



## EPA, FDA Issue Statements on Bt 10 Corn Event

In a tandem announcement designed to provide information to allay concerns in foreign markets, the U.S. Environmental Protection Agency (EPA) and Food and Drug Administration (FDA) on April 27 posted statements on their respective websites attesting to the safety of the unapproved Bt 10 biotech corn event in food and feed, as well as for the environment.

The inadvertent release of the Bt10 corn event was announced publicly for the first time on March 21 by Syngenta AG. The unapproved event was found in five Bt corn breeding lines in the United States, three of which were used between 2001 and 2004 primarily for “pre-commercial development.” The seeds produced using the Bt10 lines potentially could have been planted on an estimated 37,000 acres in the United States in as many as eight states, Syngenta has said.

“Based on EPA’s finding that the genetically engineered proteins in Bt 10 are safe, the extremely low levels of Bt 10 corn in the food and feed supply, and the fact that corn does not contain any significant natural toxins or allergens, FDA has concluded that the presence of Bt 10 corn in the food and feed supply poses no safety concerns,” FDA’s statement said. “Thus, under these circumstances, there are no further requirements under the U.S. regulatory process for Bt 10 to be legally present in the U.S. food and feed supply.”

Meanwhile, the statement issued by EPA – which regulates the pesticidal protein in biotech crops – noted that the agency had granted an exemption from a tolerance for the Bt Cry1Ab protein in all food and feed commodities on Aug. 2, 1996. It noted it had reassessed the data, literature and public comments on that protein in September 2001, finding that the

tolerance exemption “met all the scientific and regulatory standards.” The agency said that since the tolerance exemption for the Bt Cry1Ab protein was **not** biotech event-specific, it applies to **all** Cry1Ab protein, including Bt 10, Bt 11, MON810, Event 176 and “any other event producing the Cry1Ab protein that might be found in the food supply.”

Further, EPA said, the DNA sequence analysis of the genetic insert of the Bt 10 event was identical to those for Bt 11, which previously had been registered and approved by EPA. In addition, the agency said, the expression levels of the Cry1Ab protein in Bt 10 hybrid corn is “much lower” than hybrids produced from Bt 11 event, which means that “there is even a lower potential for possible adverse environmental effects on animals, birds, fish and other non-target insects.”

The North American Export Grain Association and the NGFA continue to work aggressively in tandem and with other organizations and the U.S. government to address Japan’s biotech-approval regulatory requirements, which differ from the U.S. approval process.

**EU Begins Testing Corn Gluten for Bt 10:** Meanwhile, scientific experts from the European Commission’s Joint Research Committee on April 26 confirmed that they had validated the analytical methodology for detecting Bt 10 in processed corn. The validated method now is being used to conduct PCR tests on EU imports of U.S. corn gluten feed and brewer’s yeast. Syngenta said that thus far, tests on 20 vessels have all been negative for Bt 10. The EU’s “emergency measure” that mandated that imports of U.S. corn gluten feed and brewer’s yeast be “certified” as free of Bt 10 is scheduled to be reviewed in October.

## U.S. Delegation Concludes Beef Trade Mission to Japan, South Korea

A U.S. delegation today completed a week-and-a-half mission to Japan and South Korea as part of the latest efforts to bring about a resumption of U.S. beef exports to the two countries.

In Japan, the U.S. team headed by Charles Lambert, deputy secretary of agriculture for marketing and regulatory programs, met with officials of the Ministry of Agriculture, Fisheries and Forestry and participated in a series of public

meetings during which Japan’s Food Safety Commission discussed its plan to no longer require 100 percent testing of all cattle for bovine spongiform encephalopathy (BSE). The agency has announced plans to instead require testing of cattle 20 months or older. The U.S. group also consisted of Dr. Stephen Sundlof, director of the Food and Drug Administration’s Center for Veterinary Medicine, as well as other U.S. government and academic experts.

*(Continued on page 4)*



## Rail Competition Bill Introduced in Senate

Legislation designed to encourage enhanced rail competition was reintroduced on April 27 in the Senate.

