

May 6, 1998

**Memorandum For The President**

**Through:** The Honorable Erskine Bowles  
**From:** Secretary Dan Glickman  
**Subject:** Report for Week of May 6, 1998

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**USDA Fact of the Week**

Although FY 98 U.S. agricultural exports are running about 2% behind the pace set last year, largely due to the drop off in shipments to Asian destinations, sales to Canada, Mexico, and Latin America are up 9%, 17%, and 19%, respectively, and North African exports are ahead of year-earlier levels by 56%.

**I. KEY DEPARTMENT NEWS**

- **USDA Pledges Cooperation On Animal Waste Problems:** Appearing at a national summit on animal waste organized by Senator Harkin, Secretary Glickman pledged that USDA will work closely with EPA in developing new standards to control animal waste problems.
- **USDA Presses For Ethanol Provision:** On May 6, Secretary Glickman joined Minority Leaders Daschle and Gephardt at a news conference to express the Administration's strong support for a highway bill extension of the ethanol tax incentive, as opposed to the termination of the provision currently in the House version of the legislation.
- **USDA Unveils New Export Initiatives:** During his appearance before the Senate agriculture committee on May 7, Secretary Glickman will announce that USDA will launch a new initiative that will provide export subsidies to facilitate the export of poultry products, provide exporters stand-by assistance if sanitary or phytosanitary requirements block or otherwise impede exports, and will boost the amount of dairy exports USDA will facilitate this year.
- **USDA Modifies Organic Foods Proposal:** In response to over 150,000 comments,

Secretary Glickman will announce on May 8 that USDA will issue a revised proposal establishing a national organic foods standard that will not allow foods produced by biotechnology, irradiation, or biosolids to be certified as organic.

- **Movement On Agriculture Research, Crop Insurance, Food Stamps Funding:** USDA expects the Senate to begin consideration of the agriculture research reauthorization conference report later this week or early next week. The bill provides \$1.7 billion over 5 years for agricultural research, crop research, rural development, and the restoration of food stamps to certain legal immigrants.
- **Florida Medfly Update:** Since April 28, 1,302 adult Medflies have been detected at 12 sites in Umatilla, Florida. In response to this, USDA and Florida officials made a May 3 application of one aerial treatment of malathion bait spray to a 23.5 square-mile area, and a May 5 application to 7.1 square miles. The outbreak, and particularly the spraying, have attracted considerable media and public attention.
- **Disney Investigation:** USDA's investigation into animal deaths at Disney's Animal Kingdom has been closed, having found no documentable violations of the Animal Welfare Act; the investigation has attracted considerable media attention.
- **Agricultural Transportation Summit:** On April 30, Secretary Glickman announced that USDA will be holding an agricultural transportation summit to examine the long-term transportation issues facing U.S. agriculture. The Secretary's announcement was made at a hearing of the Senate agriculture committee about the affect of transportation on the international competitiveness of U.S. agriculture, focusing on rail problems.
- **USDA Prepares For Forest Fire Season:** On May 4-9, USDA will provide refresher training for Modular Airborne Fire Fighting Systems (MAFFS) personnel in Cheyenne, Wyoming, focusing on safety procedures, re-qualifying pilots, and coordinating air operations for fire fighting preparedness.
- **USDA Kicks Off Termite Program:** On April 27 in New Orleans, USDA officials, Representative Livingston, and Mayor Morial announced the new cooperative research and action program to combat Formosan subterranean termites.
- **Wrangell Sawmill Reopens:** In early April, the Wrangell, Alaska Sawmill resumed operations, having been closed since 1994 after Alaska Pulp Corporation ceased operations at the Tongass National Forest.
- **USDA Action Opens Turkish Corn Market:** In response to Secretary Glickman's meeting with Turkish Agricultural Minister Tasar earlier this month, the Turkish Ministry of Agriculture has recommended a 40% reduction of its import duty on corn,

further opening a market that brought \$54 million to U.S. corn growers last year.

- **USDA Boosts Dairy Exports:** From April 23-29, USDA approved subsidies to facilitate the export of 28 metric tons of dairy products to Africa and the Middle East.
- **Commodity Markets In Review:** Large worldwide supplies, good crop conditions in the United States, and poor export demand forced wheat cash and futures prices down. Corn cash and futures prices declined because of poor export prospects. Soybean futures fell along with soybean oil prices, but cash markets received a boost from wet weather in the corn belt and Argentina. Rice cash prices remained firm, and futures rose as rice harvests in South America have been seriously delayed. Cotton prices moved slightly higher in thin trade, as threatened sales by China failed to materialize. Cattle and hog prices were seasonally higher, and broilers followed. Cheese prices fell slightly as production continues seasonally heavy. Butter prices were unchanged in very light trading.

**Average prices for the week ending May 1, 1998**

Commodity	Weekly price	Change from a week ago	Change from a year ago
Wheat \$/bu	3.19	-0.05	-1.50
Corn \$/bu	2.48	-0.02	-0.45
Soybeans \$/bu	6.45	+0.04	-2.33
Rice \$/cwt	10.28	0.00	-1.94
Cotton ¢/lb	63.42	+1.80	-6.12
Steers \$/cwt	65.52	+1.47	-2.13
Hogs \$/cwt	36.75	+1.25	-20.65
Broilers ¢/lb	56.39	+0.06	-4.57
Cheese \$/lb	1.18	-0.02	+0.03
Butter \$/lb	1.40	0.00	+0.59
Milk \$/cwt	11.59	-0.40	NA

## II. USDA WORK ON PRESIDENTIAL INITIATIVES

- **Presidential Initiative On Welfare Reform**

- **USDA Prepares To Waive Welfare Reform Restrictions:** On May 5, the 60 day waiting period expired for Congressional consideration of USDA's proposal to waive certain provisions of the Welfare Reform Bill in order to permit residents of the Federated States of Micronesia, the Republic of Palau, and Western Samoa to once again be eligible for nutrition assistance program benefits.
- **Welfare Reform Waiver Update:** During the period from April 29, through May 5, USDA approved 3 requests from New Mexico to extend and modify its current waiver of the provisions of the welfare reform law that limit food stamp participation to 3 months in any 36-month period for able-bodied adults between the ages of 18 and 50 without dependents, unless the individuals are employed for an average of 20 hours a week, or are participating in a work program. The waivers exempt residents of 8 counties with unemployment rates exceeding 10 percent, 10 counties designated as Labor Surplus Areas, and 9 Indian Reservations and Pueblos.
- **USDA Strengthens Food Stamp Anti-Fraud Rules:** On May 7, USDA will issue new regulations containing 9 provisions from the Welfare Reform Bill which strengthen retailer integrity and reduce food stamp fraud and abuse, as well as other anti-fraud measures.
- **Connecticut Appropriates Funds For State-Funded Food Stamp Program For Legal Non-citizens:** The Connecticut General Assembly has appropriated \$5.9 million beginning July 1, to operate a state-funded food stamp program for legal immigrants ineligible for Federal food stamps as a result of welfare reform legislation. Governor Rowland is expected to sign the measure, which is expected to serve an estimated 4,500 legal immigrants.

- **Presidential Initiative On Food Safety**

- **IBP, Inc., Joslin, Illinois, Recalls Ground Beef Because Of *E. coli* O157:H7:** On April 28, 282,128 pounds of coarse ground beef produced on April 14 that had been distributed nationwide, and to some military commissaries, were recalled. The pathogen was detected in a sample during routine monitoring. USDA has notified all state health departments regarding this product, and no illnesses associated with this product have been reported.
- ***E. coli* O157:H7 Detected in Ground Beef:** The bacterium *E. coli* O157:H7 has been confirmed in ground beef sampled from the April 28 production of a

Wisconsin meat plant, the 14th positive result since the USDA began its routine monitoring program for the pathogen in ground beef. No recall of April 28 production was necessary, because all 4,930 pounds of ground beef from that production date had been held by the plant until test results were confirmed.

- **USDA Suspends Operations At Perdue Farms, Inc., Dillon, South Carolina:** On April 30, USDA suspended inspection operations at the plant because its preventive systems required by Federal regulations for Sanitation Standard Operating Procedures (SSOP's) HACCP systems are inadequate to prevent adulterated product from being produced or shipped.
- **USDA To Release First Quarterly Enforcement Report:** On May 8, USDA plans to release its new "Quarterly Regulatory and Enforcement Report," covering the period from January 1, 1998, through March 31, 1998, with reports on enforcement processes, noncompliance reports, product control actions, letters of warning, administrative actions, criminal actions, and civil actions.
- **Presidential Initiative On Community Development**
  - **USDA Provides Money For Economic Diversification Under The President's Northwest Forest Plan:** On April 28, rural communities and Native American Tribes received nearly \$1.5 million in Forest Service funding for projects that will boost economic vitality in 10 Northern California counties, to help traditionally timber-dependent areas create and develop new business and infrastructure essential to sustain economic health, bringing the total amount of funding through California to \$281 million since the program began in 1993.

### III. NOTABLE CONGRESSIONAL ACTIVITY

- On May 6, the House education and the workforce subcommittee on early childhood, youth and families, plans to hold a mark up of child nutrition reauthorization legislation.
- On May 7, the Senate agriculture committee will hold an oversight hearing of agricultural trade policies. Secretary Glickman will testify.
- On May 7, the House agriculture committee will hold a hearing to review the FY 1999 budget for the Forest Service. Mike Dombeck, Chief, U.S. Forest Service, will testify.
- On May 7, the House resources subcommittee on forests and forest health will mark up H.R. 1865, a bill to designate certain lands in the San Isabel National Forest in

Colorado as the Spanish Peaks Wilderness; H.R. 3186, a bill to provide for the transfer of administrative jurisdiction over certain public lands in Oregon located within or adjacent to the Rogue River National Forest; H.R. 3187, a bill to amend the Federal Land Policy and Management Act of 1976 to exempt not-for-profit entities that hold rights-of-way on public lands from certain strict liability requirements imposed in connection with such rights-of-way; H.R. 3520, a bill to adjust the boundaries of the Lake Chelan National Recreation Area and the adjacent Wenatchee national Forest in the state of Washington; and H.R. \_\_\_\_\_, a bill to permit the Forest Service to see their office in Medford, Oregon, in order to fund an add-on to the Bureau of Land Management's Medford District Office so they can co-locate.

- On May 12, the House agriculture committee will hold a hearing to review the 1999 Multilateral Negotiations on Agricultural Trade - Asia and the Pacific.
- On May 13, the House agriculture subcommittees on livestock, dairy, and poultry, and forestry, resource conservation, and research will hold a joint hearing on oversight of EPA activities related to concentrated animal feeding programs. Craig Cox, Acting Deputy Secretary for Conservation, Natural Resources and Environment, will testify.
- On May 14, the Senate agriculture committee will hold a hearing to review USDA's information technology systems to ensure compliance with Year 2000 deadlines. Anne Reed, Chief Information Officer, will testify.
- On May 14, the House resources subcommittee on forests and forest health will hold an oversight hearing on forest health in the Rocky Mountain West. Witness to be announced.

#### **IV. SECRETARY'S SCHEDULE**

- On May 7, Secretary Glickman will testify to the Senate agriculture committee on trade issues.
- On May 7, Secretary Glickman will attend the Mayors' Conference on public Schools, held by the President.

#### **V. DEPUTY SECRETARY'S SCHEDULE**

Nothing of significance to report this week.

#### **VI. SUB-CABINET SCHEDULE**

- On May 5, Under Secretary Woteki will address the University of California's College of Natural Resources advisory board program in Berkeley, California.
- On May 7, Under Secretary Woteki will speak at a public meeting in Washington on HACCP Implementation for Small Plants. Deputy Under Secretary Wilcox and Administrator Billy also will participate.
- On May 11, Under Secretary Woteki will give a presentation on "Future Directions of U.S. Food Safety Strategies" at the Cairns Group seminar that will be held at the Australian Embassy. The audience will include representatives of the 15 Cairns Group embassies in Washington, D.C.
- On May 12, Under Secretary Watkins will attend the National Association of WIC Directors (NAWD) Conference in Denver, Colorado.

## VII. MEDIA INQUIRIES AND AMPLIFICATION

- The Secretary discussed organics with the *Washington Post* April 29.
- The *Los Angeles Times* asked about the agricultural research bill.
- Several media outlets inquired about the IBF ground beef recall.
- PBS's NewsHour asked about food stamps for legal immigrants for a possible story.
- The *Atlanta Journal-Constitution* and WJLA, ABC's Washington affiliate, asked about civil rights.
- *The Washington Times* requested food stamp cost and participation figures for 1994 through 1997.
- *The Hartford Courant* requested food stamp participation figures for the past decade and an overview of what the trends have been during that time period.
- Consumers' Union requested information about how schools meet nutritional requirements under the various menu planning systems.
- ABC News 20/20 requested information on what comprises a healthy diet for a story on 7-day fad diets.
- BBC, New York; ABC News Online; Jefferson Public Radio; Pacifica News; *Newsweek*; and *USA Today* interviewed several USDA officials regarding the national

organic foods proposal rule. In addition, the following organizations requested information on the same subject:

BBC, New York; WCSH, NBC TV, Portland, Oregon; *Kansas City Star*; *Meat Marketing Technology Magazine*; *Saveur Magazine*, *Public Agenda*; *Nutrition Health Review*; *St. Louis Post Dispatch*; Knight-Ridder; WBUG Radio, Amsterdam, New York; *Village Voice*; FAI Radio, Minneapolis; *Local Flavor Magazine*, Santa Fe, New Mexico; KBI-TV, San Francisco; Chico News and Review, California; A.P.; *Christian Science Monitor*; *The News Democrat*, Bellville, Illinois; *Ag Week Magazine*; *Statesman Journal*, Salem, Oregon; *Food and Drink Weekly*; *Living Fit Magazine*; *Bakersfield Californian*; *Food Chemical News*; *Country Today*, Eau Claire, Wisconsin; *Chicago Sun Times*; Agri-Talk Radio; WILL-AM, Urbana, Illinois; Positive News, London, England; *Bangor Daily News*; *Marin Independent Journal*; and NBC News 4, Washington, DC.

- **Trade, Food Safety, Ag Issues:** The Secretary testified on grain transportation before the Senate Agriculture Committee April 30 in support of "a reliable, affordable transportation network" that is "a critical, indispensable ingredient in the future strength and competitiveness of American agriculture." Reuters, the Associated Press, *Congress Daily*, *Futures World News*, and other Capitol Hill and ag in-house reporters covered the hearing and asked the Secretary about the railroad situation, trade, and the IBP recall (food safety).
- **President's Clean Water Action Plan:** Secretary Glickman and EPA Administrator Carol Browner joined Senator Harkin at the National Summit on Animal Waste Issues May 5. Before about 250 persons, the Secretary gave remarks about the important role agriculture can play in President Clinton's Clean Water Action Plan. Media coverage was heavy, including CNN, Iowa Public Television, Des Moines Register, *Baltimore Sun*, Dow Jones, Knight-Ridder, *New York Times* (regional), Copley News Service, *Congressional Quarterly*, Berns Bureau, Bloomberg, Bridge News, Associated Press, *Writers Plus*, *Farm Journal*, *Wichita Eagle*, Reuters, DWH, *National Journal*, *Inside Washington*, Bureau of National Affairs, Potomac Radio, Cox Newspapers, Scripps Howard Newspapers, Senate Democratic Television, and USDA TV and Radio.

## VIII. FOIA REQUESTS

- The *Arkansas Democrat-Gazette* has requested copies of food safety records that led to the shutdown of Tyson Foods, Inc., Waldron, Arkansas, on Jan. 14 and April 9.
- The Government Accountability Project has requested copies of test results and related documents, of advanced meat recovery samples submitted to the FSIS Eastern Laboratory for analysis for the presence of spinal tissue or central nervous system

tissue.

- The Government Accountability Project also requested copies of all noncompliance records from Jan. 27 - April 13 in any federal plant under HACCP that refer to fecal material or ingesta on product or product contact surfaces, and any appeals of these records.
- The *Associated Press*, *Orlando Sentinel*, and *WMNF 88.5 FM Community Radio* have requested a copy of the completed investigation of Disney's Animal Kingdom.

#### **IX. WEEKEND CONTACT**

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May 13, 1998

**Memorandum for the President**

**Through:** The Honorable Erskine Bowles

**From:** Secretary Dan Glickman

**Subject:** Report for Week of May 13, 1998

**USDA Fact of the Week**

USDA's most recent World Agricultural Supply and Demand Estimate, released May 12, projects huge 1998 harvests, which, coupled with sluggish exports, will lead to weakening farm prices. The 1998 soybean harvest, at 2.8 billion bushels from record plantings and yields, will be the largest on record, but will push prices to their lowest levels in a decade; the corn crop, at 9.6 billion bushels, will be the second largest; wheat prices will continue their decline, although the 1998 harvest will actually fall 7% from last year's level; rice prices will remain firm even as the crop increases slightly over 1997's; and finally, beef prices are likely to turn up later this year and in the first quarter of 1999 as production declines.

**I. KEY DEPARTMENT NEWS**

- **Senate Approves Agricultural Research Bill:** By an overwhelming vote of 92 to 8, on May 12, the Senate passed the conference report on S. 1150, the agricultural research bill, which, over 5 years, provides \$1.8 billion for agricultural research, crop insurance, rural development, and restoration of food stamps to 250,000 legal immigrants. Prior to final passage, by a 23 to 77 vote, the Senate rejected a motion that would have attempted to strip from the bill the provisions providing food stamps to certain refugees; in a letter to Senators Lugar and Harkin, Secretary Glickman warned that if those provisions were removed from the legislation, he would have recommended a veto of the bill. The conference report now moves to the House, and Secretary Glickman continues his work to secure final passage.
- **Secretary Glickman Serves As OCFO's Conference Keynote Speaker:** Secretary Glickman reiterated his commitment to initiatives to enhance USDA's financial management structure, speaking at the OCFO/USDA Financial Management Conference at Gallaudet University on May 12.

- **USDA's New Commodity Action Plan Unveiled:** Secretary Glickman announced USDA's Commodity Action Plan during testimony before the Senate Committee on Agriculture, Nutrition and Forestry on May 7. The Secretary's announcement to shore up sagging commodity prices includes measures to improve trade, farm cash-flow and market flexibility, crop insurance, help farmers suffering from kernal bunt, replenish the food aid reserve, and works to resolve long-term railcar transportation problems. The USDA plan involves a new initiative, Export Enhancement program (EEP) as risk offset or EEPRO, reactivation of awarded but unshipped Dairy Export Incentive Program (DEIP) tonnage, and EEP for broilers to the Mideast. The Secretary also proposed that unused EEP budget allocations be allowed to be used to replenish U.S. food aid reserves.

USDA has also proposed legislation to extend the term of crop marketing loans beyond 9 months during periods of low prices, or where transportation bottlenecks restrict marketability, and has proposed legislation to allow farmers to receive farm program payments earlier than under current law.

- **USDA Expands Crop Insurance Protection:** On May 8, the Federal Crop Insurance Corporation Board of Directors voted unanimously to authorize a pilot crop insurance program to increase coverage for up to 85% from 75%, of a farmer's individual yield; to expand the income protection pilot plan for wheat to include all of Montana, Oregon, South Dakota, and Washington; to expand the Group Risk Plan crop insurance pilot to test rangeland in 12 Montana counties; to approve a new pilot program for avocado fruit in Dade County, Florida; and to make several improvements to the Crop Revenue Coverage for wheat.
- **USDA Responds To Comments On Organics Food Proposal:** On May 8, Secretary Glickman announced that the Department will issue a revised proposed organic food rule later this year, that will not allow foods produced with biosolids, genetically modified organisms, or irradiation to be included in the definition of organic food.
- **USDA Provides Relief To Tennessee Tornado Victims:** USDA made food stamps available to individuals affected by the April 16 tornadoes and floods that hit five counties in Tennessee: Bradley, Davidson, Lawrence, Pickett, and Wayne.
- **USDA Stops Food Stamp Fraud:** Undercover USDA field investigation work has been completed on "Operation Spring Clean," an intensive nationwide investigation of food stamp retailers suspected of violating program regulations that caught over 300 retailers violating program rules—including 115 caught trafficking, in: Cincinnati, Dayton, El Paso, New Orleans, San Bernadino, Tampa Bay, and Western New York State.
- **USDA Assisting With North Korean Relief Efforts:** World Food Program (WFP) officials have asked USDA to purchase the final portion of U.S. commodities requested

for North Korea; 64,000 metric tons of wheat, and 22,000 metric tons of corn, for shipment by August 1.

- **USDA Research Center Receives Recycling Award From Metro Aid Group:** On May 18, the Beltsville Agricultural Research Center will receive a 1998 Washington Metropolitan Business Recycling Award for excellence in recycling and waste reduction, in the category, Federal Government Agency.
- **Florida Medfly Update:** To date, USDA and state officials have detected 1,308 adult Medflies in Lake and Marion Counties, and are continuing eradication efforts, including aerial bait application, and ground applications of malathion.
- **USDA Marks REA Anniversary:** May 11, was the 63rd anniversary of the creation of the Rural Electrification Administration, now the Rural Utilities Service, by President Franklin D. Roosevelt, which USDA marked with a display of information regarding the history of the program, including photographs of all administrators of the program.
- **USDA Boosts Dairy Exports:** From April 30 - May 6, USDA approved subsidies to facilitate the export of 45 metric tons of dairy products to Latin American, African, and Middle Eastern destinations.
- **Commodity Markets In Review:** Cash and futures prices for wheat rose last week, on concerns about dry weather conditions in the Canadian Prairies and upper U.S. Plains. Corn cash and futures prices moved modestly higher, as wet conditions continue to hinder planting in the Eastern Corn Belt. Soybean prices received a boost from soybean oil. Rice futures advanced on strong mill demand and poor harvest conditions in South America, and cash prices remained firm. Cotton prices rose as planting delays persist in California and the export pace remains brisk. Cattle and hog prices moved higher on continued firm seasonal demand. Poultry followed red meats higher, while also receiving a boost from its inclusion in EEP. Cheese prices received a boost from bargain-hunting. Butter prices edged up as cream supplies continue to tighten.

**Average prices for the week ending May 8, 1998**

<b>Commodity</b>	<b>Weekly price</b>	<b>Change from a week ago</b>	<b>Change from a year ago</b>
Wheat \$/bu	3.29	+0.10	-1.24
Corn \$/bu	2.55	+0.07	-0.33
Soybeans \$/bu	6.51	+0.06	-2.37
Rice \$/cwt	10.28	0.00	-1.94
Cotton ¢/lb	63.71	+0.29	-4.91
Steers \$/cwt	66.47	+0.35	-1.95
Hogs \$/cwt	40.55	+3.80	-16.40
Broilers ¢/lb	57.22	+0.83	-2.36
Cheese \$/lb	1.21	+0.03	+0.06
Butter \$/lb	1.42	+0.02	+0.61
Milk \$/cwt	10.97	-0.62	NA

**II. USDA WORK ON PRESIDENTIAL INITIATIVES**

- **Presidential Initiative On Welfare Reform**
  - **Senate Approves Restoration Of Food Stamp Benefits For Certain Legal Immigrants:** By a 99-8 vote on May 12, the Senate passed the conference report on S. 1150, restoring food stamps to certain legal immigrants. See Key Department News.
  - **Welfare Reform Waiver Update:** During the period from May 6, 1998, through May 13, 1998, FNS approved requests from Vermont and Kentucky to extend and modify waivers of Section 824 of the Personal Responsibility and Work Opportunity Reconciliation Act. One waiver exempts able-bodied adults without dependents residing in two Vermont counties from the welfare law's work requirements, based on the counties' designation as labor surplus areas. The other waiver allows Kentucky to add Taylor County to its current waiver based on a significant increase in the unemployment rate in that county.

- **Presidential Initiative On Food Safety**

- **First Quarterly Food Safety Enforcement Report Released:** On May 8, USDA released the new "Quarterly Regulatory and Enforcement Report," which the *Wall Street Journal* featured in a story that same date focusing on the 34 plant shutdowns and highlighting Perdue and Tyson, saying that fecal contamination was the most common reason for the shutdowns.
- **Food Safety Administrator Receives Distinguished Executive Presidential Rank Award:** At a May 5 ceremony presided over by Vice President Gore, FSIS Administrator Thomas J. Billy received the prestigious Distinguished Executive Presidential Rank Award.
- ***E. coli* 0157:H7 Cases In New York, Florida Under Investigation:** On May 7, USDA food safety experts began investigating 5 confirmed cases of *E. coli* 0157:H7 in New York 3 of whom are hospitalized; and all ate ground beef from the same source.
- **USDA Announces Egg Safety Proposal:** On May 12, USDA released a proposal which outlines the framework for the USDA-FDA strategy for eggs and egg products; the proposal addresses problems involving eggs during production, packing, processing, labeling, distribution, retail, and preparation.
- **USDA Enforces New Meat Inspection Rules:** On May 4, USDA inspection officials suspended operations at Batlar Enterprises, in Sun Prairie, Wisconsin, because of condensation problems and problems regarding handling and slaughter of livestock.
- On May 4, at a Tyson Foods plant, in Springdale, Arkansas, USDA inspection officials suspended operations for condensation problems and poultry carcasses falling out of an overflowing chiller onto the floor.
- Cooperative Agricola de Cidra, in Cidra, Puerto Rico, voluntarily shut down on April 30 after inspection officials withheld the mark of inspection for repeated failures by the plant to prevent fecal material from contaminating carcasses and carcass parts.

- **Presidential Initiative On Race**

- **USDA Marks Asian/Pacific-American Heritage Month:** Secretary Glickman opened Asian Pacific-American Heritage Month May 12, Paul Igasaki, Vice Chairman of the Equal Employment Opportunity Commission, was the keynote speaker.

- **Memorandum Of Agreement With Nez Perce Tribe:** On May 5, the forest service signed a memorandum of agreement between the Nez Perce Tribe exempting members of the Nez Perce Tribe from camping fees and stay limitations in certain areas on 5 national forests in Idaho and Oregon.

### III. NOTABLE CONGRESSIONAL ACTIVITY

- **Senate Approves Agricultural Research Bill:** By an overwhelming vote of 92 to 8, on May 12, the Senate passed the conference report on S. 1150, the agricultural research bill, which, over 5 years, provides \$1.8 billion for agricultural research, crop insurance, rural development, and restoration of food stamps to 250,000 legal immigrants. Prior to final passage, by a 23 to 77 vote, the Senate rejected a motion that would have attempted to strip from the bill the provisions providing food stamps to certain refugees; in a letter to Senators Lugar and Harkin, Secretary Glickman warned that if those provisions were removed from the legislation, he would have recommended a veto of the bill. The conference report now moves to the House, and Secretary Glickman continues his work to secure final passage.
- On May 13, the House Agriculture Subcommittees on Livestock, Dairy, and Poultry; and Forestry, Resource Conservation, and Research, held a joint hearing on oversight of EPA activities related to concentrated animal feeding programs. Craig Cox, Acting Deputy Secretary for Conservation, Natural Resources and Environment, will testify.
- On May 13, the House Resources Committee held a hearing on the National Forest Foundation. Roger Viadero, Inspector General, and Mike Dombeck, Chief, U.S. Forest Service, will testify.
- On May 14, the Senate Agriculture Committee held a hearing to review USDA's information technology systems to ensure compliance with Year 2000 deadlines. Anne Reed, Chief Information Officer, will testify
- On May 14, the House Resources Subcommittee on Forests and Forest Health will hold an oversight hearing on forest health in the Rocky Mountain West. Lyle Laverty, Regional Forester for Region 2, will testify.
- On May 20, the House Agriculture Subcommittee on Livestock, Dairy and Poultry has scheduled a hearing on HACCP implementation. Thomas J. Billy, Administrator, Food Safety Inspection Service, will testify.
- On May 20, the House Agriculture Subcommittee on Department Operations, Nutrition and Foreign Agriculture will hold a hearing on H.R. 3766, a bill to streamline,

modernize and enhance the authority of the Secretary of Agriculture relating to plant protection and quarantine. Craig Reed, Acting Administrator, Animal, Plant and Health Inspection Service, will testify.

