



USDA Urged to Compensate Handlers, Processors for StarLink™ Losses

The NGFA joined with three other organizations today in urging the U.S. Department of Agriculture to fully compensate grain handlers and processors for financial losses resulting from the inadvertent commingling of StarLink™ corn.

In a Nov. 2 letter to Secretary of Agriculture Dan Glickman, the NGFA urged that such compensation include:

- ▶ actual market value differences between the original contract price and the sales price in the feed or non-food industrial-use market that ultimately accepts delivery of commercial corn stocks containing StarLink;
- ▶ testing costs (both direct and for additional workforce and logistics costs) resulting from delays required to conduct tests at both elevators and processing facilities;
- ▶ transportation demurrage costs caused by rejection and/or rerouting of corn shipments to alternative markets, including truck, rail, barge and ocean-going vessels;
- ▶ additional freight and leasing costs required to transport StarLink-commingled corn to acceptable markets;
- ▶ direct costs and losses involved in any necessary temporary shut-downs of processing facilities to purge mills of StarLink corn and derivative products; and
- ▶ processor costs associated with recalls and withdrawals.

The letter said that USDA should be reimbursed by Aventis CropScience for such expenditures, just as already is being done for purchases of StarLink-related corn located on-the-farm. The letter was co-signed by the North American Export Grain Association, the North American Millers Association and the National Corn Growers Association. Copies of the letter also were distributed to Environmental Protection Agency Administrator Carol Browner, Food and Drug Commissioner Dr. Jane Henney and other USDA officials.

The letter noted that EPA plans to take several weeks to review and carefully consider the revised safety assessment on StarLink corn submitted by Aventis CropScience before deciding whether to grant an exemption from a tolerance to

allow it to be present in human food. While the letter said the groups were supportive of EPA conducting a prudent and transparent evaluation of the safety data, it means that the direct out-of-pocket costs and economic losses to the grain-related industries will continue to mount.

While Aventis CropScience has agreed, in an Oct. 20 letter to USDA [see related article on page 5], to pay for “additional transportation, demurrage and testing costs incurred by grain elevators” in diverting StarLink-commingled corn to approved uses, the letter fell well short of committing the company to hold affected industries harmless for market-related losses and other costs incurred in addressing the StarLink situation. “The problem of StarLink commingling in the commercial grain stream appears to be relatively extensive and will require active management,” the letter said. “To accomplish this, it is a necessary and appropriate role for the federal government to intercede, and to provide assurances that Aventis will live up to its financial responsibilities. USDA should pursue this issue with a strong sense of urgency, recognizing that timely steps taken now can still limit the damages throughout the chain of custody. Only government is in a position to accomplish this effectively.”

(Continued on page 4)

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

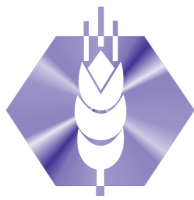


**Access NGFA's web site
address by typing:**

<http://www.ngfa.org>

Enter the user name:
ngfa

Enter the password:
soybean



Reality Check for Biotech and Grain/Food Markets

Last week, an NGFA staff member walked into a popular D.C.- area restaurant and ordered a taco for dinner. The restaurant management said they had no taco shells, and only had flour tortillas available. Taco shells were being recalled and it would be several days before tacos would again be served. These biotech issues are getting personal!

StarLink will long be remembered as the product that sounded a wake-up call to both the biotechnology and food industries. As you have read repeatedly, StarLink is really not a food-safety issue. It is a regulatory-compliance issue. Those looking for StarLink in finished foods have yet to find any of the actual protein, which would be the substance to cause an allergic reaction, if in fact it is an allergen at all (which has yet to be established). All that has been detected in finished taco shells and related milled products are DNA fragments indicative of the presence of trace amounts of StarLink prior to processing. More recent analysis just submitted to the Environmental Protection Agency by Aventis shows that, even if StarLink is proven to be a potential allergen, its protein expression occurs in such minute quantities that its risk to the human population is literally thousands of times less than more potent allergens already present in the food supply.

Beyond all the evidence of this product's safety is the embarrassing situation of non-compliance with existing regulations and the huge disruptions in commerce, which may be far from over. The United States has given its international customers yet another excuse to treat us as a residual grain supplier.

