



NGFA

Newsletter

Volume 58, Number 23, November 9, 2006

The Times, They Are A-Changin'...

The lyrics of the old Bob Dylan song seemed to echo throughout the nation's capital following the eventful Nov. 7 mid-term congressional elections, as both the House and Senate returned to Democratic control.

This afternoon, Sen. George Allen, R-Va., conceded the last remaining outstanding Senate race to Sen.-elect James Webb, D-Va., eschewing a recount to which he is entitled to challenge the result of the approximately 7,000-vote margin (out of nearly 2.4 million votes cast). Earlier, Sen. Conrad Burns, R-Mont., conceded to Sen.-Elect Jon Tester, D-Mont., the current Montana Senate president and organic farmer.

When the new 110th Congress convenes in January, Democrats are poised to elect Rep. Nancy Pelosi, D-Calif., as their first Speaker of the House after 12 years in the minority, including six years in near obscurity as House Republican leaders advanced President Bush's agenda. Meanwhile, Democrats will regain

control of the Senate with a 51-49 margin, as a result of two candidates who ran as independents – Sen. Joe Lieberman of Connecticut and Rep. Bernard Sanders of Vermont – agreeing to caucus with the Democrats.

Most significantly, Democrats now will chair and have a controlling majority in each of the House and Senate Committees, meaning they will set the agendas and determine which legislation is considered. New chairpersons and committee members will be selected in party caucuses shortly after the new Congress convenes.

In the meantime, a “lame-duck” session of the “old” Congress is scheduled to convene on Nov. 14. Given the transition in power, the agenda likely will be limited to “must-pass” bills, including an anticipated continuing resolution to appropriate funds to keep the government operating since only two of the 13 appropriations bills for fiscal year 2007 (which began on Oct. 1) have been approved.

(Continued on page 2)

NGFA Announces Release of Basis Risk Educational Materials

In response to volatile markets and basis behavior that hasn't tracked historical patterns, the NGFA is unveiling a series of educational materials designed for internal use by NGFA members, as well as with customers, including producers.

The materials are scheduled to be posted and available to members-only on the NGFA web site during the week of Nov. 13. They may be accessed at www.ngfa.org. The materials are password-protected; NGFA members requiring assistance with web site access may contact Kathy Mack at kmack@ngfa.org or by calling her at 202-289-0873.

The materials include several distinct “pieces” that can be utilized as appropriate by NGFA members:

- ◆ A brief and simple PowerPoint slide show -- entitled “Basis Risk: Changing Markets, Changing Strategies” -- which defines and discusses elements of price and basis; highlights factors affecting basis; draws attention to changing market conditions in which basis may behave differently than historically expected; and urges buyers and sellers, including farmer-customers, to “Know Your Risks” when engaging in various marketing strategies.
- ◆ A set of potential talking points that a presenter can use in conjunction with the PowerPoint slide show. The talking points go into greater detail, and may be used in whole or in part by a presenter to supplement a presentation and enhance discussion.

- ◆ Two “How To” pieces that provide information to those unfamiliar with how to read basis charts: “Reading a Basis Chart” and “Reading a Barge Freight Chart.” The two documents provide entry-level instruction on different types of basis charts and how to interpret them; and then provide a roadmap to read a 2006 wheat basis chart using actual statistics. These “How To” resources are ideal for understanding basis and in communicating to farmer-customers and elected officials.
- ◆ A series of basis and barge freight charts. Two initial charts are labeled as an aide to interpreting their components. Several subsequent charts are tied directly to the above “How To” pieces to provide a real-world view of basis behavior this year. These charts can be used as a supplement in meetings or for internal use.
- ◆ A helpful guide for use by NGFA-member companies in evaluating risk factors and internal controls to consider in contracts that lock in the futures portion of the pricing formula but leave the basis portion open or to be established at a future date.

