



NGFA

Newsletter[®]

Volume 57, Number 25, December 22, 2005



Season's Greetings

WTO Negotiations Limp Out of Hong Kong with Modest Progress

Seven days and long nights of intense wrangling among the 149-member nations of the World Trade Organization in Hong Kong finally yielded modest progress that should provide at least some momentum as negotiations continue into 2006.

The major agricultural outcome from the Hong Kong meeting of trade ministers came in the area of export competition where an agreement was reached to eliminate all export subsidies by 2013. Agreement came only after the European Union, which is responsible for approximately 95 percent of the world's export subsidies, consented after completing action on its own internal budget through 2013. The agreement calls for the phase-out by 2013 of all forms of export subsidies, as well as disciplines on all export measures that have an equivalent effect (such as export credits, export credit guarantees, insurance programs and food aid), with a substantial portion of such subsidies to end during the first half of the implementation period that is scheduled to begin in 2007. The ministerial

declaration also states that export credit programs should be self-financing, reflect market consistency and should be sufficiently short in duration so as to not circumvent commercial production.

Concerning so-called state trading enterprises – or STEs – (such as the Canadian and Australian Wheat Boards), the ministerial final draft text states that disciplines to end trade-distorting practices “will extend to the future use of monopoly powers so that such powers cannot be exercised in any way that would circumvent the direct disciplines on STEs on export subsidies, government financing and the underwriting of losses.” As for food aid, the document calls for the creation of a “safe box” for bona-fide food aid to ensure there is no unintended impediment to responding to emergency situations, as well as a commitment that in-kind food aid (i.e., commodity donations) not displace commercial sales. But it also reaffirms the commitment to maintain an adequate level of food aid,

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Agriculture River Recovery Fund Launches 10-Day Drive to Raise Additional Money to Meet Post-Katrina Human Needs

The organizers of the Agriculture River Recovery Fund on Dec. 21 launched an intensive supplemental fund drive designed to generate at least \$150,000 by Dec. 31 to respond to worthy applications for assistance from agriculture industry employees and their families who have been displaced and had their lives and livelihoods disrupted by Hurricane Katrina.

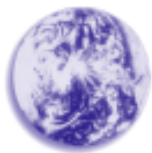
Thus far, nearly \$270,000 has been contributed by 78 companies, organizations, foundations, associations and individuals as an expression of support for those in the region who work to support U.S. agriculture. Grant applications were closed on Dec. 10.

An initial three-week fund drive concluded on Oct. 31. But a supplemental drive is being launched now in an attempt to generate sufficient funds to provide much-needed assistance to as many of the nearly 500 applicants as possible, providing they meet the rigorous qualification requirements implemented by the Agriculture River Recovery Fund Grants Panel.

“It is clear from the worthy applications received that we are meeting the needs of the rank-and-file workers involved in the grain, barge and service industries whose lives remain in turmoil four months after Hurricane Katrina hit,” organizers of the fund said. “Applications have been received from grain export elevator workers, including control room operators, welders, bin-deck operators, millwrights, maintenance personnel, vessel loaders, office managers, and many others; as well as barge workers and others whose families have been displaced and their homes and all of their physical possessions destroyed. For some, the loss is made even more grievous by the deaths of sons, daughters or other family members.”

The Agriculture River Recovery Fund Grants Panel plans to begin making monetary awards shortly after the start of the New Year. The goal, fund organizers said, is to provide a base minimum grant for each approved applicant, with additional assistance provided to those who sustained catastrophic losses.

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and to take into account the interests of food-aid recipients. The document rejected the EU's attempts to restrict food aid to cash-only, rather than cash and/or commodity donations. Disciplines on monetization and re-export of food aid are to be negotiated later.

Other Results: Other key outcomes from the Hong Kong ministerial concerning agricultural trade reform include the following:

◆ **Domestic Support:** It was agreed that there would be three bands for reductions in final bound total aggregate measures of support, as well as in the overall cut for trade-distorting domestic support. Countries in the higher band would be required to implement the greatest reductions. While not specifically cited in the final draft declaration, the consensus was that the EU would be placed in the top band, with Japan and the United States in the second band and all other countries, including developing nations, considered to be in the third band. No specifics were agreed to concerning the formula for reductions in aggregate measures of support.