Managing this issue has been a huge challenge, but there is an accompanying benefit. It has set the stage for a broad discussion of more appropriate regulation of the release of new events and management of biotech products within a fungible commodity system – what is and is not achievable. The NGFA has initiated a review of its biotech policy adopted in October 1999 by the Board of Directors. Four committees are developing initial input, and some of the questions and issues being addressed are noted below.

▶ **Should testing technology be commercially available prior to biotech event release?** Quick tests are available for some biotech varieties, but not for others. While useful in addressing specific instances where validation of segregation processes is working, tests clearly are not the complete answer. Testing for all biotech events would require huge costs and too much time. But the StarLink situation certainly has

demonstrated the need for a quick test when the marketplace demands it. The NGFA will be considering whether federal regulators should require test availability before approving biotech events for commercial planting.

- ▶ **Should federal regulators consider the acceptance of new biotech products by “major” export customers when deciding on commercial release for planting?** Here's an issue that will get heated debate. Some say we can't let the Europeans or other customers decide what's best for the United States. On the other hand, it is naïve for the United States to expect its international customers to always agree with the regulatory decisions of the U.S. government. Beyond the regulation, consumer preferences are a huge issue.
- ▶ **If biotech products are released for U.S. production but are not approved in certain export markets, what should be required of the biotech event developer – an auditable stewardship program, chain-of-custody, or a more tightly controlled “closed-loop” system?** Much, of course, depends on whether such products are banned in importing countries with a zero tolerance or confront some other situation.
- ▶ **Which farmers are planting various biotech seeds, and in what regions is such seed being marketed?** The NGFA already is taking action on this front. Your Association has formally requested that the American Crop Protection Association assemble complete information on biotech events, derivative seed (both brand name and variety number), whether such seed has any restricted use – for export or domestic – and whether test kits are available. We have asked for this information to be available by Nov. 17 so that it can be distributed to country elevators and other first buyers who may be having discussions with growers about seed varieties that may be inappropriate for planting in their marketing areas. Some management of the issue before the next crop year begins could prove helpful in managing grain flows during harvest, and getting grain into appropriate markets.

Our industry is struggling with the present issue of managing StarLink. But the time is also right to reassess where we are heading with biotech products and efficient handling systems. StarLink has demonstrated the risks that need to be actively managed.



Clinton Signs Farm Spending Bill; Includes Payment Limit Increase

President Clinton on Oct. 28 signed into law the agricultural appropriations bill for fiscal year 2001 that includes a doubling of the payment limit – to \$150,000 – for marketing loan gains and loan deficiency payments for 2000-crop grains, oilseeds and cotton.

The bill previously was passed by the Senate on Oct. 18 and by the House on Oct. 11. On Oct. 30, the U.S. Department of Agriculture's Farm Service Agency issued a notice (Notice PL-97) advising its state and county offices of the increased payment limits.

The bill also includes \$600,000 for the U.S. Department of Agriculture's Grain Inspection, Packers and Stockyards Administration to establish its biotech testing validation laboratory in Kansas City, Mo. And it fully funds the president's food safety initiative. In addition, the bill appropriates approximately \$3.5 billion in emergency spending, and exempts food and medicine from unilateral economic sanctions. Of the emergency spending, \$1.3 billion would be earmarked to reimburse producers for crop losses caused by drought and disease, \$450 million for livestock pasture losses, \$667 million for dairy producers, and \$158 million for apple and cranberry growers. The remainder would help repair damage from Western forest fires. The bill also includes a sanctions reform provision that exempts food and medicine from all unilateral sanctions against Libya, Iran, North Korea, the Sudan and Cuba, and requires the president to consult with Congress before new food and medicine sanctions are imposed. All exports to these nations would be subject to licensing. However, Cuba would not be eligible for private U.S. financing. Vendors to Cuba would be able to secure financing from foreign (third-party) sources. In addition, travel restrictions to Cuba for U.S. citizens would be codified into law.

In other legislative action:

Congress Approves Legislation Reauthorizing U.S. Grain Standards Act, Rewriting U.S. Warehouse Act:

The Senate on Oct. 24 gave final approval to legislation (H.R. 4788) rewriting and modernizing the U.S. Warehouse Act and reauthorizing the U.S. Grain Standards Act (which governs the operation of the official grain inspection and weighing system). The bill now goes to President Clinton for his signature.