The bill (S. 919) is comparable to a measure introduced, but not considered, in the last Congress. Principal sponsors are Sens. Conrad Burns, R-Mont., Jay Rockefeller, D-W.Va., Byron Doran, D-N.D., Larry Craig, R-Idaho, Mark Dayton, D-Minn., David Vitter, R-La., John Thune, R-S.D., Tim Johnson, D-S.D., Max Baucus, D-Mont., and Norm Coleman, R-Minn.

Among other things, the bill would:

- ◆ Require that rail carriers provide a rate quote for transportation between any two points on the rail carrier's system.
- ◆ Prevent future "paper barriers" that restrict Class II and III railroads from interchanging traffic with Class I carriers, and allow the federal Surface Transportation Board (STB) to eliminate paper barriers in line lease or transfers if those barriers have been in place for 10 years.
- ◆ Allow for reciprocal switching.
- ◆ Provide a new remedy for those areas served by a single Class I railroad where the lack of competition has allowed for excessively high rates. If designated as such an area, the STB would be required to provide an expedited remedy.
- ◆ Allow for "final offer (baseball-style) arbitration," whereby an arbitrator must choose between the final offer of either the customer or the carrier.
- ◆ Provide fee relief for captive shipper rate complaints brought before the STB. Fees would be capped to not exceed those charged for filing suit in federal district courts.
- ◆ Establish a rail customer advocate within the U.S. Department of Agriculture.

- ◆ Mandate a study of rail transportation competition by the Transportation Research Board of the National Academy of Sciences.

Several additional provisions were incorporated into the 2005 version of the bill, including:

- ◆ A requirement that the STB: 1) post service complaints within seven days of receipt, as well as information on how the complaint was resolved (withholding the name of the complaining company); 2) annually report to Congress on service complaints; 3) act within 90 days on certain petitions for injunctive relief; and 4) adopt within a year an alternate method to determine reasonableness of captive shipper rates using the carrier's actual costs, which would include a portion of fixed costs and an adequate return on equity.
- ◆ Increase – from the current \$3.5 billion to \$35 billion – the amount of federal funds available for loans and loan guarantees for rail infrastructure improvement projects.

Similar legislation is being prepared in the House to be introduced by Reps. Richard Baker, R-La., and Jim Oberstar, D-Minn. The measure likely will include many of the same provisions as the Senate bill, but also would reauthorize the STB. The STB has not been reauthorized since its inception in 1995, and the House legislation would authorize funding for the STB of \$24 million in fiscal year 2006, \$26 million in fiscal 2007 and \$28 million in fiscal 2008.

Principle supporters of the legislation include the Alliance for Rail Competition (ARC), Consumers United for Rail Equity (CURE), the American Chemistry Council (ACC), the National Association of Wheat Growers, the National Barley Growers Association and the Agriculture Ocean Transportation Coalition.

## House Approves Comprehensive Energy Bill

The House on April 21 approved, by a 249-183 vote, its version of a massive energy bill (H.R. 6).

Among other things, it includes a section that would mandate that refiners gradually increase the use of renewable fuel additives in gasoline, starting at 3.1 billion gallons in 2005 and reaching 5 billion gallons by 2012. Starting in 2013 and thereafter, the bill would require refiners to continue using renewable fuel additives at a level not less than the 5 billion gallons mandated for 2012. U.S. production of ethanol alone reached 3.4 billion gallons in 2003, a 21 percent increase from the 2.81 billion gallons produced in 2003. Given that renewable fuel production – which includes ethanol and biodiesel – already is outpacing the targets set in the House-passed energy bill, several members of Congress are pursuing

legislation that would increase mandated use to 8 billion gallons by 2012. A Senate bill (S. 650) that would do just that was introduced in mid-March by Sens. Richard G. Lugar, R-Ind., and Tom Harkin, D-Iowa, along with 19 other Senate cosponsors. A comparable House bill was introduced April 13 by Reps. Stephanie Herseth, D-S.D., Tom Osborne, R-Neb., Collin Peterson, D-Minn., and Steve King, R-Iowa, along with 17 other cosponsors. There are indications that supporters will attempt to incorporate the higher renewable fuels targets into the final version of the energy bill. The Senate Energy and Natural Resources Committee is scheduled to consider its version of the energy bill in May, and congressional Republican leaders have set a goal of securing final passage of the measure by August.