These basis risk educational materials were developed by a three-person task force appointed from the NGFA's Risk Management Committee by Chairman Rod Clark, general manager of CGB/Diversified Services, Mt. Vernon, Ind. Special thanks goes to the task force members: Diana Klemme, vice president, Grain Service Corp., Atlanta, Ga.; Jon King, owner, SMART Trading LLC, Higginsville, Mo.; and Dennis Inman, vice president, Cargill AgHorizons, Minneapolis, Minn.



Impact of Election Outcomes on House, Senate Agriculture Committees

Here's a look at how current members of the House and Senate Agriculture Committees fared in the mid-term elections:

House Agriculture Committee—Republicans

Member	Reelected
Bob Goodlatte, VA	Yes
Richard W. Pombo, CA	No
Terry Everett, AL	Yes
Frank D. Lucas, OK	Yes
Jerry Moran, KS	Yes
William L. Jenkins, TN	Retired
Gil Gutknecht, MN	No
Robin Hayes, NC	Leading but Not Decided
Timothy V. Johnson, IL	Yes
Tom Osborne, NE	Retired to Run for Governor (defeated in primary)
Mike Pence, IN	Yes
Sam Graves, MO	Yes
Jo Bonner, AL	Yes
Mike Rogers, AL	Yes
Steve King, IA	Yes
Marilyn N. Musgrave, CO	Yes
Randy Neugebauer, TX	Yes
Charles W. Boustany, Jr., LA	Yes
John J.H. "Joe" Schwarz, MI	Lost in the Primary
John R. "Randy" Kuhl, Jr., NY	Yes
K. Michael Conaway, TX	Yes
Virginia Fox, NC	Yes
Jeff Fortenberry, NE	Yes
Jean Schmidt, OH	Leading but Not Decided
Mike Sodrel, IN	No

House Committee Democrats all won reelection except for Ed Case of Hawaii, who ran unsuccessfully for the U.S. Senate.

Senate Agriculture Committee

Republicans	Reelected
Richard Lugar, IN	Yes
James Talent, MO	No
Craig Thomas, WY	Yes
Rick Santorum, PA	No
Democrats	
Kent Conrad, ND	Yes
Debbie Stabenow, MI	Yes
Ben Nelson, NE	Yes
Mark Dayton, MN	Retired

Ag Committee Leadership: While the House and Senate Agriculture Committees have a reputation for bipartisanship, the likely new House Agriculture Committee Chairman

-- Rep Collin Peterson, DFL-Minn. -- will bring several new priorities to the committee from both a Democratic and regional angle. Peterson represents a wide swath of mostly rural counties along the western third of the state from southwest of Minneapolis to the Canadian border. His district includes significant traditional farm program crops, as well as sugar beets. Peterson also considers himself to be "blue dog" Democrat, a group of 37 moderate and conservative Democrats committed to fiscal discipline.

Meanwhile, Sen. Tom Harkin, D-Iowa, will return as chairman of the Senate Agriculture Committee, a position he previously held. In representing a heavily farm program crop state, Harkin is expected to be a strong advocate for an income safety net for row-crop producers. But he also has advocated payment limits to tier farm program payments to "family farmers" and has advocated increased focus on investing scarce conservation funding on working farmlands rather than programs like the CRP that idle cropland.

Vice Chairman, One House Subcommittee and Two Senate Subcommittee Chairs Ousted: The chairman of the House Resources Committee and vice chairman of the House Agriculture Committee, Richard Pombo, R-Calif., was defeated in a mild upset. Pombo was a seven-term lawmaker who handily won reelection in 2004 against the same opponent he faced on Nov. 7. But during this election, he became a significant target of environmental groups that reportedly spent more the \$1 million to oppose his reelection. Pombo, whose Resources Committee oversees many environmental laws, was an outspoken critic of the Endangered Species Act and vocal proponent of private property rights. He is succeeded by Jerry McNerney, the CEO of a start-up wind turbine company and former wind energy engineer and consultant, who has said he intends to make sustainable energy policy one of his primary focuses in Congress.

