

Farm Bill Amendments: Sure Source of Debate

Debates over specifics of the Farm Bill are occurring under peril of a Presidential veto. As commodity groups, anti-hunger advocates, and environmental groups stake out their interests in the bill, Acting US Secretary of Agriculture Chuck Conner has stated that the Bill is a combination of budget gimmicks and he will advise the President to veto it.

Senate leadership has scheduled a full two weeks of floor debate, expecting the floor fight will be long and contentious. Unfortunately the Farm Bill got sidetracked almost immediately by other Senate business and a tussle over action on amendments. Insistence by Senate Majority Leader Harry Reid (D, NV) to restrict floor amendments to those germane to the bill led the GOP side of the Senate to quickly object. Custom allows discussion of any and all amendments to the bill. This disagreement pushed the bill off the calendar.

Committee work on the bill left the farm program payment section largely unchanged; however, the National Corn Growers Assn. (NCGA) is concerned with an amendment by Sen. Pat Roberts (R, KS) that changed the Average Crop Revenue (ACR) option added to the

bill. The original ACR would have allowed producers to opt out of traditional countercyclical payments and into a program based on average state revenues and used reduced crop insurance premiums, along with a flat \$15-per-base acre payment to compensate farmers. Roberts' amendment changed the ACR in the bill, limiting acres eligible for the program, requiring a participating farmer to stay in for the life of the Farm Bill, and holding insurance premiums at current rates.

Other contentious amendments expected on the floor include the following:

- Sens. Charles Grassley (R, IA) and Byron Dorgan (D, ND) will bring an amendment to limit total farm payments to a single operation to \$250,000 per year, down from \$360,000 in current law, and the \$750,000 limit in the committee bill, a level Grassley called "window dressing"
- An amendment is expected from Sens. Richard Lugar (R, IN) and Frank Lautenberg (D, NJ) to eliminate all direct payments, replacing the programs with crop insurance
- A push by environmental groups to shift more dollars to conservation programs, saying the \$4 billion now dedicated is only a "good first step"
- A battle over language allowing fruits and vegetables destined for processing to be grown on program crop acres without affecting a producer's base calculation
- A move to strike a ban on packer ownership of livestock less than 14 days before slaughter, along with creation of a new watchdog office at USDA on competition issues

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83rd Annual Seminar & Tea Party

February 11 & 12, 2008

Marriot Copley Place
Boston, MA

Save the date for NEAFA's annual meeting and Tea Party. Meet the new Executive Director, Rick Zimmerman, and hear some of the most innovative and informative outlooks in the business. Featuring a Northeast Dairy Industry Outlook, American Feed Industry Perspective, Political Outlook and Analysis, and of course the Banquet and Tea Party.

NORTHEAST AG & FEED NEWS

Anti-terror regs force mills, processors, retailers to comply

As of June 8 all grain elevators, feed mills, grain processors, farm supply retailers and a host of other food and agricultural, chemical and other facilities have been required to register with DHS and complete a web-based consequence-assessment tool known as "Top Screen" if they "possess or plan to possess" listed chemicals that meet or exceed specified minimum concentrations and at quantities that meet or exceed screening threshold quantity (STQ) levels. The results of the "Top Screen" assessment tool will be evaluated by DHS to determine whether a facility is required to conduct a security vulnerability assessment and implement additional performance-based security measures.

The U.S. Department of Homeland Security (DHS) on Nov. 2 issued a pre-publication copy of its final list of "chemicals of interest" – known as "Appendix A" – that will be used to determine whether facilities potentially will be subject to regulation under its chemical facility

antiterrorism standards.

Significantly, DHS accepted several major recommendations made in extensive comments submitted jointly to the agency by the National Grain and Feed Association (NGFA) and Grain Elevator and Processing Society (GEAPS) that will significantly reduce the number of grain, feed and processing facilities potentially regulated under the chemical facility antiterrorism regulations.