The House-passed energy bill also contains provisions that would authorize the Energy Department to provide grants to U.S. producers of biomass- and waste-derived ethanol, starting at \$100 million in fiscal 2005 and reaching \$400 million by fiscal 2007. The bill also includes provisions that would allow the Environmental Protection Agency (EPA), in consultation with the U.S. Departments of Energy and Agriculture, to reduce or waive the requirement that renewable fuel additives be used in the specified percentages of gasoline sold in individual states if it is determined that the mandate would have a significant adverse economic or environmental impact on the state or region, or if there is an inadequate renewable fuel supply or distribution capacity to meet the requirement. The House-passed bill also requires the Federal Trade Commission within 180 days after the bill is signed into law to conduct a study of market concentration in the ethanol industry. The study, which the bill requires be done annually, would analyze whether there is sufficient competition among ethanol producers to avoid price-setting and other anti-competitive practices.

The House-passed energy bill also would: 1) provide more than \$8.1 billion in tax incentives over 10 years, 93 percent of which would be to encourage U.S. production of oil, gas, nuclear, coal and electric power; 2) extend daylight-saving time by two months, such that it would start on the first Sunday in March and end on the last Sunday of November; 3) provide product-liability protection for makers of methyl tertiary butyl ether (MTBE), effective retroactively to Sept. 5, 2003, from lawsuits stemming from the gasoline additive's role in contaminating drinking water. The bill also would provide \$1.7 billion over eight years to cover transition costs incurred by manufacturers as MTBE use is phased out; 4) require mandatory reliability standards for electric power lines; and 5) authorize the U.S. Interior Department to grant leases for oil and gas exploration, development and production on the coastal plain of the Arctic National Wildlife Refuge (ANWR). Several of the provisions – particularly those concerning the MTBE liability waiver and ANWR – are certain to be contested when the Senate considers its version of the bill.

## Senate Highway Bill Makes Truck Driver Ag Exemption Permanent

While it appeared that the Senate Commerce, Science and Transportation Committee on April 14 failed to include language that would make permanent the hours-of-service agricultural exemption of the U.S. Department of Transportation's (DOT) truck-driving rules when acting on its version of the massive highway reauthorization bill (S. 732), the provision is in fact included in the version now being considered on the Senate floor.

A provision offered by Sen. Conrad Burns, R-Mont., also was included in the bill that defines "agricultural commodity" and "farm supplies" under the hours-of-service exemption for agriculture. The House version of the highway bill approved

in March includes similar permanent hours-of-service exemption language. The legislation would continue to give states the flexibility to make hours-of-service exemption determinations, including the specific periods within a year during which the exemption applies. But the legislation would ensure that this specific exemption is permanently provided to agriculture. Further, at the behest of the NGFA, both the Senate and House versions add a technical amendment to ensure that feed, livestock, milk and other farm products are included in the exemption. The exemption would apply to movements within a 100 air-mile radius of the source of the agricultural commodities or the distribution point of the farm supplies, feed or other covered farm products.

## Hill Highlights

There were these other developments of interest to the industry:

**Port Security Bill Introduced:** Sen. Susan Collins, R-Maine, and Rep. Jane Harman, D-Calif., introduced legislation on April 20 that would authorize the use of federal grants to further strengthen security at U.S. ports. The bills would establish a grant funding program from customs duties collected at each port and would then be distributed based upon risk assessments conducted by the Department of Homeland Security. The bill would authorize \$400 million annually for six years, based upon the needs outlined by the Coast Guard for port security improvement. Funding deci-

sions would be based primarily on criteria that stress a port's national economic and/or strategic defense importance.

**Connor Nomination Approved; Portman and Johnson Likely to Follow:** Charles F. Connor was confirmed by the Senate as deputy secretary of agriculture on April 27 after Sen. Larry Craig, R-Idaho, lifted the "hold" that had prevented a floor vote. Senate confirmation votes also are expected soon on two other nominees that are the subject of "holds" – **Rep. Rob Portman**, R-Ohio, to replace now-Deputy Secretary of State Robert Zoellick as U.S. trade representative and **Stephen Johnson** to be administrator of the Environmental Protection Agency.



