



## FDA Considering Options for Potential Revisions to BSE-Prevention Rules

### ...Sen. Durbin Considering Legislation Banning All Animal Protein in Ruminant Feed...

The NGFA has learned that the Food and Drug Administration is considering several options for amending its current regulations that are designed to prevent the establishment or spread through feed of bovine spongiform encephalopathy (BSE) in the United States. Importantly, no decisions have been reached nor are any of the potential changes imminent.

In a related development, during an April 4 Senate hearing, Sen. Richard Durbin, D-Ill., said he was considering introducing legislation that, among other things, would ban the use of all animal protein in ruminant feed. [See page 4.]

FDA in August 1997 issued a final rule that prohibits the feeding of ruminant-derived protein to cattle or other ruminant animals. The prohibition is designed to coincide

with the best epidemiological information currently available on effective measures for preventing the spread of BSE should the BSE agent ever enter the United States. Active surveillance in the United States since 1990 has not detected a single case of BSE.

But to further strengthen existing protections, FDA's Center for Veterinary Medicine is considering whether to amend its existing regulations to:

- ▶ ban the use of restaurant plate waste as a feed ingredient;
- ▶ require that distributors, renderers and feed manufacturers that handle or use ruminant-derived protein register with or be licensed by FDA as a mechanism for identifying facilities for future inspections;

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## House Committee to Attempt to Write Farm Bill Commodity Provisions

House Agriculture Committee Chairman Larry Combest, R-Texas, has announced plans to develop the farm program commodity provisions of the new farm bill by July 11.

The move is an attempt to take advantage of the newly passed House budget resolution that reserves a portion of a \$514 billion, 10-year "strategic reserve" specifically for increased defense and agricultural spending – provided those policy recommendations are forthcoming by July 11. Should that occur, the so-called "budget baseline" for agricultural spending would be increased automatically to reflect the new farm program commodity provisions developed by the House Agriculture Committee.

The Senate has not passed its version of the budget resolution yet, and it is unknown whether its bill will contain provisions granting agriculture preferential access to a "strategic reserve." Once the Senate acts, its budget resolution will need to be reconciled with the House-passed version. The budget resolution is the first step in the budget process, and is designed to designate specific spending targets for various programs. However, utilization of the funds still requires authorization through specific legislation approved by the congressional appropriations committees. President Bush proposed the "strategic reserve" concept as a

way of providing for future emergency contingencies while still achieving tax reduction.

### Oilseed Producers Seek Increased Income

**Supports:** During the eighth in a continuing series of farm bill hearings, the oilseed industry urged the House Agriculture Committee on March 29 to modify oilseed loan rates, include oilseeds in future production flexibility contract (AMTA) payments, and create a new counter-cyclical income support payment system.

The testimony was presented by the American Soybean Association on behalf of itself, the National Sunflower Association and the U.S. Canola Association. Concerning marketing loans, the oilseed producers advocated retaining the current loan rates for oilseeds for the 2002 crop year, but setting those rates as floors rather than ceilings for future crop years. The oilseed producers suggested retaining the current formula of basing oilseed loan rates on 85 percent of the Olympic average prices of the previous five years, and continuing to vest with the secretary of agriculture the authority to set the loan rate between the floor and the level obtained through the formula.

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## Rewarding Farmers as Outstanding Managers of Profitable Businesses – *Do You Have a Candidate?*

The NGFA is extremely pleased for the first time this year to be invited by Farm Progress Publications – publishers of *Farm Journal*, *Top Producer* and 33 other trade journals – to solicit entries for its “Best Managed Farms Contest.”

In doing so, the NGFA has partnered with the American Soybean Association, National Corn Growers Association and the National Pork Producers Council in recognizing farmers who exhibit the best characteristics of operating an efficient, profitable business. This contest rewards producers who consider their operations to be businesses and strive to improve their profitability.

Launched in 1984, the contest recognizes top producers throughout the United States for their innovation, manage-

ment and financial performance. All producer entrants receive a free, confidential financial analysis showing how their farm operation compares to others around the country. Several producers will be recognized for their innovative and entrepreneurial efforts to increase profitability in their operations. And all finalists will receive an all-expense-paid trip for two to a special CEO Training Program in early 2002.

