



'Fury' Insecticide Applied Illegally to Some Wheat in Two States

...Cases Confirmed in Arkansas, Mississippi; Investigations Underway in Six Other States...

The U.S. Environmental Protection Agency and Food and Drug Administration have initiated contacts with state departments of agriculture to develop a strategy for addressing incidents in which an insecticide sold under the trade name Fury™ may have been applied illegally to wheat to combat severe infestations of armyworms in as many as eight states.

The NGFA has received reports that the illegal application of Fury to some wheat may have occurred in as many as eight states. While the number of wheat acres that may have been treated still is believed to be relatively small, incidents have been confirmed in Arkansas and Mississippi. There also are investigations underway in Alabama, southern Illinois, the bootheel of Missouri, Louisiana, Tennessee and Texas.

Fury (zeta-cypermethrin) manufactured by FMC Corp., is a synthetic pyrethroid that is classified by EPA as a restricted-use pesticide, meaning that it can be applied only by certified applicators. Fury currently is registered and

approved for use by EPA to control beetles, plant bugs and worms in cotton, head lettuce and cabbage. FMC in August 2000 submitted an application to EPA to have the product approved for use on cereal crops (including wheat), legumes, rice, leafy vegetables, brassica, alfalfa and fruiting vegetables – but that application has not been considered or approved yet by the agency. EPA said other registered insecticides are approved for treating wheat and other grains for armyworms.

EPA and FDA officials have told the NGFA that any wheat containing detectable residues of the insecticide will be considered to be adulterated because it “bears or contains” an illegal substance within the meaning of the Federal Food, Drug and Cosmetic Act, and that FDA will consider taking regulatory action (including seizure) if wheat containing such residues enters interstate commerce. The federal agencies are strongly urging affected states to advise farmers whose wheat has been treated with Fury to keep the wheat on the farm, and not deliver

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Jeffords Switch to Independent to Put Democrats in Senate Majority

The announcement by Sen. James M. Jeffords, R-Vt., that he will switch his party affiliation to Independent will shift control of the Senate to the Democrats by a one-vote margin.

Jeffords, 67, is serving his third term in the Senate after winning reelection last November by a three-to-one margin. He previously served seven terms in the House from 1975-88. His switch will result in the Democrats holding a 50-49-1 majority in the Senate. Jeffords will caucus with the Democrats in reorganizing the Senate, which could occur during the week of June 4.

The shift in control of the Senate is highly significant. As the new majority party, Democrats will control the agenda and flow of legislation in committees and on the Senate Floor. When it does reorganize, the Democrats will elevate Minority Leader **Sen. Tom Daschle**, D-S.D., to the post of majority leader, supplanting Sen. Trent Lott, R-Miss. As majority

leader, Daschle will set the Senate's agenda and priorities. It also will result in Democrats assuming committee and subcommittee chairmanships, thrusting **Sen. Tom Harkin**, D-Iowa, into the chairmanship of the Senate Agriculture Committee and relegating Sen. Richard Lugar, R-Ind., to ranking minority member. Such a shift could provide new impetus for consideration of a farm bill this year in the Senate, with a heavy emphasis on conservation as a potential cornerstone. Harkin is also a major supporter of ag contracting legislation.

While the selection of committee and subcommittee chairmanships will not be decided formally until the Democrats caucus, other potential switches important to the grain, feed and processing industry that could occur include the following: 1) **Sen. Ernest Hollings**, D-S.C.,

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as new chairman of the Commerce, Science and Transportation Committee, which has jurisdiction over rail transportation issues. He would replace Sen. John McCain, R-Ariz., in that capacity; 2) **Sen. Edward Kennedy**, D-Mass., supplanting Jeffords as chairman of the Senate Health, Education, Labor and Pensions Committee, which has jurisdiction over Occupational Safety and Health Administration issues, including ergonomics; and 3) **Sen. Max Baucus**, D-Mont., as new chairman of the Finance Committee, which has jurisdiction over trade and tax issues, replacing Sen. Charles Grassley, R-Iowa. Jeffords, who currently chairs the Senate Health, Education, Labor and Pensions Committee, reportedly will be offered the chairmanship of the Senate Environment and Public Works Committee.