Harkin Introduces Bill on Ag Contracting: On Oct. 26, Sen. Tom Harkin, D-Iowa, ranking Democrat on the Senate Agriculture Committee, introduced agricultural

contracting legislation reflecting a model bill authored by the attorneys general of 15 states (including Iowa). Among other things, the bill would: 1) prohibit secrecy clauses in contracts; 2) provide contract producers with three days to review and cancel production (but not marketing) contracts; 3) require contracts to be written in plain language and disclose risks to producers; 4) provide producers with a first-priority lien for payments due under contracts; 5) empower USDA to review commercial contracts to ensure compliance with certain requirements set forth in the bill, and void contracts it found to be noncompliant; and 6) prohibit "retaliatory" termination of contracts against producers. Harkin's bill also would set up a form of farm bargaining, in which the secretary of agriculture could accredit "associations" of producers to negotiate pricing and marketing for commodities, with which agribusinesses would be required to negotiate. While the bill will not be considered before Congress adjourns this session, it likely will be introduced again in the next session. This will be among the topics covered at the NGFA's Country Elevator Council/Feed Industry Council conference in December.

Export Sales Tax Correction in Limbo: A measure (H.R. 4986) to replace a tax break on income from foreign sales was passed unanimously by the Senate on Nov. 1, but still awaits House consideration. Known as the Foreign Sales Corporation exemption, the tax break was challenged by the European Union in the World Trade Organization as an unfair trade subsidy. The WTO concurred, and ordered the United States to replace or repeal the law, or face possible retaliatory measures by the EU. The bill would repeal the FSC and replace it by broadening the general tax exemption on income earned from abroad. Sanctions by the EU still are possible if the bill is not enacted before the end of the 106th Congress.

Commodity Exchange Act: The fate of legislation (H.R. 4541) to revamp commodity futures law remains uncertain. The bill passed the House on Oct. 19, but remains stalled in the Senate. The legislation would reauthorize the Commodity Exchange Act, the law that governs the futures markets and the operation of the Commodity Futures Trading Commission. It also would ease regulation of futures contracts (with the exception of agricultural futures). And it would allow U.S. futures exchanges to trade single stock futures instruments. One option being considered for completing the measure in the waning days of this Congress is to attach it to must-pass legislation, such as an appropriations bill.



Newsletter

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

("StarLink" continued from page 1)

There were these other StarLink-related developments:

► **Government Issues Notice to Exporters:** Three government agencies on Oct. 26 issued a "Notice to Exporters" lifting the restriction on exports of corn that may contain traces of StarLink that were inadvertently commingled into shipments, provided three conditions are met: 1) the exporter is aware that such shipments are required to be used for feed and non-food industrial uses – the same conditions that apply to domestic sales; 2) the importer determines the import requirements of the destination country; and 3) the contracts for such export sales are made available for audit by the U.S. Department of Agriculture. The notice contains a reminder that StarLink is not approved for food use, and that the "prohibition on food use extends to StarLink corn destined for export." The notice also states that exporters "...have a responsibility to take all appropriate measures to ensure that this product (StarLink) is used only for approved purposes. All contracts for export should specify the intended use of the corn. Contracts for the export of any corn should require the importer to determine, in cooperation with the exporter, the import specifications, including any conditions required by the importing country."

An accompanying set of questions and answers [see insert] developed and released by the three agencies – USDA, the Environmental Protection Agency and the Food and Drug Administration – notes that exporters are "advised to include in their sales contracts a statement as to whether corn shipments are to be used for feed or food purposes. These contracts will also advise importers to be aware of any rules with regard to imports of corn that may contain trace amounts of StarLink." Another section of the questions-and-answers notes that the initial conditions placed on the registration of StarLink with Aventis prohibited export of the corn variety in an effort to "maximize control over the product *per se* so it would be directed only to animal feed and non-food industrial use..., which did not envision the current situation regarding the potential presence of trace amounts of commingled StarLink corn grain in other corn."

► **EPA to Review New StarLink Safety Assessment Submitted by Aventis:** Meanwhile, EPA on Oct. 31 published a notice advising that it had received a petition from Aventis CropScience seeking an exemption from the tolerance for StarLink that would allow the corn to be present in human food. Aventis requested such an exemption for a four-year period (until October 2004).

EPA said it would establish an independent scientific peer review panel that will conduct a one- or two-day meeting tentatively scheduled during the period Nov.