**Are one or more of your farmer-customers worthy contestants?** If so, help the NGFA and these farm organizations in recognizing their achievements by giving them the glossy flyer enclosed with this edition of the *NGFA Newsletter* and having them enter the “Best Managed Farms Contest.” Thanks for your help!

## Geldermann to Receive Marquette University Award

The NGFA congratulates **Thomas A. Geldermann**, retired chairman of Geldermann Inc., Chicago, Ill., who will receive the Marquette University College of Business Administration’s 2001 Distinguished Alumnus Award during the university’s April 26-29 national awards weekend.

A 1951 graduate of the college, Geldermann served as a member of the NGFA’s Board of Directors and Executive

Committee, as well as chairman of what then was known as the Commodity Exchange Committee, during his distinguished industry career. Geldermann also was a director and vice chairman of the Chicago Board of Trade, where he was a member for 40 years. He played varsity football at Marquette and is active in the Marquette Club of Chicago and is a member of the university’s President’s Council.

### NGFA’s ‘Refresher Course’ for Grain, Feed Merchants Set for May 22-23

If your responsibilities include merchandising – or if you manage those who do – now’s the time to register to attend one of the NGFA’s most popular educational conferences: The Trading, Trade Rules and Dispute Resolution Seminar scheduled for **May 22-23 in St. Louis.**

The seminar, which will not be offered again until 2003, provides practical information on the application of the NGFA’s Trade Rules and business law to the everyday trading of grains, feed and feed ingredients, and grain products. Case studies provide “real-world” examples of some of the most common errors that lead to trade disputes. And those completing the seminar and passing the seminar test receive a certification of their achievement.

**Wonder if you or your merchandisers could benefit from this seminar?** Take the quiz available on the NGFA’s web site at: [www.ngfa.org](http://www.ngfa.org). You also can access complete program and registration information from the NGFA’s web site.





*("Farm Bill" continued from page 1)*

The oilseed producers urged that oilseeds be made eligible for production flexibility contract (AMTA) direct payments, and recommended that the payments to oilseed producers be based on a farm's acreage and yield for each oilseed during any year between 1997 and 2001. The oilseed growers recommended that the annual funding for such payments be increased from the current \$4.008 billion to \$5.7 billion, with the entire increase distributed to farms that produced oilseeds. Under the oilseed producers' counter-cyclical income support plan, the government would reimburse producers for 85 percent of harvested acreage for any shortfall between a national gross return per acre for a specific oilseed crop during that crop year and the Olympic average national gross return per acre for crop years 1993-97.

## Inland Waterway Activities of U.S. Army Corps of Engineers in Spotlight

The U.S. Army Corps of Engineers has been the focus of intense congressional scrutiny in recent weeks, with oversight committees examining the agency's management practices, and legislation being introduced to reform its project-approval process.

On March 15, the Senate Environmental and Public Works Committee's Subcommittee on Transportation and Infrastructure conducted a hearing to examine the corps' management of its Civil Works Division, and to investigate allegations of a "pro-construction" bias among senior agency officials. In his opening statement, Chairman Sen. James Inhofe, R-Okla., cited an Army Inspector General's report into the preparation of the Upper Mississippi/Illinois River feasibility study concerning whether the locks and dams along the two rivers should be replaced to respond to increased traffic flow. A whistleblower in the corps last year accused the agency's senior staff of inflating demand numbers in the study in an alleged attempt to justify the construction. Inhofe noted that the inspector general's report seemed to verify the belief that the corps was pro-construction. Sen. George Voinovich, R-Ohio, said bluntly that given the recent allegations about the Upper Mississippi Study and other projects, there were many in Congress "who have lost faith in the corps." Voinovich said that the agency had to do more to keep its project planning transparent and subject to the highest professional standards.