Daschle Pledges Rapid Action on Democratic Priorities:

Soon-to-be Senate Majority Leader Daschle has indicated that the Senate will complete action on the education overhaul bill, then take up consideration of patients’ bill of rights and

minimum wage legislation. In the House, committees will examine the Senate-passed campaign-finance reform bill, and both chambers will have to begin wrestling with the annual appropriations bills. The budget resolution passed earlier in the spring set discretionary spending for fiscal year 2002 at a total of \$661 billion – a figure many in both parties say is unrealistic.

Meanwhile, Senate Agriculture Committee Chairman-to-be Harkin has indicated that hearings will be scheduled on issues concerning a new farm bill, including conservation. In the House, the Agriculture Committee continues its work toward rewriting the farm bill, with subcommittee hearings scheduled on conservation, credit, general farm policy and research. At a June 6 hearing on conservation programs to be conducted by the Conservation, Credit, Rural Development, and Research Subcommittee, Oklahoma Grain and Feed Association President Joe Neal Hampton is scheduled to testify on behalf of the NGFA and other State and Regional Grain and Feed Associations.

New Conservation Bills Introduced in Congress

...Sponsors Signal Intent to Make Conservation Centerpiece of New Farm Bill...

Legislation that would provide financial and technical assistance to farmers and ranchers who adopt and maintain conservation-management, land-stewardship and environmental-protection programs on their operations has been introduced in Congress.

Dubbed the “Conservation Security Act,” the bill was reintroduced in the Senate on May 22 by Sens. Tom Harkin, D-Iowa, likely chairman-to-be of the Senate Agriculture Committee, and Gordon Smith, R-Ore. Harkin previously had introduced the bill in July 1999. A comparable bill (H.R. 1321) had been introduced on March 29 in the House by Reps. John Thune, R-S.D., and Marcy Kaptur, D-Ohio. The bill would create a “Conservation Security Program” offering farmers and ranchers the opportunity to enter into five-to-10-year contracts with the U.S. Department of Agriculture and select from one of three tiers of conservation practices, each with its own level of payments based upon the number, type and level of conservation practices applied:

► **Tier 1** would involve implementing soil conservation and nutrient and wildlife habitat management plans, in exchange for an annual payment of up to \$20,000, with the ability to access an additional one-time advance payment of \$1,000 or 20 percent of the annual payment, whichever was greater.

► **Tier 2** would entail implementing rotational grazing, buffer strips and wetlands restoration practices, in exchange for an annual payment of up to \$35,000 and access a one-time advance payment of \$2,000 or 20 percent of the annual payment, whichever was greater.

► **Tier 3** would involve implementing comprehensive conservation practices on the whole farm, addressing “all aspects” of air, land, water and wildlife, in exchange for an annual payment of up to \$50,000 and eligibility for a one-time advance payment of \$3,000 or 20 percent of the annual payment, whichever was greater.

Both the Senate and House bills have been referred to the Agriculture Committees of their respective chambers. Other cosponsors of the Senate bill include: Sens. Tom Daschle, D-S.D., Byron Dorgan, D-N.D., Patrick Leahy, D-Vt., Charles Schumer, D-N.Y., Hillary Rodham Clinton, D-N.Y., Mark Dayton, D-Minn., Paul Wellstone, D-Minn., Tim Johnson, D-S.D., Debbie Stabenow, D-Mich., Edward Kennedy, D-Mass., Herb Kohl, D-Wis., John Kerry, D-Mass., and Paul Sarbanes, D-Md. Meanwhile, co-sponsors of the House bill include Reps. Maurice Hinchey, D-N.Y., John Cooksey, R-La., Leonard Boswell, D-Iowa, and Albert Wynn, D-Md.



Hill Highlights

► **'New Democrats' Offer Proposal for Trade Promotion Authority (Fast Track):** A group of House and Senate "new" Democrats on May 24 issued a set of "principles" under which the president would be granted trade promotion authority – frequently referred to as "fast track." Led by Sen. Bob Graham, D-Fla., and Rep. Cal Dooley, D-Calif., the centrist Democrats reaffirmed what they termed their "commitment to economic growth through expanded trade opportunities and expanding the bipartisan consensus for trade." They called for legislation that would authorize negotiation of a new Free Trade Zone of the Americas, a new round of international trade negotiations under the World Trade Organization, and initiation of other bilateral, regional and multilateral trade agreements. They said a "critical component" of that effort is to enact a trade promotion authority bill that "includes measures to improve labor and environmental standards internationally" through the possible use of sanctions or fines.