◆ **Market Access:** The trade ministers agreed to establish four bands for structuring tariff cuts, although no

agreement was reached on specific thresholds or formulas. Developed countries are to establish duty-free/quota-free market access for 97 percent of the products from least-developed countries by 2008.

◆ A timetable to complete the negotiations with modalities (formulas for reductions) is due April 30. Schedules for comprehensive tariff-line reductions are due by July 31, in an effort to complete an agreement by Dec. 31.

◆ An agreement was reached to link agricultural and non-agricultural market-access negotiations.

◆ Export subsidies for cotton are to be eliminated by 2006. Trade ministers also agreed to consider an "early harvest" of some domestic support reductions – a concept strongly opposed by U.S. agriculture groups because it would involve completing agreement on one commodity or area before the remainder of negotiations are completed. The concern is that "partial" agreement negates momentum to reach a final consensus on all outstanding issues. Domestic cotton interests have criticized the separate cotton provisions, and U.S. Trade Representative Rob Portman has acknowledged that securing agreement from Congress will be very difficult.

Canada Imposes Duty on U.S. Corn Imports

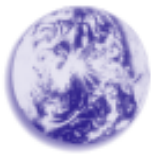
Canada's Border Services Agency announced Dec. 15 that it had made a preliminary determination that "unprocessed" corn imported from the United States is being unfairly dumped and subsidized, and imposed a total \$1.65-per-bushel provisional duty.

The determination followed a Nov. 15 preliminary determination by the Canadian International Trade Tribunal that there was a "reasonable indication" that unprocessed U.S. corn imports were being dumped and unfairly subsidized. The provisional duty, which took effect for imports released from customs on or after Dec. 15 until the Canadian investigation is completed, applies to U.S. unprocessed corn imports (which includes corn milled to a "limited degree"), except for seed corn imported for reproductive purposes, sweet corn and popcorn. The Canada Border Services Agency said its investigation of dumping and subsidizing of U.S. corn imports will continue, and that a final decision will be made on or before March 15. In addition, the Canadian International Trade Tribunal now will initiate its full inquiry into whether the Canadian industry has been harmed by U.S. corn

imports; that investigation is scheduled to conclude on or before April 14. The provisional duties would be refunded if the investigation finds that U.S. corn imports do not harm Canadian corn growers.

Unprocessed U.S. corn subject to the duty and the investigation includes whole kernel corn and corn that has been milled in a way that preserves its constituent parts of whole kernel corn and is chemically identical to whole kernel corn. Corn mixed with other grains and oilseeds (such as millet) that can be separated from the corn after importation also is included in the product definition. So is white dent corn. Unprocessed corn is classified in Sections X and XI of the Canada Customs Tariff under the following subheadings of the harmonized system: 1005.90.00.11 through 1005.90.00.14 (covering U.S. No. 1 through No. 4 yellow dent corn); 1005.90.00.19 (classified as "other"); 1005.90.00.99 (classified as "other, including white dent corn"); and 1104.23.00.00 (classified as corn that is "sliced"; corn that is hulled or kibbled is included in this tariff line, but is not subject to the duty or investigation). A fact sheet issued by the Canada Border Services Agency is available by [clicking here](#).





U.S. Trade Representative Rob Portman and Secretary of Agriculture Mike Johanns issued a joint statement from the WTO ministerial meeting in Hong Kong expressing disappointment with Canada's decision to impose what they called "excessive" provisional duties on U.S. corn imports. "We have an integrated North American food and feed market, and imports of U.S. corn are critical to the economic viability of Canada's livestock, distilled spirits and food processing industries," they said. Portman and Johanns also noted Canada had conducted two previous

investigations of U.S. corn imports in 1992 and 2001, both of which found that such imports were not harming Canadian corn producers.

The Canadian investigation was launched in response to a complaint filed by three Canadian corn producer organizations – from Manitoba, Ontario and Quebec – that alleged U.S. corn subsidies are "causing price erosion, price suppression, decreased incomes, and increased burdens on government support programs" and reduced corn planted acreage in Canada.

South Korea Signals Intent to Reopen Market to U.S. Beef

South Korea soon is expected to lift its ban on imports of U.S. and Canadian beef, following the lead of Japan, which announced it was lifting its ban effective Dec. 12.

