



NGFA

Newsletter[®]

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Federal Grain Warehouses Respond to Survey

Federal grain warehouses responding to a survey have signaled a willingness to accept changes to the voluntary program to provide industry-funded coverage for producer grain payable obligations in exchange for amending the U.S. Warehouse Act to clarify that the U.S. Department of Agriculture has sole authority to regulate the so-called “merchandising”-related activities of those holding federal licenses.

Companies that comprise approximately 46 percent of all federally licensed grain warehouse facilities – 1,076 out of the total 2,357 federal warehouse locations – responded within a two-week period to the one-question survey. The survey, mailed to approximately 630 master licensing codes of companies that own and operate federally licensed grain warehouses, provided information about the levels of coverage for stored grain and producer grain-payable obligations envisioned by a Grain Warehouse Working Group consisting of the American Farm Bureau Federation, Association of American Warehouse Control Officials (AAWCO), National Association of State Departments of Agriculture (NASDA), National Farmers Union and NGFA. The survey asked each company whether it would be inclined to remain in the federal system if – in exchange for federal instead of state oversight of grain merchandising activity at federally licensed warehouses – their respective licensing and examination fees were to increase between 20 to 40 percent to finance the additional levels of depositor and producer coverage. The survey made it clear that the alternative likely would be legislation that would expressly reserve to states the authority for regulating grain merchandising and producer grain-payable obligations at federally licensed grain warehouses.

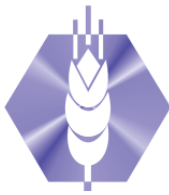
Of the survey respondents, those representing at least 5 percent of federally licensed grain warehouses indicated that they would leave the voluntary program if the changes were made. Approximately 20 percent indicated they were undecided as to whether their facilities would remain federally licensed or switch to state licensing. The most negative reactions came from federally licensed grain warehouses located in Oklahoma, where the state licensing system offers a producer-funded indemnity fund covering storage obligations with no coverage for producer grain payables. Most of the “uncertain” responses from federally licensed warehouses came from Iowa, Kansas, Texas and North Dakota.

Given the responses by federally licensed warehouses, the organizations represented in the Grain Warehouse Working Group plan to proceed to finalize a draft framework plan within the next few weeks. The plan then will be submitted to each organization to determine whether it generates consensus support.

The levels of coverage envisioned by the Grain Warehouse Working Group would be: 1) 100 percent for stored grain obligations; 2) 100 percent for producer cash grain payables for which payment is due within 30 days of delivery (basically, the time it takes for checks to clear); and 3) 50 percent for cash and credit-sale producer grain payables for which payment is due 31 to 365 days after delivery.

Under discussion is creation of an “Escrow Trust Fund for Producer Grain Payables” within USDA that would consist of the following features:

- ◆ Retaining the current individual storage bond requirement for federally licensed warehouses;
- ◆ implement a licensing-fee assessment that under “normal” conditions would generate a total of \$600,000 annually to cover potential producer grain-payable losses. This level of assessments would be roughly double the best estimates of the annual loss history of federally licensed grain warehouses on producer grain payables over the past 15 years. Assessments could fluctuate to as high as \$1 million per year total for up to five consecutive years if losses occur that exceed the historical norm. The goal would be to structure the trust fund assessments in such a way that no federal warehouse’s licensing fee would increase less than 20 percent nor more than 40 percent compared to licensing fees currently being paid;
- ◆ the trust fund would be capped at a certain level (still under discussion, but approximately \$10 million to \$12 million); and
- ◆ the Commodity Credit Corporation would be asked to serve as a backstop for catastrophic losses, which it historically has done by placing itself at the end of the line of creditors in insolvencies involving federal warehouses.



Federal Grain Warehouse Program – Where Are We Headed?

For the last 18 months, the NGFA has been in discussions with a number of other interested organizations (National Farmers Union, American Farm Bureau Federation, Association of American Warehouse Control Officials, and National Association of State Departments of Agriculture), as well as the U.S. Department of Agriculture, on the future direction of the federal grain warehouse program.

The core issue on which the groups are trying to reach consensus is the appropriate level of protection for producer grain payables that should be provided if USDA – rather than states – is to have exclusive regulatory jurisdiction over the so-called “merchandising activities” of federally licensed grain warehouses. If consensus on that and other issues can be reached, the goal would be to obtain clarifying federal legislation to implement the change and to provide absolute assurances to federally-licensed facilities that they will not be required to submit to regulation by both the state and the federal programs.