Another defeated House Agriculture Committee member was Gil Gutknecht, R-Minn., who chaired the Department Operations, Oversight, Dairy, Nutrition and Forestry Subcommittee. Gutknecht rode the 1994 Republican wave into Congress, and lost to a formidable opponent in teacher and veteran Tim Walz.

On the Senate side, two high-profile national races affected the composition of the Senate Agriculture Committee. Sen. Jim Talent, R-Mo., had chaired the Subcommittee on Marketing, Inspection and Product Promotion, while Sen. Rick Santorum, R-Pa., was chairman of the Nutrition and General Legislation Subcommittee.

(Continued on page 3)





Impact on Key Issues in Congress

Here's a look at what the election outcome may mean for several key issues important to the grain, feed and processing industry:

◆ **2007 Farm Bill:** The focus could change, at least incrementally, but the outcomes are not likely to differ substantially under Democratic control. As noted previously, Senate Agriculture Committee Chairman-in-waiting Harkin is certain to put a greater emphasis on conservation, particularly expanding the Conservation Security Program (CSP) that he authored as part of the 2002 farm law. The CSP rewards farmers and ranchers for conservation practices on working lands. Meanwhile, House Agriculture Committee Chairman-to-be Peterson also is likely to place greater emphasis on conservation and has indicated he would like to see an additional 5 million acres enrolled in the CRP that could be used to grow cellulosic material for biofuels production.

While Peterson previously supported an extension of the current farm bill, he recently has indicated a need to pass a new bill on schedule. He noted that his support for an extension was linked to progress in negotiations under the Doha Round of the World Trade Organization; given the current standstill, he has said there is no reason for an extension. Peterson also has signaled significant support for the expansion of renewable energy provisions in a new farm bill. And he has advocated, as one of his top farm bill priorities, a permanent agricultural disaster-assistance program that would be tied to crop insurance in an attempt to eliminate the need for ad hoc disaster funding. Under Peterson's concept, producers would pick up part of the tab by being required to purchase at least 60 percent crop insurance coverage to be eligible. Peterson also is expected to resist substantive reforms of the sugar program, and to pursue legislation requiring animal identification (rather than the current voluntary approach being implemented by USDA).

◆ **International Trade:** Continued international trade liberalization may be one of the biggest casualties of the election, as Democrats generally are more wary of free trade agreements than their Republican counterparts. Several free trade agreements, reported in the Oct. 26 edition of the *NGFA Newsletter*, are scheduled to be considered during the lame-duck congressional session. But that may not occur, given the election outcome. The biggest trade issue is the looming expiration of the president's trade promotion authority (fast-track) in July 2007; an extension was unlikely even if Republicans had retained control of Congress, but is an even more remote possibility now. On a positive note, the

likely new Chairman of the House Ways and Means Committee, Rep. Charles Rangel, D-N. Y., generally is supportive of trade agreements and even extending trade promotion authority. But he is expected to insist on greater labor and environmental provisions as part of any future agreements.

◆ **Inland Waterways Renovation:** The Water Resources Development Act (WRDA) handily passed both chambers with significant bipartisan support. But a few significant differences in the House and Senate versions have been tough to work through, which has delayed final passage. Congressional sources have indicated that many issues have been resolved and that negotiations on a final bill are ongoing. Managers of the bill hope to be able to present a final package to lawmakers during the lame-duck session.

But little is known at this time, as lawmakers continue to take stock of the election outcomes. If this legislation does not pass before the 109th Congress adjourns later this year, **the entire process will have to start over when the new Congress convenes in 2007.**



Calendar

- Dec 3-5, 2006:** NGFA Country Elevator / Feed Industry Conference & Trade Show
Hyatt Regency Crown Center, Kansas City, Mo.
- Dec 3, 2006:** NGFA Country Elevator Committee
Hyatt Regency Crown Center, Kansas City, Mo.
- Dec 3, 2006:** NGFA Trade Rules Committee
Hyatt Regency Crown Center, Kansas City, Mo.
- Dec 4, 2006:** NGFA Feed Manufacturing and Technology Committee
Hyatt Regency Crown Center, Kansas City, Mo.
- Dec 5, 2006:** NGFA Feed Legislative and Regulatory Affairs Committee
Hyatt Regency Crown Center, Kansas City, Mo.
- March 18-20, 2007:** NGFA's 111th Annual Convention
Westin St. Francis, San Francisco, Calif.



