farmer-owned cooperatives for processing and marketing; and urged Veneman to place more emphasis on conservation programs. Harkin also said USDA should play a more active role within the administration in addressing vertical integration and agricultural consolidation issues.

But Sen. Kent Conrad, D-N.D., used the hearing to denounce the 1996 farm law, calling it a “disaster” and using charts to compare the increase in farm-input costs compared to the decline in commodity prices since 1996. Conrad urged that the United States drastically increase its farm program subsidies so as to put U.S. producers on “a level playing field” with their European counterparts.

For her part, Veneman, in a one-and-a-half-page opening statement, focused on expanding new markets,

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The Benefits of StarLink™

The headaches and financial losses associated with StarLink™ corn are not over, as testing may be required for some time on corn moving into food channels.

But benefits may yet emerge from the StarLink episode. It has propelled new discussions on the future handling of biotech products in food channels.

The NGFA, working with the American Crop Protection Association, has initiated some industry-wide discussions among trade associations representing all sectors of the food chain, from farmers through grocery manufacturers. The initial meeting of the groups this week suggested wide agreement that biotech implementation strategies must change. But there was little consensus on what changes are needed:

- ▶ Should there be “quick” tests available prior to the release of any new biotech event? While testing is not the complete answer, there is wide agreement among the biotech developers that this should be the case.
- ▶ Should biotech firms be required to give information to grain buyers on seed being marketed that could be restricted in some markets? This issue is one that gets hotly debated. What is “restricted use.” Does it mean “not approved” by regulatory authorities? Does it also include biotech events that are “not acceptable” to some classes of consumers?

Following StarLink, the added risk of handling biotech and non-biotech products in the same commodity stream has become fully realized. Segregation is costly, and cannot be done with zero tolerance; indeed, the purity level for seed is only 96 percent. At best, segregation can be achieved only in niche markets where the benefits can justify the costs. Segregation is not an answer for handling massive quantities of grain, side-by-side, through the system.

The StarLink experience also has initiated a serious debate in the wheat industry about biotech products that may be introduced in just a few years. Will they be acceptable to U.S. customers? If there are some customers that do not want biotech, how do we provide assurances that we can continue to supply their markets? The memory of StarLink will not be comforting.

While farmers and our industry begin to turn the page, the StarLink challenges are far from over. In the Jan. 11 edition of the *NGFA Newsletter*, we noted that you might wish to discuss the issue of seed testing with area corn growers. USDA recommended that all yellow corn seed be tested for the presence of Cry9C, the protein found in StarLink. On Jan. 22, the National Corn Growers

Association (NCGA) urged its farmer members to “insist that seed companies verify that the hybrids being sold have been tested for the presence of Cry9C, the StarLink *Bt*.” The NCGA stated that the verification information should be readily available from seed companies, (and) “every corn grower needs to take reasonable precautions to avoid StarLink appearing in the 2001 crop.” Additional information is available on the NCGA website at www.ncga.com.

NCGA’s message is one you may wish to reinforce with your farmer customers.

(“Veneman” continued from page 1)

eliminating trade barriers, finding new and alternative uses for farm products and “strengthening the competitive position” of U.S. producers. “In addition to assisting our farmers and ranchers in difficult times, we must work together to help them seize market opportunities both at home and abroad,” Veneman said. “With 96 percent of the world’s population living outside the United States, we need to expand trade and eliminate barriers to access for our products in what is an ever-expanding global economy.”

She also pledged to provide support to assist producers in adapting to changing environmental demands,” saying that environmental rules should be based on scientific principles and “help, not hinder, the ability of farmers to be good stewards of the land.” Her testimony also said USDA “needs to be vigilant in protecting the safety of our food supply and in protecting our agriculture from unwanted pests and diseases.” USDA-funded research programs “should assist us in achieving these goals,” Veneman said.

Veneman sidestepped questions from Conrad and Sen. Tim Johnson, D-S.D., in which they urged her to increase dramatically the current budget baseline for agricultural spending and take steps to slow vertical integration in the agricultural sector. In response to a question from Johnson, Veneman said she currently had no specific recommendations for providing income support for producers, but would be seeking the development of a consensus policy.

In response to a question from Sen. Peter Fitzgerald, R-Ill., on whether she would urge Environmental Protection Agency Administrator-designate Christine Todd Whitman to deny California’s request for a waiver from a rule phasing out the use of MTBE, Veneman said she would convey the importance of ethanol to the agricultural sector.