For a full discussion of Appendix A run a web search of "Top Screen" to find several useful documents and the correct DHS web site for registration. Please note: if your company possesses Appendix A chemicals above the STQ, and is required to complete Top Screen the public reporting burden is estimated to be 30.3 hours. The burden estimate includes time for reviewing instructions, researching existing data sources, gathering and maintaining the needed data, and completing and submitting the form.

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Upcoming NEAFA Events

NEAFA Board of Directors Meeting

Dec. 13, 2007

83rd Annual Seminar & Tea Party

February 11 & 12, 2008

2008 Ruminant Health and Nutrition Conference and New England Nutrition Conference

March 25, 2008-Syracuse, NY

March 27, 2008-West Lebanon, NH

Speaker program for 2008:

- **Paul Kononoff**, University of Nebraska, "Nutritional Keys to Successfully Feeding Distillers Grains to Dairy Cattle."
- **Tom Jenkins**, Clemson University, "Fat Metabolism in the Rumen and Effect of Distillers Grains on Milk Components."
- **Bill Weiss**, Ohio State University, "Managing variation in nutrient composition and proper sampling of feeds and TMR."
- **Jesse Goff**, West Central Soy, "Immunology and Prevention of Milk Fever."
- **Ken Nordlund**, University of Wisconsin, "Transition cow management: using the Transition Cow Index."

Other Events of Interest

Nov. 28-29

National Dialogue on Ingredient Import Safety, Chicago, IL; www.afia.org.

Dec. 9-11

NGFA Country Elevator Feed Industry Conference, Chicago, IL

January 15-17

ME Farm and Forestry Expo, Augusta, ME

January 29-31

VT Farm Show, Barre, VT

February 8-9

NH Farm & Forest Exposition, Manchester NH

On the Horizon

June 18-19, 2008

Turning Stone Golf Outing Fundraiser

September 24-25, 2008

Vermont Feed Dealers Conference, Burlington VT

NORTHEAST AG & FEED NEWS

Import Safety Working Group Releases Plan

Two weeks ahead of schedule the Interagency Working Group On Import Safety released its plan for a cost-effective, prevention-focused model that maximizes the impact of public and private safeguards by identifying and targeting critical points in the import life cycle where risk is greatest and focusing attention and resources on these areas.

The plan reduces reliance on individual inspections and increases the use of certifications and product safety standards. For the most part the plan is being well received by the feed industry, however there are a few points of concern. In a recent newsletter Richard Sellers of the AFIA remarked "... legislative initiatives such as user fees, mandatory recalls, and records access authorities, while of concern, will provide for a dialog with Congress and FDA officials about how best to approach these enhancements to protect the interests of industry, while allowing our feed safety regulators to better do their jobs."

FDA and the Administration will have a tough battle in Congress with these recommendations. While some of the 15 food/feed safety bills raise the bar on imports and provide for more regulatory tools, none propose to recognize third party certification programs. However, AFIA has already been visiting key legislators and explaining support for such recognition programs and detailing Safe Feeds/Safe Foods program benefits.

Highlights of the Action Plan's Recommendations

1. Creating A Stronger Certification Process.

Certification can be a powerful tool to foster compliance with U.S. safety standards while facilitating trade. For example, the Food and Drug Administration (FDA) should have the authority to require that producers of certain high-risk foods in a particular country certify that their products meet FDA standards in order to export to the United States. Products certified as meeting U.S. safety standards could receive expedited entry.

2. Encouraging Good Importer Practices. The Action Plan recommends the adoption of best practices to improve import safety and benefit

consumers by providing incentives to importers to maintain the highest safety practices for products that carry greater risks.

3. Increasing Transparency. The names of certified producers and importers of record that import products only from certified producers could be made public, so that consumers and distributors can make more informed decisions about product safety.

4. Exchanging Import Data. The importing community, U.S. Customs and Border Protection, and other Federal agencies will exchange real-time product

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Dairy Price Projections Steady Amidst Slight Production Gains

Forecast milk production for 2007 and 2008 is reduced. Cow herds and milk per cow are expanding gradually although USDA's Milk Production report released in

October indicated that the pace is slightly below earlier expectations. Imports are reduced for both 2007 and 2008. A weak U.S. dollar and tight milk supplies in major exporting countries are expected to result in lower imports on both a fat and skim-solids basis.