- On May 20, the House Education and the Workforce Subcommittee on Early Childhood, Youth and Families plans to mark up child nutrition reauthorization legislation.

#### **IV. SECRETARY'S SCHEDULE**

- From May 17-21, Secretary Glickman will attend the WTO ministerial meeting in Geneva, Switzerland.

#### **V. DEPUTY SECRETARY'S SCHEDULE**

- On May 13, Deputy Secretary Rominger was in Chicago, Illinois, for a Clean Water Action Plan event.
- On May 14, Deputy Secretary Rominger will make a Hammer Award Presentation at USDA.

#### **VI. SUB-CABINET SCHEDULE**

- On May 12, Under Secretary Watkins attended the National Association of WIC Directors (NAWD) Conference, in Denver, Colorado.
- On May 13, Under Secretary Woteki, Deputy Under Secretary Wilcox, and Administrator Tom Billy participated in a meeting in Washington of the National Advisory Committee on Meat and Poultry Inspection.
- On May 17, Under Secretary Watkins will make a Commencement Speech for West Virginia State College, in Charleston, West Virginia.
- From May 18-22, Under Secretary Schumacher will attend the WTO Ministerial Meeting in Geneva, Switzerland.

#### **VII. PRESS/MEDIA INQUIRIES**

- The *Charlotte Observer* published its 4-day front page series, "Hunger in the Land of Plenty."

The series covered not only the Carolinas but also gave the national perspective on the issues surrounding hunger and the importance of Federal food assistance programs.

- **Chicago Sun-Times, Kansas City Star Editorials Favor Stronger Enforcement:** Editorials in two key newspapers last week favored provisions in the Administration's bill for enhanced enforcement of food safety. A May 4 editorial in the *Chicago Sun-Times* on the heels of IBP's recent recall of 282,000 pounds of ground beef for *E. coli* O157:H7 contamination, emphasized that the recall was "a sufficient reminder that the U.S. Agriculture Department lacks the power to order bad meat out of the marketplace." It went on to state: "The government can order recalls of faulty cars, toys and airplanes, but it cannot order a recall when it comes to the stuff you put in your mouth. It is folly." A May 2 editorial in the *Kansas City Star*, also in follow-up to the recall, noted Agriculture's lack of recall authority and civil penalties authority, and stated, "Glickman in the past has asked Congress for such authority." Although the article did not attribute all food safety problems to inadequate enforcement authority, it closed by stating, "Without adequate regulatory powers, the USDA still has to rely much of the time on the industry policing itself."
- **Chief Reed Featured In *Progressive Farmer Magazine*:** Chief Pearlie Reed was featured in the May/June issue of *Progressive Farmer* in an article entitled, *A Dream Come True*. The article followed the Chief's NRCS career from his first job as a trainee to his appointment to the top position in the agency. The article also covers the Chief's thoughts on the primary role of NRCS, how NRCS will be different, how to ensure that conservation is locally led, the relationship between local conservation and NRCS, and the Chief's relationship to farmers and ranchers.
- **Dateline NBC:** Dateline NBC producer John Grassier is working on a report about wildfire behavior, prescribed fire applications, and Hot Shot fire crew safety, training, and preparation. The tentative air date is May 13.
- **National Journal:** National Journal reporter Marjorie Kriz interviewed Forest Service Chief Mike Dombeck on May 8 for a profile story focusing on his relations with Congress, and the Natural Resource Agenda. The article will be published in either the Journal's May 22 or 29 edition.
- **Restoring Food Stamps To Legal Aliens:** Secretary Glickman met with the Executive Director of the National Korean American Service and Education Consortium (NAKASEC) May 7, who presented the Secretary with paper plates bearing messages urging the restoration of food stamp benefits for legal immigrants. Other legal immigrant organizations also attended to show support of legislation, currently pending in Congress, that would provide for the restoration of food stamp benefits for vulnerable legal immigrants, including children, the elderly, and the disabled. The Associated Press, Dow Jones, Futures World News, Reuters, and USDA radio, television, and

photography covered the event.

- **Secretary Discusses Need To Strengthen Farm Safety Net:** Secretary Glickman was interviewed by National Public Radio May 7 on the farmer and farm situation in the Northern Plains. Secretary Glickman is holding interviews May 11, 12, and 13 about the farm situation, and commodity prices in the Northern Plains with print and broadcast (audio bridge on May 13) reporters from North Dakota, South Dakota, Montana, Minnesota, Kansas, Nebraska, and Texas.
- Secretary Glickman was interviewed May 13 by the *Atlanta Journal-Constitution* on civil rights and black farmers.

#### **VIII. FOIA REQUESTS**

- *The Messenger*, Madisonville, Kentucky, has requested copies of Process Deficiency Records (PDRs) for Tyson Foods, Seabee, Kentucky, for the months of February and March 1998.

#### **IX. WEEKEND CONTACT**

Greg Frazier

May 19, 1998

**Memorandum For The President**

**Through:** The Honorable Erskine Bowles  
**From:** Secretary Dan Glickman  
**Subject:** Report for Week of May 19, 1998

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**USDA Fact Of The Week**

USDA researchers, collaborating with Harvard University's Nurse Health Study, have confirmed that long term use of vitamin C substantially reduces cataract risk; among the 247 women who were studied, those who took daily vitamin C supplements of at least 330 milligrams for more than 10 years had 77 percent fewer early-stage cataracts.

**I. KEY DEPARTMENT NEWS**

- **Secretary Presses For Trade Reforms:** Secretary Glickman attended the WTO ministerial meeting in Geneva, May 18 through May 20, during which he stressed the need for continued reforms in international agricultural trade practices and, in addition, cautioned European officials from launching a new round of subsidized sales that would undercut U.S. exports.
- **USDA Turns 136:** Exactly 136 years ago this week, on May 15, 1862, President Lincoln signed the law that established the U. S. Department of Agriculture. President Lincoln also approved the Homestead Act on May 20, 1862. Also in May, The Office of Markets, now Agricultural Marketing Service, was set up on May 16, 1913; on May 8, 1914, the Smith-Lever Act formalized agricultural extension work; and in May 1933, the Emergency Farm Mortgage Act, the Emergency Relief Act, and the Agricultural Adjustment Act all combined to rescue farmers from the Depression.
- **USDA Employees Evacuate Jakarta:** On May 16 - 17, USDA's three American staff in Jakarta - a counselor, attache, and trade officer, departed Indonesia for Singapore and Bangkok. All are expected to return to the United States this week.
- **India Sanctions:** Attorneys from USDA's Office of the General Counsel have provided advice to officials regarding the applicability of sanction provisions of the Arms Export

Control Act with respect to specific USDA actions and general U.S. agricultural related activities in India. Major issues under review by USDA officials include: the applicability of the act to USDA's export credit guarantee programs; and the definitions of "humanitarian assistance," "food," and "agricultural commodities" for purposes of determining the applicability of several exemptions.

- **USDA Assists With Mexican Wildfires:** The Forest Service, cooperating with the State Department and the Agency for International Development, is supplying Mexican officials fire fighting equipment, including chain saws, safety equipment, and other tools, to fight the fires spreading smoke into southern and eastern Texas.
- **USDA Helps Assess Brazilian Firefighting Needs:** Fire management, aviation, and telecommunications specialists from the Forest Service and the National Interagency Fire Center took part in a daylong video conference on May 12 to evaluate a \$29 million emergency fire prediction and response proposal for the Brazilian Amazon being coordinated through the world bank, and offered recommendations on fire prediction modeling, prevention technology and outreach, and fire suppression and emergency coordination.
- **Florida Medfly Update:** USDA and state officials continue eradication efforts in 3 areas: In Dade county, officials are using ground applications of malathion bait, and releasing sterile Medflies over a 25-square mile area; in Lake and Marion Counties, officials continue aerial applications of malathion and ground applications of diazinon over 135 square miles; and in Manatee county, USDA is trapping and conducting limited ground application of malathion bait on properties within the 4 square mile treatment area.
- **Supreme Court Rules On Forest Plans:** On May 18, the Supreme Court, in a unanimous decision, held that Forest Service Land and Resource Management Plans, such as that promulgated for the Wayne National Forest in Ohio, are not ripe for judicial review, and that review must await project-level decisions, vacating a decision by the United States Court of Appeals for the Sixth Circuit, which had held that such plans are subject to judicial review, and that even-aged management of national forests, including clear-cutting, may be allowed only in exceptional circumstances. In reaching this decision, the Court resolved a split in decisions among several circuit courts.
- **Kidnapper Sentenced:** On May 8, Stephen Doyle, the man convicted of kidnaping and assaulting a 21 year-old female Forest Service recreation employee last August, was sentenced in Federal court in Eugene, Oregon. The 37 year-old was sentenced to 55 years in Federal prison on the kidnaping charge.
- **USDA Launches New Conservation Program:** On May 6, USDA began accepting proposals for participation in the Conservation Farm Option (CFO) pilot program, in

which a farmer implements a single conservation plan that addresses soil, water, wetlands, or wildlife conservation measures on the farm, and receives a single annual payment.

- **GAO Reviewing WIC Fraud and Abuse:** On May 20, the General Accounting Office (GAO) will hold an entrance conference with USDA staff on a new assignment, "Review of Efforts to Minimize Fraud and Abuse in the WIC Program," designed to identify ways USDA, state, and local agencies can identify and prevent fraud and abuse; and implement more effective WIC fraud prevention measures.
- **GAO Reviewing Food Stamp Overpayments:** On May 19, GAO will hold an entrance conference with USDA to discuss its new assignment, "Food Stamp Overpayments to the Elderly," a computer matching review to assess the extent to which elderly family members are included in food stamp households, when the individuals are actually residing in Medicaid nursing or other long-term care facilities.
- **USDA Responds To Sudanese Famine:** USDA is responding to an emergency request from the United Nations' World Food Program for 5,000 metric tons of bagged corn to help starving people in the southern Sudan; USDA will purchase and ship the corn by June 15.
- **USDA Assists Exports:** On May 8, USDA increased by \$50 million the amount of credit guarantees available to export to Turkey. On May 12, the Government of Kyrgyzstan signed a government-to-government Food for Progress agreement worth \$15 million to purchase 31,000 metric tons of soybeans, and 4,000 metric tons of vegetable oil.
- **Brazilian Purchases Boost U.S. Rice Market:** Brazil bought 85,000 tons of U.S. rice during the week of May 11, and reports indicate that it may ultimately purchase as much as 200,000 tons, a development that will keep U.S. rice exports at a record level this year.
- **USDA Loan Program Helps Youth:** In Indiana, Crystal Ferguson, a high-school sophomore and first time USDA borrower, used her loan to buy 10 Dorsett ewes and a ram to establish a breeding flock, and to obtain two sheep for 4-H show purposes. Jennifer Coomer, also a high-school sophomore and first-time borrower, used her loan to establish a flock of six ewes and two sheep for show purposes. Megan McMichael, a repeat borrower, used her loan to expand her flock to 24 ewes, 2 rams, and 14 counting lambs, participating in several high profile shows and sales around the Midwest.

Alabama honey producer Ted Kretschmann credits USDA youth and commodity loans with giving him his start more than 15 years ago, helping him to become the third largest beekeeper in the state with over 1,600 hives, and establish a successful retail business

selling processed honey, beeswax candles, and other honey-related byproducts.

- **USDA Video Series Wins A Telly:** USDA's culinary video series, "Cooking a World of New Tastes," which demonstrates innovative approaches to producing healthy, tasty and attractive school meals, was selected from among more than 10,000 entries for a prestigious Telly Award, which recognizes creative achievement in the nation's most outstanding television, film and video productions.
- **USDA Office In California Wins Hammer Award:** The USDA Natural Resource Conservation Service California field office in Salinas won Vice President Gore's Hammer Award for its erosion prevention work with Hispanic farmers. Identifying both cultural and conservation needs of local farmers, most of whom had not previously taken part in Department of Agriculture programs, the Salinas office helped 20 farmers participate in conservation cost sharing projects, and establish erosion control practices.
- **Laboratory Wins Award:** During the Federal Laboratory Consortium meeting May 11-15, in San Antonio, Texas, the Forest Products Laboratory received an Award for Excellence in Technology Transfer, for the transfer of a natural wood-pulping process called "biopulping," which eliminates any environmental problems and saves energy.
- **USDA Housing Project Wins Award Of Excellence:** On May 19, the Fannie Mae Foundation named Everglades Villages as one of six Maxwell Award of Excellence recipients. Everglades Villages, which is run by the Everglades Community Association, and was financed with \$35 million in loans and grants from USDA, was built to address the critical need for affordable farm labor housing in Homestead, Florida after Hurricane Andrew.
- **Commodity Markets in Review:** Wheat cash and futures prices fell last week, as weather conditions improved, demand remains slow, and corn prices fell. Corn cash and futures declined following rapid planting progress, especially in the Eastern Corn Belt. Soybean prices dropped on indications of growing supplies and weakened demand for soybean oil. Rice cash prices remained firm, while new-crop futures rose on good export prospects to Latin America. Cotton prices surged, following USDA's forecast last week showing 1998/99 U.S. ending stocks 20 percent lower than the current year. Cattle prices fell, as packers completed their Memorial Day purchases. Hog and broiler prices continue to move up seasonally, but pressure from large supplies, including beef, overhang the market. Cheese prices moved up modestly in light trading, while butter prices remained firm.

Average prices for the week ending May 15, 1998

Commodity	Weekly price	Change from a week ago	Change from a year ago
Wheat\$/bu	3.23	-0.06	-1.31
Corn\$/bu	2.47	-0.08	-0.39
Soybeans\$/bu	6.46	-0.05	-2.21
Rice\$/cwt	10.28	0.00	-1.94
Cotton¢/lb	64.73	+1.02	-4.88
Steers\$/cwt	65.33	-1.14	-3.05
Hogs\$/cwt	41.96	+1.41	-17.84
Broilers¢/lb	58.14	+0.92	-2.08
Cheese\$/lb	1.23	+0.02	0.07
Butter\$/lb	1.42	0.00	0.57
Milk \$/cwt	11.23	+0.26	NA

**II. USDA WORK ON PRESIDENTIAL INITIATIVES**

**Presidential Initiative On Welfare Reform:**

- Welfare Reform Waiver Update:** During the period from May 13, through May 20, USDA approved a request from Washington to extend and modify one of its waivers of the provisions of the Welfare Reform Bill that imposes a work requirement on most able-bodied adults without dependents, due to high area unemployment or insufficient jobs. Under the extension, Washington may exempt residents of 25 census tracts from the work requirements based on unemployment rates greater than 10 percent.

**Presidential Initiative On Food Safety:**

- Secretary Glickman, Secretary Shalala, and the Vice President will participate in a food safety event May 21 that will demonstrate the "PulseNet," and "FORC-G" interagency food safety system. These systems will allow the USDA, Center for Disease Control, Food and Drug Administration, and other state and Federal agencies to better monitor and respond to outbreaks of food borne illness.
- USDA Enforces New Meat Inspection System:** On May 12, USDA inspection officials at Jones Butchering and Meat Company, Saranac, Michigan, suspended operations at the plant because of apparent failures in sanitation standard operating procedures (SSOP).

- **USDA Announces Egg Safety Strategy:** On May 19, USDA announced a proposed joint strategy with FDA to identify farm-to-table actions that will decrease the food safety risks associated with shell eggs, including the adoption of refrigeration and labeling requirements that are designed to reduce the risk of food-borne illness
- **Presidential Initiative On IMF Funding:**
- **Secretary Presses For IMF Funds:** Secretary Glickman will testify before the House Agriculture Committee on May 21, along with Secretary Rubin and Chairman Greenspan, on the importance to agriculture of taking quick action on providing funds for the IMF.

### III. NOTABLE CONGRESSIONAL ACTIVITY

- **Senate Takes Up Tobacco Bill:** On May 18, the Senate began consideration of the tobacco bill, and as of this date, USDA continues to sort out the provisions applicable to farmers and rural communities after the Senate leadership inserted a provision that would phase out the current tobacco program.
- **Research, Food Stamps Funding Still Waiting Action:** USDA officials continue to meet with representatives of the leadership of the House Agriculture Committee to press for quick House action on the agricultural research bill, that provides \$1.8 billion for agricultural research, rural development, crop insurance, and restores food stamps for certain legal immigrants.
- On May 20, the House Agriculture Subcommittee on Livestock, Dairy and Poultry has scheduled a hearing on HACCP implementation. Thomas J. Billy, Administrator, Food Safety Inspection Service, will testify.
- On May 20, the House Agriculture Subcommittee on Department Operations, Nutrition and Foreign Agriculture will hold a hearing on H.R. 3766, a bill to streamline, modernize and enhance the authority of the Secretary of Agriculture relating to plant protection and quarantine. Craig Reed, Acting Administrator, Animal, Plant and Health Inspection Service, will testify.
- On May 21, the House Education and the Workforce Subcommittee on Early Childhood, Youth and Families plans to mark up H.R. 3871, a bill to amend the National School Lunch Act to provide children with increased access to food and nutrition assistance during the summer months; H.R. 3872, a bill to amend the National School Lunch Act to extend the authority of the commodity distribution program through FY 2003; H.R. 3873, a bill to amend the Child Nutrition Act of

1966 to simplify program management under that act; and, H.R. 3874, a bill to amend the Child Nutrition Act of 1966 to make improvements to the special supplemental nutrition program for women, infants, and children and to extend the authority of that program through fiscal year 2003.

- On May 21, the House Agriculture Committee will hold a hearing on IMF, the Administration's request for funds for IMF, and the effect on U.S. agricultural exports. Secretary Glickman will testify.
- On May 23, the House Resources Subcommittee on Forests and Forest Health will hold a field hearing in Montana regarding the Gallatin Land Exchange. Witness to be announced.
- On May 28, the Senate Energy and Natural Resources and Appropriations Committee will hold a joint hearing on the Interior Columbia River Basin Project. Witness to be announced.
- On June 3, the House Agriculture Subcommittee on Department Operations, Nutrition and Foreign Agriculture will hold a hearing on H.R. 3654, a bill to amend the Agricultural Trade Act of 1978 to require the President to report to Congress on any selective embargo on agricultural commodities, to provide a termination date for the embargo, and to provide greater assurances for contract sanctity. Witness to be announced.
- On June 4, the House Agriculture Committee has tentatively scheduled a hearing on overhead and general administration of Forest Service programs. Witness to be announced.

#### **IV. SECRETARY'S SCHEDULE**

- From May 18 through 13, Secretary Glickman will be attending the WTO Ministerial Meeting in Geneva, Switzerland.
- On May 21, Secretary Glickman will testify before the House Agriculture Committee regarding IMF funding.
- On May 21, Secretary Glickman, Secretary Shalala, and the Vice President announce the "PulseNet," and "FORC-G" interagency food safety systems.

#### **V. DEPUTY SECRETARY'S SCHEDULE**

- On May 19, Deputy Secretary Rominger will speak at an "Ag on the Hill" meeting sponsored by National Assn. of State Universities and Land Grant Colleges.
- On May 26, Deputy Secretary Rominger will address the Commodity Club of Washington.
- On May 27, Deputy Secretary Rominger will attend the NEC weekly meeting.

## **VI. SUB-CABINET SCHEDULE**

- From May 18-22, Under Secretary Schumacher will be attending the WTO Ministerial Meeting, in Geneva, Switzerland.
- On May 18, Under Secretary Woteki chaired a meeting of the U.S. Codex Steering Committee. FDA, EPA, and USTR, as well as various USDA agencies, currently are represented on the new committee.
- On May 18, Under Secretary Gonzalez will give the keynote speech at the National Resources Extension Conference in Deerwood, Minnesota.
- On May 19, Assistant Secretary Dunn will speak at the 61st Annual Market Administrator's Conference, in Minneapolis, Minnesota.
- On May 20, Under Secretary Woteki will participate in an Institute of Medicine, National Academy of Sciences Food Forum meeting on "Predicting Problems in the Food Supply."
- On May 21, Under Secretary Watkins will address the Breast-feeding Promotion Consortium, Alexandria, Virginia.
- On May 27, Under Secretary Watkins will address the WIC Advisory Council, Washington, D.C.
- On May 29, Under Secretary Watkins will address the Child Care Forum, Rapid City, South Dakota.

## **VII. PRESS/MEDIA INQUIRIES**

- *The New York Times* requested copy of the 1997 Food Security Report for a possible series on how people at or near the poverty line provide food for their families.

- *The St. Louis Dispatch* requested verification of data and numbers that the editor had received from various sources on the restoration of food stamp benefits to legal immigrants.
- During the week of May 10, the Associated Press and other media organizations reported the National Institute for Occupational Safety and Health (NIOSH) statement that use of certain tree marking paints may increase the likelihood of miscarriages in women tree markers. The Forest Service commissioned and sponsored the NIOSH report out of concern for the health of employees, and will implement more stringent safety requirements than those recommended in the NIOSH report.
- Several news outlets, including ABC news, *The New York Times*, and the *Dallas Morning News*, have asked USDA analysts for information on spring vegetable price increases due to *El Nino*.
- CBS's *60 Minutes* conducted a phone interview with a National Agricultural Statistics Service official, to collect information regarding the census of agriculture. The interview included inquiries about census of agriculture questionnaire content, response rates, scheduled release date of 1997 survey results, number of farms, and the number of farms operated by African-Americans, by county, in selected States.
- Reporters with *NBC Orlando*, *Harper's Magazine*, *Good Morning America*, *Associated Press*, *USA Today*, and *NBC West Palm Beach* requested information on a case file from the recent Animal Welfare Act investigation into Walt Disney World's Animal Kingdom.
- Secretary Glickman held several interviews May 11, 12, 13, and 14 about the farm situation and commodity prices in the Northern Plains including: ABC News "World News Tonight," the *Wichita Eagle*, the *Argus (South Dakota) Leader*, the *Minneapolis Star-Tribune*, the *Great Falls (Montana) Tribune*, the *Billings (Montana) Gazette*, *Bozeman (Montana) Daily Chronicle*, the *Omaha World Herald*, the *Lincoln (Nebraska) World Star*, the *Topeka (Kansas) Capital-Journal*, the Red River Farm Net, Grand Forks, North Dakota (six stations in Minnesota, eight in North Dakota); KBUF, Garden City, Kansas; Minnesota Farm Net, Minneapolis, Minnesota (50 stations in Minnesota); WOW, Omaha, Nebraska; Northern Ag Net, Billings, Montana (29 stations in Montana, 15 in Wyoming, four in South Dakota). The following stations listened to the news conference the Secretary conducted May 13: American Ag Net, Fargo, North Dakota (three stations in Minnesota, 26 in North Dakota, and 14 in South Dakota); Kansas Ag Net/WIBW, Topeka, Kansas (37 stations in Kansas, 7 in Nebraska); KFAB, Omaha, Nebraska; KFDI, Wichita, Kansas; WFYR, Bismarck, North Dakota; KKYA, Yankton, South Dakota; KLGR, Redwood Falls, Minnesota; KMIT, Mitchell, South Dakota; KMON, Great Falls, Montana; KNEB, Scottsbluff, Nebraska; KRVN, Lexington, Nebraska; KWAT,

Watertown, South Dakota; KXRB, Sioux Falls, South Dakota; Linder Farm Net, Owatonna, Minnesota (20 stations in Minnesota); Mid-America Ag Net, Wichita, Kansas (22 stations in Kansas, 15 in Nebraska); WCCO-AM, Minneapolis, Minnesota; WNAX, Yankton, South Dakota.

- Secretary Glickman was interviewed May 13 by the *Atlanta Journal-Constitution* on civil rights and black farmers.
- Deputy Secretary Richard Rominger, along with EPA Administrator Carol Browner, spoke at the 7th Regional Clean Water Action Plan conference in Chicago May 13. Mr. Rominger also conducted a taped television and a live radio interview with Orion Samuelson of WGN, and a print interview with *Illinois Agri-News*. Both Mr. Rominger and Ms. Browner participated in an editorial board meeting with the *Chicago Tribune*.
- "Sixty Minutes" is working on a story on civil rights and the black farmer issue.
- ABC News's "World News Tonight" asked about land use in connection with the Forest Service. They were given background for a story that may run the week of May 17.

#### VIII. FOIA REQUESTS

- On May 13, USDA provided an expedited partial release, 24 pages, of the investigative report, approximately 1,000 pages, on Disney's Animal Kingdom to the Associated Press, the *Orlando Sentinel*, WESH-TV2 NBC-Orlando, American Zoo and Aquarium Association, and Animal Rights Foundation of Florida, Inc.
- On May 13, USDA provided a third partial release, 66 pages, of an investigative report on Emory University and the Yerkes Regional Primate Center to *The Wall Street Journal* in Atlanta.

#### IX. WEEKEND CONTACT

Greg Frazier

May 27, 1998

**Memorandum For The President**

**Through:** The Honorable Erskine Bowles  
**From:** Secretary Dan Glickman  
**Subject:** Report for Week of May 27, 1998

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**USDA Fact Of The Week**

USDA researchers have released TifEagle, a new bermuda grass for putting greens, specifically developed for properties that reduce the need for herbicides and for superior putting performance; golf courses in Georgia, Florida, and throughout the South, will begin growing the new variety this summer.

**I. KEY DEPARTMENT NEWS**

- **USDA Responds To EU Barley Subsidies:** On May 27, Secretary Glickman announced that USDA will make available subsidies under the Export Enhancement Program (EEP) to export 30,000 metric tons of barley to Algeria, Cyprus, and Norway. The action follows the European Union's decision to subsidize the sale of 30,000 metric tons of barley to a California firm, which arrived during the Memorial Day weekend and which attracted considerable public, media, and congressional attention.

In two separate but related events: first, northern plains farmers have sold 5,000 tons of US barley to Canadian feedlots and analysts expect further sales through the summer as long as US prices remain below those of Canadian barley; and second, in response to the concerns of North Dakota grain growers, Secretary Glickman created a North Dakota Crisis Task Force which will report its recommendations to him on May 29, in preparation for the Secretary's scheduled trip to North Dakota and Minnesota on June 7 and 8.

- **USDA Fights House Attempt To Gut Ag Research Bill:** In a May 22 letter to the Chairman, and Ranking Member of the House Agriculture Committee, Secretary Glickman urged the House to reject an attempt to gut the conference report on the agricultural research bill by removing from it the provisions restoring food stamps to certain legal immigrants writing that he would recommend that the President veto the

legislation if those measures were removed. Later that day, the House rejected the maneuver by an overwhelming vote of 289 to 120, defeating the rule providing for consideration of the conference report. USDA officials continue to work with Members of the House and interested groups to secure a vote on the bill in the House immediately after the current Memorial Day congressional recess.