27-Dec. 1 in the Washington area. The agency also is seeking comment on the scientific issues raised in the safety assessment by Nov. 27. The agency said it would post on its web site on Nov. 3 its initial review of the scientific data submitted by Aventis.

The 79-page revised safety assessment submitted by Aventis "conservatively" asserts that there is a margin of safety of more than 100,000 for StarLink given its share of U.S. corn production and the fact that Aventis has voluntarily canceled (at EPA's urging) the registration, meaning that such seed will not be sold until unrestricted approval is received from EPA. Aventis said that mice fed StarLink during a 30-day trial exhibited no signs of rashes, diarrhea or other allergic reactions. Aventis compared StarLink to known allergens, such as peanuts, and stated that the corn variety's Cry9C protein "shows no potential to adversely impact individuals who currently suffer from food allergy." A copy of the revised safety assessment developed by Aventis is available in the StarLink section of the NGFA's web site at: www.ngfa.org.

► **Aventis Modifies 'Stewardship Program':** Aventis CropScience late on Oct. 20 amended its "StarLink™ Enhanced Stewardship Program" to, among other things, compensate grain elevators that received the biotech corn variety for the "additional transportation, demurrage and testing costs" incurred in directing the corn to approved feed and non-food industrial uses. Aventis also pledged in the letter to "provide test kits at no charge to growers and elevators who request them in those cases where there is a demonstrated need."

Aventis said it would "work with grain elevators to address problems related to discounts in value for StarLink and StarLink-commingled grain delivered to an approved delivery site." The letter, sent by Aventis Vice President for Commercial Operations John Wichtrich to Keith Pitts of the U.S. Department of Agriculture, was enclosed with the Oct. 19 *NGFA Newsletter* and is available in the StarLink section of the NGFA's web site (www.ngfa.org).

Obtaining Test Kits: Grain elevators that incur additional transportation and demurrage costs for handling StarLink corn, or that wish to obtain test kits from Aventis for detecting StarLink, should do the following: Call Aventis toll-free at **1-888-Aventis**. Identify your company as a **grain elevator**. At that point you will be transferred to one of several Aventis managers who are serving as a "grain desk" for the company; if they are busy with other calls, you will be asked to leave your name and phone number for a return call. When speaking to the Aventis representative, reference the Oct. 20 letter from Mr. Wichtrich to USDA that you obtained from the NGFA in which Aventis pledged to pay for

(Continued on page 5)





Country/Terminal Corner

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

("StarLink" continued from page 4)

additional transportation, demurrage and testing costs, as well as discounts, incurred by grain elevators. Explain the situation at your company that resulted in additional transportation and/or demurrage costs and/or discounts incurred by your firm that were attributable to StarLink. In the case of test kits, explain why you need the kits (e.g., you handle both food and feed-grade corn; serve multiple markets, such as export or food processors; have received StarLink unknowingly from growers, etc.) and the number of kits you need. The test kits then are ordered by Aventis and sent directly from the manufacturer to the elevator. The NGFA has been told by Aventis officials that the test kits usually will be delivered within two to three business days after it receives the request from the grain elevator.

Other Provisions: Other aspects of the "StarLink Enhanced Stewardship Program" amended by Aventis in its Oct. 20 letter include the following: 1) The Oct. 20 deadline for farmers to decide whether to participate in the program and receive the 25-cent-per-bushel premium, as well as the May 1 deadline for on-farm feeding of StarLink corn, will be extended. The new deadline dates have not been determined yet; 2) Aventis will provide logistical support, "including transportation costs, storage, demurrage, etc." for commingled corn stored on the farm that subsequently is delivered to an approved location. But the 25-cent-per-bushel premium applies only to the actual StarLink and commingled corn grown within the 660-foot buffer zone, not the entire commingled lot; 3) Growers who can verify to Aventis that they grew corn within the 660-foot buffer zone will be eligible for the premium payment, so long as the corn is contained and/or fed on-farm; 4) Aventis will make the locations of "approved delivery sites" available on a case-by-case basis as necessary to assist delivery of StarLink corn; and 5) Farmers who participate in the "StarLink Enhanced Stewardship Program" are not waiving any legal rights to recover any additional damages they may have incurred as a result of growing StarLink corn.