OSHA Finalizes New Recordkeeping Regulations

The Occupational Safety and Health Administration on Jan. 19 issued final regulations overhauling its rules that employers are required to follow to record and report workplace injuries and illnesses.

The new rules take effect Jan. 1, 2002. For calendar year 2001, employers are to continue using the existing OSHA 200 log and posting the summary report for 2001 from Feb. 1, 2002 to March 1, 2002.

All employers are required to report any workplace incident that results in a fatality or the hospitalization of three or more employees. Otherwise, employers with fewer than 10 full-time employees during the calendar year are not required to maintain OSHA injury and illness reports unless OSHA or the Bureau of Labor Statistics informs them in writing to do so. OSHA also provides an exemption for businesses in specific low-hazard industries, such as hardware stores, retail bakeries, insurance agencies and other businesses specifically listed in the standard.

Reporting Criteria: Under the standard, employers are to record those workplace injuries and illnesses that are: work-related; a new case; and meet specific recording criteria (i.e., a death; days away from work; restricted work or transfer to another job because of injury; medical treatment beyond first aid; loss of consciousness; or diagnosis of a significant injury or illness by a physician or other licensed health care provider) or application to specific cases (such as occupational hearing loss or musculoskeletal disorders). Under the standard, an injury or illness is considered work-related if “an event or exposure in the work environment either caused or contributed to the resulting condition or significantly aggravated a pre-existing injury or illness.” A new case is defined as one in which the employee has not experienced a similar injury or illness to the same part of the body or the employee has fully recovered from a similar work-related injury or illness. The new rules also contain criteria for recording injuries and illnesses for employees working at home or on business travel.

Revised Recordkeeping Forms/Posting Requirements: Under the revised standard, employers are to utilize three new forms, which they are required to retain for five years:

▶ **OSHA Form 300:** Called the “Log of Work-Related Injuries and Illnesses,” this form is to be used to classify work-related injuries and illnesses and note the extent and severity of each case. Employers are required to record work-related injuries and illnesses within seven calendar days of receiving information that a recordable injury or illness has occurred.

▶ **OSHA Form 301:** Called the “Injury and Illness Incident Report,” this form is to be completed within seven days of receiving information that a recordable work-related injury or illness has occurred.

▶ **OSHA Form 300A:** Called the “Summary of Work-Related Injuries and Illnesses,” this document is an annual summary of injuries and illnesses recorded on OSHA Form 3000. The Form 300A is to be posted in a conspicuous location where notices to employees are customarily posted during the period Feb. 1 through April 1 of the year following the year covered by the form. A company executive is required to certify that he/she has examined the OSHA 300 log and reasonably believes that the annual summary is correct.

Eliminates Lost Workdays: The new standard eliminates the term “lost workdays” and focuses on days away or days restricted or transferred. The rule also relies on counting calendar days instead of workdays. For example, under the new rules, employers would count weekend days, holidays, vacation days or other days off in the total number of days recorded if the employee would not have been able to work on those days because of a work-related injury or illness. However, OSHA does not require employers to keep track of the number of calendar days away from work if the injury or illness results in more than 180 calendar days away from work and/or days of job transfer or restriction.

Clarifies Recording “Light-Duty” and “Restricted-Work” Cases: The new standard provides guidance on determining whether a physician or health care professional’s recommendation for “light-duty” is recordable. OSHA also requires that employers record cases when the injured or ill employee is restricted from his/her “routine” duties, which are defined as work activities that the employee regularly performs at least once weekly.

Occupational Hearing Loss and Ergonomics: The Form 300 provides a separate column to record occupational hearing loss for employees who experience a standard threshold shift (STS) in one or both ears (i.e., an STS is more than a 10 decibel shift in hearing threshold relative to the most recent audiogram at 2000, 3000 and 4000 hertz). The form also has a column for recording work-related musculoskeletal disorders (e.g., ergonomics). OSHA says the standard applies the same criteria to MSDs as to all other injuries and illnesses.

More Information: The final standard and a 12-page brochure containing detailed instructions on completing each form can be accessed from OSHA’s web site at www.osha.gov.



Warehouse Act Meeting Focuses on Electronic Commerce

...Grain Warehouse Meeting Set for March 14 at NGFA Convention...

Its potential uses in facilitating electronic commerce dominated the discussion during the U.S. Department of Agriculture's first public meeting on implementing the most significant changes in the 85-year history of the U.S. Warehouse Act.