If agreement can be reached, the following appears to be the most likely outcome: 1) Require federal grain warehouse licensees to pay into a trust/escrow fund an annual assessment that averages about one-third more than existing licensing fees paid to USDA; and 2) use those funds to compensate producers in the event of an insolvency for any losses at a rate of 100 percent for payables still due within 30 days of delivery and 50 percent for losses for payables due between 30 and 365 days after delivery. This level of assessment is projected to generate approximately \$600,000 annually – roughly double the average payout on payables that would have occurred in the last 15 years under the federal grain warehouse program had a similar program been in place during that time. Thus, the financing should be adequate if the future resembles the past. There also would be a known absolute cap on financial exposure to the industry licensed under the federal system.

The NGFA did much of the analytical and survey work of federal grain warehouse licensees to test reaction to these concepts. Some NGFA members (and non-member federal licensees) mistakenly may have the impression that the NGFA is the agent for change in this dialogue on the federal system. In fact, we have been, through the work of staff, multiple task forces from industry and our Country Elevator Committee, been attempting to manage the change in a balanced way to: 1) minimize cost impacts; 2) minimize licensing disruption and the movement of licensees from the federal to state systems or vice versa; 3) increase producer protection;

and 4) achieve true regulatory choice for the industry.

The most recent survey indicates that if the changes noted previously are implemented, between 5 and 26 percent of federal grain warehouse licensees will leave the program for state licensing. It is unknown how many state-licensed facilities might choose to become federally licensed. But there will be some, particularly in states that charge relatively high fees for the merchandising portion of their regulations.

There are 18 states that now regulate merchandising to some degree. Eight of those 18 states have indemnity-type programs that typically cover 80 percent or more of producer grain payables. Why shouldn't the federal program cover more than 50 percent? There are a number of people, including academics, who have studied the issue and believe strongly that coverage approaching 100 percent not only is more expensive, but may contribute to riskier behavior by producers, sending signals to sell to the highest bidder and ignore the company's ability to pay.

If the federal program is changed to cover 50 percent of grain payable losses, it would provide lower coverage than these eight states (which represent 19 percent of federal warehouses). But such coverage would provide for generally higher protection on payables in the remainder of the states, where the vast majority of federal grain warehouses are located. (Note that some of these 18 states require a merchandising bond that generally is limited, but would provide greater than 50 percent coverage for low levels of losses.)

In the most recent survey (see related article on page 1), a lot of federal grain warehouse operators responded that they would like to maintain the federal grain warehouse program as it is. This does not appear to be an option. It is very likely that if the organizations participating in these deliberations don't reach agreement to preserve regulatory choice and arrive at some method for indemnifying producer grain payables, the states will insist on federal legislation that clarifies that states, and states alone, regulate the merchandising side of the business.

Companies in states where merchandising is regulated today can more easily see the potential benefits of clear regulatory choice. Those companies in states with no merchandising regulation are less-accepting of the possible change in the federal program. Only time will tell whether the path we choose today was a wise one.



House Approves Ag Hours-of-Service Truck Driver Exemption

In a significant victory, the House today by unanimous consent approved an amendment offered by Reps. Douglas K. Bereuter, R-Neb., and Charles W. Stenholm, D-Texas, incorporating the agricultural hours-of-service exemption into the massive highway reauthorization bill (H.R.3550).

If the House floor action stands, it means that the agricultural hours-of-service exemption is assured of being included in any highway bill to be approved by Congress this year, since the provision already is included in the Senate version after having been sponsored by Sen. Conrad Burns, R-Mont. House Republican leaders are striving to achieve final passage of the highway bill before the House adjourns on April 2 for a two-week spring recess.