In remarks issued during the World Trade Organization's Hong Kong ministerial meeting, Minister of Agriculture and Fisheries Park Hong-soo said that South Korea's animal quarantine commission during its meeting on Dec. 14 had determined that U.S. beef was safe, and announced that the country would immediately begin negotiations on conditions for resumption of U.S. beef imports. He said there would be no additional meetings of the quarantine commission, but also declined to predict a timetable for resumption of beef trade.

Meanwhile, Japan received its first shipments of U.S. beef this week following an announcement that it would resume imports of certain beef products from U.S. and Canadian cattle 20 months or younger – provided specified risk materials are removed and procedures exist for certifying the ages of cattle. Japan's action drew praise from U.S. government and industry leaders. Secretary of Agriculture Mike Johanns said Japan's action "provides an excellent example for other countries in Asia whose markets remain closed. Now is the time for Taiwan, South Korea, Hong Kong, China, Singapore and others to open their markets to U.S. beef."

USDA maintained that more than 94 percent of total U.S. ruminant and ruminant products, with a total export value of \$1.7 billion in 2003, now would be eligible for shipment to Japan. USDA said 67 countries have reestablished trade for "at least selected" U.S. beef and beef products.

Food and Drug Administration Acting Commissioner Dr. Andrew von Eschenbach also issued a statement, stating that FDA was "encouraged" by Japan's decision

and asserting that the agency believes Japan's decision "acknowledges the effectiveness of U.S. measures adopted over the years – one of the most critical measures being FDA's ruminant feed ban – to protect our country from BSE..." The FDA statement specifically cited the more than 41,000 inspections conducted by the agency and states to verify compliance with the BSE-prevention feed rule, and that compliance has exceeded 99 percent.

Meanwhile, USDA's Animal and Plant Health Inspection Service (APHIS) reciprocated by issuing final regulations allowing the importation of whole cuts of boneless beef from Japanese cattle, provided certain conditions are met. Those conditions include verification that the Japanese beef is prepared in an eligible establishment, which includes a requirement that SRMs be completely removed, segregated and disposed; a ban on the use of air-injection stunning devices and pithing processes during cattle slaughter; and certification by an authorized Japanese government veterinary official. Prior to the suspension of imports in 2001, the vast majority of Japanese beef shipped to the United States was high-priced beef from Wagyu cattle – better known as "Kobe beef" after the city near which such cattle are raised. USDA estimated that the total volume of such imports likely will range between 8 million and 15 million metric tons per year.



Calendar

March 5-7, 2006: NGFA's 110th Annual Convention
Charleston, S.C.

May 9-10, 2006: NGFA's Trade Rules Seminar
Kansas City Airport Marriott, Kansas City, Mo.



Congressional Session Ends with a Bang and a Thud for GOP Majority

Congress at long last was making plans to adjourn for the year – two and a half months behind schedule – after trying to wrap up several important pieces of legislation.

Budget Reconciliation: The House passed the joint House-Senate conference report on the \$39.7 billion budget reconciliation measure by a 212-206 vote after Republican leaders negotiated to bring enough moderates and fiscal conservatives on board in support of the package. The Senate followed suit on Dec. 21 after Vice President Dick Cheney returned early from a diplomatic mission to the Middle East and Afghanistan to cast the deciding vote. The 51-50 outcome occurred after making a few minor adjustments due to successful procedural objections by Democrats to certain provisions in the bill. But those changes, while minor, will require that the House reconvene to vote on the new package before it can be sent to the president for signature. As the *NGFA Newsletter* went to press, it was uncertain how soon that would happen.

The agricultural budget cuts contained in the measure were further reduced to \$2.7 billion over five years. The final figure was negotiated by House and Senate leaders as negotiations between the two Agriculture Committee chairmen broke down. The House got its way on commodity programs, as the Senate’s effort to extend the programs beyond the 2007 expiration of the 2002 farm law was discarded. The measure cuts \$1.7 billion from commodity programs, largely in the first three years, by reducing the advance direct payment from 50 to 40 percent in 2006, and then down to 22 percent in 2007. But producers still would receive the full direct payment – only on a delayed basis. Other cuts include \$282 million by eliminating the Step 2 program for upland cotton, \$400 million for rural development, \$620 million for research and \$934 million from conservation programs. The Senate prevailed on food stamp spending, as the cuts proposed by the House were removed. Further, the Senate prevailed in extending for two years, at a cost of \$998 million, the Milk Income Loss Contract (MILC) program.