FDA to Make Major Changes to BSE Inspection Form in Early 2007

The Food and Drug Administration's Center for Veterinary Medicine (FDA/CVM) by March 2007 intends to implement an extensively revised and expanded inspection form for use in evaluating compliance with the agency's 1997 feed regulations designed to prevent the establishment or spread of bovine spongiform encephalopathy (BSE).

The major revisions to the inspection form – entitled "Report of Inspection for Compliance with 21 CFR §589.2000" – involve an expansion of the question and checklist portion of the form from two to three pages in length. Under FDA authority, federal and state inspectors routinely conduct inspections of renderers, feed mills, ruminant feeders, protein blenders, pet food manufacturers, pet food salvagers, animal feed distributors, transporters, ruminant feeders, and others to assess compliance with the agency's BSE-prevention feed regulations. Since 1998, more than 46,000 such inspections have been conducted, with results being publicly posted on FDA/CVM's website.

Significant Revisions to Inspection Form: Most significantly, a completely new section of the report will direct inspectors to ask firms to provide FDA/CVM with information concerning the written assurances they are receiving from contracted transporters regarding whether the transporter either uses dedicated transport equipment or has adequate procedures in place to prevent commingling or cross-contamination of inbound ingredients and/or outbound finished products with prohibited protein products. The new section of the inspection form also directs inspectors to ask firms to provide FDA/CVM with a list that contains the names and addresses of all contract transporters used by the firm, presumably for use by the agency in conducting additional compliance inspections of transporters. In another section, the revised inspection form

asks firms to describe what, if any, testing they are performing to ensure that incoming materials are not contaminated with prohibited mammalian protein products.

In response to questions posed by the NGFA, FDA/CVM officials acknowledged that the information sought as part of the expanded revised inspection form exceeds the actual requirements of the agency's BSE-prevention feed regulations. FDA officials responded by maintaining that the information was being formally requested from firms to better document feed industry practices.

No Plans to Revise Compliance Manual to Reflect Inspection Form Changes: FDA/CVM officials also said that responses to the new information requested on the inspection form will not, in and of themselves, form the basis for an adverse inspectional conclusion at an inspected firm. FDA/CVM officials noted that FDA's district offices determine the inspectional conclusions based upon the entire findings of the inspection report. FDA's Compliance Program Guidance Manual 7371.009 – "BSE/Ruminant Feed Ban Inspections" – also provides guidance to FDA district offices concerning which findings at a firm warrant an adverse inspectional conclusion of "Official Action Indicated" (OAI) or "Voluntary Action Indicated" (VAI).

But FDA officials said the agency does not intend to update the compliance manual to reflect the changes made in the inspection report.

Members receiving the *NGFA Newsletter* electronically may access FDA's BSE compliance program guidance manual by [clicking here](#).

FDA/CVM Requests Comments on 'Blue Bird' Medicated Feed Labels

The Food and Drug Administration's Center for Veterinary Medicine (FDA/CVM) on Oct. 30 issued a *Federal Register* notice seeking public comment on a new draft guidance document that provides drug manufacturers with recommended content and formats of representative labels – generically known as "Blue Bird" labeling – for Type B and Type C medicated feeds.

The draft guidance document, on which the agency is requesting comments by Jan. 16, is the first of its kind designed to advise pharmaceutical companies on the format and contents of the labels for Type B and Type C medicated feeds. As such, it responds to a concern from medicated feed manufacturers, which to this point have been dependent upon drug suppliers to provide their own interpretation of what FDA/CVM requires in such labeling. FDA/CVM emphasizes that the draft guidance document "is being distributed for comment purposes only, and is not intended for implementation at this time."