*("Beef Trade" continued from page 1)*

During its mission to Japan, the U.S. group also provided additional data to Japanese technical experts documenting the accuracy of the U.S.-proposed approach to determine cattle ages based upon carcass grading that would reliably comply with the framework agreement reached between the two countries last October. Under the framework agreement, Japan agreed to allow the import of U.S. beef and beef products, including variety meats and offal, from U.S. cattle 20 months or younger at time of slaughter without requiring those cattle to be tested for BSE under a special "beef export verification" marketing program. Lambert said the U.S. delegation had presented the results of 440 tests of beef samples that showed the oldest animal that would have been provided to Japan under the carcass-grading method would have been 17 months.

The U.S.-proposed cattle carcass grading method involves the U.S. beef grade "A-40," under which meat graders visually examine carcasses and teeth, bones and cartilage to determine grading quality. The study demonstrated that cattle grading A-40 typically are 14 months or younger. The "margin for error" in visually examining such carcasses is up to three months – meaning that cattle 17 months or younger conceivably could be categorized as A40. Currently, USDA estimates that about 8.3 percent of U.S. slaughter cattle are classified as A40. Under the October 2004 U.S.-Japan framework for allowing resumption of beef trade, the carcass classification method would be just one of five methods for verifying the ages of U.S. cattle. The others include: 1) individual animal age verification; 2) group (herd) age verification; 3) insemination age verification; and 4) animal identification through USDA Agricultural Marketing Service's verified animal identification program (once that system is in place). It has been estimated that beef products from another 10 to 25 percent of the U.S. cattle slaughter herd potentially could qualify based upon their birth records and age verification, depending upon records Japan ultimately requires.

At a press conference today in Tokyo, Lambert said the U.S. delegation had not asked Japan to establish a timetable for resuming U.S. beef imports during its April 25-27 mission. He said the United States "would continue to do its part to move as fast as we can, and we will continue to ask the Japanese government to (act) as fast as it can."

A team of Japanese food safety experts is scheduled to visit the United States in May in what U.S. officials hope will be a final inspection of U.S. facilities and procedures for ensuring that no beef products from cattle 20 months or older are shipped to Japan once trade resumes. Japan earlier this month detected its 18<sup>th</sup> and 19<sup>th</sup> cases of BSE in its domestic herd.

**South Korea:** Meanwhile, the U.S. delegation's April 19-22 mission to South Korea resulted in little discernable progress, other than an agreement that South Korea in early June also would send a technical team to the United States to review U.S. beef production and meat-processing systems. The director of the South Korean Agriculture Ministry's Livestock Bureau was quoted as saying that even if there was a breakthrough in negotiations, there would be a considerable delay in resuming U.S. beef imports to provide time for the government to consult with domestic livestock producers and consumers.

**Taiwan Receives First Shipment of U.S. Boneless Beef:** The one breakthrough in the Pacific market for U.S. beef came in Taiwan, where a shipment of 2.17 metric tons of boneless beef was unloaded. Taiwan earlier granted conditional permission to allow imports starting April 16 of U.S. boneless beef from U.S. cattle younger than 30 months, provided offal and specified risk materials (including brain, trigeminal ganglia, dorsal root ganglia and spine marrow) are removed. Such beef must be accompanied by a USDA-issued certificate.

## FDA Animal Feed Safety System Team Hopes to Present Plan to FDA Senior Management in Fall

The 22-member project team within the Food and Drug Administration's Center for Veterinary Medicine (FDA/CVM) that has been developing its so-called animal feed safety system (AFSS) hopes to present the concept to senior FDA management by early fall.

The AFSS is designed to be a nationwide, comprehensive, risk-based approach to feed safety that addresses all sectors of the feed industry, including ingredient manufacturers, transporters and on-farm mixer-feeders. FDA is in the process of assembling comments made during its

April 5-6 public meeting in Omaha, Neb., where 203 representatives from federal and state regulatory agencies, industry and producer groups met to provide feedback on a draft framework developed by FDA as a potential structure for the AFSS.