The reconciliation measure also includes a modified repeal of the so-called “Byrd Amendment,” which allows for duties collected through successful antidumping and countervailing duty cases by a U.S. industry to be funneled back to that industry rather than the federal treasury. The World Trade Organization (WTO) has ruled the Byrd amendment illegal under international trade commitments, since it allows U.S. industries to collect the duties, as well as benefit from the reduced foreign competition that imposing those duties provides. An outright repeal was proposed, but supporters of the provision prevailed in garnering support for a two-year phase-out that would allow those duties currently collected to be distributed to the affected industries. Four countries

currently are imposing WTO-authorized tariffs of \$134 million against the United States in retaliation over the Byrd amendment.

Defense Appropriations: This \$453.5 billion appropriations bill became the legislative vehicle for several provisions as it was seen as the final “must-pass” legislation before Congress adjourns for the holidays. The measure includes \$3.8 billion in funds for avian flu preparedness. While that is nearly \$3.5 billion less than President Bush’s request, it basically fulfills the fiscal year 2006 portion of the request. Of the total, \$3.3 billion would be directed to the Public Health and Social Services Emergency Fund, allocated as follows: 1) \$350 million to improve state and local governments abilities to respond; 2) \$241 million for international activities, surveillance, vaccine registries, research and clinical trials; and 3) \$50 million to increase laboratory capacity through the Centers for Disease Control. Remaining funds would be retained by the Department of Health and Human Services to implement objectives associated with preparing for a potential avian influenza outbreak.

Senate Approves Nomination of New Chief Ag Trade Negotiator

The Senate on Dec. 17 approved the nomination of **Richard T. Crowder** to be the chief agriculture negotiator at the Office of the U.S. Trade Representative.

During the Senate Finance Committee’s Dec. 16 hearing on Crowder’s nomination, the only “no” vote was cast by Sen. Kent Conrad, D-N.D.

Crowder would replace Allen Johnson, who left the position earlier this fall. Crowder, who has been president and chief executive officer of the American Seed Trade Association since April 2002, served from 1989-92 as undersecretary of agriculture for international affairs and commodity programs. He spent most of the intervening decade as senior vice president, international for DEKALB Genetics Corp., which subsequently was acquired by Monsanto. From 1992-94, Crowder was executive vice president and general manager, international, for meat processor Armour Swift-Eckrich, a division of ConAgra Foods Inc. From 1975-89, he was with the Pillsbury Co. in a variety of senior executive positions. The Virginia native received his undergraduate and masters degrees from the Virginia Polytechnic Institute and State University (Virginia Tech), and his PhD from Oklahoma State University.





House Conducts Hearing on USDA Posted County Prices

The House Agriculture Committee's Subcommittee on General Farm Commodities and Risk Management conducted a Dec. 14 hearing to examine USDA's procedures for establishing posted county prices (PCPs) under the marketing assistance loan program.

Subcommittee Chairman Rep. Jerry Moran, R-Kan., cited instances in which PCPs in certain regional areas were not accurately reflecting local cash market prices. The U.S. Department of Agriculture used the hearing as an opportunity to cite what it called the "conflicting goals" of the 2002 farm law that allow producers to repay marketing assistance loans or obtain a loan deficiency payment (LDP) on eligible farm commodities.

Those goals include minimizing potential loan forfeitures, minimizing accumulation of government-owned stocks, minimizing government storage costs, allowing commodities to enter marketing channels; and minimizing discrepancies in marketing loan benefits across state and county lines.

"Determining a (PCP) rate that simultaneously meets these statutory objectives will not guarantee that PCPs will generate an LDP plus the local cash price that equals county loan rates," testified Floyd Gaibler, USDA deputy undersecretary for farm and foreign agricultural services. "Th(at) is a significant misconception that takes place pertaining to PCPs....[The 2002 farm law] does not guarantee this. The LDP aspect of the loan program is designed to avoid forfeitures. Utilizing the loan provision is the only way for the producer to guarantee receipt of the loan rate for the applicable crop. The loan is the benefit, not the LDP." Gaibler also noted that USDA establishes more than 88,000 PCPs for 17 different farm program commodities each weekday.