▶ **CBOT Issues Notice Clarifying StarLink Eligible for Delivery:** The Chicago Board of Trade on Oct. 24 issued a notice advising that under its rules, StarLink corn or any other biotech-enhanced varieties that meet the U.S. grade standards may be delivered in satisfaction of CBOT futures contracts. The exchange cited CBOT Rule 1038.00, Grades, which states that contracts for sale of commodities for future delivery "shall be performed on the basis of grades officially promulgated by the secretary of agriculture" in conformance

with the U.S. grain standards at the time the contract is executed. Further, under CBOT Rule 1036.00, Grade Differentials, yellow corn grading U.S. No. 1, 2 or 3 can be delivered in satisfaction of CBOT corn futures contracts, subject to specified differentials for quality.

NGFA Submits Request to Seed Companies for Comprehensive Info on Biotech Varieties

The NGFA has urged seed and biotech technology companies to provide updated, comprehensive information on the biotech seed events currently available for commercial planting, any restrictions on their use by the domestic industry, the status of regulatory approvals in foreign countries, and the status and availability of tests to detect such events.

The NGFA, in a Nov. 1 letter to the American Crop Protection Association (ACPA), urged the ACPA to coordinate the collection and dissemination of the information that could be shared with market participants. Among the information specifically sought by the NGFA was:

- ▶ the brand names and identifying numbers (readily identifiable by farmers) of each biotech commodity event marketed in 2000 and scheduled to be marketed in the 2001 crop year, along with their current regulatory status in all major export markets;
- ▶ the status of regulatory approvals of such biotech commodities in foreign countries, particularly those for which approval has not been granted;
- ▶ any domestic restrictions on the use of each biotech event, including any requirements to direct certain events away from specific markets because of foreign-country regulations or known market preferences. One example cited by the NGFA was biotech corn that should not be marketed to U.S. corn refiners that export corn gluten feed; and
- ▶ the availability of quick tests to detect the biotech event, as well as the status of any tests under development and their projected commercial release date. If no detection test is available, that, too, should be specified, the NGFA said.

The NGFA requested that such information be provided no later than Nov. 17, and that it be updated frequently thereafter as regulatory approvals change and tests become available. Once receiving the information, the NGFA intends to make it available to members in a user-friendly format so that grain handlers and farmers can better evaluate the biotech events and seed types that are appropriate for each production and marketing area.





Rails, Rivers and Roads

by Kendell W. Keith
President

Union Pacific Amends Demurrage Policy

The Union Pacific Railroad Co. has notified the NGFA that it will amend its demurrage policy, in part in response to concerns raised by the NGFA's Rail Shipper/Receiver Committee during an Oct. 11-12 meeting in Washington.

The NGFA committee had asked both the UP and the Burlington Northern Santa Fe Railway to provide written justification for their respective demurrage rule changes. [See *NGFA Newsletter*, Oct. 19, 2000.]

In an Oct. 31 letter responding to the NGFA, the UP said that effective immediately, the demurrage rate would be reduced to \$50 per car per day for cars in both "constructive-placement" and "actual-placement" status – down from the previous \$75-per-car-per-day charge that became effective Oct. 1. The change applies to raw and processed agricultural products and feed ingredients, including corn, wheat, soybeans, barley, rye, rough rice, cottonseed, flaxseed, grain milled by-products, flour, wet-milled byproducts, prepared feeds, oilseed cottonseed meal and byproducts, and other products.

However, UP Vice President for Agricultural Products Diane Knutson wrote that by Jan. 1, the carrier will complete computer programming changes that will enable it to differentiate between constructive-placement and actual-placement cars when setting demurrage rates. After that time, she said, cars in constructive-placement status – that is, sitting in terminals or on-line – will accrue demurrage at \$75 per car per day. Knutson said the higher demurrage charge is designed to reduce the number of cars in constructive-placement status, which "consumes a great deal of capacity (rail, locomotive and labor usage)...(and) increases handling costs and reduces the efficiency of our terminals, restricting our ability to do additional business with other customers.

Covered hopper cars in actual-placement status – that is, those at a customer's facility – will carry a standard \$50 per car per day demurrage rate. However, UP said, when demand for cars is low, cars in actual placement status will be assessed a \$25 per car per day demurrage charge; the rate will be \$75 per day when car demand is high. UP said it will determine and announce changes in demurrage charges at least 20 days in advance of the effective date of the change. The charges will be effective for car cycles closing on or after the first day of the following month.

Unchanged is UP's standard tariff, which permits 24 hours of demurrage-free time for loading and 48 hours for unloading.