Specifically, they said such legislation should include an "enforcement toolbox" that gives the president "maximum flexibility...and does not preclude the use of any specific enforcement mechanism to increase compliance with negotiated commitments." They also said the "enforcement toolbox" should include "timely and transparent dispute resolution." The "principles" articulated by the group states that labor and environmental goals "should have parity as negotiating objectives, and that congressional consultation on the progress of trade negotiations should be enhanced." The document also calls for a set of "parallel policies" to increase domestic confidence in trade, ranging from improvements to the Trade Adjustment Act to a stronger commitment to improve labor and environmental standards through international organizations. In addition to Graham and Dooley, others signing the document included Sens. Maria Cantwell, D-Wash.; John Breaux, D-La.; Mary Landrieu, D-La.; and Blanche Lincoln, D-Ark.; as well as Reps. Jim Moran, D-Va.; and Adam Smith, D-Wash.

In its trade agenda, the White House urged Congress to renew the president's trade negotiating authority, under which Congress would have the authority to approve or reject trade agreements in their entirety, but would not be able to amend them. U.S. Trade Representative Robert Zoellick responded to the "new Democrats" principles by calling it a "constructive proposal to move the trade agenda forward" and reflective of a "pragmatic approach to trade."

The trade legislation has been languishing in Congress due in part to the desire of most Democrats and some moderate Republicans to require the inclusion of labor and environmental standards in future trade agreements, with sanctions or

fines as enforcement mechanisms. Pro-trade Republicans and the White House adamantly oppose such a move, arguing that such issues should be negotiated in side agreements. Fast track and other trade issues come under the jurisdiction of the Senate Finance Committee.

► **House Subcommittees Examine 'Threats' to Maritime, Inland Waterway Transportation:** Two House Transportation and Infrastructure Committee subcommittees on May 23 conducted a joint hearing on the congested maritime and inland waterways system.

Witnesses testifying at a Water Resources and Environment Subcommittee and Coast Guard and Maritime Transportation Subcommittee hearing concurred that an aging infrastructure and a backlog in renovation projects need immediate attention to preserve U.S. economic competitiveness. The subcommittees cited estimates that by the year 2020, oceanborne trade will double and inland waterway traffic will increase by 30 percent. Water Resources and Environment Subcommittee Chairman Rep. Jim Duncan, R-Tenn., cited chokepoints in the inland waterways system and the failure of federal investment to keep pace with maintenance requirements. He also cited the fact that a portion of the revenues generated by the barge fuel tax has been diverted by Congress to deficit reduction instead of "its intended purpose of improving marine transportation infrastructure." Committee Chairman Don Young, R-Alaska, also said he was "disturbed by the funding, planning and permitting delays that keep necessary improvements from being done. If we don't keep our harbors and waterways operational, we will jeopardize our economic prosperity and increase congestion in other modes of transportation." The subcommittees noted that the maritime transportation system is responsible for moving 95 percent of U.S. overseas trade and 60 percent of grain exports.

The National Corn Growers Association took the lead in testifying for agricultural groups on the inland waterways system, saying that growing congestion attributable to antiquated locks and dams hinders "our ability to meet global demand, which ultimately costs us markets and drives down grain prices." An economic study commissioned by the corn growers found that farmers will lose \$364 million a year by 2020 if lock-and-dam improvements are not made. Another study still in progress indicates that without such improvements, the average price of shipping corn to New Orleans for export will increase by 20 cents a bushel, the National Corn Growers Association testified, noting that competitive barge transportation helps discipline rail freight rates. The corn growers also cited transportation improvements being made by competitors, such as Brazil, that threaten to capture an increased share of world markets if the United States does not modernize its transportation infrastructure, which long has been a linchpin of U.S. export competitiveness in agricultural products.



USDA Announces Loan Rates for Farm Program Crops

With harvest already underway in several southern states, the U.S. Department of Agriculture today announced county loan rates for 2001-crop wheat, feed grains and oilseeds.

The national and county loan rates for corn, sorghum, wheat and oilseeds will remain unchanged from 2000-crop levels, USDA said, while loan rates for barley will increase 3 cents per bushel and the oat loan rate will increase 5 cents per bushel. USDA decided not to pursue developing new wheat loan rates based on class.