The hours-of-service exemption is particularly important for companies involved in delivering farm supplies and feed. The NGFA worked closely with the Agricultural Retailers Association and affiliated State and Regional Grain and Feed Associations in urging that members contact their members of Congress to urge support for the agricultural exemption. The House legislation, which was cosponsored by Rep. Jerry Moran, R-Kan., would grant states the right to determine which seasons or months of the year that the agricultural exemption applies. The agricultural trucking exemption would be valid during peak planting and growing seasons as determined by individual states and within 100 air miles of the farm or distribution point. Importantly, the amendment also would clarify that the definition of

“agricultural commodity” covered by the exemption includes feed, poultry and other agricultural products that the U.S. Department of Transportation (DOT) previously attempted to regulate under its hours-of-service regulations. The agricultural exemption also would apply to farm supply and commodity businesses (including crop input dealers, custom harvesters and farmer-owned cooperatives).

The House floor action came after House Agriculture Committee Chairman Bob Goodlatte, R-Va., and Stenholm sent a letter supporting inclusion of the agricultural hours-of-service amendment to House Transportation and Infrastructure Committee Chairman Rep. Bob Young, R-Alaska, and ranking member Rep. James Oberstar, D-Minn. Both agreed to accept the amendment, even though Oberstar previously had objected to the agricultural and several other hours-of-service exemption requests while the bill was under consideration within the committee.

The legislative language was necessitated by DOT’s issuance of hours-of-service regulations in April 2003 that provided only a partial agricultural exemption; it failed to encompass transport activities (such as feed transportation) that support livestock, poultry and dairy activities. The legislation would ensure that all agricultural activities are eligible for the exemption by states, and also would prohibit DOT from diminishing the exemption in the future. Agricultural drivers covered by the exemption are not long-haul truck drivers, for which the hours-of-service regulations are intended.

House Subcommittee Conducts Rail Economic Regulation Hearing

The House Transportation and Infrastructure Committee’s Railroad Subcommittee on March 31 conducted a wide-ranging hearing on the status of economic regulation of the nation’s rail industry. The hearing, requested by the full committee’s ranking member, Rep James Oberstar, D-Minn., focused on two bills – rail competition legislation (H.R. 2924) and a rail infrastructure development bill (H.R. 876).

During his testimony, federal Surface Transportation Board Chairman Roger Nober said that revising the agency’s small rail rate case procedures is his top priority. He said the STB’s current rules are ambiguous over which types of cases qualify for consideration as small rail rate cases and have raised concerns over the time and cost of the discovery phase of the process – both of which

he said could be rectified by reforms by the agency. He suggested a new test to clarify which shippers would qualify automatically as a small rail rate case. And he recommended assigning an administrative law judge to hear and decide small rail rate cases as a way to reduce costs and ease procedural hurdles for small shippers. However, he said a third major issue – what he called an ambiguous small rate case standard – was the STB’s “greatest challenge” and the issue that was the “hardest to find any consensus.”

Nober restated his opposition to rail competition legislation (H.R. 2924), saying that such a bill would impose a new economic model on the railroad industry that would be “unwise.” He expressed concern that none of the current class I railroads are revenue adequate and

(Continued on page 4)



(“*Rail Hearing*” continued from page 3)

asserted that this legislation would only exacerbate the problem. Nober stated that the “individual provisions in any bill are less significant than the underlying concerns that gave rise to seeking legislative changes in the first place,” and committed to understanding and seeking solutions to those issues brought by rail shippers while balancing the needs of railroads. He stressed that “attention – and not legislation” is the best avenue for solving many carrier-shipper problems. He also suggested that building new rail lines would be a viable alternative to enhance competitive rail service for shippers served by a single carrier.

Rail interests were represented by Association of American Railroads President Edward Hamberger and American Short Line & Regional Railroad Association President Richard Timmons. Hamberger defended the current state of rail regulation and outlined AAR’s vehement opposition to rail competition legislation. In response to questions, Hamberger maintained that shuttle

train loaders could help solve some of the captive-shipper problems and indicated that this class of service was being driven by the competitive nature of international markets, and not the railroads.

Shipper representatives at the hearing included North Dakota Grain Dealers Association Executive Vice President Steve Strege, who rebutted several points made by the railroad industry and stressed the need to assist captive shippers. He focused on the severe problems – including comparatively high costs and poor service – confronting captive shippers, and said they have little recourse currently through the STB. Strege underscored the grain industry’s firm support of free enterprise and free markets, but stressed “there’s nothing free about monopoly and oligopoly control of customers, markets, industries and regions by one or two railroads.”

See the enclosed edition of *Issues and Actions* for a complete report on the statement submitted by the NGFA at the hearing.