- **USDA Continues Response To Mexico And Central America:** The Forest Service is working with and through the Agency for International Development, and other agencies to assist in situation assessments, anticipate needs, and prepare for expected requests for firefighting assistance from Mexico, Guatemala, Honduras, Nicaragua, Ecuador, and Costa Rica.
- **USDA and STB Sign Agreement Creating Grain Logistics Task Force:** On May 21, Secretary Glickman and Surface Transportation Board (STB) Chair Linda Morgan signed a memorandum of understanding establishing a joint grain logistics task force, and a system to provide grain shippers and railroads with early warnings about the potential for service and congestion related problems.
- **Florida Medfly Update:** USDA and State officials continue treating areas of Dade county, Umatilla, Bradenton, and Palmetto, with sterile flies and ground and aerial application of malathion. Recent finds in Palmetto include an area that produces spring tomatoes valued at over \$100 million, annually, and whose exports may be threatened unless the medflies are brought under control.
- **Forest Ranger Recognized During National Police Week:** Forest Service officer Rudolph Mellenthin was memorialized this year during national police week in national ceremonies at the National Law Enforcement Officer's Memorial; Mellenthin was killed on August 8, 1918 while trying to assist the county sheriff in arresting an army deserter during WWI.
- **USDA Opens China Market For U.S. Fruit Growers:** During the week of May 4, in Shanghai, China, USDA and the Chinese Animal and Quarantine Service reached an agreement that will allow farmers throughout the Western U.S. to export table grapes and sweet cherries to China, lifting previous restrictions that limited the China market to farmers in 6 California counties, and Washington.
- **USDA Provides Overseas Food Aid:** On May 6, USDA purchased 10,000 metric tons of dark northern spring wheat, worth \$1.5 million, under the Food for Progress program, for Tanzanian food aid programs; and 10,000 metric tons of hard red winter wheat, worth \$1.3 million under P.L. 480, Title II for Bangladesh.
- **USDA Agreements To Boost Farm Exports:** On May 20, USDA authorized \$50 million in credit guarantees for sales of U.S. agricultural commodities to Colombia. On

May 18, USDA expanded the list of commodities eligible for export under the export credit guarantee program to the Philippines, Thailand, Indonesia, and Malaysia to include hay, straw, and peanut products. On May 15, USDA authorized \$5 million in supplier credit guarantees for sales of U.S. agricultural commodities to Georgia. On May 18, USDA signed the first-ever Food for Progress Agreement with Africare, a well known Private Voluntary Organization, for donation of 12,600 metric tons of commodities, worth \$12.8 million, for South Africa.

- **Commodity Markets In Review:** Wheat cash prices rose minimally last week, but futures fell as demand continued weak and welcome rain fell in the U.S. Northern Plains and Canadian Prairies. Corn cash and futures prices were little changed in a market driven mainly by uneventful weather in the Corn Belt. Rice cash prices remained firm and new-crop futures rose following a bullish *Export Sales* report. Soybean cash and futures prices retreated following reported increases in the 1997/98 soybean crops in China and Argentina, plus an unexpected surge in U.S. soybean oil stocks. Cotton prices strengthened in light volume because of weather concerns in Texas. Cattle prices fell, largely from uncertainty over Memorial Day demand. Seasonally lower slaughter and stronger demand helped push up hog prices. Chicken features in supermarkets, particularly parts, helped boost broiler prices. Butter prices rose sharply, as lower milk supplies combined with a surge in milk-fat demand. Cheese prices rose modestly, as concerns over milk supplies began to surface.

**Average prices for the week ending May 22, 1998**

<b>Commodity</b>	<b>Weekly price</b>	<b>Change from a week ago</b>	<b>Change from a year ago</b>
Wheat \$/bu	3.24	+0.01	-1.27
Corn \$/bu	2.47	+0.00	-0.29
Soybeans \$/bu	6.32	-0.14	-2.18
Rice \$/cwt	10.28	0.00	-1.94
Cotton ¢/lb	65.22	+0.49	-4.18
Steers \$/cwt	64.00	-1.40	-2.49
Hogs \$/cwt	45.38	+3.43	-12.92
Broilers ¢/lb	59.12	+0.98	-1.37
Cheese \$/lb	1.25	+0.02	+0.09
Butter \$/lb	1.65	+0.23	+0.67
Milk \$/cwt	11.16	-0.06	NA

**II. USDA WORK ON PRESIDENTIAL INITIATIVES**

- **Presidential Initiative On Welfare Reform:**
  - **USDA Fights House Attempt To Remove Food Stamps Provisions From Ag Research Bill:** By a vote of 289 to 120, the House rejected an attempt to remove from the conference report on the agricultural research bill the provisions that would restore food stamps benefits to certain legal immigrants, following Secretary Glickman's letter indicating that if those provisions were deleted, he would recommend that the President veto the bill – see Key Department News.
  - **Welfare Reform Waiver Update:** During the period from May 19, through May 26, USDA approved a request from South Dakota to modify one of its waivers related to the provisions of the Welfare Reform Bill that limit the food stamp program participation of able-bodied adults without dependents between the ages of 18 and 50 to 3 months in any 36-month period unless the affected individuals are employed for an average of 20 hours per week or participating in a work program. The modified waiver allows South Dakota to exempt residents of Mellette County on the basis of an unemployment rate 20 percent above the

national average.

- **Presidential Initiative On Food Safety:**

- **Vice President Launches Computer Network To Fight Food-Borne Illness:** On May 22, Secretary Glickman joined Vice President Gore as he announced a new national computer network that will be five times faster in identifying food-borne illness. PulseNet, a national computer network that identifies outbreaks of food-borne illness, will enable public health laboratories throughout the country to use the Internet to provide alerts when outbreaks of food-borne disease occur.
- ***E. coli* O157:H7 Sampling Program Yields Sixth Positive for FY 98:** USDA's sampling program for *E. coli* O157:H7 reported a confirmed positive in a targeted ground beef sample taken last week from a plant in Wisconsin as part of follow-up testing that is conducted when a confirmed positive is found. The test result is the sixth confirmed positive for FY 98 and the 15th positive since the sampling program began in 1994.
- **Public Meeting On The Browning Of Ground Beef:** On May 27, USDA will hold a public meeting to discuss the food safety issues presented by premature browning of ground beef, during which USDA will release results of a new study on the premature browning of cooked hamburger that concludes that color is not a good indicator that a hamburger has been cooked to 160 degrees F, USDA's recommended safe level.
- **USDA Enforces New Meat Inspection Rules:** On May 18, operations resumed in the fabrication department of the Excel Corporation, in Friona, Texas, after having been closed for 3 days after USDA officials suspended operations because of ingesta and fecal contamination on beef products, and because plant records failed to ensure that adulterated products had not been shipped.

On May 20, USDA suspended operations at Bo Bo Poultry Market, Brooklyn, New York, for failure to meet the basic requirements of an *E. coli* testing program.

- **Presidential Initiative On Race:**

- **USDA Readies Puerto Rico Summer Internship Program:** USDA's Farm Service Agency (FSA) will co-sponsor an internship program for the Puerto Rico USDA Center of Excellence for Hispanic Americans this summer, employing 7 college students who will work in the FSA Puerto Rico state office

- **Presidential Initiative On Tobacco:**

- On Friday, May 29, Deputy Under Secretary Dallas R. Smith will attend the Flue-cured Tobacco Cooperative Stabilization Corporation annual meeting in Raleigh, North Carolina, to discuss the Administration's views regarding proposed tobacco settlement legislation.

### **III. NOTABLE CONGRESSIONAL ACTIVITY**

- **USDA Presses For Final Action On Ag Research Bill:** USDA officials continue to press for final action on the agricultural research bill following the Memorial Day congressional recess, having helped turn back an attempt to dismantle the legislation by removing from it the food stamps provisions – see Key Department News.
- On May 28, the Senate Energy and Natural Resources Subcommittee on Forests and Public Land Management and Senate Appropriations Subcommittee on Interior will hold a joint field hearing in Spokane, Washington, on the Interior Columbia River Basin Project. Jim Lyons, Under Secretary for Natural Resources and Environment, will testify.
- On June 3, the House Agriculture Subcommittee on Department Operations, Nutrition and Foreign Agriculture will hold a hearing on H.R. 3654, a bill to amend the Agricultural Trade Act of 1978 to require the President to report to Congress on any selective embargo on agricultural commodities, to provide a termination date for the embargo, and to provide greater assurances for contract sanctity. Witness to be announced.
- On June 4, the House Agriculture Committee has scheduled a hearing on the off-budget funds administered by the Forest Service. Witness to be announced.
- On June 4 and 11, the Senate Energy and Natural Resources Subcommittee on Forests and Public Land Management will hold hearings on legislation that would restructure the programs of the Forest Service and the Bureau of Land Management and clarify their responsibilities in order to eliminate confusing and conflicting mandates and bureaucratic overlap. Witness to be announced.

### **IV. SECRETARY'S SCHEDULE**

- On May 27, Secretary Glickman addressed the RFK Memorial March Against Child Labor.

## **V. DEPUTY SECRETARY'S SCHEDULE**

Nothing of significance to report this week.

## **VI. SUB-CABINET SCHEDULE**

- On May 26, Under Secretary Woteki, Deputy Under Secretary Wilcox, and Administrator Billy will participate in a meeting (at FDA) of the Federal Outbreak Response Coordination Group (FORCG) as a follow-up to signing the interagency MOU.
- On May 27, Under Secretary Watkins addressed the WIC Advisory Council, Washington, DC
- On May 27, Under Secretary Woteki participated in a meeting of the Interagency Working Group on Food Security. The agenda includes a discussion of the draft U.S. Action Plan on Food Security.
- On May 29, Under Secretary Watkins will address the Child Care Forum, Rapid City, South Dakota.
- On May 30, Under Secretary Gonzalez will keynote the Summer 1998 HACU National internship program orientation, in Alexandria, Virginia.
- On June 1, Under Secretary Gonzalez will speak at the Experiment Station Committee on Organization and Policy /Academia Committee on Organization and Policy, Leadership Development Program at the Washington Airport Hilton.
- On June 3, Under Secretary Watkins will unveil the new Food Distribution Program on Indian Reservations (FDPIR) Food Package, Standing Rock Reservation, North Dakota.
- On June 4, Under Secretary Watkins will preside over FDPIR Warehouse Ribbon Cutting, Pine Ridge Reservation, South Dakota.
- On June 4, Under Secretary Woteki will provide a food safety overview at the Michigan State University National Food Safety and Toxicology Center conference on Comparative Risk in Food Safety, East Lansing, Michigan.
- On June 6, Deputy Under Secretary Caren Wilcox will provide opening remarks on FORCG at the Association of Food and Drug Officials' 102<sup>nd</sup> annual conference, Williamsburg, Virginia.
- On June 8, Under Secretary Woteki will address the Association of Food and Drug

Officials 102<sup>nd</sup> annual conference on the President's Food Safety Initiative.

## VII. PRESS/MEDIA INQUIRIES

- Administrator Thomas J. Billy is scheduled to appear on the C-SPAN program, American Journal, on May 28. Mr. Billy and a representative from FDA are to be interviewed on the history of food safety inspection and operations in FSIS and FDA.
- *Food Chemical News* inquired about imported meat product from the Netherlands. The reporter was referred to the Animal and Plant Health Inspection Service.
- The *Amarillo Globe* asked for details about the temporary suspension of operations at an Excel plant in Friona, Texas.
- *Progressive Magazine* interviewed the director of the Emergency Response Program about the disposition of product that has been recovered by companies following recalls.
- *Time* magazine contacted ERS for information concerning African-American return migration to the rural South.
- On May 13, *The Atlantic Monthly* contacted ARS Information Staff to follow up on an Agricultural Research story about ARS' new, prototype automated poultry-inspection system. A *New York Times* reporter also called about the same story.
- Amplification:
  - Secretary Glickman joined the President and U.S. Trade Representative Charlene Barshefsky in Geneva, May 18-20 at the World Trade Organization Ministerial Conference. Accompanying the Secretary were Farm and Foreign Agricultural Services Under Secretary August Schumacher, Foreign Agricultural Service Administrator Lon Hatamiya, Special Assistant to the Secretary for Trade Paul Drazek, and Communications Director Tom Amontree. Media covering the Secretary included *Ag Report.Com*, *Inside U.S. Trade*, Bureau of National Affairs, *Washington Tariff and Trade Letter*, *Telecommunications Reports International*, *Le Figaro*, *Kyodo News (Tokyo)*, *New York Times*, Reuters, *Business Week*, *Congress Daily/National Journal*, Bloomberg News, *Agra Europe*, *Financial Times Food Business*, the *Wall Street Journal*, and Agence-France Press.
  - Under Secretary Schumacher and FAS Administrator Hatamiya discussed the progress of the WTO meetings in telephone interviews from Geneva with the *Burlington (Vermont) Free Press*, the Mid-America Ag Network (44 radio stations in Kansas and Nebraska), the California Farm Radio Network, the Northwest

AgInfo Network (60 stations in Washington, Oregon, Idaho, and California), and USDA Radio.

- Secretary Glickman joined the Vice President and HHS Secretary Donna Shalala in a food safety event at the White House May 22 to announce "PulseNet," a computer system to help assure food safety, and FORC-G, the food-borne Outbreak Response Coordinating Group that brings together federal, state, and local agencies to develop a comprehensive, coordinated national food-borne illness outbreak response system. Following the event, the Secretary met with reporters at the "stakeout" on the White House grounds.
- Deputy Secretary Richard Rominger spoke about the President's National Food Safety Initiative at the 23rd Beltsville Symposium, "Fresh Fruits and Vegetables -- Quality and Food Safety" at Beltsville, Maryland, May 4. Mr. Rominger said that his and Secretary Glickman's goal is to reduce the incidence of all food-borne illness by 25 percent by the year 2000, and USDA is spending more than a billion dollars this year on food safety.
- Media Inquiries
  - The Associated Press asked about the Year 2000 report.
  - The *Chicago Tribune* asked for information about nutrition, and made a separate query on organic regulations.
  - CNN, Reuters, the *Wall Street Journal*, and a Raleigh (North Carolina) television station asked about egg safety strategy.

### VIII. FOIA REQUESTS

- On May 13, The *Associated Press*, requested a copy of the University of Illinois response to the Office of Inspector General's Audit Report on the use of 4-H program funds.
- The *Los Angeles Times* asked for correspondence from Senator Trent Lott.
- The *Los Angeles Times* asked for a list of USDA investigations between January 1, 1998 and April 1, 1998.

### IX. WEEKEND CONTACT

Greg Frazier

June 3, 1998

**Memorandum For The President**

**Through:** The Honorable Erskine Bowles  
**From:** Secretary Dan Glickman  
**Subject:** Report for Week of June 3, 1998

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**USDA Fact Of The Week**

USDA researchers have developed a genetically altered sunflower hybrid, NuSun, that produces an oil with 30% less saturated fatty acids than traditional sunflower varieties, potentially opening a demand that could, over the next 3 years, double sunflower production, especially in the traditional Northern Plains growing areas.

**I. KEY DEPARTMENT NEWS**

- **Secretary Reviews Mexican Fire Fighting Efforts:** On June 4, Secretary Glickman will review firefighting efforts in Mexico's Chiapas region; he will be joined by USAID Administrator Atwood, Forest Service Chief Dombeck, and Mexican Government officials.
- **Secretary Responds To Northern Plains Ag Crisis:** At the request of the congressional delegation, Secretary Glickman will visit North Dakota on June 7 and 8 to meet with farmers on the crisis effecting Northern Plains agriculture. During the visit, the Secretary will review the recommendations of the Ag Crisis Response Team he created; and will announce: the awarding of \$3 million in risk management education grants to design programs to help farmers better protect themselves against price swings, the implementation of the Dairy Pilot Options Program which will operate in 7 states, and the establishment of a new grasslands supervisory office for North Dakota. As of this writing, the Secretary is working with the delegation on further options to address the crisis for announcement during his visit.
- **USDA Provides Disaster Assistance:** USDA rural development state officials are working with South Dakota Governor Janklow and the FEMA Regional Director to determine the extent of the damage suffered by residents in Spencer, South Dakota, when a tornado hit the community May 30. USDA is helping those left homeless by the

tornado and providing assistance in restoring electrical and telephone service to the community.

- **Florida Medfly Update:** Since initial detection on May 12, USDA and state officials have found 538 Medflies in Bradenton, 1314 in Umatilla, and 2 in Miami Springs. The last aerial malathion applications were completed May 30, and USDA is consulting with EPA about additional applications. Meanwhile, USDA continues treatment of the effected area with sterile flies.
- **Andrew & Williamson Reimburses USDA For Frozen Strawberries:** This week, Andrew & Williamson (A&W) Sales Company, Inc. paid USDA \$250,612 as partial reimbursement for frozen strawberries provided to the school lunch program, that were part of extensive criminal and civil litigation after an outbreak of Hepatitis A in the state of Michigan in April, 1997. A&W had misrepresented to AMS that the strawberries were domestic when in fact they were grown in Mexico.
- **First Practices Under New Wildlife Habitat Incentives Program Installed:** The first whip projects in the country have been completed on two sites in New Jersey. With the help of Trout Unlimited, USDA has stabilized streambanks, and improved fish habitat on a dairy farm in Warren County along the Pohatcong Creek, and within the Hunterdon County Parks system.
- **USDA Assists With North Korea Emergency Aid:** On May 20, USDA purchased 64,000 metric tons of corn for shipment to North Korea before July; the corn is part of the final purchases requested by the World Food Program's humanitarian assistance to North Korea.
- **USDA Expands Credits To Increase Exports:** On May 21, USDA made wine and brandy eligible for sale to China under USDA's export credit guarantee program.  
  
On May 26, USDA increased by \$20 million the amount of export credit guarantees available for sales to Sri Lanka, bringing the total to \$70 million.
- **USDA Facilitates Dairy Exports:** From May 21 - 27, USDA approved subsidies to facilitate the export of 225 metric tons of dairy products to the Caribbean and Mexico.
- **USDA At OECD Committee On Agriculture Meeting:** USDA officials represented the U.S. at a meeting of the Committee on Agriculture of the Organization for Economic Cooperation and Development (OECD) in Paris May 26-28, to develop a follow-up plan to the ministerial meeting held in March.
- **Commodity Markets in Review:** Wheat cash and futures prices fell sharply last week, following good harvest progress and strong competition in export markets. Favorable

weather in the Corn Belt knocked down corn and soybean prices across the board. Rice cash prices remained firm, but new-crop futures fell as Brazil has begun seeking rice from non-U.S. suppliers. Hot, dry weather in West Texas and cool, waterlogged field conditions in California supported cotton prices. Cattle and hog prices declined in the face of large red meat supplies. Retail featuring supported broiler prices. Butter and cheese prices both increased, as milk production continued to slow and butterfat demand increased.

**Average prices for the week ending May 29, 1998**

Commodity	Weekly price	Change from a-week ago	Change from a year ago
Wheat \$/bu	3.13	-0.10	-1.27
Corn \$/bu	2.40	-0.08	-0.30
Soybeans \$/bu	6.21	-0.12	-2.41
Rice \$/cwt	10.28	0.00	-1.94
Cotton ¢/lb	67.71	+2.29	-2.06
Steers \$/cwt	63.44	-0.71	-1.62
Hogs \$/cwt	42.19	-2.97	-13.94
Broilers ¢/lb	60.29	+1.17	+0.74
Cheese \$/lb	1.35	+0.10	+0.19
Butter \$/lb	1.70	+0.05	+0.65
Milk \$/cwt	11.11	-0.05	NA

## II. USDA WORK ON PRESIDENTIAL INITIATIVES

- **Presidential Initiative On Food Safety:**
  - **USDA Will Hold Risk Forum:** On June 12, USDA will hold a forum on the comprehensive risk assessment of *Salmonella enteritidis*, to respond to the increasing incidence of human illnesses attributed to egg consumption.
  - **USDA Releases Food Safety Report:** USDA has released a report --*FoodNet: An Active Surveillance System for Bacterial Food borne Disease in the United States, April 1998* --on USDA's project with the Centers for Disease Control and

Prevention (CDC) and the Food and Drug Administration, to collect more precise information on the incidence of foodborne disease in the United States for 1997. The report was known originally as the Sentinel Site Study, and more recently as the Foodborne Diseases Active Surveillance Network, or FoodNet.

- **USDA Recalls Ground Beef:** On May 28, USDA announced that Boyd's Wholesale Meats, a Klamath Falls, Oregon, meat processing firm, voluntarily recalled two days production of ground beef that may be contaminated with *E. coli* 0157:H7 bacteria. Most of the 2,500 pounds produced on May 21 and 22 went to institutional customers--such as restaurants--and have been returned.
- **USDA Enforces Meat And Poultry Inspection Rules:** On May 28, USDA suspended operations at Superior Provision Company, of Detroit, Michigan, for repetitive condensation and dripping directly over product and product contact surfaces.
- **Presidential Initiative On Race:**
  - **USDA Releases New Food Assistance For Indian Reservations:** At the Oglala Sioux Reservation in Pine Ridge, South Dakota, and the Standing Rock Sioux Reservation at Fort Yates, North Dakota, USDA unveiled a new food package for the Food Distribution Program on Indian Reservations (FDPIR), the expansion of the FDPIR Fresh Produce Pilot Project, and a pilot project through which commercially labeled commodities are being provided to program participants.
  - **USDA State Officials Conduct Minority Outreach Activities:** On May 18, state officials from USDA agencies conducted a Hispanic Growers Outreach meeting in Yakima, Washington, and identified 36 specific needs by the group for follow-up action.

### III. NOTABLE CONGRESSIONAL ACTIVITY

- **USDA Continues Work On Ag Research Bill:** USDA officials continue working the House of Representatives for immediate consideration of the conference committee report on the agricultural research bill, which provides funding for agricultural research, crop insurance, rural development, and restores food stamps for certain legal immigrants.
- **FY99 Appropriations Get Underway:** On June 9, the House and Senate subcommittees on agricultural appropriations plan to mark up the FY99 appropriations bill. On June 2, Secretary Glickman visited with Senators Cochran and Bumpers and Representative Skeen, on the Administration's priorities for the budget.

- On June 3, the House Agriculture Subcommittee on Department Operations, Nutrition and Foreign Agriculture held a hearing on H.R. 3654, a bill to require the President to report to Congress on any selective embargo on agricultural commodities, to provide a termination date for the embargo, and to provide greater assurances for contract sanctity. Lon Hatamiya, Administrator, Foreign Agricultural Service, will testify.
- On June 4, the House Agriculture Committee has scheduled a hearing on the off-budget funds administered by the Forest Service. Mike Dombeck, Chief, U.S. Forest Service, will testify.
- On June 4, the House Education and the Workforce Committee will mark up H.R. 3874, a bill to amend the Child Nutrition Act of 1966 to make improvements to the special supplemental nutrition program for women, infants, and children, and to extend the authority of that program through FY 2003; and H.R. 3871, a bill to amend the National School Lunch Act to provide children with increased access to food and nutrition assistance during the summer months.
- On June 4 and 11, the Senate Energy and Natural Resources Subcommittee on Forests and Public Land Management will hold hearings on legislation that would restructure the programs of the Forest Service and the Bureau of Land Management, and clarify their responsibilities in order to eliminate confusing and conflicting mandates and bureaucratic overlap. No USDA witness.
- On June 9, the House Resources Committee will hold a hearing on the impact of federal land use policies on rural communities. Witness to be announced.
- On June 10, the Senate Agriculture Committee will hold a hearing on livestock issues, including demand, overseas development, pricing, industry structuring and other related subjects. Witness to be announced.
- On June 10, the House Agriculture Subcommittee on Forestry, Resource Conservation, and Research will hold a hearing on EPA's phase-out of methyl bromide, an ozone-depleting pesticide used to control insects, nematodes, weeds, pathogens, and rodents. Keith Pitts, Special Assistant for Pesticide Policy, Natural Resource Conservation Service, will testify.
- On June 11, the House Agriculture Committee has tentatively scheduled a hearing on the Timber Sales Program Information Reporting System (TSPIRS). Witness to be announced.
- On June 11, the Senate Energy and Natural Resources Committee will hold an oversight hearing on the recreational fee demonstration program. Witness to be announced.

#### **IV. SECRETARY'S SCHEDULE**

- On June 4, Secretary Glickman will be inspecting USDA assistance to Mexican efforts to fight large forest fires.
- On June 6, Secretary Glickman will attend the National Race for the Cure Race Day event.
- From June 7-8, Secretary Glickman will hold farm forum events in North Dakota and Minnesota.
- On June 9, Secretary Glickman will attend a Self Help Housing Event in Taney Town, Maryland.
- From June 10-11, Secretary Glickman will attend the U.S.-Mexico Binational Commission Meetings at the State Department.

#### **V. DEPUTY SECRETARY'S SCHEDULE**

- On June 4, Deputy Secretary Rominger will attend the Western Drought Coordination Council, in Albuquerque, New Mexico.
- On June 8, Deputy Secretary Rominger will deliver a keynote address on Global Food Security to the Annual meeting of the Association for International Agriculture & Rural Development.

#### **VI. SUB-CABINET SCHEDULE**

- On June 4, Under Secretary Woteki will address the Michigan State University National Food Safety and Toxicology Center's conference on Comparative Risk in Food Safety, regarding highlights of USDA's recently completed *Salmonella enteritidis* (SE) and shell eggs and egg products risk assessment.
- On June 6, Deputy Under Secretary Wilcox will provide opening remarks at a workshop on FORCG, Foodborne Outbreak Response Coordination Group.
- On June 8, Under Secretary Woteki will address the Association of Food and Drug Officials' 102nd annual conference on the President's Food Safety Initiative in Williamsburg, Virginia.
- On June 8, Under Secretary Schumacher will accompany Secretary Glickman on farm

forum events and farm visits in North Dakota and Minnesota.

- On June 9, Under Secretary Long-Thompson will accompany Secretary Glickman to a Self-Help Housing event in Taneytown, Maryland.
- From June 10-11, Under Secretary Schumacher will attend the U.S.-Mexico Binational Commission Meetings at the State Department.
- On June 10, Under Secretary Watkins will speak on "Social Marketing: New Imperative for Healthy Eating and Physical Activity," Los Angeles, California
- On June 12, Deputy Under Secretary Julie Paradis will speak before the Northeast Regional Anti-Hunger Network, Boston, Massachusetts
- On June 10-11, Assistant Secretary Dunn will attend the U.S. Mexican Binational Commission Meeting in Washington, D.C.
- On June 12, Assistant Secretary Dunn will speak at the Midwest Area River Coalition 2000 Meeting in St. Louis, Missouri.
- From June 13-17, Under Secretary Gonzalez will participate in the Proclamation of Census ceremony in San Juan, Puerto Rico.

## VII. MEDIA INQUIRIES AND AMPLIFICATION

### Media Inquiries:

- NBC's Today Show requested information for its 3 part series on nutrition and children to be aired in June.
- *USA Today* called with questions about field gleaning.
- *George Magazine* requested and received food stamp participation and cost historical data and inquired about the status of legislation impacting legal immigrants.
- Bridge News, Reuters, and Bloomberg asked about the barley situation.
- CBS News asked about BSE, mad cow disease.
- *Family Circle* queried on organics and food safety.
- National Public Radio queried on organics and barley/commodity issues.

- *U.S. News & World Report* had questions on general ag issues.
- The *Boston Globe* asked for details on PulseNet, the foodborne illness response.
- There is continued media interest in the Export Enhancement Program, and whether Pakistan and India will continue to receive GSM credits.
- The *Atlanta Constitution* is working on a story on civil rights; the newspaper is talking with John Sparks, the Special Assistant to the Secretary for Civil Rights

### Amplification

- **President's commitment to children, family:** Secretary Glickman spoke about the Clinton Administration's commitment to protecting the rights of children at a send-off rally for the Global March Against Child Labor at the Robert F. Kennedy Memorial Center for Human Rights in Washington, D.C., May 27. Senator Harkin, Acting Under Secretary of State for Global Affairs Wendy Sherman, Kerry Kennedy Cuomo, and Kathie Lee Gifford also participated. The Secretary emphasized the importance of preserving the basic rights of children, enforcing existing child labor laws, and providing housing, food assistance, and child care facilities for agricultural workers. NBC, ABC, Reuters TV, MSNBC, USIA, and the Washington, D.C., CBS affiliate (Channel 9) covered the rally. The Secretary also spoke to reporters about trade matters (see below.)
- **Farm economics:** Secretary Glickman was interviewed by *Congressional Quarterly* May 28 about farm economics, the importance of the International Monetary Fund, and the Ag Research Bill.
- **Ag Research Bill:** Secretary Glickman was interviewed May 28 by the *Columbus Dispatch* (ran May 31) and the *Dallas Morning News* about the Ag Research Bill; the Secretary also discussed the legislation, in addition to other matters, with *Congressional Quarterly* (see above).