In his testimony, Army Corps of Engineers Commander Lt. Gen. Robert Flowers defended the agency and detailed its actions to address concerns. He noted that the corps was evaluating its project feasibility study process; was rewriting its "vision statement" to better focus on serving the nation; and was in the process of revamping the management of the Upper Mississippi/Illinois River project. Flowers tried to

**Sorghum Producers Urge Loan Rate Increases:** On April 4, the National Grain Sorghum Producers Association proposed that the sorghum loan rate be equalized with corn and that all non-oilseed loan rates be increased by 5 percent. It also proposed that direct fixed Agricultural Marketing Transition Act (AMTA) payments be extended through the life of the next farm bill, with payment levels frozen at the 1999 level. And it proposed to amend beneficial-interest rules to allow producers who lose beneficial interest in the commodity to still receive loan deficiency payments based on the date they lost beneficial interest.

The sorghum producers favored a counter-cyclical income support scheme that takes into account county and regional-level crop production and price data on a commodity-by-commodity basis.

impress upon the subcommittee the difficulties of constructing economic models to predict usage of the river decades in advance.

Inhofe indicated that there would be hearings into the Upper Mississippi/Illinois River project later in the year.

**Reform Legislation Introduced:** Meanwhile, similar legislation mandating reform of the U.S. Army Corps of Engineers has been introduced in the House and Senate.

The bills – S. 646 introduced by Sen. Russ Feingold, D-Wis., and H.R. 1310 introduced by Rep. Ron Kind, D-Wis. – would require the corps to give environmental concerns equal weight to industrial concerns when evaluating inland waterway construction projects. They also mandate a "stakeholder" committee for each project comprised of representatives of those potentially affected by the project.

For projects that are "substantially controversial," or that would cost more than \$25 million, the bills would create an "independent expert panel" to review the engineering, economic and environmental aspects of the projects and the Corps' evaluations of those factors. The panel would consist of five to nine "experts" chosen by the Director of the Office of Independent Review, a new position that would be created by the bill. The panel would be required to report its findings on the corps' work on the project to the Secretary of the Army, and to make recommendations for changes. The Secretary of the Army then would decide on which, if any, recommendations to implement.

The bills also would impose requirements on the corps to significantly increase its construction-mitigation efforts. Under the legislation, the agency would be required to restore one acre of habitat for every acre negatively affected by a project.



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▶ require rendering and feed manufacturing facilities that manufacture feeds for multiple species to discontinue the use of ruminant-derived protein if they manufacture ruminant feed as a way to avoid cross-contamination or accidental mix-ups. This action would formalize the voluntary actions recommended by feed industry trade associations, including the NGFA. The NGFA's Board of Directors on March 16 issued a BSE-Prevention Policy Statement that, among other things, recommended that feed manufacturers voluntarily as a "best management practice" discontinue the use of ruminant-derived protein in plants that manufacture ruminant feeds. [See the enclosed edition of *Issues and Actions* for a complete report on NGFA's policy.]; and

▶ ban the use of ruminant-derived blood meal, milk and gelatin. Based on its review of current scientific evidence, FDA believes that the transmission of BSE through blood represents only a "theoretical concern," noting that there has not been a documented transmission through blood or blood products of the brain-wasting disease known as Creutzfeldt Jakob Disease or vCJD (the variant form believed to be linked to the consumption of beef contaminated with BSE in Europe). But this policy option still is under consideration largely because of the pending release of a highly sensitive test that reportedly is capable of distinguishing between bovine protein and other mammalian proteins (such as swine or equine) in finished feed.

The polymerase chain reaction (PCR) test, developed in Italy with FDA's support, currently is undergoing a multi-lab validation study of the test method, which involves a gene probe that detects bovine mitochondria DNA in rendered protein present in finished feed. But the test reportedly is unable to distinguish between bovine protein and blood meal, which FDA believes could complicate its use as an FDA-enforcement tool unless blood meal is banned from ruminant feed. The greatest impact of such an action would be on the dairy industry, where blood meal is an important and cost-effective rumen-bypass protein source.

**AMI Develops Model Affidavit for Cattle Feeders; Some Feeders Confused:** In another BSE-related development, the American Meat Institute, which represents the nation's meat packing and processing industry, has developed a model "Livestock Owner Certificate" form under which cattle feeders are asked to certify that they are in compliance with FDA's BSE-prevention rules. But while the well-intentioned goal of AMI was to bring about a level of uniformity among packers by creating a model certification statement, the specific wording has created some confusion because it asks cattle feeders to certify that they have not fed any animal feed that contains "protein

derived from mammalian tissues, e.g., meat and bone meal, not in compliance with 21 CFR.589.2000..." The certification statement also asks that cattle feeders attest that none of their livestock contain illegal levels of drug residues.