USDA officials have scheduled a public meeting specific to the grain warehouse industry for March 14 during the NGFA's 105th annual convention in New Orleans.

The rewritten U.S. Warehouse Act authorizes the use of electronic warehouse receipts for grain and the transmission of related business documents. USDA officials said examples of electronic documents could include grade and weight certificates, phytosanitary certificates, bills of lading, export evidence certificates, shipping orders, vessel-loading observation reports, and other documents needed to complete a purchase, sale, export, import or transport of agricultural products. During the meeting, USDA officials said the systems used to create and transfer electronic documents "most likely will not be government-run."

USDA reported that in the cotton industry, 45 percent of all receipts were in electronic format within one year – and 95 percent within five years – after the U.S. Warehouse Act was amended to authorize such receipts. In the cotton industry, so-called "providers" – private businesses that serve as the clearinghouse for creating and transferring electronic warehouse receipts – are required to have: 1) a \$25,000 minimum net worth; and 2) two insurance policies – one for "errors and omissions" and another for "fraud and dishonesty" – each with a minimum coverage of \$2 million and a deductible of not more than \$10,000. Providers of cotton electronic warehouse receipts are required to have a central filing system that is operative and accessible seven days a week, 18 hours per day.

USDA officials said the trends for e-business in cotton have been that: 1) people and businesses want ancillary documents related to receipts and transactions done in an electronic format; 2) there is strong interest in developing electronic warehouse receipts for other commodities produced in cotton-growing regions, such as rice and soybeans; and 3) the audit log of the provider is accessed frequently, usually to respond to specific business requests of clients.

Increased Flexibility: USDA officials acknowledged that the newly rewritten USWA provides flexibility to revise or eliminate some previous requirements, such as:

- ▶ the requirement to issue a warehouse receipt on any grain that has remained in open storage for more than one year;

- ▶ restrictions on forwarding of grain from a federally licensed facility. The new law will permit such transfers to state-licensed or non-licensed facilities, even if such transfers are not necessary because of storage congestion; and
- ▶ the requirement that deficiencies in net worth be satisfied through bonds. The new law allows USDA to accept other financial securities, such as Treasury bills, certificates of deposit and letters of credit. And USDA officials said they are seeking input on other risk-management tools, other than bonds and financial statements, to evaluate the financial soundness and condition of a warehouse. They also asked whether financial statements should be required, as well as whether third-party reports and analyses of a warehouse operator's financial condition should be acceptable.

Input Requested: USDA also asked for input on:

- ▶ whether to increase the current net worth and bonding requirements for grain. Currently, federally licensed warehouse operators are required to have a net worth equal to 25 cents per bushel of licensed capacity, with a minimum net worth of \$50,000. Bonding requirements currently are 20 cents per bushel for the first 1 million bushels of licensed storage capacity, 15 cents per bushel for the next 1 million bushels, and 10 cents per bushel for licensed capacity exceeding 2 million bushels, with a minimum bond of \$20,000 and a maximum of \$500,000.
- ▶ whether to provide certain licensing services (such as bin measurements) a-la-carte for a fee, which would presumably allow the agency to maintain or reduce licensing fees for federally licensed warehouse operators not desiring such services.
- ▶ how to regulate warehouse operators handling specialty grains. USDA maintains that currently, warehouse operators handling specialty grains are required to be in position by class, subclass or for any specialty characteristics denoted on warehouse receipts, scale tickets or other business documents; and
- ▶ whether and how to strengthen the current self-certification process used to license inspectors and weighers under the U.S. Warehouse Act.

USDA said it plans to issue proposed rules, with a 30-day comment period, by March 24. Based on its tentative timetable, USDA said it would issue final rules by June 20, and mail new licensing agreements to interested parties by July 1. Congress mandated that the new law take effect on Aug. 1.





USDA Issues Final Rule on Subsidized Farm Storage Loan Program

The U.S. Department of Agriculture's Farm Service Agency on Jan. 18 published its final rules implementing the farm storage facility loan program.

As expected, USDA's final rule said that "at this time" it will not authorize the use of subsidized low-interest loans under the program for so-called "condominium storage," which refers to a variety of financing arrangements – including purchase agreements, limited partnerships or long-term leases – under which new storage is constructed at commercial facilities under written agreements with producers who, in return, receive guaranteed occupancy of a portion of the space.