For Type B medicated feeds – those products intended solely for manufacturing other Type B or Type C medicated feeds – the draft guidance contains sections devoted to: 1) the name of the medicated feed; 2) indication(s) for use; 3) active drug ingredient(s); 4) guaranteed analysis of nutritional guarantees, based upon those contained in the Association of American Feed Control Officials (AAFCO) Official Publication; 5) a recommendation that the label reference that each feed ingredient contained in the product is identified in accordance with the name and definition established by AAFCO; 6) mixing directions; 7) caution statements that may be appropriate that pertain to animal safety, drug stability or misuse of feeds containing the drug (such as species for which the product is prohibited); 8) applicable warning statements (such as withdrawal times for the product); 9) identification information on the manufacturer; 10) weight statements; and 11) other label information.

(Continued on page 5)





For Type C medicated feeds – which consist of complete feeds and those offered as a supplement (i.e., “free choice”) – the draft guidance document contains the same informational fields as identified in the preceding paragraph for Type B medicated feeds, with the exception that “mixing directions” are replaced by “feeding directions.” The FDA/CVM’s draft guidance document does not address Type A medicated articles, whose labeling requirements already are

covered under new animal drug applications prepared by the pharmaceutical company and approved by FDA.

The NGFA’s Feed Legislative and Regulatory Affairs Committee is reviewing the FDA/CVM draft guidance, and will be preparing the Association’s comments to the agency. Access the draft guidance document by [clicking here](#).

United Soybean Board Reviews Ongoing, Future Research Projects to Enhance Soymeal Demand

The United Soybean Board (USB), which pursues market promotion, research and utilization activities funded by the national soybean checkoff, reviewed ongoing research projects designed to enhance soybean meal demand in livestock and poultry during an Oct. 17-18 meeting of its Animal Nutrition Working Group in St. Louis, Mo.

The NGFA serves as a member of the USB working group, and participated in the meeting.

Previous and ongoing research projects being financed by the USB include the following:

- ▶ Creating an allergenicity model using swine to address soy-based allergenic responses. The goal of the two-year study is to identify ways to remove allergenic proteins from soybeans, improve digestibility of soymeal and other soy products, and identify ways to determine the allergenic potential of genetically modified crops.
- ▶ Partnering with the National Pork Board and National Corn Growers Association to develop a North American net energy model for swine. This three-year project is designed to determine the net energy content for swine of corn, soybean meal and dried distillers grains with solubles (DDGS).
- ▶ Calculating near infrared (NIR) analysis equations for isoflavones and specific proteins contained in soybeans, so that more nutritive value can be captured from soybeans and soybean meal.
- ▶ Conducting numerous poultry and swine feed trials in Asia to demonstrate the value of U.S. soymeal compared to soymeal sourced from other countries. USB stated that this research generally has demonstrated that U.S. soymeal is of higher quality and greater feeding value than soymeal from other countries, including Brazil.

Potential New Research Ideas: During the meeting, the Animal Nutrition Working Group identified the following potential new research opportunities as high priorities for consideration by the USB to enhance soymeal value as a feed ingredient.

- ▶ **Soybean Composition:** The working group agreed that improving the nutrient content of soybeans has the greatest potential for enhancing the use of soymeal in the livestock and poultry rations. The nutrients of greatest feeding value within soybeans are energy and amino acids, specifically methionine, cystine, lysine, threonine and tryptophan. Related to energy, the working group strongly believed that sources of energy for livestock and poultry feeding will be more expensive in the future as a result of the tremendous expansion of biofuels production, and continuing quality and safety issues associated with animal protein products.
- ▶ **Soymeal Meal Processing:** Fiber content associated with soybean hulls significantly reduces the nutrient content of soymeal. The working group agreed that improved soymeal processing techniques, in conjunction with changes in current trading practices, could result in product that has an improved could enhance the protein digestibility of soymeal.
- ▶ **Measurement Technology:** The working group agreed that rapid and reliable measurement technology must: 1) exist to capture the value of any future nutrient enhancements made within soybeans and soybean meal; and 2) be available throughout the supply chain, beginning with the soybean producer and ending with the livestock and poultry feeder. The advisory group also believed that measurement technology will play a critical role in allowing value-added markets to develop within the soybean and soymeal sectors.