In its testimony, the NGFA encouraged USDA to consider modifying its so-called "beneficial interest" rules to better define when title to a commodity transfers to enable producers to better utilize new risk-management tools. "The concept of

beneficial interest, as currently applied by USDA, is out-of-kilter with various kinds of cash grain contracts (such as delayed-price and deferred-payment contracts) that offer producers opportunities to maximize market returns," testified John Fletcher, general manager of Central Missouri AGRIService Inc., Marshall, Mo., who serves on the NGFA's Board of Directors and Country Elevator Committee. "We respectfully submit there is something amiss when a government farm program designed to avert (loan) forfeitures, encourage stocks to enter market channels and maximize farm income has the perverse effect of limiting contracting options available to producers."

Concerning PCPs, the NGFA said it believed USDA generally had done a "good job" during a very difficult harvest characterized by transportation constraints and hurricane disruption in monitoring and adjusting PCPs for grains and oilseeds to keep them roughly in-line with local cash market prices. However, the NGFA cited several instances of PCP anomalies. Further, the NGFA said spikes in transportation freight rates, the trend away from terminal market-based pricing and the proliferation of such destination markets as ethanol and biodiesel plants have complicated USDA's PCP-monitoring process. To assist in addressing PCP anomalies, the NGFA suggested that USDA consider implementing a special web-based portal that could be used by producers, grain elevators and others to alert USDA to specific situations in which PCPs become significantly out-of-line with local cash markets. The association also encouraged USDA to follow up expeditiously with those reporting PCP anomalies to inform them of the results of USDA's investigation, its plans for taking corrective action and the rationale for its decision. [See the enclosed edition of *Issues and Actions* for a report on the NGFA's testimony.]

Members receiving the *NGFA Newsletter* electronically may obtain a copy of USDA's PCP testimony by [clicking here](#). NGFA's testimony is available by [clicking here](#).

ASA Schedules Educational Meetings on Soybean Rust

The American Soybean Association (ASA) has scheduled a series of meetings starting in January on soybean rust-prevention measures.

Dubbed "Beyond 2005 – Preparing for Soybean Rust is a Must," the half-day meetings will include presentations by U.S. Department of Agriculture officials on the prospects for soybean rust in 2006, as well as techniques for combating soybean rust if it emerges in the U.S. soybean crop. The meetings, which are intended for soybean producers, are scheduled for Jan. 5 in St. Louis at the St. Charles Convention Center; Jan. 18 in Plain City, Ohio, at the Der Dutchman; Jan. 24

in Owensboro, Ky., at the Executive Inn Rivermont; Jan. 26 in Raleigh, N.C., at the Sheraton Imperial; and Feb. 1 in Davenport, Iowa, at the Holiday Inn.

The meetings are scheduled from 10 a.m. to 2:30 p.m. at each location except for St. Louis, which is scheduled for 8 a.m. to 2:30 p.m. ASA is encouraging producers to register as soon as possible, since space is limited. Admission is free for current ASA members, and \$50 for others, including guests. Registration is available online by [clicking here](#), or by requesting a form by mail by calling 1-800-688-7692, extension 507. An agenda and meeting information is available by [clicking here](#).





Rails, Rivers and Roads

by Randall C. Gordon
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"Ag River Recovery" continued from page 1

"That's the reason we're launching this intensive, 10-day fund drive," fund organizers said. "We want to get desperately needed funds distributed as quickly as we can. But the number and amount of these individual grants will depend upon the contributions received. We need to know how much money we have to work with to determine the base amount that can be provided to each approved applicant."

The Agriculture River Recovery Fund is being spearheaded by a wide range of individuals and businesses involved in U.S. and international agriculture, including the grain and grain-related industries. Organizers of the Agriculture River Recover Fund said it represents a united effort to "help our own and to provide support for the recovery of the vital Mississippi River/Center Gulf region." Tax-deductible charitable contributions are being used to help supplement the financial resources of personnel and their families from grain elevators and supporting service industries in the New Orleans, La., and Mobile, Ala., region who suffered personal loss or injury, been displaced, and/or suffered economic hardship as a result of Hurricane Katrina.