Discussion during the public meeting focused on: 1) formalizing a process for evaluating the safety and approval of feed ingredients for use in animal feed and pet foods; 2) a process for identifying and ranking risks for various substances that might be present in feed or feed ingredients at





levels that pose a risk of harm to human or animal health. FDA has identified 175 potential biological, chemical and physical feed "contamination hazards" whose relative risks would be assessed using a risk-ranking method. Under this process, "hazards" would be identified but then evaluated and ranked based upon their respective level of danger, the degree of exposure of animals or humans, and factors within the feed or feed ingredient manufacturing process that reduce or amplify the hazard(s); 3) appropriate controls for production of feed ingredients and mixed feed; and 4) appropriate government oversight combined with private sector quality-assurance initiatives.

During the public meeting, FDA also issued a revised proposed definition of "risk-based" that incorporated some of the input provided by the NGFA last year. The agency's revised definition reads: "A risk-based approach for the Animal Feed Safety System uses the best available scientific information to identify and assess the risks to animal and human health posed by biological, chemical and physical hazards in animal feed. For the AFSS, the risk resulting from the presence of these hazards in feed is some combination of the likelihood of human and animal exposure to the feed hazard and the significance of the health consequences in response to such exposures. Analysis of the relative risks posed by feed hazards will help the agency identify the appropriate regulatory approach for each hazard, and will permit the agency to make effective and efficient use of regulatory resources."

A summary of the NGFA's statement to FDA on its draft AFSS framework was published in the April 15 edition of *NGFA Issues and Actions*.

Several common themes emerged during reports presented from each of 12 break-out groups that deliberated different aspects of the AFSS during the public meeting. Those themes included: 1) FDA should formalize the approval process used to assess the safety of feed ingredients, as well as procedures for bringing enforcement action against unapproved ingredients; 2) the value of results generated from FDA's proposed risk-ranking model for substances that present a danger to human or animal health will be limited by the absence of definitive scientific data; 3) any limits on various substances that may pose a danger to human or animal health need to be species-specific and realistic, based upon existing capabilities and costs for detecting and controlling such substances; 4) the concept of developing written standard operating procedures for all industry sectors and ranges of operations is neither realistic nor feasible; 5) the proposed AFSS should be flexible enough to provide for either process- or product-based approaches; and 6) the proposed AFSS should focus on improving the feed safety practices through regulation, guidance or collaborative efforts for those sectors of the industry not currently subject to regulatory and enforcement, particularly feed ingredients, transporters and on-farm mixer-feeders.

## Feed HACCP Workshop Training Scheduled for May 17-19 in Texas

Texas A&M University is offering a training workshop on May 17-19 at the Radisson Plaza Hotel in Fort Worth, Texas, for feed manufacturers and others interested in learning about using hazard analysis and critical control point (HACCP) principles as a voluntary approach to quality assurance.

The workshop, being offered through the Office of the Texas State Chemist, is designed to equip participants with the information and skills needed to develop a HACCP program for their specific operations. The interactive workshop includes lectures as well as sessions during which participants work as teams to develop a HACCP plan. The workshop is being conducted in cooperation with the NGFA, American Feed Industry Association and Association of American Feed Control Officials, the latter of which is the professional organization of state and federal feed regulatory officials.

Texas A&M said the "target audience" for the workshop consists of feed mill managers and other personnel

responsible for quality assurance, production, receiving, nutrition and engineering. In addition, it said the workshop would benefit ingredient and premix suppliers, as well as pet food manufacturers. The Food and Drug Administration also is providing partial financial assistance to permit participants from at least 10 state feed regulatory agencies to enroll in the workshop. The workshop is accredited by the International HACCP Alliance, and participants will receive certificates of attendance and have their names included in an international HACCP registry.

**Registration Information:** Cost of the workshop is \$450 per person, which includes all materials, a copy of "*HACCP: A Systematic Approach to Food Safety*" published by the Food Processors Institute, as well as lunches and breaks. Registration information is available on the NGFA's website at [www.ngfa.org](http://www.ngfa.org). Scan the yellow band on the right-hand side of NGFA's home page for the "NGFA Feed Education/Conferences" section, where you'll find a bulleted item for the workshop listed.