Contrasts in Current, Longer-Term Rail Capacity on Display at STB

Stark contrasts between the current rail service situation compared to capacity constraints that may emerge longer term were on full display earlier this month at back-to-back meetings conducted under the auspices of the federal Surface Transportation Board (STB).

During a Nov. 1 meeting on agricultural rail capacity conducted by the National Grain Car Council, Class I rail carriers described the current rail marketplace as very fluid, with few delays, even in the midst of the harvest season. The lone exceptions cited were for portions of Iowa. Representatives of the BNSF Railway noted that rail capacity was trading in secondary markets at a discount from tariff, which they said was “unheard of” in the middle of harvest.

The National Grain Car Council, which consists of approximately 15 rail customers plus major carriers, was formed in the early 1990s by then-Commissioner J.J. Simmons at the urging of NGFA as a forum for discussing the current marketplace for rail service and rail cars.

Much of the discussion at the Grain Car Council meeting centered on the impacts that the expanding ethanol and related by-products industries may have on rail transportation. Several tank car manufacturers noted that car-building capacity was fully booked for several years, although some new tank car deliveries had occurred in Minnesota and Iowa, only to sit idle, awaiting the completion of biofuel plant construction. There were reports that these idled cars temporarily were slowing rail car movements. Some rail carriers noted that 75-car unit trains hauling distillers dried grains with solubles (DDGs) were moving in some markets. And while the fluidity of DDGs shipments was improving, carriers said, such trains required as much as 36 hours to unload, rather than the typical 15 hours for whole grain and soybeans.

But the temporary reprieve from the tight supply for rail transportation portrayed during the National Grain Car Council meeting was in stark contrast to testimony presented at the STB’s Nov. 2 hearing on rail grain transportation, which provided evidence that rail service may continue to be rationed in coming years. The U.S. Government Accountability Office (GAO) – the investigatory arm of Congress – found in a recent assessment that rail rates for grain had not followed the downward trend of rail rates in other rail-served industries, but had actually increased since 1987. During questioning at the hearing, GAO official JayEtta Hecker said that one option to address increasing rail rates for grain would be to open the market to more competition. STB Commissioner Frank Mulvey asked Hecker whether promoting competition among rail carriers should be considered as “re-regulation.” She responded that promoting competition is the “exact opposite” of re-regulation.

Offering a different perspective, STB Commissioner W. Douglas Buttrey challenged the GAO official by asking whether a “shared monopoly” where two railroads might have joint access to the rights to use a single rail line reasonably could be expected to result in an outcome that resembled a competitive market for service and pricing. Buttrey suggested that some form of rate regulation was much more likely to result in a positive market outcome than a regulatory body forcing competition into an otherwise single-supplier market. Earlier, in an opening statement, Buttrey raised concerns about the impact of rail rate increases on captive agricultural shippers and farmgate prices, and reminded rail carriers that they still have a common-carrier obligation under federal law. “Today, it seems to me that the smaller operators are being penalized through no fault of their own,” Buttrey said. “They have just as much right to receive service and pricing that suits their needs in the marketplace as the corporate behemoths do. And the last time I looked, the common-carrier obligation is still part of (federal law).”