Deputy Secretary Richard Rominger delivered a speech to the National Association of State Universities and Land-Grant Colleges's first annual "Agricultural Research and Education Serving the Nation: University Science Exhibition" gathering in Washington, D.C., May 19. The university community, USDA, industry, farmers, and stakeholder groups, Mr. Rominger said, is "our formidable partnership," which must make the case that ag research is critical to America's economy and future. He said, "Research is behind our highest priorities," such as food safety, nutrition, and trade, and we need to "inject new funds and authorities into the system if we are to accelerate the pace of research and technology development." And he expressed USDA's support for the pending ag research bill.

- **Food safety, clean water:** Deputy Secretary Richard Rominger delivered a speech on the President's \$43 million National Food Safety Initiative before the Florida Farm Bureau Federation, meeting in Washington, D.C., May 18. Mr. Rominger discussed the fundamental revisions USDA is making to the proposed organic standards, milk order reform, and the President's Clean Water Action Plan.
- **Food safety:** USDA Radio Newslines broadcast a story about PulseNet, the new computer technology that alerts states when and where food borne illness outbreaks occur. The feature includes the Vice President's explaining how the new technology works; also, other food safety issues are discussed.

## VIII. FOIA REQUESTS

USDA provided an interim response to a FOIA request from the *Baltimore Sun* in response to a request for records of complaints to and investigations by the Packers and Stockyards Programs from 1988 to present involving 16 poultry firms.

## IX. WEEKEND CONTACT

Greg Frazier

June 10, 1998

**Memorandum For The President**

**Through:** The Honorable Erskine Bowles  
**From:** Secretary Dan Glickman  
**Subject:** Report for Week of June 10, 1998

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USDA Fact Of The Week

USDA Fact of the Week: USDA's most recent export projections see continuing weakness in farm exports, due primarily to lower prices, the stronger value of the dollar, and soft demand in key Asian markets; FY exports are pegged at \$55 billion, \$2.3 billion below last year and \$4.8 billion below the record set in 1996. Meanwhile, US agricultural imports will increase \$2.2 billion this year, to \$38 billion, trimming the agricultural trade surplus to \$17 billion, \$10 billion under the record surplus set in 1996.

**I. KEY DEPARTMENT NEWS**

- **House Passes Ag Research Bill:** With overwhelming bipartisan support, and after rebuffing several attempts to gut the measure, on June 4 the House of Representatives passed the agricultural research conference report by a vote of 364 to 50, clearing the measure for the President. The bill provides, over 5 years, \$1.8 billion for agricultural research and rural development programs, stabilizes the funding for crop insurance, and restores food stamps benefits to certain legal immigrants.
- **Secretary Inspects Mexico Wildfire-Fighting Effort:** Secretary Dan Glickman, Forest Service Chief Michael Dombeck, USAID Administrator Brian Atwood, and Assistant Director of Fire and Aviation Management Denny Truesdale flew to Mexico City on June 3 for a 2-day conference to discuss current assistance and long-term fire management projects for Mexico. A 45-person interagency firefighting team from the United States has been working primarily in Mexico, and have been dispatched to Honduras.

As of today, the advent of rains has resulted in a dramatic reduction in the number of active fires reported by the Government of Mexico's firefighting authority; however, this

reduction could only be temporary. There are still hot spots burning throughout the region, and if dry conditions return, fire activity will increase. 36 active wildfires are burning throughout the country affecting 24,000 acres of land. Two of these fires are classified as controlled, while 3 are classified as large, priority fires. 41 U.S. interagency fire personnel continue providing technical assistance to Mexican fire managers. Beginning this weekend, many of these technical experts will return home and will be replaced with 29 new specialists.

- **Secretary Tours North Dakota Farm:** At the request of the congressional delegation, Secretary Glickman toured farms in the Grand Forks, North Dakota area on June 8, and met with state farm leaders to discuss the agricultural situation in the Northern Plains. Before returning to Washington, the Secretary, joined by Senators Conrad and Dorgan and Representatives Pomeroy and Peterson, held a farm forum attended by over 1000 farmers. In addition to listening to their concerns and answering their questions, Secretary Glickman announced several steps he was taking to address their problems, including: making available \$12 million for livestock producers who have suffered feed-related losses from land submerged under water, increasing by \$100 million export credits available to Turkey, changing the export credit program to facilitate exports to Indonesia, establishing a new risk management education program to help farmers better protect themselves from price volatility, changing the federal crop insurance program, and setting up a new dairy options pilot program to help dairy farmers protect themselves from changes in milk prices.
- **Rural Development Homeownership Week Activities:** Secretary Glickman, Rural Development Under Secretary Jill Long Thompson, and Rural Housing Service Administrator Jan Shadburn assisted in house-building activities as part of a USDA Rural Development Self-Help Housing event in Taneytown, Maryland (north of Baltimore) June 9. The event was held as part of National Homeownership Week June 6 - 13. Several other USDA headquarters staff also traveled to the site and participated in working sessions. USDA Rural Development state offices have planned over 230 events for Homeownership Week with local, state and nonprofit organizations to promote Rural Development's housing programs. USDA, as a participant in the Clinton Administration's National Partners in Homeownership, is helping to recognize the current all-time high in homeownership of 66% and to achieve the President's goal of 8 million new homeowners by the year 2000.
- **Secretary Announces USDA Employee Honor Awards:** On June 10, Secretary Glickman presided over USDA's 52<sup>nd</sup> annual employee honor award ceremony, which this year recognized USDA employees for achievements in reinventing government, emergency response, environmental protection, public service, and personal and professional excellence, among other categories. In addition, this year, USDA launched its Golden and Silver Plow Awards, which recognize employees with 50 and 25 years, respectively, of outstanding service.

- **Secretary Glickman To Participate In U.S.-Mexico BNC:** Secretary Glickman will participate in the 15<sup>th</sup> U.S.-Mexico Binational Commission (BNC) meeting on June 10 - 11 at the Department of State. The Secretary will co-chair the Working Group on Agriculture with his counterpart, Mexican Secretary of Agriculture, Livestock, and Rural Development Romarico Arroyo.
- **USDA Denies Petition To Set Minimum Milk Price:** On June 10, USDA announced its decision to deny a petition from a Midwestern dairy cooperative that sought to establish a minimum price of \$13.50 per hundredweight for the basic formula price, which is used to determine the price of milk regulated by federal milk marketing orders.
- **Secretary To Visit Grain Elevator Explosion Site:** On June 15, Secretary Glickman will visit the Haysville, Kansas grain elevator that exploded on June 8, killing two. During his tour, the Secretary plans to meet with State and Federal officials to discuss ways to coordinate better grain elevator inspections between USDA and OSHA, and with the industry to discuss how to meet grain storage needs this harvest now that this elevator, the 3<sup>rd</sup> largest in the world, is out of service.
- **USDA Provides Disaster Food Stamp Program:** On June 1, USDA approved an emergency food stamp program for McCook and Hanson Counties, South Dakota, to meet the food needs of individuals whose homes and places of employment were affected by a May 30 tornado.
- **Bison Management In Yellowstone:** The draft Environmental Impact Statement (EIS) for the Interagency Bison Management Plan for the State of Montana and Yellowstone National Park was released during the week of June 1. It contains seven alternatives for bison management that are intended to maintain a wild, free-ranging bison population and minimize the risk of brucellosis transmission from Yellowstone bison to cattle. A cooperative effort between APHIS, the Forest Service, the National Park Service, and the State of Montana, the draft, which has attracted considerable public and media attention, will be available for public comment until October 16, 1992.
- **Forest Service Bans Use Of Rock Climbing Anchors In Wilderness:** The Forest Service has prohibited the installation of permanent fixed anchors for rock climbing in wilderness portions of the national forests. The issue has been of intense interest to climbing-related magazines, outdoor recreation retailers, and manufacturers of fixed anchors.
- **Controversy Greet Forest Service Oil And Gas Leasing Decisions:** On May 21, the Rocky Mountain Oil and Gas Association (RMOGA) filed a lawsuit in U.S. District Court in Helena, Montana, challenging a September 1997 decision by the Forest Service that would limit the area on the Lewis and Clark National Forest (Montana) available for

oil and gas leasing. The suit claimed the Forest Service was too heavily swayed by public opinion.

In a separate, but related development, during the week of May 3, six environmental groups protested the Forest Service's oil and gas leasing program on the Shoshone National Forest (Wyoming), contending that the program threatens wildlife such as the grizzly bear and Canada lynx.

- **Forest Service Approves Improvement At Two Popular Ski Resorts:** In three separate decisions, widely supported by the public, the Grand Mesa, Uncompahgre, and Gunnison National Forests approved a broad range of ski area improvements at two ski areas using National Forest System lands during the week of May 31: a gondola and restaurant at Crested Butte Mountain Resort, and trail and lift upgrades for both it, and Telluride ski areas.
- **Employee Personal Page's First Week Attracts Thousands of Requests:** The National Finance Center, which processes payrolls for several agencies besides USDA, has received more than 3,000 requests for access to its new Employee Personal Page, which provides employees Internet access to 26 pay periods worth of their earnings and leave records, as well as travel, bond, health insurance, and other personal information.
- **Food For Progress Update:** Thus far this fiscal year, USDA has purchased 93,278 metric tons of grains, vegetable oil, and other commodities for the Food for Progress overseas aid program, that will be distributed in 21 countries, dispersed through 26 private volunteer organizations, and four foreign governments.
- **USDA Provides Food Assistance To El Salvador:** On May 28, USDA and El Salvador signed an agreement, under Public Law 480, Title I, by which El Salvador will purchase \$10 million of U.S. agricultural goods during FY 1998.
- **Commodity Markets In Review:** Wheat cash and futures prices fell last week, following rapid harvest progress for the 1998 winter crop. Corn cash and futures prices dropped on generally favorable growing weather. Rice cash prices remained firm, but futures tumbled as planting was completed in the Delta. Soybean cash prices rose slightly last week, but new-crop futures closed below \$6.00 per bushel as weather continues to be favorable in the Midwest and world supplies are large. Cotton prices jumped, on cool, damp weather in California and hot, dry weather in Texas. Cattle prices were unchanged. Hog prices fell, as traders anticipate an increase in the movement of hogs to market. Broiler prices rose, as demand for parts continues strong. Cheese and butter prices moved higher, as demand remains strong and milkfat supplies tighten.

**Average prices for the week ending June 8, 1998**

<b>Commodity</b>	<b>Weekly price</b>	<b>Change from a week ago</b>	<b>Change from a year ago</b>
Wheat \$/bu	3.07	-0.06	-1.34
Corn \$/bu	2.39	-0.01	-0.36
Soybeans \$/bu	6.23	+0.02	-2.36
Rice \$/cwt	10.28	0.00	-1.94
Cotton ¢/lb	71.92	+4.21	+2.04
Steers \$/cwt	63.46	0.00	-0.69
Hogs \$/cwt	41.80	-0.39	-15.00
Broilers ¢/lb	60.67	+0.38	+0.84
Cheese \$/lb	1.49	+0.14	+0.33
Butter \$/lb	1.74	+0.04	+0.61
Milk \$/cwt	13.21	+2.10	NA

**II. USDA WORK ON PRESIDENTIAL INITIATIVES**

- **Presidential Initiative On Welfare Reform:**
  - **House Passes Measure Restoring Food Stamps for Legal Immigrants:** On June 4, the House of Representatives passed a bill that will restore food stamps to certain legal immigrants: see Key Department News.
  - **District of Columbia, Rhode Island Begin EBT Pilots:** On June 1, Rhode Island and the District of Columbia began electronic benefit transfer (EBT) pilot implementation. Rhode Island expects to deliver food stamp and cash benefits electronically to more than 34,000 households when statewide expansion is completed this October. In the District, over 40,000 households will receive food stamp and cash benefits via EBT when the system is completely implemented this December.
  - **Welfare Reform Waiver Update:** During the period from June 7, through June 14, USDA approved a request from Wyoming to extend and modify its current waiver of the provisions of the welfare reform law that limit food stamp

participation to 3 months in any 36-month period for able-bodied adults between the ages of 18 and 50 without dependents, unless the individuals are employed for an average of 20 hours a week, or are participating in a work program. Under the extension, residents of one Indian Reservation will continue to be exempt from the requirements based on insufficient jobs on the reservation.

- **Presidential Initiative On Food Safety:**

- **President's Food Safety Initiative Is Topic Of Keynote Address:** Under Secretary Woteki delivered a keynote address on the President's Food Safety Initiative at the June 8 meeting of the Association of Food and Drug Officials (AFDO) in Williamsburg, Virginia.
- **Tyson Foods, Inc., Recalls Chicken Nuggets and Breaded Breast Fillets:** On June 8, Tyson Foods, Inc., of Hope, Arkansas, voluntarily recalled 126,240 pounds of chicken products because of four complaints of contamination with wire from a wire mesh conveyor belt.
- **California Company Recalls Dry, Semi-dry Sausages:** On June 4, Shahbaz Meat Products of Sun Valley, California, recalled approximately 250 pounds of Soujouk Dry, Semi-Dry Sausages, ARI Brand, for contamination with *Listeria monocytogenes*, which USDA discovered through its routine monitoring program.
- **Canadian Company Recalls Dry Sausages:** On June 2, after Agriculture Canada notified USDA of a voluntary recall by a Canadian company, USDA notified U.S. consumers that the Venetian Meat and Salami Company Ltd. of Hamilton, Ontario, was voluntarily recalling its products from distribution in the United States, after a test sample was found positive for *E. coli* 0157:H7.
- **USDA Enforces Meat inspection Rules:** On June 5, USDA officials temporarily suspended inspection at IBP, Inc., of Palestine, Texas, for inhumane livestock slaughter.

- **Presidential Initiative On Race:**

- **USDA/NAACP Joint Venture On Civil Rights:** Planning and coordination is continuing for a Workshop on African American Farmers and Black Land Loss at the NAACP Convention, July 11-18 in Atlanta, Georgia. A display will be developed which will show the plight of the African American Farmer and Black Land Loss, as well as highlight the cooperative efforts underway between USDA and NAACP.
- **USDA Assisting Choctaw Nation:** USDA's Office of Small and Disadvantaged

Business Utilization (OSDBU) and the Risk Management Agency staff traveled to Hugo, Oklahoma for a working session with representatives of the Choctaw Nation, local economic development officials, and UNISYS, to finalize details for development of the model demonstration site and to establish the Choctaw 8(a) company. UNISYS will serve as a mentor to this company for business establishment and for in-depth technical support. RMA has been very active and supportive of the project, bringing rural America venture opportunities, and has identified contracts that will be directed toward this program. USDA's establishment of the company, recruitment of local staff, and contract will be awarded by July with work underway shortly after.

### **III. NOTABLE CONGRESSIONAL ACTIVITY**

- On June 4, the House Committee on Education and the Workforce marked up and reported for House consideration a bill to reauthorize Child Nutrition Programs and the WIC Program.
- On June 9, the Senate Appropriations Subcommittee on Agriculture, Rural Development and Related Agencies marked up the FY 1999 Agriculture Appropriations bill.
- On June 10, the House Appropriations Subcommittee on Agriculture, Rural Development, FDA and Related Agencies marked up the FY 1999 Agriculture Appropriations bill.
- On June 10, the Senate Agriculture Committee held a hearing on livestock issues, including demand, overseas development, pricing, industry structuring and other related subjects. Keith Collins, Chief Economist, testified.
- On June 10, the House Agriculture Subcommittee on Forestry, Resource Conservation, and Research will hold a hearing on EPA's phase-out of methyl bromide, an ozone-depleting pesticide used to control insects, nematodes, weeds, pathogens, and rodents. Keith Pitts, Special Assistant for Pesticide Policy, Natural Resource Conservation Service, will testify.
- On June 11, the Senate Appropriations Committee is scheduled to mark up the FY 1999 Agriculture Appropriations bill.
- On June 11, the House Agriculture Committee has tentatively scheduled a hearing on the Timber Sales Program Information Reporting System (TSPIRS). Jim Lyons, Under Secretary for Natural Resources and Environment, will testify.
- On June 11, the Senate Energy and Natural Resources Committee will hold an oversight

hearing on the recreational fee demonstration program. Lyle Laverty, Director of Recreation, U.S. Forest Service, will testify.

- On June 16, the House Appropriations Subcommittee on the Interior is scheduled to mark up the FY 1999 Interior Appropriations bill.
- On June 16, the Senate Appropriations Subcommittee on the Interior is scheduled to mark up the FY 1999 Interior Appropriations bill.
- On June 17, the House Agriculture Committee will hold a hearing on multilateral negotiations on agricultural trade with Africa and the Middle East scheduled to begin in 1999. Witness to be announced.
- On June 18, the House Agriculture Committee will hold a hearing on H.R. 3765, a bill to gradually increase the fees paid by current holders of Forest Service special use permits and to examine the appraisal process of recreation houses or cabins used by the Forest Service.

#### **IV. SECRETARY'S SCHEDULE**

- From June 10-11, Secretary Glickman will attend the U.S.-Mexico Binational Commission meetings at the State Department.
- On June 15, Secretary Glickman will be in Hayesville, Kansas, inspecting the damage at a deBruse Grain elevator complex which exploded Monday the 8th.

#### **V. DEPUTY SECRETARY'S SCHEDULE**

- On June 12, Deputy Secretary Rominger will attend a Georgia Department of Agriculture certification of Georgia as a Brucellosis free state Macon, Georgia.

#### **VI. SUB-CABINET SCHEDULE**

- From June 10 - 11, Under Secretary Schumacher will attend the U.S.-Mexico Binational Commission Meetings, at the State Department.
- On June 10, Under Secretary Watkins will speak on "Social Marketing: New Imperative for Healthy Eating and Physical Activity," in Los Angeles, California.
- On June 10, Under Secretary Woteki will participate in a U.S.-Mexico Binational

- Committee meeting at the State Department.
- From June 10-11, Assistant Secretary Dunn will attend the U.S. Mexican Binational Commission Meeting in Washington, D.C.
- On June 12, Assistant Secretary Dunn will speak at the Midwest Area River Coalition 2000 Meeting in St. Louis, Missouri.
- From June 16 - 19 Under Secretary Schumacher will attend and address the International Grains Conference, in London, England.
- On June 16, Under Secretary Watkins will speak at the annual conference of the Grocery Manufacturers of America, White Sulphur Springs, West Virginia.
- On June 17, Under Secretary Watkins will address the 8<sup>th</sup> Annual Benefit for the Campaign to End Childhood Hunger, sponsored by the Food Research and Action Center, Washington DC.
- On June 17, Under Secretary Watkins will address the 25<sup>th</sup> Tennessee School Food Service Association State Conference, Memphis, Tennessee.
- On June 18, Assistant Secretary Dunn will speak at the Opening of the Frances Krim Memorial Inspection Station in Linden, New Jersey.

## VII. MEDIA INQUIRIES/AMPLIFICATION

### **Inquiries:**

- NBC's "Dateline" requested safe handling information for use in its June 8 segment on adulteration of hamburger at the retail level.
- ABC's "Nightline" will interview a Forest Service firefighter who has just returned from Mexico about the forest fires there, for a segment scheduled for June 11.
- *Forbes* magazine contacted USDA for annual meat consumption statistics.

### **Amplification:**

- **Disaster Assistance/Fires:** Secretary Glickman traveled to Mexico June 3-5 at President Clinton's request to view fire damage and meet with Mexican officials to pledge continued U.S. support to the Government of Mexico. The Secretary was accompanied by U.S. Agency for International Development Administrator J. Brian Atwood and U.S. Forest Service Chief Mike Dombeck on a visit near Tuxla Gutierrez

June 4 to view efforts to combat the forest fires. Reuters and Agence France Press and Knight Ridder joined the Secretary for the site visit, and *USA Today* accompanied the Secretary for the entire trip. On June 5, the Secretary met with reporters from the Associated Press, Reuters, *The New York Times*, *The Washington Post*, *The Los Angeles Times*, the *Dallas Morning News*, the *San Antonio Express*, the *Fort Worth Star-Telegram* (Knight-Ridder), the *Houston Chronicle*, *USA Today*, *Newsweek*, *Time*, *Austin-American Statesman* (Cox Newspapers), *Wall Street Journal*, *Chicago Tribune*, and Copley News Service (*San Diego Union Tribune*) at an invitation-only breakfast in Mexico City June 5.

- **Ag research bill passage:** The Secretary thanked Congress in a June 4 statement "for listening to the American people" and passing the Agricultural Research, Extension, and Education Act of 1998, and praised Senators Lugar and Harkin and Congressmen Stenholm and Smith for "preserving a carefully crafted compromise bill." The Secretary also said that President Clinton, Vice President Gore, and he are "very pleased that the bill restores food stamp benefits for our most vulnerable legal immigrants -- children, seniors, those with disabilities, and veterans of U.S. wars."
- **Farm Tour:** Secretary Glickman traveled to North Dakota and Minnesota June 8 to meet with farmers in a forum at the University of North Dakota in Grand Forks. The Secretary talked about the Clinton Administration's commitment to a strong farm safety net and to helping Northern Plains farmers and ranchers through a difficult economic period. Media covering the forum and the media availability that followed: All local network affiliates (NBC, CBS, NBC), the Red River Farm Network, *Farm and Ranch Guide*, *Devils Lake Daily Journal*, KNOX (Grand Forks), The Forum (Fargo, Moorhead), WDAZ-Television (Grand Forks, Devils Lake), and KCNN. The Secretary also visited a farm in each state -- in East Grand Forks, Minnesota, and Grand Forks, North Dakota. North Dakota and Minnesota media covered the Secretary at the forum and accompanied him the farm visits.
- While in North Dakota and Minnesota, the Secretary announced:
  - A \$11 million program to give dairy producers in selected counties a financial incentive to use options to manage their price risks -- the new Dairy Options Pilot Program (DOPP), which helps producers create their own financial safety net by purchasing exchange-traded options on the price of their milk;
  - A series of initiatives to enhance the quality of life for people in North Dakota: an additional \$200,000 in research to help farmers combat wheat scab and major changes in the management of national grasslands;
  - \$3 million in risk management education grants to help farmers and ranchers compete in local and global markets. A \$248,000 grant has been awarded to South Central Technical College in North Mankato, Minnesota, to fund an

integrated risk management education program for agricultural producers in North Dakota, South Dakota, and Minnesota. The goal is to help Northern Plains farmers learn to balance production, price, market, legal, and personnel risks in their operations.

- USDA issued a backgrounder, "The Clinton Administration and the USDA Making a Difference in Minnesota Agriculture," that describes USDA efforts to enhance the quality of life for the people of Minnesota and America through programs that benefit production agriculture, help develop rural communities, and provide economic opportunities for farm and rural residents.
- **Rural Initiatives, Homeownership:** Secretary Glickman is participating in a self-help housing event in Taneytown, Maryland, June 9. Joined by several USDA employees, the Secretary is helping raise walls at a rural housing development, the future home for 22 families or individuals. These single-family homes -- most for Americans who thought they would never share in the American dream of homeownership -- are being built under USDA's Mutual Self-Help Housing Program in which low-income rural dwellers achieve homeownership through "sweat equity." The event is part of National Homeownership Week, the Secretary said, and USDA is playing "a key role in President Clinton's drive to create 8 million new homeowners by the end of the year 2000." Homeownership in the United States is at a record high, the Secretary said, and President Clinton "is determined to boost that record by the end of his presidency." Ag media and USDA radio and television are covering the event.
- **Public Service:** Secretary Glickman will speak at the USDA Honor Awards ceremony June 10, emphasizing the importance of public service.
- **Environment:** Secretary Glickman will address the Recreation Roundtable Conference on Capitol Hill, June 10. His remarks will focus on the importance to the recreation and tourism industry of sustaining a healthy environment.
- **Fair Trade, WTO:** The Secretary's radio address on world trade, which emphasized fair trade and the importance of enforcing WTO standards, was made available to radio stations through the USDA Radio Newslines. Sixty-six callers (stations and networks) accessed the message, representing than 650 stations. USDA also sent the message on cassette to 700 subscribers, which means the message reached almost every regional, state, and farm network, a total of about 3,000 radio stations.
- **Food Security:** Deputy Secretary Richard Rominger delivered a speech on USDA's role in global food security to the Association for International Agriculture and Rural Development's 34th annual meeting in Washington, D.C., June 8.
- **Technology, Better Government, Rural Issues:** Deputy Secretary Richard Rominger

spoke to the Minority-Owned Business Technology Transfer Consortium -- the First Annual Federal Government Interagency Technology Day -- at USDA June 1. Mr. Rominger said that USDA offers business one of the best opportunities for investment. The Department, he pointed out, works closely with the agriculture industry and knows its needs and problems. Thus, he said, there is a market for USDA's innovations, which are moving science forward, both commercializing technologies and resulting in raising the quality of life in rural America.

- **Disaster Assistance/drought:** Deputy Secretary Richard Rominger spoke to the Western Drought Coordination Council, a group of federal, state, and local officials that coordinates drought response efforts, in Albuquerque, New Mexico, June 4. He discussed the progress in creating a framework for better federal/state coordination in responding to drought, and asked the Council to offer recommendations for long-term planning.

### VIII. FOIA REQUESTS

- The *Food Chemical News* has requested all information and documents associated with the importation of ruminant-derived products from BSE restricted countries in Europe. The Government Accountability Project has requested a copy of the background information concerning the "Special Survey on Humane Slaughter and Ante-mortem Inspection," dated March 1998.
- A second release of records contained in Disney's Animal Kingdom investigative report was prepared and mailed to Associated Press, on June 2.

### IX. WEEKEND CONTACT

Greg Frazier

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June 17, 1998

**Memorandum For The President**

**Through:** The Honorable Erskine Bowles  
**From:** Secretary Dan Glickman  
**Subject:** Report for Week of June 17, 1998

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**USDA Fact Of The Week**

Dollar for dollar, the U.S. exports more wheat than steel, more meat than aluminum, and more fruits and vegetables than ships and boats combined.

**I. KEY DEPARTMENT NEWS**

- **Secretary Improves Exchange Of Grain Elevator Safety Information; Acts to Ease Storage Problems In The Wake of Kansas Explosion:** Secretary Glickman announced during his June 15 tour of the DeBruce Grain Elevator explosion site in Haysville, Kansas, that USDA will execute an agreement with OSHA to facilitate sharing of information between the 2 agencies, concerning safety problems that USDA inspectors may uncover during their examinations. In addition, the Secretary met with state, industry, and farm officials during the tour, and announced emergency steps he will take to ensure that adequate storage is available for this year's harvest, now just beginning in the area.
- **USDA Responds To Drought Conditions:** USDA has authorized emergency grazing of Conservation Reserve Program acreage in 4 states, Montana, North Dakota, South Dakota, and Texas, where severe weather conditions have depleted hay supplies or impaired the growth of hay and pasture this year. In addition, USDA has allocated \$730,000 in Emergency Conservation Program funds to six Montana counties to help livestock producers provide water to livestock.
- **USDA Reports Success With New, Environmentally Benign Pest Control Program:** During 1997, USDA supported tests of a form of virus that reduced budworm and bollworm populations by 83 percent in an 100,000-acre experimental area, paving the way for widespread use of this low cost, effective, and environmentally friendly pest control technique.