"We will be reviewing this program with our customers in the coming days," Knutson wrote. "We want to encourage them to work with us to eliminate

incorrect demurrage charges by timely release of cars, timely dispute of incorrect bills, timely payment of accurate bills and addressing individual facility characteristics" with their UP representative. Knutson also said the UP is working internally to improve the reliability of its demurrage billing process.

BNSF Response: Meanwhile, BNSF has not made further changes in its demurrage policy beyond those announced Sept. 22. That's when BNSF said it would continue to allow wheat, durum and barley shippers to have 48 hours to load cars before demurrage accrues, instead reducing the demurrage-free period to 24 hours as previously planned for these commodities. But the policy change did not affect corn and other whole agricultural commodities hauled by the carrier. Nor did it alter BNSF's new policy of counting Sundays as a demurrage day for all agricultural commodities. Nor did it change BNSF's new "peak-season" daily demurrage rates of \$75 per car (up from the previous \$50) or "off-peak" demurrage rates of \$25 per car, both of which took effect Oct. 1. The demurrage-free loading time for processed grain products on the BNSF remains at 48 hours, plus Sundays.

In an Oct. 23 letter to the NGFA, BNSF Group Vice President for Agricultural Products Stevan Bobb wrote that the carrier's new demurrage charges for peak demand periods have two objectives: 1) ...[T]o encourage faster loading, thereby creating additional empty car capacity for all of our customers"; and 2) ...to compensate BNSF for lost revenue opportunity during peak demand periods when customers delay our equipment."

Bobb wrote that he "understand(s) your members' frustration with grain cars sitting after they have been loaded," and cited two "frequent reasons":

◆ waiting for a "match" of an additional 27- or 54-car pool billing out of nearby origins bound for similar destinations, since the BNSF typically does not run grain trains containing fewer than 108 cars. "Having a destination on a waybill allows us to begin matching these units up as a grain train, or to plan room for them on scheduled train service," he wrote. "Waiting an extra 24 hours for a waybill may not only slow movement on your members' cars, but it may also slow movements on other loads, as well."

◆ Congestion at destination.

Bobb said the BNSF was "working hard" to provide accurate estimated-time-of-arrival information to rail grain users, and "believe(s) that your members will see the same results in this area that we have achieved for the BNSF shuttle network."





GAO Recommends HACCP Regulation for Animal Feed Ingredients

The General Accounting Office – the investigative arm of Congress – has issued its report on animal feed safety in which it calls on the Food and Drug Administration to develop a timetable for **completing a proposed hazard analysis and critical control point (HACCP)-based approach to control bacterial and other contamination in feed.**

FDA officials told the GAO that its anticipated rulemaking is focused on **feed ingredients** and is designed to require manufacturers to: 1) evaluate all hazards associated with their feed ingredients, including, but not limited to, microbial hazards; 2) determine which hazards pose a risk to the safety of the product; and 3) establish controls to minimize these risks. “Recent studies of animal feed demonstrate the need for this new regulation,” the GAO report states. “For example, several recent studies by USDA and others show evidence of *Salmonella* in animal feed and in rendered animal proteins that often become ingredients in animal feed.”

The National Renderer’s Association has developed HACCP-based standards for animal proteins, and has submitted them to FDA’s Center for Veterinary Medicine for review as part of an anticipated rulemaking. However, most other ingredient manufacturers remain adamantly opposed to a HACCP-type approach. Feed manufacturers already are governed by quality-assurance principles developed under current good manufacturing practice regulations issued by FDA/CVM.

The GAO report was requested by Sen. Richard Durbin, D-Ill., who asked it to examine the extent to which unsafe feed has been linked to human health problems in the United States, as well as actions taken by FDA and the U.S. Department of Transportation to ensure animal feed safety. In its report, GAO notes that there have been only two documented incidents in which there has been a direct link between the presence of bacteria in animal feed causing human health problems in the past 30 years.

The report’s two other principal recommendations were that: 1) the President’s Council on Food Safety work with FDA and the Department of Transportation to “develop a strategy to regulate animal feed while in transport,” noting that DOT has failed to issue regulations implementing the Sanitary Food Transportation Act of 1990; and 2) FDA develop and implement BSE enforcement strategies to “address the deficiencies identified in its inspections of animal feed firms and establish a schedule for completing a risk-based approach to ensuring the safety of animal feed.”