"Inasmuch as the primary focus of the (farm storage facility loan) program was on-farm storage and helping producers cope with their restricted storage capacity, condominium storage also might not mitigate the storage problem and might ultimately only benefit commercial facilities that already have alternate financing at their disposal," USDA said. "Because...condominium storage would differ considerably from the on-farm storage program, at issue are program provisions such as the term of the loan; loan security requirements; who should be the borrower (the elevator or individual farmers); eligible types of storage structures and handling equipment; applicant eligibility requirements; the maximum loan amount; environmental law compliance for large commercial storage structures; and loan-servicing provisions, such as loan assumptions, foreclosure procedures, loan deferments and extensions." However, USDA did not initiate another rulemaking proceeding to avail itself of such information.

The final rule contains several significant changes compared to the interim rule under which the program has been operating since it was issued on May 11:

- ▶ It expands the list of commodities eligible for loans to include "corn, sorghum, oats, wheat or barley...whether harvested as whole grain or other than whole grain" and having a useful life of at least 10 years. This change is designed to authorize loans for constructing bunker-type storage for silage. Upright, horizontal and open silo structures also are eligible for the subsidized loans.
- ▶ It reduces the required down payment to 15 percent from the previously required 25 percent.
- ▶ It revises the loan security provisions by generally eliminating the real estate lien requirement for loans with a principal of less than \$50,000, unless the Commodity Credit Corporation determines through an analysis of the loan applicant's financial condition that additional security is needed to protect CCC's interests.

- ▶ It amends the \$100,000 maximum loan amount by applying it to each eligible borrower signing the loan note and security agreement, and removes the limit of one loan per borrower per fiscal year. In effect, this means that more than one landowner will be able to enter into a joint loan to share a storage structure and receive a larger loan than a farmer acting alone.
- ▶ It now permits loans for permanently affixed grain handling and drying equipment essential to the proper functioning of the grain storage system. The final rule also authorizes loans for renovating existing storage space without increasing its capacity. Previously, landowners first had to meet the criteria for being eligible for additional storage space before being eligible for loans to renovate existing storage space or upgrade or replace existing handling or drying equipment.
- ▶ It now permits loans on remanufactured oxygen-limiting storage structures so long as they are rebuilt to the original manufacturer's specifications using the original manufacturers' rebuild kits and have a useful life of at least 10 years.
- ▶ It allows the loan proceeds to be disbursed before the construction is complete, provided the borrower obtains a written release of liability from the contractors or suppliers involved in the project.
- ▶ It discontinues the previous requirement that commodity loan or loan deficiency payment proceeds be used as offsets for repaying delinquent farm storage facility loans.

USDA projects that the farm storage facility loan program could expand on-farm grain storage by 746 million bushels and on-farm silage storage by 4.75 million tons over the next five years. The loan rate for farm storage facility loans approved during January is 5.5 percent.

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



**Access NGFA's web site
address by typing:**

<http://www.ngfa.org>

Enter the user name:

ngfa

Enter the password:

soybean





Newsletter

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

("FDA Issues Proposed Rule" continued from page 1)

voluntary "presubmission consultation program" to identify and address the relevant safety, nutritional or other regulatory issues in advance. FDA said it "encourages," but did not propose to require, developers of bioengineered plants not intended for use as food or feed – such as those containing genes that encode pharmaceutical properties, oral vaccines and enzymes that would be used for non-food industrial applications – to also participate in the presubmission consultation program to "ensure that developers have given careful consideration to the procedures needed to ensure that their products do not inappropriately get into the food supply, and are aware of the legal implications if (they) do." The agency proposes not to require such premarket clearance for those biotech events that already have been introduced, provided those products have been addressed satisfactorily under the existing voluntary consultation program.

FDA also proposed to divide the premarket notification into seven parts: 1) a letter from the party submitting the notification; 2) a synopsis of the biotech events; 3) adminis-

trative statements about the status of the review of the bioengineered food/feed by other federal agencies or by foreign governments; 4) data or information about the bioengineering methods used to develop the product; 5) discussion of any newly inserted genes that encode resistance to an antibiotic; 6) data or information about substances introduced into, or modified in, the food; and 7) data or information about the food. The agency said its proposal would encourage a case-by-case approach to addressing relevant scientific and regulatory issues, rather than specify a single set of tests.