- **Final Plans Taking Shape On International Conference On Women In Agriculture:** USDA expects over 1000 participants at the Second International Conference on Women in Agriculture, of which the First Lady is serving as Honorary Chairwoman, sponsored by the President's Interagency Council on Women, June 28-July 2. Confirmed speakers include Mrs. Gore, Secretary of State for Agriculture Gilbert Normand of Canada, Princess Nylinga of Uganda, and First Lady Elizabeth Aguirre de Calderone of El Salvador.
- **Florida Medfly Update:** USDA and state officials plan additional aerial applications of malathion in Manatee County within 7 to 10 days. Crews continue the ground application of malathion bait and the release of sterile flies there, and in Umatilla county.
- **USDA Assists China In Developing A Beef Grading System:** With technical assistance from the LS Program and funding from the USDA Cochran Fellowship Program, a Chinese team will tour U.S. beef packing, processing, distribution, and retailing industries, universities, research institutions, and industry associations as part of USDA's program to help China implement a modern beef grading system.
- **USDA Takes Action Against Dairy "Short Weighting":** On June 1, USDA suspended and proposed to debar HyPoint Farms, Inc.; a Wilmington, Delaware dairy serving public institutions, including schools participating in the national school lunch program, after Delaware State Weights and Measures inspectors conducted tests on 30 lots of milk produced by HyPoint and found serious short weighting.
- **Exotic Newcastle Disease Found In California:** On June 7, animal health officials in California discovered a case of exotic Newcastle disease in a barnyard flock of game chickens in Fresno, California; the discovery will lead to restrictions by several countries on exports of raw poultry from the entire state. The U.S. has not had a case of exotic Newcastle disease in commercial flocks since 1971.
- **Cotton Export Subsidies Continue At Brisk Rate:** As of June 5, after 48 weeks of continuous payment rates, \$226.3 million of payments have been requested by participants in the Upland Cotton Marketing Certificate Program, commonly referred to as Step 2, leaving only \$475 million available for the rest of the life of the 1996 Farm Bill.
- **Canadian Junk Wheat Filters into Southeastern U.S.:** 3 rail cargoes of Canadian feed-quality wheat are, according to reports USDA has received, bound for North Carolina. The last time such a sale took place, 3 to 4 years ago, it triggered protests from farmers and traders; USDA expects a similar reaction to this sale.
- **New USDA Report Projects Agricultural Benefits Of Hemispheric Free Trade:** On

June 23, USDA will release a report projecting increased agricultural exports from a free trade agreement of the Americas, provided that the U.S. participates, and negative effects if such an agreement is formed without the U.S.

**Commodity Markets in Review:** Cash and futures prices for wheat fell last week as the harvest proceeded without incident, yields have been higher than expected, and export sales continued weak. Cash corn prices fell last week on heavier farmer selling, but new-crop futures prices advanced slightly following private forecasts for dry weather in late June and July. Soybean cash and futures prices dropped on excellent crop conditions. Cash and futures rice prices rose last week, as stocks of long-grain rice remain tight and export business continues to be brisk. Cotton prices moved higher, as the Texas High Plains remained dry. Rising wholesale beef prices helped boost cattle prices. Cash hog prices rose last week, on slightly lower slaughter weights, but futures fell. Broiler prices also advanced, as demand for parts continues to be good. Butter prices surged last week, indicating continued strong demand for butterfat. Strong demand continues to support cheese prices.

**Average prices for the week ending June 12, 1998**

<b>Commodity</b>	<b>Weekly price</b>	<b>Change from a week ago</b>	<b>Change from a year ago</b>
Wheat \$/bu	2.99	-0.08	-1.31
Corn \$/bu	2.32	-0.07	-0.41
Soybeans \$/bu	6.13	-0.10	-2.18
Rice \$/cwt	10.42	0.14	-1.80
Cotton ¢/lb	72.11	0.19	1.49
Steers \$/cwt	64.02	0.56	0.82
Hogs \$/cwt	42.78	0.98	-14.37
Broilers ¢/lb	61.04	0.75	1.21
Cheese \$/lb	1.54	0.05	0.37
Butter \$/lb	1.90	0.16	0.77
Milk \$/cwt	13.44	+0.23	NA

## II. USDA WORK ON PRESIDENTIAL INITIATIVES

- **Presidential Initiative On Food Safety:**

- **Strawberry Company And Executive Sentenced:** On June 15, Andrew & Williamson Sales Co., Inc., and Fred L. Williamson, were sentenced for selling Mexican strawberries to USDA as a subcontractor in connection with contracts to provide product to the school lunch program. The contracts required the strawberries to be 100% U.S. grown, and they were implicated in an outbreak of hepatitis A in Michigan. The court sentenced the company to pay a \$200,000 criminal fine and \$150,000 in restitution. The company previously agreed to a \$1.3 million civil settlement, which includes the \$150,000 restitution. Williamson was sentenced to five months in jail and five months of home detention.
- **USDA Monitors Ground Beef Recall:** On June 12, Shaw's Supermarkets of New Hampshire, recalled store-produced frozen ground beef from its 134 New England stores, after laboratory tests confirmed the presence of *E. coli O157:H7* bacteria in hamburger samples taken from two stores.
- **USDA Announces Sausage Recall:** On June 12, USDA announced that Shahbaz Meat Products, Inc., a Sun Valley, California, meat processing firm, is recalling about 38 pounds of semi-dry sausage that may be contaminated with *Listeria monocytogenes* bacteria, distributed in the greater Los Angeles area.

- **USDA Enforces Meat Inspection Rules:**

- On June 11, USDA suspended operations at Longmont Foods, Boulder, Colorado, because of recurring pre-operational sanitation failures.
- **USDA Grants 120-Day Voluntary Suspension to Detroit Plant:** On June 10, USDA suspended for 120 days operations at Superior Provision Company, Detroit, Michigan, as a result of recurring SSOP failures, and failures to assure USDA that the plant will take corrective action and make permanent preventive measures.

- **Presidential Initiative On Race:**

- **Empowerment Zones/Enterprise Communities (EZ/EC) Round II:** As of June 12, USDA had received 108 rural "Notices of Intent to Participate" in Round II.
- **USDA Signs MOA To Help Minority Farmers:** USDA's Natural Resource Conservation Service has concluded a Memorandum of Agreement with the Minority Business Technology Consortium, and the Agricultural Research Service, to make agricultural technology more readily available to minority

farmers and rural communities through the local Resource Conservation and Development Councils.

- **Presidential Initiative Against Fraud And Abuse:**
  - **USDA Operation Against Food Stamp Fraud Continues:** During the past week, USDA's Operation Talon, which matches food stamp rolls against warrants for fugitives, resulted in 33 new arrests, bringing the operation's total to 2884. USDA continues operations in 7 locations.

### III. NOTABLE CONGRESSIONAL ACTIVITY

- **USDA Appropriations Bills Advance:** Committee action has been complete in both bodies on the FY99 agricultural appropriations bills and USDA expects the House to consider its version next week; Senate action may occur at the same time or the following week. In the House, USDA continues to work to include in the bill an amendment that would waive the statute of limitations which prevents USDA from settling certain civil rights cases. Both bills, while deficient in several key areas, including food safety, research, WIC, and rural development, about which the Administration has expressed its opposition, do also contain provisions the Administration strongly supports to clarify that USDA export credit guarantees are exempt from India and Pakistani nuclear proliferation sanctions laws.

In separate, but related developments, both bodies will begin considering the FY99 interior appropriations bill, which funds the Forest Service. The House subcommittee marked up its bill on June 17, with full Committee action expected next week, which is when the Senate subcommittee plans to take up its version of the legislation.

- On June 17, the Senate Energy and Natural Resources Subcommittee on Forests and Public Land Management will hold a hearing on legislation that would restructure the programs of the Forest Service and the Bureau of Land Management, and clarify their responsibilities in order to eliminate confusing and conflicting mandates and bureaucratic overlap. Jim Lyons, Under Secretary for Natural Resources and the Environment, will testify.
- On June 18, the House Agriculture Committee will hold a hearing on H.R. 3765, a bill to gradually increase the fees paid by current holders of Forest Service special use permits, and to examine the appraisal process of recreation houses or cabins used by the Forest Service. Gloria Manning, Associate Chief for Administration, U.S. Forest Service, will testify.
- On June 23, the House Resources Subcommittee on Forest and Forest Health will hold a

hearing on Forest Service law enforcement. Bill Wasley, Director of Law Enforcement, U.S. Forest Service, will testify.

- On June 24, the House Agriculture Subcommittee on Forestry, Resource Conservation and Research, plans to mark up agricultural credit legislation.
- On June 25, the House Resources Subcommittee on Forests and Forest Health will hold a hearing on Forest Service training programs. Ron Stewart, Deputy Chief of Programs and Legislation; Clyde Thompson, Director, Human Resources Management; and Steve Nelson, Associate Chief for Administration, U.S. Forest Service, will testify.
- On June 25, the House Agriculture Subcommittee on Department Operations, Nutrition, and Foreign Agriculture will hold a hearing on implementation of the Food Quality Protection Act. Keith Pitts, Special Assistant to the Deputy Secretary, will testify.
- On June 25, the House Agriculture Subcommittee on General Farm Commodities will hold a hearing on the Administration's use of agricultural export programs. Gus Schumacher, Under Secretary for Farm and Foreign Agricultural Service, will testify.

#### **IV. SECRETARY'S SCHEDULE**

- On June 19, Secretary Glickman will meet with Japanese Minister of Agriculture, Forestry, and Fisheries Yoshihobu Shimamura. They will discuss global agricultural trade.
- On June 22, Secretary Glickman will attend the Vice President's Forum on Families and Health, in Nashville, Tennessee.
- From June 23-28, Secretary Glickman will accompany the President to the People's Republic of China.

#### **V. DEPUTY SECRETARY'S SCHEDULE**

- On June 21, Deputy Secretary Rominger will give the commencement address at the University of California at Davis, in Sacramento, California.

#### **VI. SUB-CABINET SCHEDULE**

- From June 17-19, Under Secretary Schumacher will attend and address the International Grain Conference, in London, England.

- On June 17, Under Secretary Watkins will address the 8<sup>th</sup> Annual Benefit for the Campaign to End Childhood Hunger, sponsored by the Food Research and Action Center, Washington, DC.
- On June 18, Under Secretary Woteki will make a presentation on nutrition at the Sixth International Symposium on Statistics and Nutrition, Purdue University, West LaFayette, Indiana.
- On June 18, Assistant Secretary Dunn will speak at the Opening of the Frances Krim Memorial Inspection Station in Linden, New Jersey.
- On June 22, Under Secretary Woteki will participate in a panel discussion entitled "Food Safety Papparazzi: Fact or Fiction" at the Institute of Food Technologists' annual meeting in Atlanta.
- On June 23, Under Secretary Watkins will address the 25<sup>th</sup> Tennessee School Food Service Association State Conference, Memphis, Tennessee.
- On June 25, Assistant Secretary Dunn will speak to the Florida Department of Agriculture/Florida Cattlemen's Association in Marco Island, Florida.

## VII. MEDIA INQUIRIES AND AMPLIFICATION

### Inquiries:

- Numerous calls from media around the country have sought information about potential trade sanctions against India and Pakistan, including callers from the *New York Times*, *Seattle Post-Intelligencer*, Bridge News, Bloomberg, and Voice of America.
- The Memphis *Commercial Appeal* requested background on federal efforts to combat fraud in the Child and Adult Care Food Program (CACFP).
- The *Boston Globe* requested information about the use of house and generic brands in an effort to save funds in WIC, and about the study on the use of such brands that may be part of the reauthorization package.
- ABC News is doing a story June 17 on the Dawson Workers Cooperative, Dawson, Georgia, which received a \$1.4 million Community Adjustment and Investment Program (CAIP) loan on March 31.
- Reporters with the *Associated Press* and the *Orlando Sentinel* requested information on Disney's Animal Kingdom and the recent Animal Welfare Act investigation into the

facility.

- There were numerous calls about the Wichita grain elevator explosion, including ABC, CBS, *Wichita Eagle*, *Grain Journal*, and *Associated Press*. The *Wichita Eagle* also asked about the Secretary's trip to Kansas.

**Amplification:**

- **Rural Initiatives, Homeownership:** Secretary Glickman participated in a self-help housing event in Taneytown, Maryland, June 9. Joined by several USDA employees, the Secretary helped raise walls at a rural housing development, the future home for 22 families or individuals. These single-family homes -- most for Americans who thought they would never share in the American dream of homeownership -- are being built under USDA's Mutual Self-Help Housing Program in which low-income rural dwellers achieve homeownership through "sweat equity." The event is part of National Homeownership Week, the Secretary said, and USDA is playing "a key role in President Clinton's drive to create 8 million new homeowners by the end of the year 2000." Homeownership in the United States is at a record high, the Secretary said, and President Clinton "is determined to boost that record by the end of his presidency." The *Baltimore Sun* (reporter and photographer), the *Frederick News Post* (reporter and photographer), and the *Carroll County Times* covered the event, which was recorded by USDA TV. The Secretary also discussed the program in a one-on-one with the *Baltimore Sun*. USDA Satellite News featured a segment on National Home Ownership Week, including reports from the Taneytown event.
- **Environment:** Secretary Glickman addressed the Recreation Roundtable Conference of executives from the recreation industry, on Capitol Hill, June 10. His remarks focused on recreation in our national forests, and the importance of public/private partnerships in the areas of recreation and tourism.
- **Rural Initiatives:** Secretary Glickman issued a statement supporting the Federal Communications Commission for taking strong action to fund universal service support for rural and high cost areas, and to preserve the e-rate, pointing out that "affordable access to telecommunications technologies is critical to rural communities, schools, libraries, and health care providers," and is "good for rural development."
- **U.S.-Mexico Binational Commission Meeting:** Secretary Glickman participated in the 15th U.S.-Mexico Binational Commission meeting June 10 at the Department of State. The Secretary, as co-chair with the Mexican Agriculture Secretary of the Working Group on Agriculture, discussed several proposals by the U.S. and Mexican governments to reduce unnecessary sanitary-phytosanitary regulatory barriers and improve cooperation in food safety, research, and other key areas.

- **Trade:** The Secretary's biweekly radio address focused on the Administration's support for legislation that will allow agricultural export credits to be exempt for the sanctions the United States is imposing on India and Pakistan.
- **Interview On Agriculture, Trade, Environment:** Deputy Secretary Richard Rominger held a taped telephone interview with KGHL Radio, Billings, Montana, June 11. Topics included cattle trade with Canada, wheat exports, the Administration's requests for modifications in the 1996 Farm Bill, crop insurance for alternative crops, and fine-tuning of the Conservation Reserve Program.
- **Trade:** Deputy Secretary Richard Rominger told the Young Cattlemen's Conference, meeting at USDA June 11, that the future of the beef industry lies largely in trade with countries that have growing economies. He discussed the current financial crisis in Asia and its affect on the beef industry. Mr. Rominger said USDA helps boost current low livestock prices through credit guarantees and by purchasing -- now and in the future -- beef products.

#### VIII. FOIA REQUESTS

- The Government Accountability Project requested documents concerning any beef or beef product exported from Australia that was rejected for any reason from September 1997 to June 1998, and documents on countries banned from exporting beef or beef products to the United States from January 1990 to June 1998.
- The *Los Angeles Times* asked for copies of USDA correspondence with Senators Lott, Daschle, and McConnell, and Representative Burton.

#### IX. WEEKEND CONTACT

Greg Frazier

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Pager: 800.710.5528

June 24, 1998

**Memorandum For The President**

**Through:** The Honorable Erskine Bowles  
**From:** Secretary Dan Glickman  
**Subject:** Report for Week of June 24, 1998

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**USDA FACT OF THE WEEK**

USDA research has yielded 2 major human health advances; in one project, researchers have discovered that enzymes in horseradish can be used to lower the cost of producing certain anti-cancer drugs, and can do so more quickly than conventional methods; in another project, USDA researchers have developed a new technique to measure a pregnant mother's water weight gain, thereby enabling doctors to monitor better the fetus' weight gain to reduce the risk of low birth weight babies.

**I. KEY DEPARTMENT NEWS**

- **President Signs Ag Research Bill:** In a Rose Garden ceremony on June 23, the President signed into law the agricultural research bill that provides funding for agricultural research and rural development programs, stabilizes the federal crop insurance program with assured funding over the next 5 years, and restores food stamps for certain legal immigrants.
- **USDA Appropriations Bills Move Forward:** On June 24, the House completed action on the FY99 agricultural appropriations bill, which falls short in funding the Department's food safety and rural development programs and the WIC program, among others - objections the Secretary raised with the House leadership in a letter on June 22. The bill does, however, include the Administration's provision to waive the statute of limitations to enable USDA to resolve properly certain civil rights cases. Further action on the Senate version of the legislation will not occur until after the upcoming July 4<sup>th</sup> congressional recess.

Both Appropriations Committees readied their respective versions of the FY99 interior appropriations bill for floor action. USDA is continuing its analysis of the legislation but to date has noted several objectionable provisions, include restrictions on the Columbia

River Basin Initiative, land acquisitions carried out through the Land and Water Conservation Fund, and increased funding for timber sales; on a more positive note, the House version of the legislation does include the Administration's proposal to terminate the Forest Service's purchaser road credit program.

- **Secretary Glickman in Trade Talks with Chinese Officials:** In advance of the President's trip to China, Secretary Glickman arrived in Beijing on June 24 for 2 days of negotiations with senior Chinese officials on agricultural trade matters. In addition, Secretary Glickman will meet with US farm and agribusiness officials, and tour Chinese agricultural research facilities. During his return, Secretary Glickman will stop in Hawaii to tour USDA facilities, with Congressman Abercrombie.
- **Forest Fires Update:** As of June 24, 8 fire complexes, were burning approximately 109,000 acres in Florida. Meanwhile, fires in the 1000-2000 acre range were burning in west Texas, eastern Washington, and Utah, while a 60,000 acre fire in Alaska continues burning. To date this fire season, the Forest Service reports 29,000 fires, just 70% of the 10 year average, involving 662,000 acres, 80% of the 10 year average. Hot and dry conditions in Florida, Georgia, New Mexico, and Texas continue the possibility for additional fires in those areas.

In Mexico, 34 fires, involving 34,000 acres were burning as of June 18. 17 of the fires have been controlled; recent rains in Oaxaca and Chiapas have diminished fire activity, permitting US personnel to concentrate their efforts on training Mexican fire fighting officials.

- **USDA Boosts Rural Development:** On June 22 Secretary Glickman awarded more than \$17.2 million in Rural Economic Development Loans and Grants in 19 states to support the development and expansion of rural businesses, creating and preserving 3,758 rural jobs.
- **Florida Medfly Update:** USDA completed the seventh and final aerial application of malathion in Umatilla, and will begin intensified trapping to verify treatment efficacy prior to the removal of quarantine status.

In Bradenton, USDA conducted the second, and potentially last aerial application of malathion, on June 17.

- **Year 2000 --Special Meeting of Sub-Cabinet and Agency Administrators:** Secretary Glickman held a joint meeting of the USDA sub-cabinet and agency administrators on June 17, to address Year 2000 challenges, including oversight, priority setting, barriers to success, and the approach that USDA will take in addressing report findings.
- **North Dakota Agricultural Processors and Wholesalers Targeted for Secretary's**

**Export Initiative:** USDA's Foreign Agricultural Service, working with the State's Department of Agriculture and the Mid-America International Agri-Trade Council, is leading an outreach effort to stimulate North Dakota's value-added agricultural exports and support the Department's effort to generate additional economic activity in the depressed sector of the State. During the week of June 15, FAS completed an outreach mailing of export assistance materials to more than 1,200 agricultural processors and wholesalers in the state, including more than 400 grain establishments handling grain and soybean commodities.

- **Northern Plains Crop Losses Soar:** Continued drought conditions throughout much of the Northern Plains has affected this years' crops for many farmers, many of whom are already suffering multiple years of agriculture related losses.

Eight Montana counties in the northeastern part of the state are experiencing extreme drought, and 16 counties in the northwest and southeast are experiencing moderate drought. The estimated crop insurance liability at this time is \$410 million in Montana.

Five North Dakota counties in the west-central part of the state are experiencing severe drought; moderate drought is reported in 12 counties in the southwest corner of the state. Insurance liability at this time is \$1.4 billion.

Five South Dakota counties in the northwestern part of the state are experiencing moderate drought. USDA has estimated the crop insurance liability at this time at \$1.0 billion.

- **Agricultural Opportunity Fair:** On June 27, with state and local officials participating, USDA initiated an Agricultural Opportunity Fair in Columbia, Kentucky, designed to showcase opportunities in the agricultural sector for nearly 7,000 displaced textile workers in Adair, Casey, Green, Russell, and Taylor Counties.
- **USDA Promotes Food Recovery:** USDA officials in Illinois and the Illinois Council of Churches will co-host a gleaning and food recovery workshop on June 26 in Springfield, to help interested groups learn needed skills and share information. Topics will include "How to start a gleaning or food recovery project," "What works-what doesn't," and "Getting the community involved," and will include sessions on farmers' markets, transportation issues, and interstate partnership possibilities.
- **Volunteer Effort Helps to Save Beach Along Gulf of Mexico:** More than 50 volunteers from USDA's Natural Resource Conservation Service's Earth Team, working with state officials, recently constructed almost a mile of sand trapping fence along the Louisiana coast; This effort, the second such project, has resulted in nearly 10,000 feet of fence being built to help trap sand and sediment along the beach to help rebuild sand dunes.

- **Celebration To Mark Site of First Upstream Flood Control Dam:** On July 3, USDA will mark the 50th anniversary of the first upstream flood control dam built in the nation at a celebration in Cordell, Oklahoma; during which USDA's chief conservationist will join with U.S. Congressman Frank Lucas and Oklahoma Governor Frank Keating.
- **Jamaica Buys U.S. Rice:** On June 11, Jamaica purchased 6,200 metric tons of long grain, milled rice under USDA's PL 480 program.
- **USDA Makes Foreign Food Aid Available:** On June 16, USDA donated approximately 3,000 metric tons of soybean meal, and 4,300 metric tons of corn oil to Mercy Corps International and Winrock International, both private voluntary organizations, for use in assistance and development projects in Kazakstan.

On June 17, USDA signed a FY 1998 Food for Progress agreement with Partners for Development, under which USDA will provide approximately 8,400 metric tons, worth \$1.2 million, of much needed wheat to Bosnia. This agreement is the first of multiple agreements and represents the initial tranche of the total \$10 million of wheat USDA intends to provide to Bosnia during this calendar year.

- **USDA Boosts Dairy Export:** From June 11-17, USDA approved subsidies facilitating the export of 1,000 metric tons of nonfat dry milk to the Caribbean and Mexico.
- **Butter Prices Reach Record Levels:** In trading last week, butter prices rose to \$1.95 per pound, 82 cents above a year ago, on USDA reports that butter stocks are down 30 percent from a year earlier, attracting considerable media interest.
- **Commodity Markets in Review:** Corn and soybean prices were higher last week, on fears of hot, dry conditions developing in the Corn Belt. Wheat cash and futures prices also moved up, mostly following corn and soybeans higher. Rice cash prices held steady, but futures fell as the July contract was liquidated. Cotton cash and futures prices advanced on continued concerns over weather and crop conditions in Texas. Cattle prices fell last week, as traders anticipate continued high output of fed beef. Hog prices declined slightly, as large hog numbers weigh on the market. Broiler prices rose slightly as demand for parts continues brisk. Butter prices continued skyward, as stocks fall. Cheese prices were also up on good demand.

**Average prices for the week ending June 19, 1998**

<b>Commodity</b>	<b>Weekly price</b>	<b>Change from a week ago</b>	<b>Change from a year ago</b>
Wheat \$/bu	3.03	0.04	-0.89
Corn \$/bu	2.38	0.06	-0.27
Soybeans \$/bu	6.25	0.12	-2.06
Rice \$/cwt	10.42	0.00	-1.80
Cotton ¢/lb	73.04	0.93	1.89
Steers \$/cwt	63.37	-0.65	-0.93
Hogs \$/cwt	42.15	-0.63	-15.35
Broilers ¢/lb	62.27	1.23	2.20
Cheese \$/lb	1.56	0.02	0.39
Butter \$/lb	1.95	0.05	0.82
Milk \$/cwt	13.04	-0.40	NA

**II. USDA WORK ON PRESIDENTIAL INITIATIVES**

- **Presidential Initiative on Welfare Reform:**
  - **Food Stamps for Legal Immigrants:** Food stamps for certain legal immigrants, which were eliminated in the 1996 welfare reform bill, were restored when the President signed the agricultural research bill on June 23 – see Key Department News.
  - **Samoa Reinstates Nutrition Assistance Benefits, Northern Mariana Islands Declines:** On June 12, USDA amended the memorandum of understanding governing American Samoa's Nutrition Assistance Program (NAP) to restore eligibility for NAP benefits to the 1,200 elderly individuals made ineligible by the non-citizen provisions of the 1996 welfare reform legislation. The Governor of the Commonwealth of the Northern Mariana Islands (CNMI) declined an opportunity to use the waiver to reinstate eligibility in the CNMI, fearing it would encourage unemployed individuals to establish residence there and place a burden on CNMI's infrastructure.

- **Presidential Initiative on Race:**

- **Statute of Limitations Waiver:** During its consideration of the FY99 agricultural appropriations bill on June 23, the House adopted an amendment that waives the statute of limitations for certain civil rights complaints filed against USDA, which will, if enacted, enable USDA to resolve properly these complaints. USDA continues to work with the Senate to secure adoption of a similar amendment in its version of the legislation.

- **Presidential Initiative on Food Safety:**

- **Safe Summer Grilling Event:** On July 1 or 2, Secretary Glickman will participate in a "safe summer grilling" food safety media event on USDA grounds. The Secretary, accompanied by USDA food safety experts on grilling, will oversee a cookout and deliver a message centered around the importance of safe food handling and cooking techniques, and calling on Congress to fund fully the President's Food Safety Initiative.
- **USDA Funds Outreach on New Meat Inspection Rules:** USDA is awarding a special grant to the Livestock Conservation Institute in Bowling Green, Kentucky, to conduct three workshops to increase understanding of the issues associated with the implementation of the Pathogen Reduction/HACCP Systems Final Rule in slaughter plants, and its effect on the food animal production community. The workshops will be targeted to veterinarians, producers, extension personnel, state regulatory personnel and others.

USDA is undertaking a cooperative agreement with Iowa State University for a pilot study implementing HACCP management plans in swine production, and using practicing veterinarians to verify HACCP implementation in pork production units.

### III. NOTABLE CONGRESSIONAL ACTIVITY

- **President Signs Ag Research Bill:** On June 23, the President signed into law the agricultural research bill, which funds research and rural development programs of USDA, the crop insurance program, and restores food stamps for certain legal immigrants – See Key Department News.
- **USDA Appropriations Bill Advance:** Both chambers of Congress advanced both USDA appropriations bill, with the House completing action on the FY99 agricultural appropriations bill and both Appropriations Committees continuing action on the FY99 interior appropriations bill, which funds the Forest Service – see Key Department News.