The NGFA presented testimony indicating that agricultural movements generally had experienced rail rate increases in the last three years that clearly exceeded the average rate increases of other rail-served industries. [*Editor’s Note: The NGFA’s testimony is summarized in the accompanying edition of the NGFA Issues and Actions publication.*] Darrell Wallace, vice president, Transportation Commodities Group, Bunge North America, St. Louis, Mo., testified that from 2001 to 2006, the company had experienced rate increases of 27 to 120 percent for soybeans, 16 to 46 percent for soybean meal, and 13 to 80 percent for soybean oil. In separate testimony, Terry Voss, senior vice president, transportation for Ag Processing Inc., Omaha, Neb., noted that one carrier’s shuttle rates from an Iowa origin had increased by \$1,275 per car for soybeans since September 2000 – an increase of 85 percent. Voss also suggested that rapid escalation of rates to levels that could not be used economically was, in fact, a means for carriers to avoid their common-carrier obligation to provide reasonable service upon reasonable request.

The North Dakota Grain Dealers Association submitted a written statement for the hearing that noted, in part, “the present situation in this industry in this region is ‘out of balance.’ Shippers are often reluctant to complain, for fear of railroad retaliation.” New STB Chairman Charles (Chip) Nottingham, presiding at his first STB hearing, had been the first to raise the subject of whether railroads have engaged in retaliatory actions against shippers, and said he took such allegations seriously. Later in the hearing, rail carrier officials reacted indignantly to the charge, with one carrier representative stating that he was “offended” by the allegation and asserting that his company would not tolerate such conduct by its employees.





Entering a Grain Storage Structure - Safety Always...

Given several recent incidents involving accidents and fatalities involving employees that became entrapped in grain, the NGFA is providing the following reminder about safe bin-entry procedures.

The following material is excerpted from the *NGFA/GEAPS Safety, Health and Environmental Compliance Notebook for Grain Elevators, Millers and Processors*. It includes requirements contained in the Occupational Safety and Health Administration's (OSHA) grain handling facility standard (29 CFR 1910.272) pertinent to bin entry.

At all facilities, employers are required to establish procedures and provide personal protection equipment to employees who enter grain storage structures, such as bins, tanks and silos. Importantly, these requirements do not apply employees entering a "flat storage structure in which there is no toxicity, flammability, oxygen deficiency or other atmospheric hazards."

The following OSHA requirements apply to bin, silo and tank entry:

- ▶ **Permits:** Employers are required to issue a permit for entering bins, silos or tanks, unless the employer or his or her representative (who otherwise would authorize the permit) is present during the entire operation. The permit, which OSHA requires be kept on file until the entry operation is completed, is to certify that proper precautions have been implemented before an employee(s) begins entry.
- ▶ **Procedures:** All mechanical, electrical, hydraulic and pneumatic equipment feeding or emptying the bin that "presents a danger to employees inside bins, silos or tanks shall be disconnected, locked-out and tagged; blocked off; or prevented from operating by other means or methods." The OSHA standard prohibits employees from entering bins, silos or tanks underneath a "bridging condition or where a buildup of grain products on the sides could fall and bury them."
- ▶ **Atmosphere Testing and Ventilation:** The atmosphere within a bin, silo or tank that is to be entered is to be tested for the presence of combustible gases, vapors and toxic agents "when the employer has reason to believe they may be present." Further, the atmosphere within a bin, silo or tank is to be tested for oxygen content "unless there is continuous natural air movement or continuous forced-air ventilation before and during the period employees are inside."

Ventilation is to be provided "until the unsafe condition(s)...are eliminated, and...as long as there is a possibility of reoccurrence of the unsafe condition while the bin, silo or tank is occupied by employees."

If ventilation cannot eliminate the toxicity or oxygen deficiency, employees entering the bin, silo or tank are to wear an "appropriate respirator" meeting OSHA requirements contained in its general industry standard.