Senate Subcommittee Hears Water Resources Testimony

The Senate Environmental and Public Works Committee’s Transportation and Infrastructure Subcommittee on March 31 began the process of identifying inland waterway and port projects for inclusion in a water resources development bill.

Subcommittee Chairman Christopher (Kit) Bond, R-Mo., stressed the importance of replacing the aging infrastructure of the Upper Mississippi and Illinois River system, stating that “the time to act is now.” Bond urged the subcommittee to produce a “balanced and forward-looking” measure that facilitates navigation and includes mitigation efforts on ecosystem restoration.

Assistant Secretary of the Army for Civil Works John Paul Woodley, who oversees the U.S. Army Corps of Engineers, endorsed the concept of peer review of Corps studies, noting that this would be a “useful tool” in adding to the project analysis and program merits. He commented that the Corps soon would be issuing its draft report on the Upper Mississippi and Illinois River study, and would work with others in the administration and interested parties to complete the study in a timely manner.

The report currently is scheduled to be submitted on Nov. 1. The study’s goals, as outlined by the Corps, include a technically sound, environmentally sensitive, cost-effective report that is in the nation’s best

interests. The Corps’ chief of engineers, Lt. Gen. Robert Flowers, testified that the Corps has had to adapt as its mission has been changed and broadened, and now includes managing water resources in a fully integrated manner that includes economic as well as environmental considerations. Flowers said that the Corps has been focusing on three areas: 1) reducing the project backlog; 2) transforming the Corps to better serve its constituents; and, 3) improving working relationships with other government agencies, Congress and non-governmental organizations.

Under congressional questioning, Flowers stated that the inland waterways system would now be considered to have a “D+” grade and likely would receive an “F” if things progress as usual over the next 10 years.

As noted in the enclosed *Issues and Actions*, the NGFA submitted a statement calling for the inclusion of navigation alternative six in the water resources bill. This alternative would include new locks and dams at 20, 21, 22, 24 and 25 on the Upper Mississippi River, and LaGrange and Peoria on the Illinois River. In addition, the navigation plan calls for extensions at locks 14 to 18, switch boats at locks 11 to 13 and moorings at locks 12, 14, 18 and 24. In the statement the NGFA stressed, “this project is about job creation, reducing the burden of transportation costs on America’s producers, promoting U.S. agricultural exports and supporting the most environmentally friendly mode of transportation.”





Bill to Repeal WTO-Illegal Export Tax Break Pulled from Senate Floor

A bipartisan corporate tax-cut bill designed to repeal the foreign sales corporation/extraterritorial income (FSC/ETI) tax break that has been ruled illegal by the World Trade Organization was pulled from the Senate floor on March 24 and little progress has been made to get the measure moving again.

The action occurred after Senate Republicans fell nine votes short of the 60 votes necessary to end debate on an unrelated Democratic amendment that would block a Bush administration plan to end overtime pay for some workers. It was the second time in a month that partisan wrangling caused Senate Republican leaders to pull the corporate tax bill from the floor, leaving its prospects uncertain. The Senate bill, introduced by Finance Committee Chairman Sen. Charles Grassley, R-Iowa, and ranking member Sen. Max Baucus, D-Mont., would provide \$60 billion in tax cuts to U.S. manufacturers, \$10 billion in tax breaks as the FSC/ETI is phased out, and \$39 billion for overseas operations of U.S. companies. The bill's costs would be offset by closing tax shelters and extending customs fees.

Repealing the FSC/ETI tax break gained a sense of urgency after the European Union on March 1 began gradually imposing \$4 billion in WTO-authorized sanctions against a wide range of U.S. exports. The EU sanctions, which began as a 5 percent tariff imposed on

specified U.S. exports, are scheduled to increase 1 percent per month until fully phased in at 17 percent in March 2005 – unless and until Congress enacts legislation repealing the FSC/ETI tax break. To date, House Ways and Means Committee Chairman Rep. Bill Thomas, R-Calif., has been thwarted in efforts to advance his version (H.R. 2896) of the FSC/ETI tax repeal bill to the floor. House Speaker J. Dennis Hastert, R-Ill., and other House Republican leaders are exploring whether to unveil a streamlined version of the bill that would focus on tax breaks for manufacturers, perhaps reducing the current 35 percent tax rate to 32 percent and expanding coverage to more small businesses. Thomas' version of the bill has been impeded by opposition from a group of 25 fellow Republican congressman led by Rep. Don Manzullo, R-Ill., which objects to providing tax breaks for the overseas operations of U.S. multinational companies.