The NGFA has been informed that some livestock feeders erroneously believe this certification statement requires that they purchase feed that contains no animal protein if they are to be in compliance, even though the AMI certification statement specifically references the existing FDA rules, which prohibit only the feeding of ruminant-derived protein to cattle. The NGFA has contacted AMI and is working jointly to draft additional clarification that can be distributed by feed manufacturers to cattle feeders concerning the AMI model certification statement. AMI said it has no intent to prohibit the feeding of non-ruminant mammalian protein to ruminant animals.

**Durbin Considering Introduction of Legislation on BSE Prevention:** During an April 4 hearing conducted by the Senate Commerce, Science and Transportation Committee's Subcommittee on Consumer Affairs, Foreign Commerce and Tourism, Sen. Richard Durbin, D-Ill., said he was considering introducing legislation soon that would "strengthen" the existing U.S. firewalls against BSE. Among the provisions he said he was considering was a legislative expansion of FDA's existing rules to **include a prohibition on feeding any animal protein to cattle and other ruminants**. "I am evaluating a further extension of the feed ban so that ruminant feed does not contain any animal-derived materials," Durbin said.

Thus far, Durbin said, his "National Food Security and Safety Act" would contain the following provisions: 1) requiring importers to provide information on imported foods and feeds concerning whether it contains meat or meat products from countries where BSE is known to exist to "allow for much more focused and effective inspections of these imports." FDA on Jan. 20 issued an Import Alert (99-25) that instructed FDA field personnel to detain animal feed, animal feed ingredients and other products for animal use from 31 countries where BSE is known to exist or which have less restrictive import requirements than those acceptable to the United States; 2) requiring FDA to prohibit the use of "ruminant nerve tissue" (including brains and spinal cords) from both the human food and animal feed supply. Durbin said the bill also would expand FDA's current ban on ruminant-derived protein to cover any ruminant product, **including blood, bone and tallow**. Durbin also said his bill would "put in place a certification program that makes use of the best-in-class certification programs already in place"; 3) mandating the establishment of a national task force to report to Congress on priorities for improving the surveillance program for detecting BSE

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and related diseases; and 4) mandating "several strategies that are widely recognized to provide an appropriate measure of safety, but are not always practiced, concerning non-food products," such as human dietary supplements, cosmetics and vaccines.

Durbin said his bill would include a provision that would allow agencies to make changes or exemptions in the bill's requirements "when such action is justified by sound science." Durbin is a long-time proponent and sponsor of legislation to create a single U.S. food safety agency, and initiated a congressional General Accounting Office report published last year that was critical of FDA's progress in inspecting renderers and feed mills for compliance with the agency's BSE-prevention rules.

**Campbell Introduces Bill to Establish Federal Interagency Task Force on BSE Prevention:** In another legislative development, Sen. Ben Nighthorse Campbell, R-Colo., and several cosponsors have introduced a bill (S. 534) that would require the establishment of a federal interagency task force to facilitate coordinated strategies among U.S. government agencies to prevent BSE and foot-and-mouth disease. The task force would be chaired by the secretary of agriculture, and also include officials from the Departments of Health and Human Services, Commerce and Treasury, FDA, the National Institutes of Health, the Centers for Disease Control and Prevention, and the U.S. Customs Service.

Campbell's bill also would require that the interagency task force submit a report to Congress within 60 days describing actions being taken, as well as recommendations for additional legislative or regulatory actions, to prevent outbreaks of the two diseases in the United States.

**FDA, APHIS Request Budget Increases for Import Controls:** Meanwhile, both FDA and the U.S. Department of Agriculture's Animal and Plant Health Inspection Service have requested White House approval for budget increases for fiscal year 2002 to improve surveillance of U.S. borders to protect against both BSE and foot-and-mouth disease.