CAST Issues Report on TSEs: The Council for Agricultural Science and Technology, based in Ames, Iowa, this month issued a report that summarizes the latest information

and disease statistics on transmissible spongiform encephalopathies (TSEs). The report concludes that the overall U.S. risk for the occurrence of bovine spongiform encephalopathy “is extremely low.” The report also reviews the incidence of other TSE diseases in the United States, including Creutzfeldt-Jakob disease in humans, scrapie in sheep and goats, chronic wasting disease in deer and elk, and transmissible mink encephalopathy. It notes that the U.S. Department of Agriculture has proposed new rules to support scrapie control by restricting the interstate movement of sheep and goats, and with pilot projects to evaluate flock cleanup plans based on testing.

The CAST task force that compiled the report was co-chaired by Dr. William D. Hueston of the Virginia-Maryland Regional College of Veterinary Medicine (former administrator of USDA’s Food Safety and Inspection Service) and Dr. James Voss of Colorado State University’s College of Veterinary Medicine and Biomedical Sciences.

FDA Proposes Withdrawal of Approvals for Fluoroquinolones for Use in Poultry

The Food and Drug Administration’s Center for Veterinary Medicine on Oct. 31 issued a proposal to withdraw its approval of a new animal drug application under which it granted permission for the use of fluoroquinolone antimicrobial enrofloxacin in poultry.

FDA/CVM stated that it is proposing to withdraw the use of fluoroquinolone enrofloxacin in poultry because the agency says poultry is a “predominant source” of campylobacteriosis in humans, and that the administration of fluoroquinolones to chickens leads to the development of fluoroquinolone-resistant *Campylobacter* in poultry. Affected by the proposal is the fluoroquinolone enrofloxacin NADA approved for Baytril® 3.2 percent concentrate antimicrobial solution (NADA 140-828), sponsored by Bayer Corp.’s Agricultural Division which was approved on Oct. 4, 1996. FDA/CVM said that Abbott Laboratories has requested withdrawal of two other approved fluoroquinolone NADAs for sarafloxacin hydrochloride (NADAs 141-017 and 141-018), which were approved on Aug. 18, 1995 and Oct. 12, 1995, respectively.

Comments are due by Jan. 2, and should be sent to: Dockets Management Branch (HFA-305, Food and Drug Administration, 5630 Fishers Lane, Room 1061, Rockville, Md., 20852. Comments should reference Docket No. 00N-1571.



Membership Matters

by Todd Kemp
Director of Marketing

Derby Days Sweepstakes Begins! Major Membership Contest!

Beginning Nov. 1, the NGFA Derby Days Sweepstakes began! From Nov. 1 through Feb. 28, 2001, every sponsor of a new member will qualify for a grand prize drawing on March 1. The winner will receive:



- ▶ **Round-trip airfare** for two to Louisville, Ky.
- ▶ **Three-nights' lodging** at Louisville's Executive Inn, complete with Derby weekend activities (mint julep reception, cookout, live entertainment, etc.) and mementoes.
- ▶ **Two reserved seats** in Churchill Downs' venerable grandstand for the 127th Run for the Roses on May 5, 2001.

Every new member sponsored gets you one chance! Get those members warmed up today to qualify for this once-in-a-lifetime prize!

NGFA Affiliate Elects New Leadership

At its recent annual convention in Lake Delevan, Wis., the **Association of Feed Ingredient and Cottonseed Products Dealers (AFICPD)** elected new officers and leadership. The AFICPD is one of the newest affiliate members of the NGFA and shares a particular common interest in having access to open, practical and inexpensive dispute resolution. The NGFA and the AFICPD share a number of common member companies.

Elected President was **Murray Kalmin**, Nathan Segal & Co., Houston, Texas. Kalmin holds the unique distinction of being a third-generation president of AFICPD, following his father Jack Goldfield and his grandfather Nathan Segal as the association's elected industry leader.

Owen Smith, Owen Smith Trading Co., Ft. Smith, Ark., was elected vice president. Elected to the AFICPD Board of Directors were: **Austin Rose**, Cape & Son Inc., Abilene, Texas; **Wayne Larson**, Garvey Processing Inc., St. Charles, Ill.; and **Johnny Ware**, The Scoular Co., Scottsdale, Ariz.



National Grain and Feed Association
1250 Eye St., N.W., Suite 1003
Washington, D.C. 20005-3922

TIME SENSITIVE