Rep. Roy Blunt, R-Mo., has jumped into the fray with the American Forest and Paper Association and other groups to get the issue moving again in the House. The paper and forest products industry is being hit particularly hard by the EU tariffs and a new coalition of business groups, including the NGFA, are pressing Congress to act now. There is growing concern that lawmakers are not recognizing the negative impacts the tariffs are having and will not repeal the offending provision before adjourning for the year.

GAO Supports Single Food Inspection Agency

The General Accounting Office (GAO), the investigative arm of Congress, on March 30 renewed its call for a single food inspection agency, releasing a report during a hearing of the House Government Reform Committee's Civil Service and Agency Organization Subcommittee.

The proposal to create a new agency received little congressional support, and full committee Chairman Rep. Tom Davis, R-Va., and Agriculture Committee Chairman Bob Goodlatte, R-Va., noted that it was not a priority for their committees. Subcommittee Chairwoman Jo Ann Davis, R-Va., also opposed a new agency, but indicated that she did favor legislation that would provide a level of consistency between the inspection activities of the U.S. Department of Agriculture and the Food and Drug Administration.

The GAO report stated that the U.S. food inspection system is in need of "fundamental restructuring," citing inconsistency between the two main federal food safety inspection agencies that it alleged could lead to redun-

dancy and result in the introduction of unsafe products into the food supply. As an alternative to a single food safety agency, GAO said Congress could enact legislation establishing a set of standards that both USDA and FDA would be required to follow. The Bush administration stated its opposition to the new agency, and urged that any proposal to alter the U.S. food inspection process be vetted thoroughly.



Calendar

May 4-5, 2004: NGFA Seminar on Trading, Trade Rules and Dispute Resolution
St. Louis Airport Hilton Hotel, St. Louis, Mo.

July 27-28, 2004: NGFA/GEAPS Operations Management and Technology Seminar
KCI Airport Hilton Hotel, Kansas City Mo.





U.S. Objects to Japan's Call for 100% BSE Testing, SRM Removal

Secretary of Agriculture Ann Veneman and U.S. Trade Representative Robert Zoellick today took the unusual step of issuing a joint statement registering strong objections to the Japanese Ministry of Agriculture's continued insistence that all U.S. cattle from which products are exported to Japan be tested for bovine spongiform encephalopathy (BSE) and have all so-called specified risk materials (SRMs) removed from the food and feed chain.

The statement was triggered by Japan's rejection – through press reports – of a U.S. proposal that the two countries jointly approach the Office of International Epizootics (OIE – the world organization for animal health) to appoint an expert panel as a way of resolving the impasse over BSE-related trade restrictions.

In their joint statement, Veneman and Zoellick said they were “disappointed that the Japanese response to our proposal (for consultations) was conveyed through the press instead of engaging in constructive dialogue about the merits of the (U.S.) proposal.” Veneman and Zoellick reiterated their proposal that the Japanese government agree to OIE consultations, and admonished the Japanese “assure that its measures are consistent with its international commitments as a member of the World Trade Organization.”

In a March 29 letter that was hand-delivered by U.S.

Ambassador to Japan Howard Baker to the Japanese minister of agriculture, Veneman proposed that the two countries jointly approach the OIE and request expedited technical consultations on a list of agreed-upon questions in an effort to agree on appropriate BSE-related testing methodologies, as well as a common definition of SRMs. From the U.S. perspective, the letter suggested that the following questions be posed to an OIE expert panel:

- ▶ “What is the appropriate laboratory definition of a BSE case? Clarification is needed on the relative importance of screening and confirmatory tests for reporting a BSE case.
- ▶ “What are the appropriate SRMs in accordance with the risk levels in our (respective) countries?
- ▶ “Having answers to the first two questions, what conditions must the United States and Japan implement to reestablish trade in meat and meat products through mutually recognized conditions associated with our countries' (respective) BSE risk?”

Veneman's letter had proposed an expedited timetable for the consultations, with a response by the OIE expert panel by April 30. She further proposed that the OIE responses serve as the basis for “subsequent actions by our governments that would enable the resumption of trade as appropriate.”