The national average loan rates for 2001-crop commodities are as follows:

Commodity	2001-Crop Loan Rates
Wheat	\$2.58/bu.
Corn	\$1.89/bu.
Sorghum	\$1.71/bu.
Barley	\$1.65/bu. (plus 3-cents/bu.)
Oats	\$1.21/bu. (plus 5-cents/bu.)
Soybeans	\$5.26/bu.
Sunflower Seed	\$9.30/cwt.
Flaxseed	\$9.30/cwt.
Canola	\$9.30/cwt.
Rapeseed	\$9.30/cwt.
Safflower Seed	\$9.30/cwt.
Mustard Seed	\$9.30/cwt.
Crambe	\$8.77/cwt.
Sesame Seed	\$8.77/cwt.

For the past three years, USDA has announced county loan rates before May 11. The hold up this year is being attributed, at least partially, to the delay by Congress in confirming the nomination of J.B. Penn as the new USDA undersecretary for farm and foreign agricultural services, the position that oversees farm programs.

Determining LDPs: For producers who already submitted an application for loan deficiency payments (LDPs) before the county loan rates were issued, the date the LDP rate is fixed will be based on the type of LDP form used:

► **Basic LDP (current Form CCC-666 LDP):** The LDP rate will be determined retroactively based on the posted county price (PCP) in effect on the date the application was approved by the county FSA office, and in the

county where the commodity is stored. This form has been redesigned for 2001 crops – and has been redesigned as Form CCC-633. FSA officials told the NGFA that they will continue to honor LDP requests filed using the previous Form CCC-666 LDP until June 30. FSA officials also noted that the producer signature block and certification has been moved to the reverse side on the new form, requiring that both the front and back of the form be transmitted to the county FSA office when submitting the form by fax.

► **Field-Direct LDP (current Form CCC-709 LDP):** The LDP rate will be determined retroactively based on the date the commodity was delivered to a warehouse, processor, buyer or cooperative for the county location where the farm records are maintained and where the request was made. FSA requires that this application be completed on or before the date of harvest. This LDP form also is being revised for 2001 crops, although it will retain the same numeric designation.

The new versions of both the Form CCC-663 LDP and the Form CCC-709 LDP are available on FSA's web site at: <http://forms.sc.egov.usda.gov/FormSearch.asp>, or by contacting Jackie Congress at the NGFA at (202) 289-0873.

Beneficial Interest: Importantly, to remain eligible for LDPs or marketing loan gains for 2001 crops, producers once again will need to retain beneficial interest (e.g., title, control and risk of loss) in the commodity through the date that the LDP is requested. Congress had acted to waive the beneficial interest requirements for 1999 and 2000 farm program crops, but has not taken similar action for 2001 crops. For marketing assistance loans – the traditional nine-month loan – producers are required to retain beneficial interest in the commodity until the date the loan is redeemed or the Commodity Credit Corporation takes title.

NGFA Calendar

- June 5:** **Animal Protein Transportation Task Force Meeting,**
Sheraton Omaha Hotel, Omaha, Neb.
- June 6-7:** **Feed Industry Committee Meeting,**
Sheraton Omaha Hotel, Omaha, Neb.
- June 13-14:** **Executive Committee Meeting.**
Four Seasons Resort at Las Colinas, Dallas, Texas
- June 20-21:** **Feed Quality Assurance Workshop**
The Galt House, Louisville, Ky.





USDA-Approved Farm Storage Facility Loans Represent 61.8 Million Bushels of Additional On-Farm Capacity

U.S. Department of Agriculture data obtained by the NGFA show that nearly 61.8 million bushels of additional on-farm storage will be built using subsidized low-interest government loans awarded thus far under USDA's farm storage facility loan program.

As of May 17, USDA reported that it has approved 2,129 loans totaling \$63.9 million. Of the \$64.3 million requested by successful loan applicants, USDA has denied only \$352,285.

During fiscal year 2000 – when the program was reinstated – USDA approved 1,933 loan requests totaling \$57.6 million, representing 56 million bushels of additional storage capacity. Loan activity so far this fiscal year, which began Oct. 1 and ends Sept. 30, has been slower, with USDA approving another 196 loans totaling \$6.3 million, representing an additional 5.8 million bushels of on-farm storage capacity.