In other biotech-related developments:

◆ **EPA Announces Final Rule for Regulating Plant-Incorporated Protectants:** The Environmental Protection Agency on Jan. 17 announced that it will soon publish three sets of final rules that will formalize and clarify its framework for regulating plants that contain pesticidal substances, which the agency will henceforth call "plant-incorporated protectants."

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FDA Issues Draft Guidance for Biotech Voluntary Labeling

The Food and Drug Administration issued a notice on Jan. 18 announcing the availability of "draft guidance for industry" on voluntary labeling for foods and animal feeds that may or may not contain ingredients developed through biotechnology.

FDA already requires mandatory labeling if foods or animal feeds containing biotech ingredients are significantly different from their traditional counterparts; contains a significantly different nutritional property; or contains an allergen. In its notice, on which it is seeking comment by March 19, FDA said it was reaffirming its decision not to require special labeling of bioengineered foods or feeds because it is "unaware of any data or other information that would form a basis for concluding that the fact that a food or its ingredients was produced using bioengineering is a material fact that must be disclosed" under the federal Food, Drug and Cosmetic Act.

In its draft guidance document, FDA cautions that label statements such as "GM free" or "no genetically engineered material" may be false and/or misleading under the federal Food, Drug and Cosmetic Act since the term "free" implies "zero." Because of the "potential for the adventitious presence of bioengineered material, it may be necessary to conclude that the accuracy of the term 'free' can only be ensured when there is a definition or threshold above which the term could not be used," the agency said.

"FDA does not have information with which to establish a threshold level of bioengineered constituents or ingredients in foods....The agency suggests that the term 'free' either not be used in bioengineering label statements or that it be in a context that makes clear that a zero level of bioengineered material is not implied." In this latter regard, the agency suggested that the following statements might be appropriate: 1) "We do not use ingredients that were produced using biotechnology;" 2) "This oil is made from soybeans that were not genetically engineered;" and 3) "Our tomato growers do not plant seeds developed using biotechnology." FDA also cautioned that label statements that imply that foods that were not produced using bioengineering are superior to biotech foods also may be misleading if it implies that they are superior.

The draft guidance document also contains examples of affirmative labeling, such as "genetically engineered" or "this product contains cornmeal that was produced using biotechnology." FDA said that consumer focus groups on which it tested the terminology "prefer label statements that disclose and explain the goal of the technology" and "expressed some preference for the term 'biotechnology' over such terms as 'genetic modification' and 'genetic engineering.'" A copy of the FDA guidance document is available in the "Biotechnology" section of the NGFA's web site at www.ngfa.org.





Newsletter

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

("FDA Issues Proposed Rule" continued from page 6)

Under the final rules, EPA said, most components of plant-incorporated protectants derived from biotechnology (such as *Bt* corn) will continue to be subject to the registration process and regulatory oversight under the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA) and the federal Food, Drug and Cosmetic Act. Thus, the agency said, "the final rules...do not change significantly EPA's current system for scientifically evaluating a plant-incorporated protectant."

The final rules are to take effect 60 days after publication in the *Federal Register*, which as of press time had not yet occurred.

► **EPA Issues Notice Announcing Intent to Cancel Registration for StarLink™ Corn:** The Environmental Protection Agency in the Jan. 18 *Federal Register* formally published its notice announcing the receipt of the request by Aventis CropScience USA LP to cancel its registration for StarLink™ corn, effective on Feb. 20.

► **FDA Modifies Guidance on Testing Corn for Starlink™ Cry9C Protein:** The Food and Drug Administration on Jan. 19 issued revised guidance concerning its recommendations for sampling and testing yellow corn and dry-milled yellow corn shipments intended for human food for the Cry9C protein found in StarLink corn. The major change in the guidance is to recognize the fact that two quick tests now have been validated to detect StarLink corn when the protein is present at a level of one kernel in 800 kernels, or 0.125 percent of total corn in the shipment. If using these tests, FDA said, three subsamples of 800 kernels each should be analyzed. Previously, the FDA guidance referenced tests validated to detect StarLink when it is present at a level of one kernel in 400, or 0.25 percent of total corn, in which case the test was to consist of six subsamples of 400 kernels each. The FDA guidance document is available in the biotechnology section of the NGFA's web site at www.ngfa.org.

The U.S. Department of Agriculture's Federal Grain Inspection Service has verified the performance of two lateral flow test kits to detect the Cry9C protein found in StarLink – the Cry9C QuickStix™ Test Kit manufactured by EnviroLogix Inc., and the TraitvBt9 Lateral Flow Test Kit manufactured by Strategic Diagnostics Inc.