FDA said it has requested a budget increase that would allow it to double – to two – the number of FDA inspectors stationed at U.S. ports of entry to check for imports of meat and bone meal from suspect countries. APHIS has requested additional funds to allow it to resume the stationing of an APHIS veterinarian at U.S. ports of entry; APHIS discontinued that practice in response to budget cutbacks in previous years.

APHIS also is considering increasing to 5,000 the number of cattle brains from suspect animals tested for BSE in the current fiscal year, and increasing that number further in fiscal year 2002 if funding permits.

During the April 4 Senate subcommittee hearing, noted BSE expert Dr. Will Hueston, professor and associate dean of the Virginia-Maryland Regional College of Veterinary Medicine, encouraged an expansion of the number of "high-risk" cattle – those imported from Europe and older than three years of age – that are tested for BSE in the United States. "Testing of a broader sample of older cattle (including cattle dying on the farm and debilitated animals that are presented for slaughter) will strengthen our surveillance system," Hueston said. "No additional surveillance benefit would be gained by testing of routine slaughter cattle, however." Hueston also urged increased funding to enhance the capabilities of U.S. diagnostic testing laboratories and to increase research on methods for detecting BSE in live animals.

Dr. Hueston praised the "excellent collaboration" among U.S. government agencies responsible for food safety, and said the risk of BSE occurring in the United States "is as low as it has ever been....It is not zero, but it is very low."

**Consumer Activists Call for Removal of Central Nervous System Tissue from Food, Feed:** During the April 4 hearing, representatives of two activist consumer groups – the Center for Science in the Public Interest (which is associated with Ralph Nader) and Public Citizen's Health Research Group – called for removing brain and spinal cord from slaughtered cows before further processing, as well as banning mechanically separated meat produced from the vertebrae of cattle. The American Meat Institute states that all spinal cords already are being removed from cattle during slaughter because they are not allowed to be present in mechanically separated meat.

In addition, Public Citizen's Health Research Group proposed a ban on restaurant plate waste in feed, as well as a prohibition on deer and elk afflicted with chronic wasting disease (which has **not** been linked to vCJD) from the food chain. The Center for Science in the Public Interest called for the United States to replicate the United Kingdom's ban on feeding all "specified bovine offal," which includes brain, spinal cord, tonsils, thymus, spleen and intestines. It also said it would petition the U.S. Department of Agriculture in May to ban the spinal column and neck bones from cattle that are processed using advanced meat recovery systems, which are machines that mechanically separate attached meat from bones during processing.

Dr. Hueston of the Virginia-Maryland Regional College of Veterinary Medicine concurred that "[r]emoval of brain and spinal cord from the raw material stream for rendering and from the human food supply would provide one additional safeguard against BSE" were it ever to develop in the United States.





## NGFA to Meet with State Warehouse Officials, USDA Concerning Obligations of Warehouse Operators Handling Specialty Grains

The NGFA's efforts to resolve the storage and recordkeeping regulatory obligations of warehouse operators who handle specialty grains and oilseeds will resume April 9-10 when it meets with officials from the U.S. Department of Agriculture and state warehouse agencies in St. Louis, Mo.

The occasion will be the spring meeting of the Association of American Warehouse Control Officials, which has established a task force to work with the NGFA and USDA to seek a consensus solution to the issue. The NGFA hosted the initial meeting of the group in December in conjunction with the 28<sup>th</sup> annual Country Elevator Council meeting in Kansas City, Mo.

The increased production and handling of specialty grains with different quality traits has raised questions concerning the conflict between trade custom when it comes to warehouse practices versus the regulatory requirements imposed by USDA and some state warehouse control officials. For instance, USDA has maintained previously that written notations or footnotes on warehouse receipts, scale tickets, settlement sheets or other documents concerning any individual quality factors creates a storage and redelivery obligation for warehouse operators under the "like-kind-and-quality" standard applied by federal warehouse examiners. States have adopted varying policies, depending upon their state warehouse laws.

But in most cases, specialty grains meet or exceed the grade factor requirements for the underlying commodity (e.g., U.S. No. 2 yellow corn). In many cases, those intrinsic quality traits are outside the scope of numerical grade-determining factors, and thus typically are not considered to be a "class" or "subclass" (in the case of wheat) under the U.S. Warehouse Act. And warehouse examiners typically do not have the equipment or expertise to verify or measure these intrinsic quality characteristics during on-site exams.