Minnesota is the leader – far and away – among state recipients of farm storage facility loans. During the two fiscal years to date, USDA has approved \$19,663,869 in loan funds representing an additional 19.66 million bushels

of on-farm storage. The remainder of the top 10 states (ranked by additional on-farm storage) receiving subsidized loans under the program are:

- **Iowa:** \$12.3 million representing 11.36 million bushels of on-farm storage;
- **Illinois:** \$5.5 million representing 5.5 million bushels;
- **South Dakota:** \$4.7 million representing 4.6 million bushels;
- **Nebraska:** \$3.1 million representing 3.24 million bushels;
- **Indiana:** \$3.5 million representing 3.04 million bushels;
- **Michigan:** \$2.6 million representing 2.25 million bushels;
- **Kentucky:** \$2 million representing 2.23 million bushels;
- **Missouri:** \$1.8 million representing 1.9 million bushels; and
- **Wisconsin:** \$2.1 million representing 1.81 million bushels.

USDA data on use of the farm storage facility loan program by county are posted on the NGFA's web site at: <http://www.ngfa.org/5-17-FSFL-update.htm>.

Canada Grains Council Organizing Meeting on Commercial Impact of International Efforts to Regulate Biotech Crops

The NGFA has been invited to participate in a June 25-26 meeting being organized by the Canada Grains Council to explore the commercial ramifications of international agreements designed to regulate biotech-enhanced commodities.

Specifically, the conference is designed to “develop a strategic approach to manage genetically modified organisms in the commercial grain trade,” with particular focus on the potential impacts of the Cartagena Biosafety Protocol entered into in January 2000 by a number of countries (but not the United States) as part of the United Nations' Convention on Biological Diversity. The Biosafety Protocol requires strict notification, documentation and risk-assessment procedures for biotech-enhanced products, which the accord calls “living modified organisms.”

Of particular interest to the grain, feed and processing industry is the Biosafety Protocol's provision that requires shippers of food and feed to provide information on “living

modified organisms” that may be present in a shipment. The protocol also calls on the signatory countries to develop detailed requirements for implementing this “may contain” requirement, including methods for specifying the identity of any biotech events that may be present in the shipment, within two years after the required 50 countries ratify it. Thus far, about 96 countries have signed the protocol, while two have ratified it. UN officials project that the protocol will be ratified by the required 50 countries sometime in 2002, and would take effect 90 days thereafter.

The Canada Grains Council said its meeting is designed to encourage the international grain industry to urge their respective governments to develop a “common set of principles” that are workable in international trade, as well as a process for developing standardized tolerance levels for the inadvertent presence of biotech-enhanced ingredients in a shipment (including testing methodologies, sampling methods and documentation requirements).





Newsletter

by Randall C. Gordon
V.P., Communications/Gov't. Relations

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it into commercial channels until it can be tested for the presence of Fury residues, since there currently is no approved use – food or feed – for such wheat.

FDA is drafting a letter that it hopes to distribute soon to state departments of agriculture and the industry strongly encouraging Fury-treated wheat to be kept on the farm and advising that FDA may take regulatory action against wheat containing detectable residues of Fury that is shipped in interstate commerce. An early draft of the letter also advises that any commingling of wheat containing residues of Fury would cause the commingled lot to be considered adulterated and subject to possible regulatory action. Until the crop is harvested and enters commercial channels, the incidents are being treated as a state issue requiring a state response.

EPA officials told the NGFA that there is "no way" that the agency will consider granting an emergency tolerance or a "Section 18" emergency exemption from a tolerance for Fury-treated wheat because such action would sanction what they called an illegal use of a registered pesticide. In fact, EPA officials told the NGFA that producers whose wheat contained residues of Fury have three options: 1) plow it under (in which case EPA will provide technical assistance through the states to minimize any remote possibility that the Fury pesticide could be transferred through the root systems of subsequently planted crops, such as double-cropped soybeans); 2) burn it; or 3) compost it. However, EPA also noted that it would be up to the Food and Drug Administration to assess whether wheat containing minimal residues of Fury would be safe for feeding to livestock or poultry. Therefore, it may be advisable to keep any wheat that potentially has been treated with Fury stored in identity-preserved status on the farm, pending a future FDA decision.