## USDA Schedules May 5 Public Meeting on EQIP

The U.S. Department of Agriculture's Natural Resources Conservation Service (NRCS) has scheduled a May 5 public meeting in Washington to solicit comments on which natural resource concerns should be given greatest national priority in its future implementation of the Environmental Quality Incentives Program (EQIP).

EQIP, a voluntary program reauthorized in the 2002 farm law, provides up to 75 percent cost share to assist producers and ranchers to reduce soil erosion, improve water use and protect grazing land by installing conservation practices that protect natural resources. The farm law requires that at least 60 percent of available EQIP financial assistance be earmarked for livestock- and poultry-related conservation practices.

The agency said it will use input received to update its national priorities "to reflect our most pressing natural resource needs and emphasize off-site benefits to the environment" starting in fiscal year 2006, which begins Oct. 1, 2005.

Currently, NRCS uses the following four national resource priorities to implement EQIP:

- ▶ Reductions of non-point source pollution, such as nutrients, sediment, pesticides or excess salinity in impaired watersheds consistent with total daily maximum loads, as well as the reduction of ground and surface water resources.

- ▶ Reduction of emissions, such as particulate matter, nitrogen oxides, volatile organic compounds and methane gas from livestock.
- ▶ Reduction in soil erosion and sedimentation from unacceptable levels on agricultural lands.
- ▶ Promotion of "at-risk" species habitat conservation.

NRCS said the public meeting in Washington is the culmination of similar sessions conducted in each state, the Caribbean and Pacific Basin over the last several months.

**Submitting Comments:** Written comments are being accepted via regular mail, fax or e-mail through June 5, and should be directed to: David Webster, EQIP Specialist, Financial Assistance Programs Division, NRCS, Room 5231 South Bldg., 14th and Independence Ave., S.W., Washington, D.C., 20250; telephone: 202-720-5742; fax: 202-720-4265. E-mail comments should be submitted to: [david.webster@usda.gov](mailto:david.webster@usda.gov), Attention: Environmental Quality Incentives Program Comments. Comments also may be submitted via the Internet at: <http://www.nrcs.usda.gov/programs/eqip>.

Additional information about the May 5 public meeting is available in the March 23, *Federal Register*. Information about EQIP is available at <http://www.nrcs.usda.gov/programs/eqip>.

## APHIS Plans Nationwide Study on Chronic Wasting Disease

The U.S. Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) plans to initiate a chronic wasting disease (CWD) study this year involving information collection from up to 5,600 cervid producers nationwide who voluntarily participate.

The study will seek information on how long particular farmed or captive cervid herds, which include deer and elk, have been closed and monitored for CWD. CWD is a transmissible spongiform encephalopathy (TSE) of deer and elk typified by chronic weight loss leading to death. Unlike some other TSEs, most notably bovine spongiform encephalopathy (BSE), there is **no** known relationship between CWD and any other TSE in humans or other animals. CWD was first detected in the United States in 1967 in mule deer at a wildlife research facility in northern Colorado. Since then, it has been diagnosed in cervids in several other states, including South Dakota, Nebraska, Oklahoma, Kansas, Minnesota, Montana, Wisconsin and, most recently, New York.

APHIS on April 20 announced it was seeking permission from the White House Office of Management and Budget (OMB) to conduct the study; OMB approval is

needed since the study would involve a collection of information. APHIS said the proposed study would include farms that choose to enroll in its CWD certification program. Under the certification program, which consists of both approved state and national programs, cervid producers agree to install fencing, implement individual animal identification, conduct regular inventories and test all animals older than 16 months that die for any reason. Once participating herds reach five years with no evidence of CWD, the herd is certified as being "low risk" for CWD and can be shipped in interstate commerce.

Further, APHIS said that in conjunction with its nationwide CWD study, the APHIS-operated National Animal Health Monitoring System (NAHEMS) plans to analyze and use the collected information in preparing reports and information sheets for distribution to cervid producers, academics and other interested parties. NAHEMS' collects data on the prevalence and economic importance of livestock and poultry disease risk factors, and is a collaborative industry-government initiative to help determine the most effective means for preventing and controlling livestock and poultry diseases.