Further, problems are created because much of the specialty grain business operates on a "buyer's call" market. Thus, to avoid incurring a storage obligation for such commodities, warehouse operators could be forced under current regulatory policies to seek to take title upon delivery of specialty grains, thereby reducing the marketing opportunities for producers.

**Search for Solution:** In an attempt to devise a consensus solution to this issue, the NGFA, USDA and AAWCO developed a "concept proposal" being considered by each group that will be discussed further during the April 9-10 meeting.

The "concept proposal" consists of the following elements:

- ▶ Warehouse operators would be required to retain a storage obligation to maintain the quantity of grains and oilseeds deposited based on the kind, grade and class (and subclass for wheat);
- ▶ For grains and oilseeds with other intrinsic quality factors (e.g., specialty grains), warehouse operators would retain a monetary obligation reflecting any associated premium due to the depositor. This obligation would be reflected in the warehouse operator's balance sheet (net worth obligation). There also was some consideration given to requiring the warehouse operator to obtain a certificate of deposit or other financial instrument, or to establish an escrow account, to cover this obligation; and
- ▶ Require the warehouse operator to redeliver grains or oilseeds containing the intrinsic quality factors of specialty grains denoted on warehouse receipts or other documents in the unlikely event that the depositor requests redelivery.

The three elements, with the exception of the financial instrument/escrow account, closely mirror the position developed by the NGFA's Country Elevator Committee.

## GIPSA Proposes Increase in Grain Inspection Fees; Raises Rice Fees

The U.S. Department of Agriculture's Grain Inspection, Packers and Stockyards Administration on April 4 proposed to increase fees by approximately 6.1 percent for hourly rates, certain unit rates and the administrative tonnage fee for official grain inspection and weighing services.

GIPSA maintained that the increase is needed to offset mandated cost-of-living increases in salaries and the 7 percent decline in the volume of grain officially inspected. Comments on the proposed increase are due by May 4, and are to be submitted to: Sharon Vassiliades; GIPSA/USDA; 1400 Independence Ave., S.W., Room 1647-S; Washington, D.C., 20250-3604. Comments also may be faxed to (202) 690-2755 or e-mailed to [comments@gipsadc.usda.gov](mailto:comments@gipsadc.usda.gov).

GIPSA also issued a final rule on April 4 imposing a 3.7 percent increase, effective May 4, in fees for all hourly rates and certain unit rates for rice and commodity inspections performed under the Agricultural Marketing Act to cover increased operational costs resulting from wage increases.





## EU Considering Biotech Traceability for Bulk Commodity Imports

### ...Part of Comprehensive New Food Safety System in Wake of BSE, Dioxin and Other Food Safety Scores...

The NGFA has learned that the European Union (EU) is considering implementing a new traceability scheme that would, if adopted, require exporters to identify all “genetically modified events” contained in European-bound shipments of bulk commodities, including feed, compound feed and feed additives.

If adopted, the rules would require exporters to supply information to importers that a shipment contains biotech-enhanced commodities, as well as the specific biotech events that are present. In addition, the EU regulations would require that both exporters and importers maintain records for at least five years identifying biotech products received and subsequently shipped within the EU.

In a recent draft of the proposal under consideration, the EU maintains the regulations are needed to facilitate withdrawals of products containing biotech ingredients should “any unforeseen adverse effects be established.” In addition, the EU alleges the new rules are needed to ensure that European regulations are consistent with international environmental and food and feed safety requirements.

U.S. Department of Agriculture officials have told the NGFA that the EU draft rules still are undergoing internal

EU review before being considered by the European Commission (EC) later this spring. Once adopted by the EC, the proposed regulations still would be required to undergo lengthy reviews by each member state and the European Parliament before being adopted as a final rule. While this process can take years, USDA says it is important that the United States now begin to provide input to Europe on the trade impact of the proposed rules. The NGFA is working with other groups to provide advice to USDA trade officials on the potential impact of the EU’s proposal on bulk shipments of grains, oilseeds, feed and feed ingredients to Europe.