- On June 23, the House Resources Subcommittee on Forest and Forest Health held a hearing on Forest Service law enforcement. Bill Wasley, Director of Law Enforcement, U.S. Forest Service, testified.
- On June 24, the House Agriculture Subcommittee on Forestry, Resource Conservation and Research marked up agricultural credit legislation.
- On June 25, the House Resources Subcommittee on Forests and Forest Health will hold a hearing on training programs at the Forest Service. Ron Stewart, Deputy Chief of Programs and Legislation; Clyde Thompson, Director, Human Resources Management; and Steve Nelson, Associate Chief for Administration, U.S. Forest Service, will testify.
- On June 25, the House Agriculture Subcommittee on Department Operations, Nutrition, and Foreign Agriculture will hold a hearing on implementation of the Food Quality Protection Act. Deputy Secretary Richard Rominger, will testify.
- On June 25, the House Agriculture Subcommittee on General Farm Commodities will hold a hearing on the Administration's use of agricultural export programs. Augustus F. Schumacher, Under Secretary for Farm and Foreign Agricultural Service, will testify.

#### **IV. SECRETARY'S SCHEDULE**

- From June 23 to June 28, Secretary Glickman will accompany the President in the People's Republic of China.
- From June 28 to June 29, Secretary Glickman will attend events in Hawaii with Representative Abercrombie.

#### **V. DEPUTY SECRETARY'S SCHEDULE**

- On June 28, Deputy Secretary Rominger will open the Second International Conference on Women in Agriculture, in Washington, DC.

#### **VI. SUB-CABINET SCHEDULE**

- On June 23, Under Secretary Watkins will address the 25<sup>th</sup> Tennessee School Food Service Association State Conference, Memphis, Tennessee.
- On June 24, Under Secretary for Farm and Foreign Agricultural Services Gus Schumacher will address the Food and Agribusiness Conference in Minneapolis,

## Minnesota.

- From June 25 to 27, Under Secretary Gonzalez will meet with Extension Directors and producers at Michigan State University.
- On June 25, Assistant Secretary Dunn will speak to the Florida Department of Agriculture/Florida Cattlemen's Association in Marco Island, Florida.
- From June 26 to 27, Under Secretary Schumacher will attend a Kentucky gleaning project in Lexington, hold a press conference on gleaning, visit a farming operation in Versailles, and attend the Agriculture Opportunity Fair in Columbia.
- From June 28 to July 3, Under Secretary Long Thompson will be a Speaker and USDA Lead Agency Representative at the Second International Conference on Women in Agriculture, in Washington, DC.
- On June 29 and 29, Under Secretary Gonzalez will participate in the ribbon cutting ceremony for the Thad Cochran research facility at Mississippi State University.
- On June 29, Assistant Secretary Dunn will speak at the National Cattlemen's Beef Association Region V & VI Joint Meeting in Bozeman, Montana.

## VII. MEDIA INQUIRIES AND AMPLIFICATION

- All four Kansas City, Missouri, television stations and the *Kansas City Star* covered the June 15, anti-hunger events in Kansas City with Deputy Under Secretary Paradis, WDAF-TV (Fox) did a live broadcast.
- The *National Journal* has requested an interview with a USDA spokesperson to discuss EBT.
- The *New York Times* requested program information about TEFAP, and participation and benefit data for the Food Stamp Program over the past 10 years.
- Reporters with *Reuters*, the NBC affiliate in Orlando, Florida, and *Harper's* requested information on the recent hippo death at Disney's Animal Kingdom.
- USDA's Chief Economist was interviewed on June 23 by ABC, CNN, and Headline News regarding butter prices.

### Amplification

- **Trade:** The Secretary's biweekly radio address earlier this month focused on the Administration's support for legislation that allows agricultural export credits to be exempt from sanctions the United States is imposing on India and Pakistan. Interest in the Secretary's radio address grows steadily: the normal call level had averaged 60 to 65 calls per day, on the above-cited message, there were 78 calls to the Newslines to access the tape.
- **Radio Address/China:** The Secretary's biweekly radio address, to be taped this week from China, will focus on the President's trip and its importance to the future of U.S. agriculture in the global economy.
- **Fighting Hunger in America:** Secretary Glickman discussed the Administration's commitment to fighting hunger in the United States in a speech at the Food Research and Action Center's annual benefit in Washington, D.C., June 17. The Secretary also talked about the success in obtaining food stamps for legal immigrants and efforts in reauthorizing child nutrition legislation.
- **Commencement address:** Deputy Secretary Richard Rominger talked about the future of agriculture and the environment in his commencement address at the College of Agricultural and Environmental Sciences, University of California, Davis, June 21. In amplifying the Administration's support of research and science, he quoted the President's statement that "the next fifty [years] will be the age of biology ...," where "knowledge will matter most." Mr. Rominger also talked about the Administration's conservation programs and the 1996 World Food Summit.
- **Women's Conference:** Deputy Secretary Richard Rominger will introduce Mrs. Gore at the International Women's Conference on Agriculture June 29. Under Secretary for Rural Development Jill Long Thompson, Chair of the conference, will deliver a major address June 28.

## VIII. FOIA REQUESTS

- A staff writer with *The Washington Post* is seeking a list of individuals and organizations that have requested goose roundup assistance from Wildlife Services.

## IX. WEEKEND CONTACT

Greg Frazier

Home: 202.543.7643

Pager: 800.710.5528

June 30, 1998

**Memorandum For The President**

**Through:** The Honorable Erskine Bowles  
**From:** Secretary Dan Glickman  
**Subject:** Report for Week of June 30, 1998

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**USDA FACT OF THE WEEK**

The prices US farmers received in June for wheat, corn, and soybeans declined 11%, 6%, and 4%, respectively, from month-earlier levels. At the same time, domestic stocks of the 3 crops are up significantly from 1997 levels - 63% for wheat, 22% for corn, and 19% for soybeans - just as farmers prepare to harvest the largest corn crop since 1985 and the largest ever soybean crop. Contrary to this trend, due largely from dramatic planting reductions across the northern plains, the 1998 wheat harvest will drop 7% from last year, making it the smallest in 10 years.

**I. KEY DEPARTMENT NEWS**

- **Safe Summer Grilling Event is July 2:** On July 2, Secretary Glickman and the Vice President will lead a safe summer grilling food safety media event on USDA grounds. The Secretary, accompanied by USDA food safety experts on grilling, will oversee a small cookout and explain that historically -- around such holidays as July 4 -- clusters of serious illnesses, many associated with meat contaminated through poor food handling and grilling techniques, do occur. The Secretary and Vice President are expected to discuss the need for adequate levels of federal food safety funding, and will deliver a message centered around the importance of avoiding undercooking and the critical need to keep food and cooking tools clean and free of cross-contamination and keep meat stored at proper temperatures.
- **Secretary Will Kick Off 1998 Farmers' Markets:** On July 2, Secretary Glickman will open the first of this season's farmers' markets at USDA.
- **Forest Fires Update:** As of June 29, 32,588 forest fires have burned 734,870 acres in the U.S. - 77% of the 10 year average number of fires and just 79% of the 10 year average amount of acres. In Florida, fires have consumed 147,125 acres; 5,980 acres are burning in Texas; 2813 acres in New Mexico; 6000 acres in Utah; and one fire in

Alaska has burned 60,520 acres.

- **States Receive Notice of FY 1997 Food Stamp Error Rates:** On June 30, 1998, USDA will notify states of their FY 1997 food stamp error rates, informing them if they will receive enhanced funding or be sanctioned. Nationally, the average combined payment error rate for FY 1997 was 9.88%, a slight increase over FY 1996. Five states with error rates under 6 percent will receive enhanced funding totaling over \$9 million, and 22 states with combined payment error rates exceeding 10 percent face potential sanctions totaling more than \$56 million.
- **Second International Conference on Women in Agriculture:** The Second International Conference on Women in Agriculture is being held at the Omni Shoreham Hotel in Washington June 28-July 3 with featured speakers including Mrs. Gore, Secretary Glickman, Deputy Secretary Rominger, and conference chair Under Secretary Long Thompson.
- **USDA to Proceed with Horse Protection Act Strategic Plan:** After meeting with representatives from 5 of the 6 horse industry organizations about their concerns surrounding implementation of the penalty portion of USDA's Horse Protection Strategic Plan (which has received extensive Congressional, media, and public attention), the Humane Society of the United States, interested Members of Congress, and USDA animal care officials have decided to proceed with implementing the plan on July 1.
- **Storm Related Farm Losses Climb:** California agricultural related damage estimates for 1998 rose to nearly \$235 million following a June 6 storm. USDA has stepped up emergency outreach efforts to reach more farmers in need of USDA assistance, including mailing newsletters highlighting USDA disaster programs, guaranteed loan programs, and outreach programs, to 300 legislators, farmer groups, and federal and state agencies.

Continual rains since June 12 have caused flooding in several Northeastern communities, putting corn and cranberry crops in eastern Massachusetts under water in some areas, and flooding potato and corn crops in Maine.

In a separate, but related development, through June 19, USDA has approved 39 counties for emergency grazing of Conservation Reserve Program land, including 1 in Alabama, 14 in Montana, 7 in North Dakota, 2 in South Dakota, and 15 counties in Texas, because drought conditions have created livestock emergencies in the affected counties.

- **Arson Destroys Wildlife Services (WS) Office:** USDA's WS State Office and the National Wildlife Research Center in Olympia, Washington, were destroyed by arson on June 21, causing \$1.6 million in damage, but no human or animal injuries. Arson experts from the Washington State Patrol and the U.S. Bureau of Alcohol, Tobacco and

Firearms are conducting the investigation.

- **Florida Medfly Update:** On June 18, one male medfly was found in Lake County, bringing the total to 1,315 detections. On June 22, Federal and state officials began treating the one-half square mile radius around the detection area.

On June 25, USDA and state officials completed the third and final aerial treatment of malathion in Bradenton, where 553 medflies have been detected.

Officials continue the release of sterile Medflies in the Miami Springs area, where two adult medflies and five larvae have been detected.

- **Vesicular Stomatitis Spreads:** During the week of June 15, Texas and Arizona joined New Mexico on the list of States positive for vesicular stomatitis, a viral disease that primarily affects cattle, horses, and swine.
- **GM Strike Dampens Domestic Hide Sales:** Forced cancellations of orders for leather upholstery, resulting from General Motors's (GM) auto strike, have pushed hide prices down by about 9 percent since early May to about \$64 per hundredweight, exacerbating seasonally-low prices from traditional summer vacation closings of tanneries.
- **Lewis and Clark Interpretive Center Opens:** The Forest Service will open the Lewis and Clark Interpretive Center in Great Falls, Montana, on July 4, with events celebrating help from Native American tribal leaders and the Lewis and Clark Fund, a privately funded organization.
- **5,000 Rainbow Family Members Gather in Arizona:** The number of Rainbow Family of Living Light members gathering on the Apache-Sitgreaves National Forests reached 5,000 during the week of June 21, with local officials expecting 20,000 over the Independence Day holiday.
- **USDA's Electronic Rule Making Continues Receiving Acclaim:** On June 26, USDA officials responsible for the proposed national organic foods rule participated in the annual meeting of the National Association of Public Administration, to discuss how other agencies can adopt the USDA system that resulted in the outstanding accomplishment of processing more than 275,000 (mostly electronic) comments.
- **Expanded Dairy Market Development Efforts in China Pay Off:** U.S. dairy exports to China, at over \$56 million in 1997, were more than double those in 1994, and first quarter 1998 trade figures indicate a 14% increase over 1997. Expanded market development efforts and a new U.S. Dairy Export Council office in Shanghai have played a major role in the expansion by emphasizing a broadening of the base of utilization of U.S. dairy products, primarily whey and lactose, in traditional Chinese

applications from the infant formula and animal feed industries, to higher valued products for use as food ingredients.

- USDA Purchases Food for Foreign Assistance:** USDA has purchased 15,310 metric tons of corn, worth \$1.6 million, for the P.L. 480, Title II, World Food Program, destined for Uganda; and 8,000 metric tons of wheat, worth over \$1 million, for Mozambique aid programs administered by the Adventist Development Relief Agency.
- Commodity Markets in Review:** Corn and soybean prices were sharply higher early last week, on fears of hot, dry conditions developing in the Corn Belt. Both corn and soybeans prices faded late in the week, however, as weather conditions favored crop development. Wheat cash and futures prices also moved up early in the week, following corn and soybeans higher, before falling back later. Rice cash prices held steady, but futures fell as traders anticipated a large U.S. crop. Cotton cash and futures prices advanced as a major merchant demanded delivery on its July futures contract, forcing those caught short to scramble for supplies. Cattle prices fell last week, as demand faded ahead of the July 4 holiday. Hog prices declined slightly, as large hog numbers weigh on the market. Broiler prices rose slightly as demand for parts continues brisk. Butter prices continued skyward, as butterfat demand continues to remain strong amid falling stocks. Cheese prices held steady.

**Average prices for the week ending June 26, 1998**

Commodity	Weekly price	Change from a week ago	Change from a year ago
Wheat \$/bu	3.13	0.10	-0.35
Corn \$/bu	2.46	0.08	-0.04
Soybeans \$/bu	6.51	0.26	-1.59
Rice \$/cwt	10.42	0.00	-1.80
Cotton ¢/lb	75.55	2.51	3.36
Steers \$/cwt	62.13	-1.09	-1.61
Hogs \$/cwt	41.35	-0.80	-18.00
Broilers ¢/lb	63.78	1.51	3.68
Cheese \$/lb	1.56	0.00	0.39
Butter \$/lb	1.99	0.03	0.86
Milk \$/cwt	12.87	-0.17	NA

## II. USDA WORK ON PRESIDENTIAL INITIATIVES

- **Presidential Initiative on Food Safety:**

- **Secretary to Highlight Food Safety:** Joined by the Vice President, Secretary Glickman will host a safe grilling event on July 2 to highlight the President's Food Safety Initiative --see Key Department News.
- **Costco Frozen Ground Beef Patties Recalled for *E. coli* O157:H7 Contamination:** USDA issued a press release June 29 to notify consumers of a nationwide recall of about 172,000 pounds of frozen ground beef and ground sirloin patties produced by a Tracy, California Costco plant and sold only to Price Club warehouse stores. The recall was prompted after USDA confirmed *E. coli* O157:H7 in a product sample. One illness in New York is associated with the product recalled. Last week, on the basis of a New York Department of Health investigation, Costco withdrew from all Price Club stores ground beef produced on April 7. Today's recall affects products that may be stored in consumers' freezers. Because of the Independence Day holiday, USDA expects intensive coverage of this recall, and may extend the hours for the Meat and Poultry Hotline.
- **USDA Enforces Meat inspection Rules:** On June 25, USDA officials at Valley Pride Meats, of Norwalk, Wisconsin, suspended operations for repetitive Sanitation Standard Operating Procedures (SSOP) failures concerning condensation.

On June 23, USDA officials suspended operations at Broken Bow Pack, of Broken Bow, Nebraska, for failure to meet the basic requirements of an *E. coli* testing program.

- **Presidential Initiative on Race:**

- **USDA Funds Risk Management Initiatives For Minority Farmers:** On June 26, USDA awarded an \$85,000 grant to the Salinas, California Rural Development Center to improve the risk management skills of more than 300 Latino family farmers.  
  
June 27, USDA awarded a \$60,000 grant to develop a risk management education program to benefit Hmong and other Southeast Asian farmers as they begin farming careers near Fresno, California.
- **USDA Finances Minority and Women Farmer's Needs:** USDA has increased

by 33% the number of direct operating loans to minority and women farmers over the last year. In the direct farm ownership program, loans to minority and women farmers have increased 180% over last year at this time. Direct operating loans to beginning farmers has increased by 31 percent compared to a year ago at this time, while direct farm ownership loans to beginning farmers have risen by 29 percent compared to a year ago.

- **USDA Brings Safe Water to Native Americans:** As of June 1, four months before the completion of the FY 98 fiscal year, USDA's water and wastewater loan and grant program will have obligated more than \$13 million to safe and clean water projects on American Indian reservations. By comparison, the average annual total of water and wastewater tribal investment for the nine previous fiscal years was just over \$5.5 million.

- **Presidential Initiative on Welfare Reform:**

- **Welfare Reform Waiver Update:** During the period June 23, through June 30, USDA received a request from Virginia to extend its waiver of the provisions of the Welfare Reform Bill that limit able-bodied adults between the ages of 18 and 50 without dependents to 36 months of food stamp participation, unless they are employed for an average of 20 hours a week or are participating in a work program.

Meanwhile, Governor Howard Dean of Vermont has written to President Clinton to request reconsideration of USDA's action to terminate welfare reform waivers in the State that increase program costs by expanding eligibility and benefit levels. USDA terminated the waivers because Vermont did not offer any method to pay for their higher costs.

### III. NOTABLE CONGRESSIONAL ACTIVITY

- **Appropriations Update:** On June 24, the House completed action on the FY'99 Agriculture Appropriations Bill (H.R. 4101), which falls short in funding the Department's Food Safety, Rural Development, and WIC Programs, among others. The Secretary raised these concerns with the House leadership in a letter dated June 22. During debate on the bill, the House rejected attempts to kill the sugar and peanut programs. An effort to delete funding for the tobacco crop insurance program was postponed pending consideration of the House Tobacco Task Force's proposed bill.
- Further action on the Senate Agriculture Appropriations Bill (S. 2159) is expected to occur shortly after the July 4 recess. Based on conversations with Senate Democratic staff, the following is a list of amendments that may be offered during Senate floor

consideration of the bill:

Daschle amendment to uncap marketing loan rates and extend marketing loans;

Daschle amendment to provide the Secretary with the authority to conduct a mandatory price reporting program;

Daschle amendment regarding CRP haying and grazing;

Dorgan/Conrad amendment that would establish an indemnity program for states that have experienced sustained agricultural losses due to multiple emergencies;

Johnson amendment to establish a meat labeling program;

Harkin amendment to increase funding for the President's Food Safety Initiative;

Leahy amendment to provide funding for research center grants to be awarded under the Fund for Rural America;

Kohl amendment to restore funding for the Conservation Farm Option program;

Cochran amendment to decrease crop insurance fees;

Harkin amendment to provide additional funding for the WIC program;

Lugar amendment to add his sanctions legislation to the bill;

Bryan amendment regarding the Market Access Program;

Durbin amendment regarding egg repackaging;

Graham amendment regarding border inspection authorities; and a

Santorum amendment reducing the Wildlife Services livestock prevention program.

- Meanwhile, both appropriations committees have reported their respective versions of the FY'99 interior appropriations bills, which fund the Forest Service. Both contain numerous highly objectionable provisions that have prompted the Secretary to announce that he will recommend a veto of the bills if presented to the President in their present form.
- **Agricultural Trade:** At a news conference on June 25, Speaker Gingrich and Republican and Democratic Members of the House Agriculture Committee expressed

support for a number of pending agricultural trade initiatives. Specifically, the Speaker announced that the House will consider IMF funding legislation before the August recess, and fast track legislation in September.

- On July 7, the House Government Reform Subcommittee on Government Management, Information, and Technology will hold a field hearing in California on Forest Service management. Witness to be announced.
- On July 9, the House Government Reform Subcommittee on Government Management, Information, and Technology will hold a field hearing in Washington State on Forest Service management. Witness to be announced.

#### **IV. SECRETARY'S SCHEDULE**

- On July 1, Secretary Glickman will introduce Mrs. Gore at the Second International Women's Conference on Agriculture.
- On July 2, Secretary Glickman will host a Food Safety Summer Cookout at USDA.
- On July 8, Secretary Glickman will make a farm tour in Minnesota and attend a forum with Representative Kind in Wisconsin.

#### **V. DEPUTY SECRETARY'S SCHEDULE**

- On July 2, Deputy Secretary Rominger will attend the Ground Breaking Ceremony for the San Joaquin Valley Agricultural Sciences Center, Parlier, California.

#### **VI. SUB-CABINET SCHEDULE**

- From June 28-July 3, Under Secretary Long Thompson will be lead agency representative, at the Second International Conference on Women in Agriculture, in Washington, DC.
- From June 29 - July 10, Under Secretary Schumacher will be traveling throughout Eastern Europe.
- On June 29, Assistant Secretary Dunn will speak at the National Cattlemen's Beef Association Region V & VI Joint Meeting in Bozeman, Montana.
- On July 4, Under Secretary Lyons will speak at the Lewis and Clark Grand Opening

Ceremony, Great Falls, Montana.

## VII. MEDIA INQUIRIES AND AMPLIFICATION

### Inquiries:

- Numerous news organizations requested information on the use of salsa to fulfill the meal pattern fruit-and-vegetable component, including: *Gannett News Service, Orlando Sentinel*, and the *Houston Chronicle*. Information on the crediting of salsa in the National School Lunch Program was also supplied to the *Associated Press, USA Today*, and *Investors Business Daily*.
- Several inquiries came in about an outbreak of *E. coli* O157:H7 in Atlanta. *The Atlanta Journal Constitution* asked for information about a USDA-announced May 15 recall of meat from Bauer Meat Company of Ocala, Florida. The company supplied meat that tested positive for *E. coli* O157:H7 after two students in Georgia became ill. The reporter was checking on a report that there were matches between the cultures in the current outbreak and one of the illnesses involved in the meat recall from Georgia and North Carolina schools supplied by Bauer Meat. The call was referred to the Center for Disease Control (CDC), which was conducting further laboratory testing to compare cultures. No confirmation was available on Friday, June 26, the day of the media call.
- Several news organizations in the mid-West inquired on June 25 about the Forest Service rescinding its decision on prohibiting installation of permanent fixed anchors for rock climbing on the Sawtooth National Forest (ID) wilderness. The Forest Service stands behind the decision. The decision is likely to continue to draw media attention.
- Sometime in August, *The Seattle Times* will run a comprehensive story on the Oregon Dunes National Recreation Area. From June 16-19, the Seattle Times crew visited the area to film and conduct interviews with several Forest Service personnel and local residents. The story is scheduled to appear on a Sunday and will likely focus on the overall management of the Dunes National Recreation Area, including the budget, fee demonstrations, and the snowy plover nesting projects that involve help from the Oregon National Guard.
- A multi-million dollar improvement program at Copper Mountain Resort on the White River National Forest (CO) is on hold pending a Forest Service investigation of alleged illegal tree cutting and possible damage to wetlands. The stop order was issued the week of June 21. Law Enforcement and Investigations personnel are handling the timber side of this situation and administrative personnel are looking into potential Clean Water Act violations. Reporters from the Denver Post and the Rocky Mountain News as well as the Summit Daily and National Public Radio (Dillon affiliate) have made inquiries about

the stop order. The stop order is the first issued on the Dillon Ranger District in 20 years. Primary concerns are tree cutting and installation of a snowmaking pipeline. Copper Mountain is owned by Intrawest, a Canadian resort operator. The ownership group has faced other environmental confrontations in Vermont and California. Some work on lifts will continue, but where there are discrepancies between the permit and the actual work done, the stop order will remain in effect.

- On June 22, *Knight Ridder News* carried on its national wire a long story picked up from the Philadelphia *Inquirer* about food safety research at the ARS Eastern Regional Research Center in Wyndmoor, PA. The reporter visited the center after seeing competitors' news reports about ERRC food-safety research. His story focuses on a joint 5-year project with large Pennsylvania hog slaughterhouse that resulted in significantly reduced microbial contamination. *Associated Press* carried an abbreviated version of the story.
- On June 22, a long *Denver Post* story, also distributed nationally by *Knight Ridder*, described the importance to the nation's food security of providing adequate funds for germplasm storage at the ARS National Seed Storage Laboratory and the 22 national germplasm repositories maintained by ARS.
- On June 25, an *Associated Press* story out of New Orleans reported on the Formosan Termite project's new \$50 million funding in the agricultural research bill signed June 23 by the President.
- A reporter with the *Wall Street Journal* requested information on the Animal Welfare Act (AWA) regulations for animal exhibitors and specific information on exhibitor Tim Rivers of Florida.
- Reporters with the *Arkansas Democrat-Gazette* and the *ABC* affiliate in Little Rock requested information on the Little Rock Zoo.
- Reporters with the *News-Journal* and *Shelbyville Times-Gazette* in Tennessee, the *Washington Post*, *CBS News*, and the *Associated Press* requested information on the Horse Protection Act Strategic Plan and the Tennessee walking horse industry. An interview with Ron DeHaven, APHIS' Animal Care, was arranged for the *Washington Post*.

#### **Amplification:**

- On June 23, RMA Administrator Kenneth D. Ackerman and staff conducted a teleconference for the 42 counties in 7 States selected to take part in the Dairy Options Pilot Program. Representatives from approximately 55 offices, including RMA Field Offices, State Departments of Agriculture, FSA offices, and private agri-businesses

participated in the teleconference.

- FAS Administrator Lon Hatamiya was interviewed by 7 reporters while on his trip to Asia. On June 22 he interviewed by the Brownfield Network, Jefferson City, Missouri; Mid-America Ag Network, Wichita, Kansas; Northwest AgInfo Network, Newberg, Oregon; and USDA Radio. On June 25 he interviewed with RFD Illinois Radio Network, Bloomington, Illinois; VSA Radio Network, San Angelo, Texas; Southeast AgNet, Alabama; and Bloomberg News Service. Topics covered included the APEC Ministerial and other trade policy topics.
- **President's Trip to China:** Secretary Glickman accompanied the President to China. On June 26, the Secretary visited the Chinese Academy of Agricultural Sciences (similar to USDA's Agricultural Research Service) in Beijing. At the Academy, he spoke to the attendees of the International Food Policy Research Institute conference about the importance of international agricultural research and its contribution to world food security. Following his speech, the Secretary discussed trade issues in a media availability with the *Wall Street Journal*, Dow Jones, Reuters, Bloomberg, Bridge News, and thirteen Chinese journalists.
- **Radio Address/China:** The Secretary's biweekly radio address, taped from China, focused on the President's trip and its importance to the future of U.S. agriculture in the global economy.
- **USDA TV, Radio Highlight President's Trip to China:** USDA's Satellite TV News featured an actuality of the President's comments on U.S. wheat to Pakistan and India. In addition, USDA General Sales Manager Chris Goldthwait discussed the President's trip and the status of U.S. efforts to prop up the Japanese Yen -- what it means to U.S. farmers and exporters. USDA Radio Newslines included several features on the trip: the President's urging quick action to restore U.S. agricultural credit sales of farm products to India and Pakistan and actualities with USDA officials talking about other trade issues.
- **Environmental Protection:** Secretary Glickman is joining Congressman Neil Abercrombie, Congresswoman Patsy Mink, Lt. Governor Mazie Hirono, and local officials in Honolulu, Hawaii, June 29 to discuss the Hawaii Forestry and Communities Initiative and non-native species control, and answer questions from Hawaii media.
- On June 19, *The Wall Street Journal* interviewed RMA staff concerning transitional yields for corn in Texas and how crop insurance will benefit producers affected by the current drought in the State.
- Under Secretary Shirley R. Watkins was interviewed by the *Miami Herald* on June 22, 1998, on how school meals have changed since the reporter was in school.

- Deputy Under Secretary Julie Paradis was interviewed by the *National Journal* on food stamp electronic benefit transfer (EBT).

### **VIII. FOIA REQUESTS**

- Former Senator Malcolm Wallop, now with Frontiers Freedom, asked for communications received from the Office of the Vice President regarding USDA forests.

### **IX. WEEKEND CONTACT**

Greg Frazier

July 8, 1998

**Memorandum For The President**

**Through:** The Honorable Erskine Bowles  
**From:** Secretary Dan Glickman  
**Subject:** Report for Week of July 8, 1998

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**USDA FACT OF THE WEEK**

On June 1, U.S. wheat growers began the 1998/1999 wheat marketing year with the lowest level of export commitments since 1977, foreshadowing continued weak exports, which in combination with substantially higher domestic stocks than in 1997, portend continued weak wheat prices.