New or additional donations to the fund may be made by checks made payable to: Agriculture River Recovery Fund; 1250 Eye Street, N.W., Ste 1003; Washington, D.C., 20005. Wire donations also can be made through the Agriculture

River Recovery Fund's website (www.arrfund.org). The website also contains additional information about this agricultural humanitarian-relief effort, as well as an updated list of contributors. All funds contributed are fully deductible to individuals and corporations as a charitable contribution for federal income tax purposes. One hundred percent of all donations will be distributed to needy applicants.

Buttrey to Succeed Nober as New STB Chairman

The federal Surface Transportation Board has elected W. Douglas Buttrey to serve as the agency's chairman to replace Roger Nober, who announced on Dec. 12 that that he was resigning from the STB effective Jan. 3.

Buttrey was selected based on a provision of the law that allows the STB to designate a member to become chairman during a period where the position is vacant. The STB chairman position is nominated by the president, and requires Senate confirmation. The STB also elected its other remaining member – Frank P. Mulvey – to serve as vice chairman upon Nober's departure.



Tech Talk

by Randall C. Gordon
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GIPSA Issues Final Rule Waiving Official Inspection and Weighing for High-Quality Specialty Grains Exported in Containers

The U.S. Department of Agriculture's Grain Inspection, Packers and Stockyards Administration (GIPSA) on Dec. 13 issued a final rule waiving the mandatory official inspection and weighing of "high-quality specialty grains" exported in containers.

GIPSA said the waiver would remain in effect for no more than five years, and said it would consider making the waiver permanent thereafter. However, GIPSA said it would remove the waiver at any time if it determines it is not consistent with the objectives of the U.S. Grain Standards Act. GIPSA's action finalizes an interim final rule issued on April 28.

The agency said it took the action to promote the marketing of high-quality specialty grains by U.S. exporters. Under the U.S. Grain Standards Act, all U.S. grain exports are required to be officially inspected and weighed by

GIPSA or employees of states delegated by GIPSA to provide official services. However, GIPSA previously has exercised authority under the law to waive this requirement for truck and rail shipments to Canada and Mexico; grain shipped in bond; grain not sold by grade; when service is not available or in emergency situations; and for elevators and exporters shipping less than 15,000 metric tons during the current and preceding calendar year. Under the interim rule, high-quality specialty grains exported in a container also qualify for a waiver from mandatory inspection and weighing.

Traditionally, high-quality specialty grain export volumes had been at a level that qualified for the 15,000-metric-ton-threshold that qualified for the exemption. But as exports of high-quality specialty grain have increased, volumes began to exceed the 15,000 metric waiver threshold, requiring shippers to





have high-quality specialty grains exported in containers officially inspected and weighed. The cost of such service is approximately \$1.80 per ton, compared to an average 34-cents per ton for bulk commodity exports.

In addition, GIPSA said it believed waiving the requirement for official inspections and weighing would be consistent with the law's objectives since the contract specifications for high-quality specialty grains far exceed the standards for grains established under the U.S. Grain Standards Act. Further, the shipments usually involve dedicated buyers and sellers that have an ongoing business relationship and fully understand each other's specific needs and capabilities, the agency noted.

Under the final rule, a high-quality specialty grain is

defined as grain sold under contract terms that: 1) specify quality better than the grade limits for U.S. No. 1 grain, except for the factor test weight; or 2) specify "organic" as defined under the Organic Foods Production Act of 1990.

Under the final rule, GIPSA requires that records generated during the normal course of business that pertained to such shipments be retained for three years. The records are to be made available to GIPSA upon request.

GIPSA said in the near future it will develop further guidance on requirements for high-quality specialty grains exported in containers.

EPA Seeks Comments on Extending Deadline for CAFO Compliance

The U.S. Environmental Protection Agency on Dec. 21 issued a proposal to extend by slightly more than a year the dates for concentrated animal feeding operations (CAFOs) to seek national pollutant discharge elimination system (NPDES) permit coverage and to implement nutrient management plans as required under the agency's 2003 CAFO rule.