► **Attorneys General Reach Agreement with Aventis:** The attorneys general from 17 states announced Jan. 23 that they had entered into a four-year binding agreement with Aventis CropScience in which the company affirmed its previously existing pledges to compensate farmers and grain handlers for documented economic losses, such as loss in value and transportation costs, associated with

handling StarLink corn. The agreement applies to producers who grew StarLink corn or who grew corn within the 660-foot buffer area; 2) growers of non-StarLink corn that is found to contain the Cry9C protein or Cry9C DNA; and 3) grain elevators. Under the agreement, Aventis committed to amend the elevator claims payment procedure to stipulate that it will make payment within 30 days of receipt of a fully documented claim from an elevator. Payments made after 30 days will be subject to a late payment fee of 1.5 percent per month, compounded daily. The effect of the agreement is basically to give the states standing in any future legal challenge if Aventis subsequently fails to abide by the agreement. States signing the agreement, which were said to represent more than 90 percent of the acreage planted to StarLink in 2000, are: Alabama, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Minnesota, Mississippi, Nebraska, New Mexico, North Dakota, Ohio, Oklahoma, South Dakota and Wisconsin.

Daschle Introduces Bill to Protect 'Independent' Producers

Senate Democratic Leader Thomas Daschle of South Dakota and 16 other senators on Jan. 22 introduced a bill designed to combat agricultural concentration and to authorize producers to form farm-bargaining cooperatives.

The bill (S. 20) contains several provisions introduced as separate legislation in the previous Congress, including: 1) a requirement that the U.S. Department of Agriculture review proposed agribusiness mergers in advance; 2) equalization of marketing assistance loan rates; 3) country-of-origin labeling requirements; and 4) a section allowing the creation of a new type of producer farm bargaining association that could specifically name the agribusiness companies with which it wants to bargain.

In addition, the bill contains a near-identical version of legislation introduced in 2000 by Sen. Tom Harkin, D-Iowa, that would place certain requirements on marketing and production contracts. They include a requirement that the contract be written in plain language; a prohibition on confidentiality clauses; a three-day walk-away provision; and a prohibition on arbitration of future disputes. It also would create a USDA review process under which contracts could be voided by the secretary of agriculture, subject to judicial review, if he/she determined that it violated the statute.

The bill's cosponsors include Sens. Harkin, Pat Leahy, D-Vt., Tim Johnson, D-S.D., Max Baucus, D-Mont., Byron Dorgan, D-N.D.; Kent Conrad, D-N.D., and Mark Dayton, D-Minn. It was referred to Senate Agriculture Committee.





Membership Matters

by Todd Kemp
Director of Marketing

FEBRUARY FRENZY Means "Double Bonus" in Derby Days Sweepstakes!




...Sponsors of Prize Package Announced...


During February, all NGFA members will be urged to place a high priority on recruiting new members for the NGFA. This enhanced emphasis will result in a *February Frenzy* of recruiting activity to reach the ultimate goal of 105 new members by the NGFA's 105th annual convention in March!

The Bonus: As an added element of the *Frenzy* of recruiting activity, each successful sponsor of a new member during February will receive **two chances** in the random drawing for the NGFA's Derby Days Sweepstakes.

The Prize: The winner of the random drawing at the end of the month will receive:

 Airfare for two to Louisville, Ky. – Sponsored by **CIT, New York, N.Y.**

 Three nights' accommodations – Sponsored by **AgriClick.com, Kansas City, Mo.**

 Tickets to the 107th Kentucky Derby – Sponsored by **Agrifusion, Lenexa, Kan.**

The NGFA issues a hearty "Thank You" to sponsors of the Derby Days Sweepstakes contest!

The Challenge: A huge February effort is needed if the 105-new-member goal is to be reached. Each NGFA member is urged to set aside just 15 minutes a week during February to make calls to potential members.

Questions? Not sure which company's a member and which isn't? Not sure what to say? Need to send information?

All this and more is available from the NGFA staff. Call Todd Kemp or Rachel Duran at (202) 289-0873, or e-mail your message to

tkemp@ngfa.org or
rduran@ngfa.org.



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TIME SENSITIVE



NGFA's 105th Annual Convention
March 14-16, 2001
Fairmont Hotel, New Orleans, La.