FDA's Center for Veterinary Medicine, which has jurisdiction over animal feed, has issued a compliance policy guide (Section 675.200) under which it can consider requests to divert commodities deemed to be adulterated to acceptable animal feed uses on a case-by-case basis if it determines based on scientific evidence presented by the requestor that the residue levels present would not be harmful to the intended species or to humans who consume the animal products. One element of the compliance policy guide specifically addresses "pesticide contamination where the pesticide involved is unapproved for use on a food or feed commodity." **Importantly, however, FDA has made no determination yet on whether it would consider – or respond positively – to requests to divert wheat containing residues of Fury to animal feed.** Compliance Policy Guide Section 675.200 is available on the NGFA's web site at www.ngfa.org or by fax to members by contacting Jackie Congress at the NGFA at (202) 289-0873.

In a related development, FMC – the manufacturer of Fury – told the NGFA that residues of the

product "decline steeply" within 25 to 28 days after application, with minimal detectable residues after that time. **However, this has not been verified; and in fact, the state of Mississippi told the NGFA it had detected residues on the whole heads of wheat 21 days after Fury was applied.**

Meanwhile, the U.S. Department of Agriculture on May 30 issued a correspondence to wheat distributors and associations advising that USDA attorneys "have reviewed the situation and have opined that USDA has no role or authority in dealing with this issue."

In Mississippi: Chris Sparkman, Mississippi deputy commissioner for agriculture and commerce, told the NGFA that investigations thus far indicate that about 10 aerial applicators had applied Fury to approximately 20,000 wheat acres, involving about 30 farmers in the four Delta counties of Bolivar, Coahoma, Sunflower and Tallahatchie. That represents about 10 percent of the state's 205,000 acres that are planted to wheat. In a May 22 letter to grain handlers, the Mississippi Department of Agriculture and Commerce said it initially had detected residues of Fury on some wheat while sampling whole wheat heads in farmers' fields prior to harvest. After the initial discovery, the department intensified its investigation by checking the records of certified applicators and tracing the applications forward to identify specific fields where Fury had been applied. Testing of whole heads of wheat by the Mississippi State Chemical Laboratory detected the presence of Fury residues. The laboratory analysis to determine if the residue exists takes about one-to-three days, "As wheat harvest nears, wheat buyers, brokers, grain storage and feed mill facility owners/operators, and farmers should take appropriate measures to protect wheat that was not sprayed with this pesticide," wrote Lester Spell Jr., Mississippi commissioner of agriculture and commerce.

FMC, in an agreement with the Mississippi Department of Agriculture and Commerce, has agreed to pay the cost of testing Mississippi wheat that growers believe may have been treated with Fury. A "wheat grain sampling program" has been developed by the state – and is available by contacting the NGFA. The samples are being tested by Argus Analytical, 235 Highpoint Drive, Jackson, Miss., 39157. No comparable free testing arrangements have been developed with other states at this time, FMC officials said.

In Arkansas: Meanwhile, Arkansas State Plant Board Director Don Alexander told the NGFA that his office had been investigating alleged misapplication of Fury on wheat for the past four weeks, and that the investigation initially resulted in a determination that Fury had been applied to about 600 acres of wheat in 13 fields in Poinsett County, located in northeastern Arkansas. However, the Arkansas State Plant Board now confirms that an estimated 1,000

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Newsletter

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additional acres of wheat near Holly Grove, and Lexa, Ark., have been treated with Fury, and it is investigating whether it was applied to an additional 1,000 acres – which would bring the state total to 2,600 acres. About 1.2 million acres are planted to wheat in Arkansas. On May 29, the Arkansas Plant Board sent a communication to all grain warehouse owners and operators in the state advising that they “take whatever precautions they feel necessary to protect themselves from potentially contaminated grain, such as, but not limited to, obtaining letters from growers stating no illegal products were used on the crop.”

Importantly, state government officials in both Missis-

sippi and Arkansas have informed the NGFA that they will, upon request, inform grain handlers of the names of growers and the field locations where Fury allegedly was applied to wheat so handlers can better monitor deliveries. Requests in Mississippi should be directed to the Department of Agriculture and Commerce (Deputy Commissioner Chris Sparkman or Rickey Gray, counsel to the commissioner) at 601-359-1100. Requests for Arkansas should be directed to the State Plant Board (Don Alexander or Mike Thompson) at 501-225-1598.

The NGFA will continue to keep members fully informed of future developments via the *NGFA E-Alert* electronic newsletter and through its web site at www.ngfa.org



Feed Facts

by Randall C. Gordon
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USDA Removes FMD Import Restrictions on Certain EU Countries

The U.S. Department of Agriculture on May 25 announced that it is removing the import restrictions imposed on March 13 on animals, animal products and farm equipment from certain European Union countries.