USDA Approves Rapid BSE Screening Tests; Certifies Seven Labs

The U.S. Department of Agriculture has approved two rapid screening tests and certified seven state laboratories to assist in its expanded surveillance program for bovine spongiform encephalopathy (BSE).

The rapid screening tests, as well as others that may be approved in the future, likely will be utilized by USDA as part of its expanded one-time BSE surveillance program announced March 15. The expanded surveillance and testing, scheduled to be “fully implemented” by June, is set to last 12 to 18 months and test “as many cattle as possible in the high-risk (cattle) population.”

IDEXX Laboratories, based in Westbrook, Maine, received USDA approval of its IDEXX HerdChek® BSE Antigen Test Kit, which detects the presence of the abnormal prion proteins believed to cause BSE. The IDEXX kit utilizes the same technology as a previously approved test produced by the company for detecting chronic wasting disease. The IDEXX BSE test also has been submitted to the European Union for approval. Also approved by USDA is a rapid TeSeE® detection test produced by Bio-Rad Laboratories, based in Hercules, Calif. The ELISA-based

test detects the presence of the prion protein in approximately four hours. It was validated for use in the European Union in July 1999, and has been used extensively there since the end of 2000. It also has been used in Japan.

Meanwhile, USDA said the following state laboratories will receive federal funding, as needed for high-throughput testing equipment to conduct preliminary analyses of BSE surveillance samples: California Animal Health and Food Safety Lab System, University of California-Davis; Colorado State University Veterinary Diagnostic Laboratory; Texas Veterinary Medical Diagnostic Laboratory (College Station); Wisconsin Animal Health Laboratory (Madison); Washington State University Animal Disease Diagnostic Laboratory; Athens Diagnostic Laboratory, College of Veterinary Medicine, University of Georgia; and NY State College of Veterinary Medicine, Veterinary Diagnostic Laboratory, Cornell University. USDA said the labs will use approved rapid tests for BSE. USDA's National Veterinary Services Laboratory in Ames, Iowa, remains the national reference lab for BSE and will conduct confirmatory testing.





Grassley Latest to Urge USDA to Ban Imports of Brazilian Soybeans, Soymeal Over Asian Rust Fears

Sen. Charles Grassley, R-Iowa, who chairs the Senate Finance Committee and serves on the Agriculture Committee, on March 23 urged Secretary of Agriculture Ann Veneman to ban the importation of Brazilian soybeans and soybean meal until “safeguards” are in place to prevent Asian rust contamination of the U.S. crop through transportation.

“Contamination through transportation must be addressed in an open and transparent fashion before we import Brazilian soybeans or soybean meal,” Grassley wrote in a letter to Veneman.

In a 28-page report issued on Feb. 23, USDA’s Animal and Plant Health Inspection Service said that based upon available scientific information, the agency had concluded that clean soybean seed, clean soybean grain and soymeal do not constitute pathways for the introduction of soybean

rust. The Asian strain of soybean rust is an “obligate parasite” whose spores rapidly lose their viability after the plant dies, the agency said, meaning it will not infect or colonize dead or dried plant tissue. However, the agency said it also had concluded that soybean leaf debris associated with foreign material in shipments of raw soybeans present a “theoretical pathway” for introducing soybean rust through imports. But the agency said that since normal commercial contracts typically impose a 2 percent limit on the presence of foreign material in raw soybean shipments, and because leaf debris represents only a fraction of the foreign material present since soybeans are defoliated before being harvested, “leaf debris should comprise only a fraction of the foreign material; therefore making foreign material found in soybean grain an unlikely pathway for the introduction of soybean rust.”

Brazil Removes Phytosanitary Ban on Canadian Thistle in Wheat

The U.S. Department of Agriculture’s Animal and Plant Health Inspection Service today said that Brazil has deleted its requirement that U.S. wheat exports to the country contain an additional declaration on phytosanitary certificates stating that the shipment is free of Canadian thistle based upon visual laboratory analysis.

APHIS said it also would remove its requirement that exporters request laboratory analysis for the weed seed in

the load order or application for inspection submitted to USDA’s Grain Inspection, Packers and Stockyards Administration. There had been concern whether Brazil would follow through on its November 2003 commitment to APHIS to remove the weed seed as a quarantine restriction on U.S. wheat shipments. The NGFA previously had learned that Canadian wheat shipments were not subject to the same requirements.