## CCC Completes Sales of Emerson Trust Soft White Wheat

The U.S. Department of Agriculture on April 22 issued a notice (BCD-95) announcing that its Commodity Credit Corporation (CCC) had completed the sale of the 200,000 metric tons (approximately 7,348,666 bushels) of soft white wheat authorized for release from the Bill Emerson Humanitarian Trust to offset the purchase of an equal tonnage for use as emergency food aid under P.L. 480 Title II. CCC offered to sell the 200,000 metric tons in two equal installments in invitations issued on Jan. 14 and Feb. 10.

For both invitations, CCC utilized buy/sell transactions, rather than swaps. USDA said the sales resulted in CCC currently owning 53.8 million bushels of wheat, 52 million

bushels of which are earmarked for the Emerson Trust (see chart).

CCC-Owned Wheat Inventory (By Class, as of April 22)		
Class	Quantity	Percentage
Hard Red Winter	28,565,538.67	53.11%
Soft White	19,693,871.67	36.62%
Hard Red Spring	4,131,643.30	7.68%
Durum	1,024,353.10	1.90%
Hard White	247,105.94	0.46%
Soft Red Winter	122,593.94	0.23%
<b>Total</b>	<b>53,785,106.62</b>	<b>100.00%</b>



## GIPSA Waives Official Inspection and Weighing Requirements for High-Quality Specialty Grains Exported in Containers

The U.S. Department of Agriculture's Grain Inspection, Packers and Stockyards Administration (GIPSA) today (April 28) amended its regulations to provide an interim waiver from mandatory official inspection and weighing for high-quality specialty grains exported in containers.

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 interim 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; or 2) specify "organic" as defined under the Organic Foods Production Act of 1990. For example, corn with broken corn limits of 0.5 percent or less, and organically grown soybeans would meet the definition of high-quality specialty grains, GIPSA said. Conversely, the agency said, U.S. No. 2 or better yellow soybeans grown in a particular geographic area; U.S. No. 2 Soft White Wheat with a maximum 10.5 percent protein and minimum falling number of 300 seconds; and non-genetically modified corn would not meet the definition of high-quality specialty grains.

The new waiver takes effect on April 29 for an interim period scheduled to expire on July 31, 2010. During that span, GIPSA said it will monitor the situation to determine if the interim waiver should be made permanent or removed. Further, the agency is soliciting public comments on the interim waiver by June 27. standards, guidelines





# Membership Matters

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by Todd Kemp  
Director of Marketing/Treasurer

## The Onions are Coming!

With a new membership recruiting year underway, here's a sweet deal for membership recruiters.

For a second straight year, all sponsors of a new member during May will receive a sweet reward – your very own 25-pound box of Walla Walla sweet onions, direct from the source! Following the May onion harvest in Walla Walla Wash., onions will be shipped to successful recruiters in June.

Throw them on the grill with steaks – smother a burger – fry them up as onion rings. They are a tasty treat. And with 25 pounds at your disposal, you'll have enough to share with your family and friends.

Again this year, this delicious incentive is provided by NGFA Executive Committee member Dave Gordon, general manager of Northwest Grain Growers Inc., Walla Walla, Wash.

Have other ideas for fun membership incentives? Send your ideas to [tkemp@ngfa.org](mailto:tkemp@ngfa.org).

### **More Membership News:** It's a new membership year!

Following the San Diego convention, the calendar starts on the 2005-06 recruiting cycle. Again this year, we'll be offering fabulous prizes, fun incentives and lots of attention to our hard-working recruiter corps. Willing recruiters are needed – no experience necessary! All that's needed is a willingness to tell your story about why you joined the NGFA and the benefits of membership. The NGFA staff will help and support you every step of the way. Want to join the Membership Network? Ideas about prospective new members? Contact [tkemp@ngfa.org](mailto:tkemp@ngfa.org).

**Web Marketing Opportunity:** The NGFA website is an effective and cost-efficient way to get your message to decision-makers in the grain, feed and processing industry. Your exclusive banner ad on the NGFA Home Page – which only recently became available – will be viewed thousands of times during your three-month ad placement. Other pages also are available on the NGFA site. Contact Todd Kemp at (202) 289-0873 or [tkemp@ngfa.org](mailto:tkemp@ngfa.org) for details and pricing.



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

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