**I. KEY DEPARTMENT NEWS**

- **Secretary Glickman Declares Florida Disaster Area; Plans Tour of Affected Areas:** On July 9, Secretary Glickman will declare Florida a disaster area, making farmers throughout the state eligible for low interest emergency loans from USDA to recover from fire and drought related damages. On the same day, the Secretary will be in the Orlando area meeting with farmers and state agricultural officials to review the agricultural damage Florida has sustained, before inspecting fire fighting efforts and burned areas, and joining the President for his tour in Daytona. As of now, USDA estimates that more than 18,000 Florida farmers have sustained more than \$160 million in damage from the drought.

Currently, USDA reports 365,000 acres on fire in Florida in 10 fire complexes. Elsewhere, a 60,500 acre fire continues to burn in Alaska, and a new 3000 acre fire has erupted on the Havasu National Wildlife Refuge, south of Needles, California. To date this year, USDA reports 38,779 fires, 88% of the 10-year average, which have burned 1.4 million acres, 126% of the 10 year average.

- **Secretary Glickman Kicks off USDA's 1998 Farmers Markets:** Secretary Glickman opened USDA's first farmers market of 1998 on Thursday, July 2.

- **USDA Plans Water 2000 Announcements:** On July 13, Secretary Glickman plans to announce over \$165 million in water and waste water funding to 88 projects in rural communities in 38 states as part of the Department's annual Water 2000 initiative, designed to provide as many rural households as possible with clean drinking water by the year 2000.
- **USDA Suspends Guarantees for Sales to India and Pakistan:** On June 25, USDA suspended export credit guarantees that had been made available to finance the purchase of U.S. agricultural commodities by buyers in India and Pakistan.

In a separate, but related development, Pakistan has tendered for 300,000 - 350,000 tons of white wheat, which the U.S. has historically supplied under USDA's export credit guarantee program, without which Australia, and perhaps Turkey will make the sale.

- **Milk Benchmark Price Records Largest Ever Month-to-Month Increase:** On July 2, USDA released the Basic Formula Price (BFP) for June 1998; at \$13.10 per hundredweight, \$2.22 per hundredweight higher than May 1998, the largest ever month-to-month increase, and \$2.36 per hundredweight higher than last year's level.
- **USDA Extends Credit Guarantees to Southeast Asia:** On June 25, USDA authorized \$90 million in credit guarantees for sales of U.S. agricultural commodities to Indonesia, Malaysia, Philippines, Thailand and Singapore for fiscal year 1998 through fiscal year 1999.
- **E.U. Approves U.S. Beef Labels:** USDA has secured E.U. approval for the use of several labels claims, including "USDA Choice," "USDA Inspected and Passed," and "USDA Approved Beef" under the E.U.'s new beef labeling requirements, without which U.S. exporters and E.U. retailers would not be able to label or differentiate U.S. beef from other sourced product, severely disadvantaging U.S. beef on the E.U. market.
- **USDA Lends a Helping Hand During "Day of Caring":** USDA employees in Kansas City were enthusiastic participants during the United Way "Day of Caring" held on June 27, when they pitched in to help with cleanup and building projects around the city, sprucing up the Sherwood Center, a school for autistic children and adults, with fresh paint and re-caulked windows, building two handicapped ramps and a walkway for the school's home for adults, and helping clear weeds and brush from abandoned lots on Kansas City's west side.
- **Outreach a Success for Small Business:** On June 23, USDA's Commodity Operations Division awarded a first-time contract to The Lorren Hawkins Group, a small, woman-owned vegetable oil packaging business in Pittsburgh, Pennsylvania.
- **Commodity Markets in Review:** Wheat cash and futures prices fell sharply last week,

as the winter wheat harvest continued to advance rapidly, and spring wheat conditions improved. Corn and soybean prices dropped, as hot, dry weather remains well south of the Corn Belt. Rice cash prices remained steady, while new-crop futures rose sharply as deferred demand, particularly in Latin America, appears strong. Cotton prices were up on weather concerns, particularly in West Texas, but potentially large export sales by China loom on the horizon. Cattle prices followed wholesale beef down. Hog prices declined on weakening demand and continued large supplies. Broiler prices rose, as production increases have lagged those for other meats. Butter prices held steady, while active trading resulted in a boost to cheese prices.

**Average prices for the week ending July 3, 1998**

<b>Commodity</b>	<b>Weekly price</b>	<b>Change from a week ago</b>	<b>Change from a year ago</b>
Wheat \$/bu	2.98	-0.15	-0.41
Corn \$/bu	2.37	-0.09	-0.02
Soybeans \$/bu	6.26	-0.25	-1.02
Rice \$/cwt	10.42	0.00	-1.80
Cotton ¢/lb	77.09	+1.54	4.99
Steers \$/cwt	61.93	-0.20	-1.51
Hogs \$/cwt	39.13	-2.22	-21.18
Broilers ¢/lb	65.20	+1.42	4.44
Cheese \$/lb	1.61	+0.05	0.44
Butter \$/lb	1.99	0.00	0.86
Milk \$/cwt	13.62	0.75	NA

## **II. USDA WORK ON PRESIDENTIAL INITIATIVES**

- **Presidential Initiative on Food Safety:**
  - **President Stresses Food Safety in Radio Address:** USDA has begun work responding to the President's directive to establish a new interagency food safety research institute.
  - **Vice President Stresses Importance of Adequate Food Safety Funding:** Vice

President Gore participated with Secretary Glickman in a July 2 USDA event designed to support the President's food safety initiative, and to encourage consumers to practice safe outdoor summer grilling practices. Prior to a grilling demonstration on USDA grounds, the Vice President urged congressional support for food safety funding requests.

- **USDA Tests Prompt Recall:** On July 5, Purdy & Sons, Sherburne, New York, voluntarily recalled 220 pounds of coarse ground beef product after a USDA test indicated the *E. coli* O157:H7 organism in a sample from the company.

- **Presidential Initiative on Welfare Reform:**

- **Welfare Reform Waiver Update:** During the period from July 1, through July 7, USDA approved a request from Virginia for a waiver of the provisions of the Welfare Reform Bill that limit able-bodied adults between the ages of 18 and 50 without dependents to 36 months of food stamp participation unless they are employed for an average of 20 hours a week or are participating in a work program. Under the newly approved waiver, 20 counties and 3 cities were exempted from the work requirements based on their designations as Labor Surplus Areas. Three of the counties may elect not to implement the approved waiver.
- **Welfare-to-Work:** As of June 26, USDA has hired 256 former welfare recipients; 68 percent of the total of 375 that we are committed to hire by the end of Fiscal Year 2000.

- **Presidential Initiative on Community Empowerment:**

- **Empowerment Zones/Enterprise Communities:** USDA has approved three business and industry guaranteed loan program projects under the Empowerment Zones/Enterprise Communities (EZ/EC) initiative: New Visions of Tallulah, Tallulah, Louisiana, \$3,182,500 for machinery, equipment, real estate, and improvements for the acquisition of an existing cotton gin; Catahoula Correctional Corporation, Harrisonburg, Louisiana, \$3,539,700 for building construction of a 350-bed correctional facility; Mid-South Electrics, Inc., Jackson County, Kentucky, \$5 million for machinery, equipment, and real estate to expand a plastic injection molding and electronic circuit board assembly facility.
- **USDA To Participate in White House Community Empowerment Conference:** Secretary Glickman and Rural Development Under Secretary Jill Long Thompson will address attendees of the White House Community Empowerment Conference, to be held in Baltimore and Washington from July 14-16.

- **Presidential Initiative on Race:**
  - **USDA Appoints New Civil Rights Director:** Secretary Glickman has selected Rosalind Gray, former deputy general counsel for the Equal Employment Opportunity Commission, to be USDA's new director of civil rights.
- **Presidential Initiative on Climate Change:**
  - **USDA Sponsors Climate Change Workshop:** On June 29 and 30, USDA sponsored the Eastern Midwest Regional Workshop in Indianapolis, one of 18 regional workshops conducted under the U.S. National Assessment on Climate Change; participants included representatives from agriculture, livestock, crops, agricultural inputs, forestry, electricity, coal, steel, and manufacturing industries.
- **Second International Conference on Women in Agriculture:** On June 30 through July 1, the Second International Conference on Women in Agriculture was sponsored by the President's Interagency Council on Women, and was hosted by USDA at the Omni Shoreham Hotel, Washington, D.C. The conference brought together women from agricultural communities worldwide to network with experts, meet their peers, exchange views with policy makers, and develop strategies in the world market.

### III. NOTABLE CONGRESSIONAL ACTIVITY

- **USDA Appropriations Bills Readied for Floor Action:** During the week of July 13, USDA expects the Senate to take up the FY'99 agricultural appropriations bills, when several Democratic Senators may offer amendments addressing regional stress in the farm economy, as well as amendments proposing significant changes in current farm policy.
- Both appropriations committees have reported their respective versions of the FY'99 interior appropriations bill, and floor action is likely before the end of this month. Of the two, the Senate version is most objectionable. If not remedied, the Secretary has indicated he would recommend a veto should the bill be presented to the President in its present form.
- On July 7, the House Government Reform Subcommittee on Government Management, Information and Technology held a field hearing in California on Forest Service management.
- On July 9, the House Government Reform Subcommittee on Government Management, Information and Technology will hold a field hearing in Washington State on Forest Service management. Witness to be announced.

- On July 16, the House Resources Subcommittee on Forests and Forest Health will hold an oversight hearing on fire and its affects on air quality. Witness to be announced.

#### **IV. SECRETARY'S SCHEDULE**

On July 8, Secretary Glickman joined Representative Kind and Obey in an Eau Claire, Wisconsin, farm forum with local dairymen. The Secretary held several media events as well.

On July 9, Secretary Glickman will inspect fire damage and firefighting efforts in De Land, Florida, then will join the President in doing the same in Daytona, Florida.

On July 10, Secretary Glickman will hold an Agricultural Policy Advisory Committee meeting with U.S. Trade Representative Barchefsky.

On July 13 Secretary Glickman will make a Water 2000 initiative announcement.

On July 14, Secretary Glickman will join the Vice president in making a New York Conservation Reserve Enhancement Program announcement.

#### **V. DEPUTY SECRETARY'S SCHEDULE**

On July 10, Deputy Secretary Rominger will join Secretary Glickman and U.S. Trade Representative Barchefsky at an Agricultural Policy Advisory Committee meeting.

#### **VI. SUB-CABINET SCHEDULE**

On July 14, Under Secretary Watkins will address the American School Food Service Association in New Orleans, Louisiana.

On July 15, Assistant Secretary Dunn will speak at the North American Ag Marketing Officials Annual Conference in Nashville, Tennessee.

#### **VII. MEDIA INQUIRIES AND AMPLIFICATION**

##### **Inquiries:**

- The June 30 announcement of the Export Enhancement and Dairy Export Incentive Programs for 1998/99 drew media inquiries from the *Associated Press*, *Farm Progress*

*Publications, National Journal, and the Berns Radio Bureau*

- The crediting of salsa toward the school lunch meal pattern's fruit and vegetable component continues to draw media interest, attracting calls from the: *Washington Post, Associated Press, Reuter, Agence France Presse, Orlando Sun Sentinel, Palm Beach Post, Dallas Morning News, Austin American Statesman, Reforma, El Norte, Normal Transcript, The Packer, Tuck's Health and Nutrition Letter, Hearst Television News, and KURB radio (McAllen, Texas).*
- A reporter with *The New York Times* wanted information about APHIS Wildlife Services' role in preventing damage in residential areas in New York State. Rick Chipman, Wildlife Services, New York State Director, provided the *Times* with an overview on harassment techniques recommended by the program to rid neighborhoods of vultures.
- A reporter with *The New York Times* requested general information on USDA's role in biotechnology. The request was coordinated by USDA's Office of Communications.
- Reporters with *CBS News* and the *Associated Press* requested information about APHIS Animal Care's new strategic plan for horse protection. Dr. Ron DeHaven, Animal Care's Acting Deputy Administrator, was interviewed by AP. The CBS call is still pending.

#### **Amplification:**

- **Second International Conference of Women in Agriculture:** Secretary Glickman addressed the Conference July 1, which was attended by more than 1,000 women representing more than 40 countries. In addition to discussing women in agriculture, the Secretary talked about the President's trip to China, "an historic trip that pointed to the promise of the next century: countries having stronger, mutually beneficial ties in a global economy, ties that bring our nations closer together." Reuters, Associated Press, *National Journal, Bridge News, Waterton Daily News, AgDay TV, Australian Public Radio, Farm Progress, and Futures World News* covered the Secretary's speech. The Secretary also held a group interview with the media, primarily discussing China, but also agricultural relations with Australia.
- **Deputy Secretary, First Lady:** Deputy Secretary Richard Rominger introduced a videotape of the First Lady and spoke at the Conference. In his speech, Mr. Rominger said the conference reaffirms the U.S. commitment to the goals and process of the UN Fourth World Conference on Women, and pointed out that the President created the interagency council on women to demonstrate U.S. resolve to meet the objectives of the Beijing Platform. He also stressed the Administration's support of small farms and rural communities. Deputy Secretary Richard Rominger held two media interviews at the International Conference on Women in Agriculture: He discussed what USDA is doing

about low grain prices, changes in the Farm Bill, new grain customers, and the Conference with Ag Day TV; and he talked about the Conference, barriers women face, trade issues, and export prospects with the Australian Broadcasting Corporation.

**USDA TV News:** USDA's satellite TV news featured the Conference, including excerpts of speeches by Mrs. Gore, Secretary Glickman, Under Secretary Jill Long Thompson.

- **Farmers' Market:** Secretary Glickman joined local officials and 31 vendor-farmers July 2 to kick off the first USDA farmers market of the season. The Secretary encouraged Americans to eat more fruits and vegetables and announced the results of USDA's Healthy Eating Index, which shows that 71 percent of Americans need improvement in their eating habits. He also praised the increase in farmers' markets -- a 35 percent rise in the number of farmers' markets across the country since 1993 (when USDA began collecting statistics) -- and their benefits to consumers and small farmers. CNN, NBC, and in-house reporters covered the Secretary's remarks.
- **The President's Food Safety Initiative:** Secretary Glickman, joined by the Vice President, demonstrated safe summer grilling and offered food-handling tips at a food safety event at USDA July 2. The Secretary discussed the President's Food Safety Initiative and said that he believed that one of this Administration's greatest legacies will be a "food safety revolution in this country." The Vice President, in his remarks, called on the Congress to fund the President's Food Safety Initiative and urged state and local governments and consumers to do their parts to make America's food safer. The heavy media coverage included C-SPAN, ABC, CNN, CBS, Futures World News, *The Chicago Tribune*, Scripps-Howard, Potomac Radio, Fox News, States News Service, Belo Broadcasting, *Farm Journal*, Hearst-Argyle, Medill News, Conus TV, Fisher Broadcasting, Reuters, Associated Press, Cox Broadcasting, Media General, Bridge News, Bloomberg, *National Journal*, Telenoticias, Washington Radio News, WDAY (Fargo, North Dakota), WIFR (Rockford), and KSNT (Topeka, Kansas). USDA satellite TV news included actualities of Secretary Glickman and the Vice President talking about the importance of food safety, and Secretary Glickman was shown demonstrating practical tips for consumers on safe food handling.
- **Research, Technology:** Deputy Secretary Rominger spoke at the groundbreaking ceremony for the San Joaquin Valley Agricultural Sciences Center in Parlier, California, July 2. Mr. Rominger said the Administration's support for the Center, and for the new Horticultural Research lab in Ft. Pierce, Florida, is evidence of the President's commitment to agricultural research.

## VIII. FOIA REQUESTS

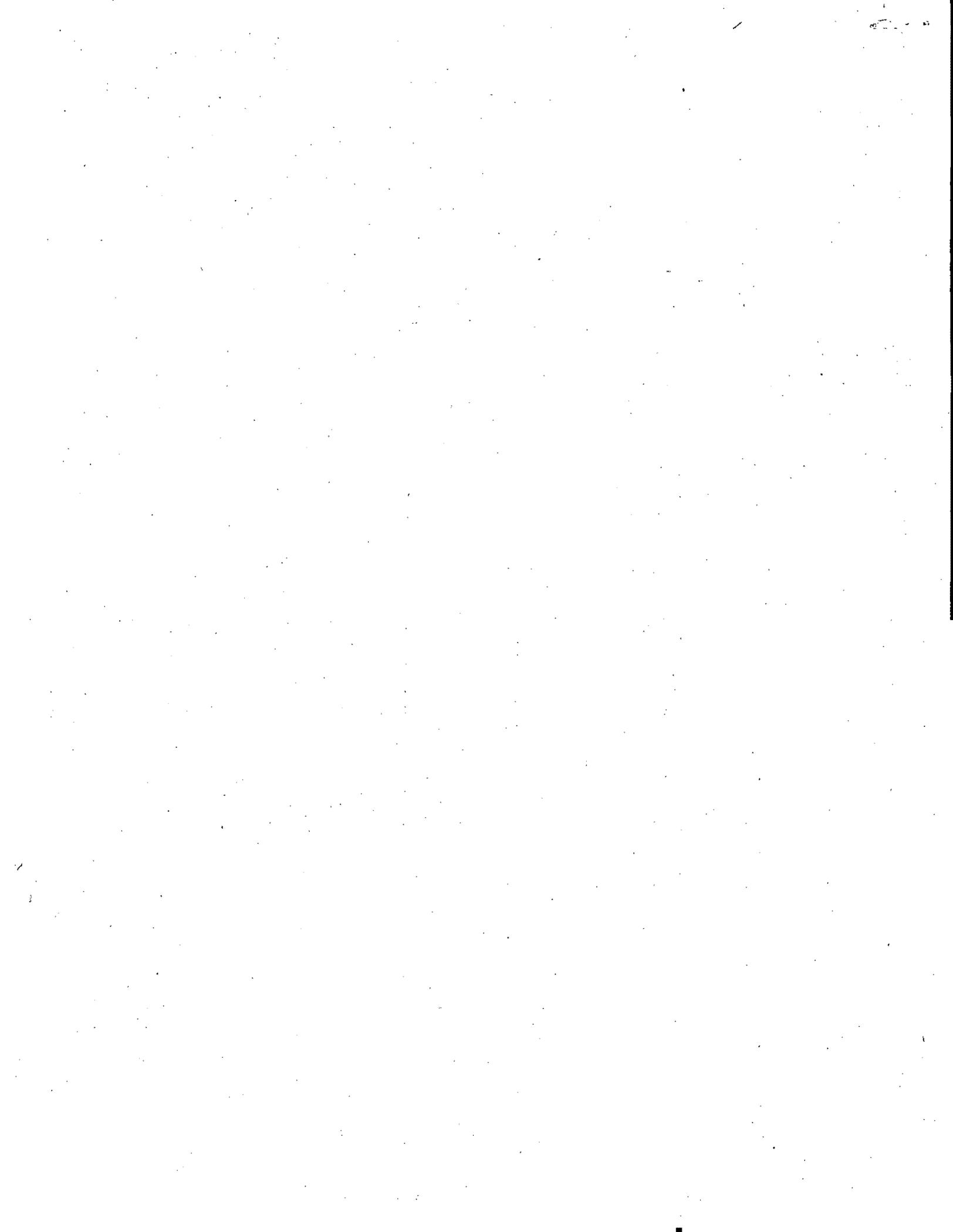
- Lecia Smith of the James Mintz Group filed a FOIA request concerning grants or research agreements involving Delta & Pine Land Company, DeltaPine Land Company, or Southwide, Inc. The firms are associated with the USDA-ARS developed "terminator" gene technology protection system. The James Mintz Group is a New York based private investigation firm.
- Jones, Day, Reavis & Pogue has made five requests for information about USDA enforcement actions vis-a-vis Buckeye Egg Farms.
- The Associated Press asked for expedited response to a request for correspondence between Senator Carol Moseley-Braun and USDA.

#### **IX. WEEKEND CONTACT**

Greg Frazier

Home: 202.543.7643

Pager: 800.710.5528



July 15, 1998

**Memorandum For The President**

**Through:** The Honorable Erskine Bowles  
**From:** Secretary Dan Glickman  
**Subject:** Report for Week of July 13, 1998

**USDA Fact of the Week**

Released July 10, USDA's most recent world agricultural supply and demand estimates project record wheat yields this year, which coupled with slack exports, are further pressuring prices.

**I. KEY DEPARTMENT NEWS**

- **USDA Reinstates Export Credit Guarantees for India and Pakistan:** On July 15, Secretary Glickman announced that USDA was reinstating India and Pakistan for eligibility for USDA export credit guarantees following the President's signature of legislation exempting those two countries from sanctions imposed under the Arms Export Control Act. The President's action will enable U.S. exporters to participate in Pakistan's tender bid for 350,000 tons of wheat.
- **Secretary Addresses NACCP Convention:** On July 15, Secretary Glickman addressed the annual convention of the NACCP on the plight of African American farmers, and on his civil rights initiative at USDA.
- **USDA Responds to Natural Disasters Hurting Agriculture:** Secretary Glickman continues to work with senior White House officials to develop an emergency assistance package for the President's announcement and possible consideration during the Senate's debate on the FY'99 agricultural appropriations bill.

Continuing drought conditions throughout the Southeast and Southwest have increased the toll on farmers and ranchers, and estimates of damages in Georgia and Florida now range in the hundreds of millions of dollars, while flooding damages, resulting from this year's unusually wet winter in California, have shot over \$400 million. Since the first of the month, Secretary Glickman has declared Georgia, Florida, and many counties in

Texas disaster areas, making farmers and ranchers in those places eligible for emergency loans from USDA.

In addition, to alleviate the drought-induced forage shortage, USDA has allowed farmers in Texas to hay land enrolled in the Conservation Reserve Program (CRP) on an emergency basis, and allowed emergency grazing in 10 other states for the same reason.

- **Fire Update:** Five fires remain burning in Florida, the most active being near the Okefenokee National Wildlife Refuge, as most of the Forest Service firefighters dispatched to Florida are being demobilized and returned to their homes. Elsewhere, USDA reports significant fires in Texas and Utah caused by extremely dry conditions, that current forecasts project continuing for the near term.
- **Secretary Holds Farm Forum in Heart of Dairyland:** On July 8, Secretary Glickman, joined by Representatives Dave Obey and Ron Kind, met with more than 500 farmers at a farm forum in Eau Claire, Wisconsin, the epicenter of the federal milk pricing system. Prior to the forum, the Secretary toured a dairy farm and visited the new St. Croix County USDA Service Center.
- **Vice President Announces Water 2000 Funding:** In a White House West Wing ceremony July 13, Vice President Gore and Secretary Glickman announced a total of \$155 million in Water 2000 funding for 87 projects in 38 states and Puerto Rico. Water 2000 is a Clinton Administration initiative designed to bring clean, fresh water to as many American households as possible by the year 2000. The Vice President and Secretary were joined by Carole Buckland, a Binghamton, New York resident who wrote a letter to President Clinton asking for assistance in obtaining clean drinking water for her community.
- **Under Secretary Watkins Addresses American School Food Service Association:** On July 14, USDA awarded 17 grants, worth \$4 million, to 20 states to help promote nutrition education and healthy food choices in the school cafeteria, classroom and the community. 13 school districts will also receive funds from USDA to help them increase their food donations to needy people.
- **USDA Study Estimates Tax Relief for Farmers:** On July 23, USDA will release a report, "**THE TAXPAYER RELIEF ACT OF 1997: PROVISIONS FOR FARMERS AND RURAL COMMUNITIES**," that will show that most farmers will pay less Federal income tax, and farm families will find it easier to transfer the family farm across generations under the tax portion of 1997 legislation to balance the Federal budget by 2002. USDA estimates the law will save farmers more than \$1.6 billion per year in Federal income taxes and \$150-200 million in Federal estate taxes.
- **National Finance Center Reaches June 30 Goal for Year 2000 Deadline:** The

National Finance Center (NFC) has successfully met its self-imposed goal of having all 15,244 of its mission critical programs containing over 23.5 million lines of program code, renovated, tested, put through quality assurance, and returned to production virtually without production failure. NFC accomplished this goal with minimal contractor assistance, no increase in processing costs to our clients, and with no additional funding beyond our approved budget.

- **Millennium Holiday Tree:** During the week of July 19, The Architect of the Capitol will visit the Pike and San Isabel National Forests in Colorado to select that State's gift to the U.S. Capitol for the year 2000: "Colorado's Gift: The Millennium Holiday Tree."
- **Goose Roundup at Local Airports:** On July 9, USDA personnel captured 154 Canada geese at Dulles and Reagan National Airports, that were causing hazards to human safety and airport activities.
- **Major Farmer-Owned Cooperatives Merge:** Farmland Industries, the largest farmer-owned cooperative in North America with 1997 sales of \$9.1 billion, has purchased SF Services Inc., (operating under the name Goldkist) a regional co-op with 100 local co-ops in Alabama, Mississippi, Louisiana, Arkansas, Oklahoma, and Texas, and 1997 sales of \$623 million.
- **USDA Facilitates Foreign Food Aid:** On July 2, Nicaragua purchased 36,000 tons of Northern Dark/Northern Spring wheat under the Food for Progress program.

On June 25, USDA approved ocean transportation arrangements for 25,000 tons of wheat to Albania under the Food for Progress program.

On June 29, USDA approved ocean transportation arrangements for 15,000 tons of wheat to Russia under the Food for Progress program.

- **Commodity Markets in Review:** Wheat prices fell last week, as a large crop and weak export demand weigh on the market. Corn futures prices were lower for the week, but fluctuated with weather forecasts, while cash prices were steady on slow farmer sales. Soybean prices rose on tightening inventories and continued strong vegetable oil demand. Cotton prices remained firm until declining sharply on Friday, following release of the *World Agricultural Supply and Demand Estimates* report showing poor export demand and a slight buildup in U.S. stocks. Rice futures rose for the week on hot, dry weather across the South; the rise came despite a near-limit decline following release of the USDA reports on Friday. Cattle and hog prices weakened, as beef and pork supplies grew. Broiler prices advanced, however, as hot weather in the South slows production and demand for breast and leg quarters rises. Cheese and butter prices were unchanged in light trade, with butter prices remaining near \$2.00 per pound.

**Average prices for the week ending July 10, 1998**

<b>Commodity</b>	<b>Weekly price</b>	<b>Change from a week ago</b>	<b>Change from a year ago</b>
Wheat \$/bu	2.97	-0.01	-0.36
Corn \$/bu	2.37	0.00	-0.01
Soybeans \$/bu	6.44	0.18	-1.20
Rice \$/cwt	10.42	0.00	-1.80
Cotton ¢/lb	77.01	-0.08	6.15
Steers \$/cwt	60.63	-1.56	-1.67
Hogs \$/cwt	36.85	-2.03	-21.80
Broilers ¢/lb	66.17	0.97	4.16
Cheese \$/lb	1.61	0.00	0.41
Butter \$/lb	1.99	0.00	0.92
Milk \$/cwt	14.46	0.84	NA

**II. USDA WORK ON PRESIDENTIAL INITIATIVES**

• **Presidential Initiative on Race:**

- **Secretary Glickman Addresses NAACP:** On July 15, Secretary Glickman addressed the NAACP annual convention on civil rights at USDA – see key Department news.
- **USDA to Hold Outreach Fairs:** Starting July 16, USDA officials in Tennessee will host Customer Service Fairs in Springfield, Brownsville, and Greeneville, each targeted to reach small, limited resource, and minority farmers.
- **Catawba Indian Nation Partnership Sealed:** The partnership between USDA in South Carolina and the Catawba Indian Nation was officially sealed through a Cooperative Working Agreement that will strengthen the Catawba Indian Nation's natural resource and conservation initiatives.
- **Housing Preservation Grant Agreement with Cherokee Nation:** On July 7, in Tahlequah, Oklahoma, USDA's State Rural Development Director signed a

Housing Preservation Grant Agreement with the Cherokee Nation that will provide \$50,000 to rehabilitate seven homes owned by very low-income families.