Dairy product prices are changed slightly in 2007 and 2008. Cheese price forecasts are raised in both years reflecting good demand and modest growth in supplies. Butter prices are reduced for 2007 and early 2008 as supplies have been building. NDM prices are reduced for 2007 on rising inventories. Dry whey prices are little changed. As a result of stronger cheese price forecasts, the Class III price forecast is raised for 2007 and 2008. The Class IV price forecast is lowered for 2007, but unchanged in 2008. The all milk price is forecast at \$18.95 to \$19.05 for 2007 and \$17.70 to \$18.60 for 2008, unchanged from last month.



NORTHEAST AG & FEED NEWS

Farm Bill *continued from page 1*

- A move to strip out language to allow state meat inspection programs to opt into a new voluntary USDA program that would permit state-inspected meat to move in interstate commerce

During floor action, a bill passed by the Senate Finance Committee to find \$16 billion in offset money to help pay for the ag bill will be rolled into the Farm Bill. Wide disparities between the House and Senate bills indicate the potential for a lengthy conference committee.

Edited from Steve Kopperud of AFIA

Anti-terror *continued from page 2*

The NGFA has posed a number of questions to DHS seeking clarification of the application of the STQs, particularly regarding specific grain fumigation-related matters. DHS officials have told the NGFA that they will prepare an official response to these questions, which the NGFA will publish as soon as they are available.

DHS said the final rule containing Appendix A likely will be published in the Federal Register during the week of Nov. 19-22. Importantly, the date of publication will trigger the start of the 60-day time period given to facilities that possess or have the potential to possess chemicals exceeding the STQs to register with DHS and go through the Top Screen process. DHS said it is removing the Top Screen tool from its website for about a week to update it with the new chemical STQs, so that it likely will be accessible again about the same time that the final Appendix A list is published in the **Federal Register**.

Edited from NGFA Newsletter, with additions

Interagency *continued from page 3*

and compliance data on each import transaction to better inform decisions to clear or reject import shipments. Information sharing agreements be concluded with key foreign governments, in order to facilitate the exchange of import and recall data.

5. Increasing U.S. Presence Overseas. Product safety should be a guiding principle of U.S. cooperative agreements with foreign governments. Increasing our physical presence abroad and working with foreign governments and manufacturers will help ensure

compliance with U.S. safety standards.

6. Enhancing Standards. Congress should give import safety and inspection agencies the ability to strengthen their standards, where needed. These new authorities should take into consideration industry best practices in order to leverage the knowledge and experience of those who best understand how the products are made.

7. Strengthening Penalties. To hold both foreign and domestic entities accountable and discourage the sale of unsafe products, the Federal government will take steps to strengthen penalties against entities that violate U.S. laws, providing a significant incentive to comply with U.S. requirements.

Additionally, the U.S. Food and Drug Administration (FDA) has developed a comprehensive three-part Food Protection Plan. This plan uses science and a risk-based approach of prevention, intervention, and response to ensure the safety of domestic, as well as imported, foods consumed by Americans. It will support the FDA's ongoing collaboration with other Federal agencies that have a role in the safety of our Nation's food supply, such as the Centers for Disease Control and Prevention and the U.S. Department of Agriculture's (USDA) Food Safety and Inspection Service.

Both the Import Safety Action Plan and Food Protection Plan recommend that FDA be authorized to pursue the mandatory recall of food products. This authority would be exercised by FDA only where the adulterated or contaminated food poses a threat of serious health consequences or death and where a firm either refuses to undertake a voluntary recall or is not acting with sufficient speed. Granting FDA this authority would enable it to achieve the same level of recall compliance as USDA, which has the authority to withdraw its inspectors from a food processing facility when faced with similar situations.

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