The restrictions were lifted for the following EU countries where no cases of foot-and-mouth disease have been reported: Austria, Belgium, Denmark, Finland, Germany, Italy, Luxembourg, Portugal, Spain and Sweden. Import restrictions will remain in effect for the following countries: United Kingdom, France, Ireland, the Netherlands and Greece, where there have been confirmed cases of foot-and-mouth disease in recent months. USDA said the status of these latter countries continues to be evaluated,

and that further risk analysis and site visits are necessary before any modification of their status is warranted.

USDA said it continues to implement “stringent measures” to protect against the occurrence of foot-and-mouth disease in the United States, including: 1) prohibiting shipments of products from high-risk countries; 2) increasing personnel surveillance at ports of entry; 3) tightening regulatory enforcement; 4) increasing surveillance of incoming passengers and cargo; 5) enhanced monitoring and surveillance of domestic livestock; 6) strengthening federal, state and industry coordination; 7) implementing public education campaigns; and 8) dispatching experts to the United Kingdom to assist in containment efforts.

USDA ‘Corrects’ Boxed Beef Price Reporting Data

The U.S. Department of Agriculture’s Agricultural Marketing Service on May 23 announced it has released corrected Choice and Select boxed beef cutout and boxed beef cuts report.

The agency on May 14 discovered what it termed a technical error in the computer program for the livestock mandatory price-reporting system that affected the cutout values for beef carcasses and primal cuts. The two values are constructed from the prices of individual meat cuts, which AMS said have been reported accurately and were not subject to the programming error.

Corrected calculations for the daily Select cutout values for the period April 3 through May 11 averaged

43-cents – or 0.37 percent – higher per hundredweight than the values originally reported, ranging from a one-day low of \$-1.10 to a one-day high of \$1.94. The Choice cutout values averaged \$2.92 – or 2.32 percent – per hundredweight higher, ranging from a one-day low of 73 cents to a one-day high of \$7.54. Choice and Select boxed beef cutout and primal cut values reported since May 16 have been correct, AMS said.

The understating of the two sets of prices in USDA’s reports generated a strong reaction from the beef and packing industries because of their use in cattle contracting and sales, as well as an indicator of beef demand.





Membership Matters

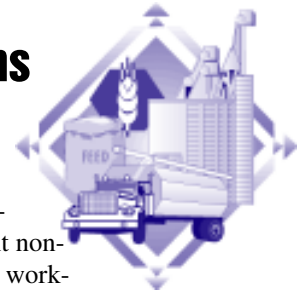
by Todd Kemp
Director of Marketing

Feed Quality Assurance Workshop First-Rate Seminar, Springboard to Membership Gains

The 14th in the NGFA's series of highly acclaimed Feed Quality Assurance Workshops will be held in Louisville, Ky., on June 20-21. If you don't yet have a quality assurance program in place, or if you have one and would like a model program to hold it up against, this workshop will serve you well. It's also a great refresher course for any feed-related personnel, and the materials and videos offered in conjunction with the workshop are excellent motivators to instill quality assurance back at your facility. **Take a minute or two to review the insert detailing topics and the workshop schedule.**

This workshop also meshes well with the NGFA's recruiting efforts for the current membership year. About 150 companies in the feed and feeding sector – feed manufacturers, ingredient suppliers, livestock and poultry integrators, and others – have been identified as priority candidates to become new NGFA members. These new members, and the NGFA's current feed/feeding members, will benefit from the NGFA Feed Industry Committee's ambitious master plan to expand feed-related services offered by the NGFA.

Historically, more than any other NGFA meeting, the Feed Quality Assurance Workshops have attracted significant non-member attendance. The June workshop is a great way to give potential members a first taste of the value provided by NGFA membership. Know a feed miller, ingredient supplier, integrator or other related company that's not yet a member? Call them up and invite them to attend the Feed Quality Assurance Workshop, and send them a copy of the enclosed flyer.



Special Session on BSE! Note that the workshop program has been expanded to include a major session on compliance with FDA's BSE-prevention regulations. Is your mill in compliance? FDA is now issuing warning letters and costly product recalls orders to feed mills that have violated the FDA's labeling and cross-contamination rules designed to keep the United States BSE free. Find out what the inspectors will be checking so your mill can pass with flying colors!



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