OSHA Launches Hazard Communication Initiative

The Occupational Safety and Health Administration (OSHA) on March 16 announced a new two-pronged initiative to focus attention on compliance with its hazard communications standard, which applies to approximately 650,000 hazardous chemical products.

OSHA said the initiative consists of both compliance-assistance and enforcement components, and features a new portal page on the agency’s web site that consolidates its hazard communications resources. On the compliance-assistance front, OSHA issued two draft guidance documents on which it is seeking public comment by April 15. The first is draft guidance for determining hazards, which is designed to assist chemical manufacturers and importers in identifying the right information and how to assess and translate it into a proper hazard determination. OSHA said adhering to the guidance should assist those who prepare material safety data sheets (MSDSs) and labels in providing complete and accurate information. The second document is draft guidance for developing a model

training program for employees on hazard communication, which includes slides that employers can adapt and use for different workplaces. After the comment period on the first two documents ends, OSHA said it plans to issue final guidance on both topics, as well as issue a third draft guidance document containing information on how to prepare accurate and comprehensive MSDSs, and what types of information to include. This latter guidance document also will be available for public comment before being finalized, the agency said.

The agency said the “enforcement-related” component of its initiative will include OSHA compliance officers using sample hazard information on selected chemicals to check the accuracy of MSDSs in various workplaces. The agency noted that in fiscal 2003, it issued more than 7,000 citations for violations of the hazard communications standard – making it the second most-violated OSHA regulation.



Membership Matters

by Todd Kemp
Director of Marketing

Look at These Marketing Opportunities Through NGFA!

When most people think about the NGFA, they think about valuable member services like protection in the marketplace through NGFA Trade Rules and arbitration services; the NGFA's highly effective representation of the industry before government; and delivery of timely information important to business operations. But there are numerous valuable marketing opportunities available with your NGFA membership. Looking for effective and cost-efficient ways of marketing products and services to the grain, feed and processing industry? Here are a few ideas!

► **Advertise in the NGFA Annual Directory/Yearbook:** Each year, the NGFA issues an updated *Directory/Yearbook* to its membership. About 2,000 copies are circulated, with multiple individuals utilizing many copies. This publication serves as a valuable resource document; it includes contact information for thousands of industry personnel, plus up-to-date versions of NGFA Trade Rules, Arbitration Rules and much more. Advertising placements are available in the *NGFA Directory/Yearbook* at very reasonable rates! The 2004 Directory currently is in the early stages of production, with the ad prospectus scheduled to be distributed soon. Watch your mail for a copy, or contact the NGFA office.

► **Web Site Advertising:** Placing an ad on the NGFA web site at www.ngfa.org is an excellent way to supplement your ad in the annual *Directory/Yearbook*. Each advertiser receives an exclusive banner ad on one of the site's pages; placements generally are for three months. Rates are very reasonable, and advertisers can save 10 percent off the total bill by taking out a "package" ad both in the

Directory and on the web site! It's another highly effective way of getting the message out about your products and services. Visit www.ngfa.org to find your preferred page and view ad rates; then contact the NGFA about placing your ad.

► **Trade Shows:** The NGFA's annual Trade Show, conducted in conjunction with the very popular Country Elevator/Feed Industry Council conference, is another excellent way to get in front of a key demographic slice of the industry. Conducted early each December, 75 to 80 exhibitors have the opportunity to visit with 500-600 industry decision-makers. The December 2004 show will be conducted at the Adams Mark Hotel in Denver, Colo., on Dec. 5-6. Watch for information on show sign-up late this summer – sign-up is first-come, first-served, so don't wait!

An even more immediate show opportunity is fast approaching – July 27-28 in Kansas City, Mo. The joint NGFA/GEAPS Safety, Health and Environmental Compliance seminar will offer a limited number of exhibit spaces. This seminar, which is expected to attract about 150 participants with responsibilities within their companies for safety, health and environmental compliance, offers a wonderful chance to demonstrate products and services.

Call Todd Kemp at the NGFA at (202) 289-0873 to discuss these and other ways to leverage marketing opportunities through your NGFA membership!



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TIME SENSITIVE