The extensions would revise permit-application deadlines required by the decision issued by the Second Circuit Court of Appeals in *Waterkeeper Alliance et al. v. EPA*, 399 F.3d 486 (2nd Cir. 2005). EPA is in the process of developing new regulations in response to the court decision, but is not expected to finalize the rule by the date that new CAFOs must seek permit coverage. EPA said it is proposing to move expediently to revising these dates in a separate rulemaking.

Specifically, EPA proposed to extend the date for operations defined as CAFOs as of April 14, 2003 as result of EPA's final regulations (and which were not defined as CAFOs prior to that date) to seek NPDES permit coverage to March 30, 2007. Currently, the deadline is Feb. 13, 2006. The same March 30, 2007 deadline for applying for NPDES permit coverage would apply to operations that became defined as CAFOs after April 14, 2003 because of operational changes that would not have made them CAFOs prior to April 14, 2003, and that are not new sources. Finally, EPA proposed to extend the deadline by which CAFOs are required to develop and implement nutrient management plans from Dec. 31, 2006 to March 30, 2007.

Members receiving the *NGFA Newsletter* electronically may obtain additional information about the CAFO rule by [clicking here](#). For details about animal feeding operations covered by the CAFO rule, [click here](#).

APHIS Final Rule Amends Flag Smut Restrictions on Wheat Imports

The U.S. Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) has issued final regulations that, effective Dec. 28, removes the ban on wheat and related articles imported from countries invested with flag smut. Under the final regulations, the agency still will require the national plant protection organizations of affected countries to request that APHIS conduct country-specific risk assessments before removing the given country from the list of nations prohibited from exporting wheat seed or related articles to the United States. APHIS currently bans certain wheat-related articles, including seed, plants, straw, chaff and milling products other than flour (bran, shorts, etc.) from 49 countries because of flag smut, which is a highly infective fungus that reduces wheat yields, but not

quality. APHIS said it believes the risk and economic impact of a change to its regulations will be negligible on the United States, given the minimal quantity of U.S. wheat imports and the country-specific risk assessment that still would be required.

Flag smut, which severely stunts wheat plants and produces an excessive number of tillers, first was characterized in 1868 in Australian wheat. It was discovered in the United States for the first time in 1919, and was a significant U.S. wheat disease until the 1930s. Currently, APHIS has said the incidence of U.S. flag smut is confined to wheat in the Pacific Northwest and is limited to seed sown in late August and early September at depths of more than two inches.



Membership Matters

by Todd Kemp
Director of Marketing/Treasurer



NGFA's 110th Annual Convention – Registration Now Open! ...Sign Up Now for Low-Country Extravaganza!...

The “Low Country” of South Carolina is the beautiful and historic setting for the 110th annual NGFA convention. The convention’s headquarters hotel will be the gracious and elegant Charleston Place Hotel, right in the middle of downtown Charleston.

As always, the centerpiece of the convention will be high-level business programming. However, this gathering of the industry also serves as the perfect setting for side meetings with clients and customers – networking and learning opportunities for valued employees – and, of course, a well-earned winter’s-end respite from cold and snow. This year’s convention has something for everyone, so plan to bring the entire family!

To help plan travel schedules, here is a brief outline of significant convention events:

Saturday, March 4

Afternoon: Low Country Pig/Oyster Roast – Hosted by QuickFarm

Sunday, March 5

1 - 5 p.m.: NGFA Committee Work Sessions
6 - 7:30 p.m.: CBOT Welcome Reception at the fabulous Riviera Theater

Monday, March 6

8 - 11:30 a.m.: Opening General Program Session
Noon - 6 p.m.: NGFF Classic Golf Tournament at Patriots Point Golf Club
Evening: Free for private receptions/dinners

Tuesday, March 7

8:30 - 11:45 a.m.: General Program Session
1 - 3:30 p.m.: Board of Directors Meeting
6 - 10 p.m.: Cocktail Reception/Banquet & Entertainment

See the enclosed registration form to sign up now. Don’t forget to call the Charleston Place Hotel for room reservations. And watch your mailbox for more detailed information about the 110th annual NGFA convention!



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

TIME SENSITIVE