- ▶ **Personal Protective Equipment:** Employees entering grain storage structures are required to wear a body harness equipped with a lifeline, or use a boatswain's chair meeting OSHA specifications. Employers also must "provide equipment for rescue operations... specifically suited for the bin, silo or tank being entered."
- ▶ **Observers:** An observer "equipped to provide assistance," is required to be stationed outside the bin, silo or tank during the operations. The person serving as an observer is to "be trained in rescue procedures, including notification methods for obtaining additional assistance."

If you are interested in obtaining more information on bin entry safety, or purchasing a copy of the *NGFA/GEAPS Safety, Health and Environmental Compliance Notebook for Grain Elevators, Millers and Processors*, please contact NGFA Director of Regulatory and Technical Affairs Joe Garber at jgarber@ngfa.org, or by calling 202-289-0873.

NGFA Participates in K-State Feed Science Advisory Board Meeting

The NGFA participated in the Oct. 19-20 meeting of Kansas State University's (KSU) Feed Science Advisory Board.

The meeting focused on successful efforts to increase enrollment in the Department of Grain Science, which includes distinct programs for milling, baking and feed. There are currently 160 undergraduate students enrolled, 45 of which are in feed, compared to the 120-level that existed in 2004. University officials state that they continue to place 100 percent of graduating students in industry jobs, with recent starting salaries averaging more than \$50,000, plus an average signing bonus of \$5,000. Ethanol companies recently have approached the Department of Grain Science about providing additional courses in fermentation and distillation to better prepare students for potential future careers in the biofuels industry.

The KSU Grain Science Department also plans to launch a new initiative to secure primarily private funding for its long-planned new pilot feed mill. Approximately \$3.5 million still needs to be raised to finance a recently updated version of the mill, which would have a lower production capacity than the initial design. That's less funding than the additional \$5.5 million that would need to be raised to complete the project as originally planned.



Membership Matters

by Todd Kemp
Director of Marketing/Treasurer

'Merchandising' NGFA Membership -- An Operating Guide

Origination: Where do you source potential new members? Check your *NGFA Directory/Yearbook*. If a company isn't listed, it's quite likely the company is not a member. Contact the NGFA's staff to be completely sure. They may have joined since the 2005-06 edition was published.

Contracting: How do most deals get done in the grain business? That's right, over the phone. That's also a great way to invite your prospect to become a member. Call your prospect, tell your story about the value of NGFA membership, and get his/her agreement to consider membership.

Confirmations: It's important to send signed confirmations, right? Same goes for NGFA membership. Let the NGFA staff know who you're contacting. We'll send an information packet with a membership application. Hopefully, your prospect will send a signed "confirmation" of his/her membership!

Customer Relations: When dealing with customers, a follow-up call or visit occasionally is important. Membership recruiting is no different. That's why staff follows up with a phone call to each prospect. Recruiter follow-up calls can help seal the deal.

Transportation and Receiving: Your membership prospect has several options when it comes to sending in the membership application. Applications can be filled out online or in hard copy and FAXed to the NGFA office. Or they can be mailed in with a

check. Let your prospect know that now is a good time to apply for membership so the new company can be listed in the soon-to-be-published 2007 *NGFA Directory/Yearbook*! When it comes to receiving new NGFA memberships, there is no waiting in line for the dump pit.

Storage and Conditioning: Left untended and ignored, grain quality will deteriorate. The same is true of a new NGFA member! New members receive a welcome letter when they apply, and a second letter with their official welcome kit when memberships are approved. Members also are informed of opportunities for involvement – like committee service – and which staff members to contact when specific issues or problems arise. The NGFA is focused on providing high-level representation and excellent customer service!

Training and Professional Development: Investing in the training and development of employees is key to companies' success. Same is true for the NGFA members. That's why the NGFA offers a number of high-level education, training and professional development opportunities to its membership: The annual Country Elevator/Feed Industry Conference in Kansas City next month is one excellent example. Sign up now!

The Payoff? A vibrant and growing NGFA! New members bring new talent, new expertise, new resources. That's why recruiting is so important. The moral of the story: get busy working on originating a new member today!



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

TIME SENSITIVE