**Comprehensive New Food Safety System:** The EU’s proposed rules on traceability of biotech products are part of a comprehensive new food safety system under development by the EU that would include traceability requirements for all ingredients of food and feed products. It would also incorporate the so-called “Precautionary Principle” into EU law to allow consideration of non-science issues, such as socio-economic concerns, when setting food and feed safety standards. The new rules also would establish a European Food Authority to administer and enforce the rules.

## International Standards Body Considering Limits on Toxins

A committee of an international body known as the Codex Alimentarius Commission, which develops safety standards for food and feed to facilitate international trade, has adopted a recommendation that would establish a maximum limit of 0.5 parts per billion for aflatoxin M<sub>1</sub> in milk and milk products, after rejecting a proposal from the European Union to set the level at 0.05 p.p.b.

The action, which was taken by the Codex Committee on Food Additives and Contaminants during its March 12-16 meeting in The Hague, Netherlands, is important because there is a direct relationship between intakes of aflatoxin B<sub>1</sub> in feed and the concentration of aflatoxin M<sub>1</sub> content in milk. According to Codex documentation, setting the allowed level of aflatoxin M<sub>1</sub> in milk and milk products at 0.05 p.p.b. as proposed by the EU could have resulted in a more restrictive maximum international limit for aflatoxin in corn and other raw commodities used for feed than currently allowed under U.S. Food and Drug Administration action levels.

The Codex committee’s recommendation is to be

considered for adoption as a Codex standard when the full commission meets on July 2-7 in Geneva, Switzerland.

Other actions taken at the Codex Committee on Food Additives and Contaminants meeting included: 1) agreement that additional research is needed before setting international limits for fumonisin; 2) adoption of a preliminary exposure limit of 5 p.p.b. for Ochratoxin A in wheat, barley and rye. Importantly, corn was excluded from the limit; 3) postponing further action on establishing maximum limits for cadmium in wheat, soybeans and other agricultural products pending further study on its health effects; 4) appointment of a special committee to study the health risks posed by deoxynivalenol (vomitoxin). This action was taken after the committee learned that consumption data for different areas of the world suggest that the daily intake of deoxynivalenol-contaminated wheat may exceed recommended safe levels; and 5) postponing further work on establishing limits for dioxin in food and feed pending further evaluation of the substance’s health effects that should be completed later this year.



# Membership Matters

by Todd Kemp  
Director of Marketing

## Nootbaar Membership Prize Doubles for 2002

In a very generous demonstration of support for the NGFA's membership recruiting program, Past President Herb V. Nootbaar, Capistrano Beach, Calif., has made possible the doubling of the annual Nootbaar Prize.

Awarded each year at the NGFA annual convention, the prize has been endowed in previous years to support a \$500 annual prize. Nootbaar's new gift will facilitate a \$1,000 prize, for which all successful membership recruiters are eligible.

The Nootbaar Prize was established in 1996 to commemorate the NGFA's centennial. At that time, Nootbaar donated \$10,000 to endow the annual award. With his recent gift of Ralston Purina stock to the NGFA, the fund's endowment will double, allowing the increased award to a randomly selected membership sponsor. The next award will be presented during the NGFA's 106<sup>th</sup> annual convention next March in Hilton Head, S.C.

Nootbaar, who served as NGFA president from 1962-64, and his wife, Elinor, long have been involved in the NGFA, regularly attending annual conventions. The entire organization owes the Nootbaars profound thanks for their continued support and service through the years!

### *Remember the Foundation!*

Looking for a worthy tax-advantaged giving opportunity?

The National Grain and Feed Foundation is an important way to support the industry. As a Section 501(c)(3) entity, gifts to the Foundation are tax-deductible, and support the research and education needs of the grain, feed and processing industry. Notable past work includes fire and explosion research, farm policy research and education, Clean Air Act research, feed quality assurance educational videos, and risk-management education publications and seminars.

The Foundation can accept cash gifts, as well as gifts of stock and real property. The Foundation currently is gearing up to become more active and more visible. As you make plans for your 2001 giving, and as you engage in estate planning, consider the National Grain and Feed Foundation as an important part of your tax-advantaged giving strategy.



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