- **Presidential Initiative on Welfare Reform:**

- **Welfare Reform Waiver Update:** During the period from July 1, through July 8, USDA approved a request from Colorado for an extension of its current waiver of the provisions of the Welfare Reform Bill that limit able-bodied adults between the ages of 18 and 50 without dependents to 36 months of food stamp participation, unless they are employed for an average of 20 hours a week, or are participating in a work program. Under the extended waiver, residents of 8 counties are exempted from the work requirements based on the counties' designations as Labor Surplus Areas.
- **Arizona Implements Food Stamp EBT:** Arizona began its first month of electronic benefit transfer (EBT) implementation this month in Pima County, in the Tucson area. The pilot includes approximately 20,000 food stamp and 8,000 TANF households.
- **State Option Food Stamp Program Update:** Beginning August 1, Wisconsin plans to operate a State-Funded Food Stamp Program for any qualified alien still ineligible for Federal food stamp benefits. New Jersey recently passed legislation to expand its State-Funded Food Stamp Program for certain categories of immigrants who entered the country prior to August 22, 1996, to include the parents of participating children.

- **Presidential Initiative on Food Safety:**

- **Wisconsin Plant Withdraws Ground Beef From Market After Reported Illness:** After USDA tests confirmed *E. coli* 0157.H7 in a hamburger sample linked to one illness associated with a cooked hamburger sold at Checkers restaurant in Atlanta, Wis-Pak, of Butler, Wisconsin, voluntarily withdrew from the market approximately 1 million pounds of ground beef, which are now being collected and stored at a central warehouse.
- **Beef Sticks and Summer Sausage Recalled for Mislabeling:** On July 9, USDA announced that Robertson's Hams, Inc., a Marietta, Oklahoma meat processing firm, is voluntarily recalling 707 pounds of summer sausage and 637 pounds of beef sticks because one of the products contains pork that is not listed as an ingredient.

- **Presidential Initiative on Community Empowerment:**

- **White House Community Empowerment Conference:** The White House Community Empowerment Conference is taking place from July 14-16 in Washington. The Conference will be convened by the Vice President and will include addresses from Secretary Glickman, Secretary Cuomo, and other Cabinet officials. Under Secretary for Rural Development Jill Long Thompson will also participate in a plenary session and workshop with attendees. Over 1,200 local government officials and community, business and nonprofit-organization leaders are expected at the Conference, a large percentage of them from rural areas. The Conference is intended to review progress of the Empowerment Zones/Enterprise Communities (EZ/EC) Initiative and to plan for the future. Details will also be distributed to Conference attendees on applying for the second round of EZ/EC designations, to be announced early in 1999.
- **Presidential Initiative on Climate Change:**
  - **Utilitree Carbon Company Symposium:** On July 9, USDA officials attended a symposium sponsored by the Utilitree Carbon Company, a non-profit company established by 40 U.S. electric companies in response to the Climate Change Action Plan to develop forest management projects in the United States and abroad to help sequester or reduce greenhouse gases. Utilitree is currently funding five such projects and has committed slightly over \$2.4 million to fund the pool of projects.

### III. NOTABLE CONGRESSIONAL ACTIVITY

- **USDA Appropriations Measures Advance:** As of this writing, the Senate was still considering the FY'99 agricultural appropriations bill, having defeated an amendment that would have lifted the cap on commodity loan rates, and with numerous other amendments still pending, including ones to restore funding for the Food Safety Initiative, WIC, and disaster assistance, and to waive the statute of limitations with respect to certain civil rights complaints.

Meanwhile, USDA expects both bodies to begin consideration of their respective versions of the FY'99 interior appropriations bill, that funds the Forest Service, next week; Secretary Glickman is preparing a letter to both chambers indicating that, if presented to the President in their current form, the Secretary will recommend a veto of both bills.

- On July 15, the House Resources Committee will hold a hearing on the Southwest Initiative and the Endangered Species Act. Ellie Towns, Regional Forester, U.S. Forest Service, will testify.

- On July 16, the House Resources Subcommittee on Water and Power Resources will mark up H.R. 3715, a bill to convey facilities of the Pine River Project to allow jurisdictional transfer of lands between the Department of Agriculture, Forest Service, and Department of Interior Bureau of Reclamation and Bureau of Indian Affairs.
- On July 16, the House Resources Subcommittee on Forests and Forest Health will hold a hearing on regional haze. Janice McDougal, Associate Deputy Chief, State and Private Forestry, U.S. Forest Service, will testify.
- On July 21, the House Resources Subcommittee on Energy and Mineral Resources will hold a hearing on H.R. 1467, a bill to provide for the continuance of oil and gas operations pursuant to certain existing leases in the Wayne National Forest. Witness to be announced.
- On July 22, the Senate Agriculture, Nutrition and Forestry Committee will hold a hearing on the Year 2000 computer problem as it relates to agricultural business. Witness to be announced.
- On July 22, the House Agriculture Committee will hold a hearing on the 1999 Multilateral Negotiations on Agricultural Trade - North and South America. Witness to be announced.
- On July 22, the Senate Energy and Natural Resources Subcommittee on Forestry and Public Land Management will hold a hearing on H.R. 3796, a bill to authorize the Secretary of Agriculture to convey the administrative site for the Rogue River National Forest and use the proceeds for the construction and improvement of offices and support buildings for the Rogue River National Forest and the Bureau of Land Management; S. 2136, a bill to provide for the exchange of certain land in the state of Washington; and, H.R. 2886, a bill to provide for a demonstration project in the Stanislaus National Forest, under which a private contractor will perform multiple resource management activities for that unit of the National Forest System. Witness to be announced.

#### **IV. SECRETARY'S SCHEDULE**

- On July 15, Secretary Glickman addressed the NAACP Annual Conference in Atlanta, Georgia.
- On July 15 Secretary Glickman met with the President to discuss the crisis in the farm economy.
- On July 16, Secretary Glickman will meet with the U.S. Agricultural Export Development Council.

- On July 16, Secretary Glickman will attend the White House Conference on EZ/ECs.

## **V. DEPUTY SECRETARY'S SCHEDULE**

- From July 16 – 19, Deputy Secretary Rominger will be in Sacramento addressing the California Assembly Committee on Agriculture on the Food Quality Protection Act.

## **VI. SUB-CABINET SCHEDULE**

- On July 14, Under Secretary Watkins will address the American School Food Service Association, New Orleans, Louisiana.
- On July 15, Under Secretary Long Thompson will address the White House Empowerment Conference in Washington, DC.
- On July 18, Under Secretary Lyons will attend a Lake Tahoe Event with Senator Reid, in Lake Tahoe, Nevada.
- On July 20, Deputy Under Secretary Wilcox will be in Brainerd, Minnesota, to address the National Turkey Federation's General Summer Session.
- On July 20, Under Secretary Gonzalez will deliver a keynote address at the dedication of the new National FFA Center in Indianapolis, Indiana.
- From July 21-23, Under Secretary Lyons will attend a Greater Yellowstone Coalition Committee Meeting, in Yellowstone Park.
- On July 22, Under Secretary Watkins will speak before the Society of Nutrition Education in Albuquerque, New Mexico.
- On July 22, Under Secretary Woteki will speak on "The Role of Risk Analysis in the USDA Food Safety Strategy" at the Society for Nutrition Education's annual meeting in Albuquerque. She will also meet with state and agency officials and visit processing plants in New Mexico.

## **VII. PRESS INQUIRIES AND AMPLIFICATION**

### **Inquiries:**

- The *Seattle Times* requested information about the food stamp issuance error rates and

specific information about error rate problems in Washington State.

- CBS News requested clarification on how food stamps were issued to jail inmates and received a copy of the OIG report.
- The BBC plans to interview Under Secretary Shirley Watkins in August for a feature on the WIC Program.
- *Reader's Digest* requested information on the WIC Program for use in an article on telemarketing fraud. Some scams have purported to be soliciting funds for WIC.
- On July 8, the Seattle Times reported that 13 environmental groups from Oregon, Washington, and California plan to sue the Forest Service for continuing to harvest old-growth timber in areas where harvesting is not allowed under the Northwest Forest Plan. The paper also reported that the lawsuit would seek to enjoin further timber sales in old-growth areas "controlled by" the plan, until the Forest Service "surveys the land for the presence of 77 plant and animal species." There is also apparently a claim that part of the Northwest Forest Plan should be reassessed in light of new information acquired since it was adopted. To date, the Government has not been served with the complaint.
- Reporters with *Associated Press*, the *Fairfax [Virginia] Journal*, the Canadian Broadcasting Company, and TV stations Fox 5, NBC 4, and radio station WMAL in Washington D.C., requested information regarding a hearing concerning the roundup of Canada geese at local airports. The information was provided.

#### **Amplification:**

- **Wisconsin Farm Forum:** Secretary Glickman joined Representative Ron Kind in Eau Claire, Wisconsin, July 8 to meet with Wisconsin farmers and discuss dairy and other farm issues; the Secretary also visited a Wisconsin farm. Media covering the Secretary included *The Milwaukee Journal Sentinel*, the *Wisconsin State Journal*, *The Eau Claire Tribune*, Associated Press, Minnesota Farm Radio Network, and all three local network television affiliates (NBC from Eau Claire, and CBS and ABC based in LaCrosse). The Secretary discussed dairy issues, hog waste, the Food Quality Protection Act, and concentration in the meat industry; he also talked about the President's trip to China and the need for increased trade. Prior to the forum, the Secretary held a one-on-one interview live with the local NBC affiliate.
- **Amplification of President's Disaster Assistance for Florida:** Secretary Glickman traveled to Volusia County, Florida, July 9 to tour the damage caused by drought and wildfire. The Secretary, joined by the Florida Agriculture Commissioner, met with representatives of producer and commodity organizations and visited the Incident Command Center. The CBS affiliate (WESH TV), Associated Press, and *The Daytona*

*News-Journal* covered the Secretary's tour.

In the afternoon of July 9, Secretary Glickman joined President Clinton in Daytona Beach to observe and discuss the fire damage.

USDA issued a news release announcing the President's disaster assistance for all Florida counties, making additional help available to agricultural producers whose crops were ravaged by drought and wildfires. The release also noted that USDA's Food and Nutrition Service has provided food from its School Lunch Program stocks to the American Red Cross, for distribution of more than 5,000 meals to Florida residents forced from their homes by the fires, and USDA's Forest Service has more than 1,500 firefighting personnel in Florida to assist with firefighting efforts.

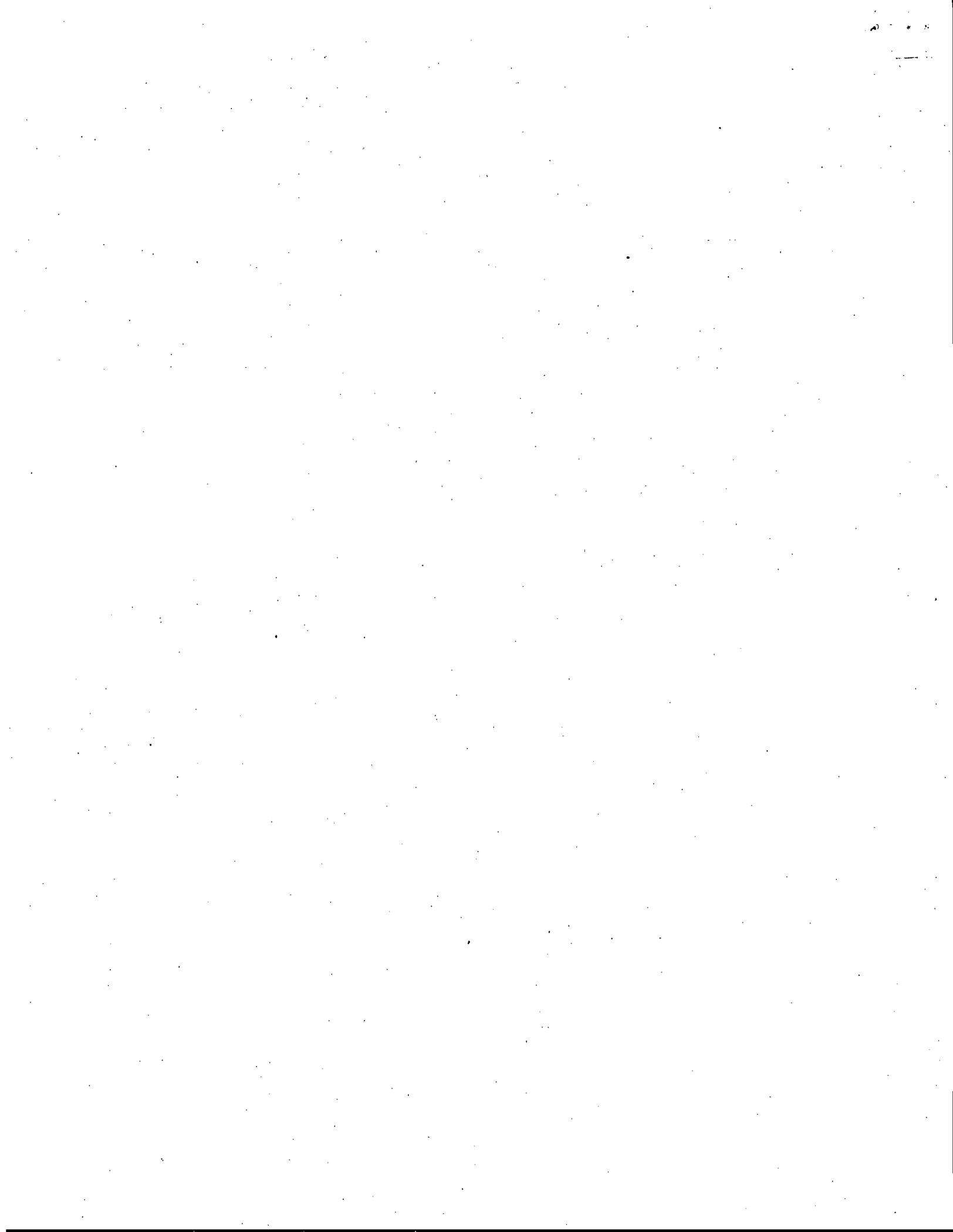
USDA Radio Newslines aired a Vice Presidential update on efforts being undertaken to assist with firefighting and damage control in Florida. USDA Radio Newslines also broadcast a story on USDA efforts to help farmers rehabilitate Florida's scorched cropland.

- **Water 2000 event with the Vice President:** Secretary Glickman joined the Vice President at the White House July 13, to announce that the Clinton Administration, under its Water 2000 initiative, is awarding \$155.8 million for safe drinking water projects in 87 rural communities in 38 states. The Secretary made brief remarks, and USDA issued a news release on the projects. At the announcement, there was national media coverage, primarily White House, environmental, and Ag reporters.
- **President's Race Initiative, Civil Rights:** Secretary Glickman will amplify the President's race initiative in his Keynote Address to the Plenary Session, "A Journey, A Challenge, A Commitment in Support of America's Black Farmers," at the NAACP annual convention in Atlanta, Georgia, July 15.

## VIII. FOIA REQUESTS

- USDA received a July 7 FOIA request from Dateline NBC News concerning all *Salmonella* testing data available in our database, and for the complete establishment database which would allow Dateline to identify, by company names and addresses, the establishments listed by number in the *Salmonella* testing database.
- *The Seattle Times* has submitted numerous Freedom of Information Act requests to the Intermountain Region during the week of July 5, for information on the Squirrel Meadows, Deer Creek, and Snow Basin land exchanges. *The Wall Street Journal* also submitted a FOIA request during the same period, for information on the Snow Basin land exchange.

**IX. WEEKEND CONTACT**  
Greg Frazier



July 22, 1998

**Memorandum for the President**

**Through:** The Honorable Erskine Bowles  
**From:** Secretary Dan Glickman  
**Subject:** Report for Week of July 20, 1998

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**USDA Fact of the Week**

Farmers faced higher production expenses than the year earlier; in 1997, farm productions expenses rose 3% over the 1996 level, largely the result of livestock purchases and higher feed costs, higher seed costs, and higher machinery and equipment costs.

**I. KEY DEPARTMENT NEWS**

- **USDA Assists Drought-Damaged Farmers and Ranchers:** USDA is preparing disaster designations for Oklahoma and Texas, for the President to announce on July 23, which will make farmers in the 2 states eligible for low interest economic emergency loans from USDA as a result of the drought. Cotton farmers in Texas have been especially hard hit with losses already reaching nearly \$500 million.

On July 28 and 29, Secretary Glickman will tour Oklahoma and Texas to inspect the drought damage and will meet with agricultural leaders and experts in College Station, TX to assess the economic implications of the disaster.

USDA's 6-10 day farm weather outlook indicates that above-normal temperatures are expected nearly nationwide. On the Plains, hot, mostly dry weather will favor winter wheat harvesting and small-grain ripening in northern areas, but will stress summer crops in central areas. Drought is expected to intensify across the southern Plains. In the Corn Belt, very warm, mostly dry weather may stress crops in western areas. In eastern portions of the Corn Belt, occasional showers are expected to maintain favorable soil moisture levels. Along the Southern Atlantic Coast, including Florida, above-normal rainfall is expected, further improving soil moisture and easing stress on crops and livestock. Hot, dry weather is forecast in the West.

- **Wildfire Update:** Fire activity in the West has increased, fostered by heavy lightning accompanying monsoonal rains moving through the region, and now 6 large fires are budding there. Meanwhile, only 2 fires remain in the Southeast, one each in Florida and Georgia.
- **Medfly Update:** On July 18, USDA began aerial application of malathion on a 33 square mile area near Sebring, Florida, after finding 114 medflies on July 9.

On July 16, a female Medfly was found in Novato, Marin County, California, where USDA is increasing trapping efforts, and is sending an investigative team to determine whether this is indicative of an outbreak.

- **Asian Longhorned Beetle Confirmed in Chicago:** On July 13, USDA confirmed finding of the Asian Longhorned Beetle in Chicago; previous infestations, most notably in New York, caused massive destruction of infected trees, and widespread media and public interest.

**USDA Researchers Help Preserve a National Treasure:** USDA researchers William N. Marmer, and Jeanette M. Cardamone will be overseeing the project to save the Star-Spangled banner, the first step of which is to characterize the deterioration of the wool fibers of the flag, and then evaluate what can be done to retard or stop it.

- **Forest Service Aids in Search for Suspect:** A Forest Service Law Enforcement Officer was the first to spot the blue 1977 Datsun pickup truck reportedly stolen by Eric Robert Rudolph, one of the Federal Bureau of Investigation's (FBI) ten most wanted fugitives. Officer Lynch was assisting in the search for the fugitive on the Nantahala National Forest (North Carolina).
- **Export Credit Exemption for Pakistan Pays Immediate Dividends:** On July 15, the same day USDA reinstated the export credit guarantee programs for the purchase of U.S. agricultural commodities by buyers in Pakistan and India, Pakistan bought 300,000 tons of U.S. white wheat.

In a separate, but related development, World Food Program officials have requested USDA purchase and shipment of 2,000 metric tons of Vitamin A and D fortified vegetable oil, for food aid programs in Pakistan. This purchase is also notable as it will be the first time that vitamin fortification will be added to vegetable oil, and provided under export food assistance programs.

- **USDA Increases Export Credit Guarantees to Mexico:** On July 14, USDA increased by \$260 million the amount of operational credit guarantees available to sell U.S. agricultural commodities to Mexico.

- **Commodity Markets in Review:** Wheat cash and futures prices fell again last week, pressured by large supplies and weak export demand. Corn futures rose slightly on weather worries in the Midwest, but cash prices declined. Soybean prices dropped as no harmful weather was forecast in major U.S. growing areas. Rice cash prices held steady, while futures fell as crop prospects improved following widespread rain in the Delta. Cotton prices also dropped, as the Delta rains benefitted the Mississippi Valley crop. Cattle prices declined, faced with large numbers, heavy slaughter weights, and large meat supplies. Hog prices fell, with slaughter up sharply from a year ago. Broiler prices rose, as hot weather in the South has slowed production. Butter and cheese prices were unchanged.

**Average prices for the week ending July 17, 1998**

Commodity	Weekly price	Change from a week ago	Change from a year ago
Wheat \$/bu	2.90	-0.07	-0.55
Corn \$/bu	2.30	-0.07	-0.24
Soybeans \$/bu	6.39	-0.05	-1.36
Rice \$/cwt	10.42	0.00	-1.25
Cotton ¢/lb	73.66	-3.35	1.99
Steers \$/cwt	59.95	-0.68	-4.88
Hogs \$/cwt	34.20	-2.65	-25.65
Broilers ¢/lb	67.00	1.80	4.99
Cheese \$/lb	1.61	0.00	0.34
Butter \$/lb	1.99	0.00	0.90
Milk \$/cwt	14.55	0.09	NA

## II. USDA WORK ON PRESIDENTIAL INITIATIVES

- **Presidential Initiative to Boost Wheat Exports, Make Foreign Food Donations:**
  - Following the President's July 18 announcement that USDA will begin purchasing as much as 2.5 million metric tons of wheat, USDA officials are preparing to begin purchases, based on consultations with AID on completing details on which countries will receive the donations, in what amounts, and at

what times.

- **Presidential Initiative on Race:**

- During its consideration of the FY99 agricultural appropriations bill, the Senate adopted an amendment waiving statutes of limitations currently preventing USDA from settling properly certain civil rights cases; the House included a similar provision in its version of the amendment and USDA will work to ensure that the conference report includes the measure.

- **Presidential Initiative on Food Safety:**

- **New Food Safety Institute:** USDA and HHS officials met July 17 to begin compiling their report to the President on establishing the interagency food safety research institute.
- **Senate Restores Food Safety Funding:** During its consideration of the FY99 agricultural appropriations bill, the Senate voted to restore \$68 million to the President's Food Safety Initiative. The Senate also adopted amendments requiring labeling of imported beef and lamb; strengthened reporting on egg safety; a report on the implications of lifting the ban on interstate shipments of state-inspected meat; and an amendment preventing USDA from submitting to the Congress a budget that includes user fees on meat and poultry inspection that have not been enacted previously.
- **House Members Introduce Food Safety Enforcement Bill:** On July 17, Congressman Baldacci and 15 cosponsors introduced the Administration's proposal to strengthen food safety inspections, the Food Safety Enforcement Enhancement Act.
- ***E. coli* O157:H7 Confirmed, But No Recall Necessary:** Last week, the USDA sampling program found *E. coli* O157:H7 in a ground beef sample taken on July 8 from a plant in New Jersey. USDA did not seek a recall because the company followed USDA recommendations, and held all product until test results were confirmed. This is the 9<sup>th</sup> sample confirmed positive for FY' 98, out of over 5,600 samples taken, and the eighteenth out of over 22,000 samples tested since USDA began the program in 1994.
- **USDA Enforces Food Safety Rules:** On July 14, USDA suspended operations at Thayer Food Products d/b/a Cal Foods, Oakland, California, due to repetitive documentation of unsanitary conditions within the establishment.

- **Presidential Initiative on Welfare Reform:**

- **Welfare Reform Waiver Update:** During the period from July 8, through July 15, USDA received a request from Idaho to extend its waiver exempting residents of the Duck Valley Indian Reservation from the provisions of the Welfare Reform Bill that limit able-bodied adults between the ages of 18 and 50 without dependents, to 36 months of food stamp participation, unless they are employed for an average of 20 hours a week or are participating in a work program. USDA also received a request from California to exempt 9 counties with unemployment rates greater than 10 percent.

### III. NOTABLE CONGRESSIONAL ACTIVITY

- **USDA Appropriations Bills Advance:** On July 16, the Senate completed action on its version of the FY99 agricultural appropriations bill, having included in the bill \$500 million for emergency disaster relief for farmers and ranchers, an amendment to waive the statute of limitations so USDA can properly resolve civil rights cases, and restoring funding for the President's Food Safety Initiative.

Meanwhile, on July 21, the House began its consideration of the FY99 interior appropriations bill, which the Secretary has indicated that he will recommend a veto unless its anti-environmental riders are removed.

- **Child Nutrition Reauthorization:** On July 20, the House passed legislation extending USDA's child nutrition programs, including the WIC program; USDA expects Senate action in the near future.
- On July 22, the Senate Energy and Natural Resources Subcommittee on Forestry and Public Land Management will hold a hearing on H.R. 3796, a bill to authorize the Secretary of Agriculture to convey the administrative site for the Rogue River National Forest and use the proceeds for the construction and improvement of offices and support buildings for the Rogue River National Forest and Bureau of Land Management; S. 2136, a bill to provide for the exchange of certain land in the state of Washington; S. 2226, a bill to amend the Idaho Admission Act regarding the sale or lease of school land; and H.R. 2886, a bill to provide for a demonstration project in the Stanislaus National Forest, under which a private contractor will perform multiple resource management activities for that unit of the National Forest System. Gloria Manning, Associate Deputy Chief, National Forest System, U.S. Forest Service, will testify on behalf of USDA.
- On July 28, the Senate Energy and Natural Resources Committee will hold a hearing on GAO report on The Tongass National Forest. Jim Caplan, Acting Regional Forester-Region 10 and Tom Mills, Director, Pacific Northwest Research Station, U.S. Forest Service, will testify.

- On July 28, the House Agriculture Committee will hold a hearing on H.R. 4149, Forest Service Overhead Cost Reduction. Francis Pandolfi, Special Assistant to the Chief, U.S. Forest Service, will testify.
- On July 29, the Senate Agriculture Committee will hold a hearing on USDA reorganization, including county office closings and collocations; administrative convergence; and personnel reductions. Deputy Secretary Rich Rominger will testify.

#### **IV. SECRETARY'S SCHEDULE**

- On July 24, Secretary Glickman will host a radio bridge with the President concerning the drought.
- On July 24, Secretary Glickman will meet with Senators Breaux and Craig concerning domestic and international sugar prices.
- On July 27, Secretary Glickman will attend the National Grain Transportation Summit in Kansas City, Kansas, with Secretary Slater.
- On July 28, Secretary Glickman will inspect drought damage between Oklahoma City, Oklahoma, and Dallas, Texas.
- On July 29, Secretary Glickman will host a roundtable about the drought with scientists and local agricultural leaders at Texas A&M, in College Station, Texas.

#### **V. DEPUTY SECRETARY'S SCHEDULE**

- On July 24, Deputy Secretary Rominger will be attending a meeting on hog cholera at the National Pork Producers Council Swine Research Center in Ames, Iowa.

#### **VI. SUB-CABINET SCHEDULE**

- From July 22-23, Under Secretary Watkins will address the Society for Nutrition Education Annual Meeting in Albuquerque, New Mexico.
- On July 24, Under Secretary Watkins will speak to the University of Arkansas (Pine Bluff) National Alumni Association in Memphis, Tennessee.
- From July 21- 22, Deputy Under Secretary Wilcox will tour a turkey plant in Wilmar,

Minnesota, and visit the Food Safety Inspection Service personnel office, and Cargill Research Center, in Minneapolis. Earlier in the week, Deputy Under Secretary Wilcox will address the National Turkey Federation's General Summer Session in Brainerd, Minnesota.

- On July 27, 28, and 29 respectively, Under Secretary Woteki and Deputy Under Secretary Wilcox will participate in a Food Safety Inspection Service Public Meeting on Hazzard Analysis and Critical Control Point Models (HACCP); New Food Safety Technology for HACCP; and the National Advisory Committee on Meat and Poultry Inspection.
- From July 27-28, Assistant Secretary Dunn will speak at the Transportation Summit in Kansas City, Missouri.

## VII. MEDIA INQUIRIES AND AMPLIFICATION

### Inquiries:

- The *New York Times* is working on a series of articles concerning why people may be hungry in the United States, in spite of a strong economy; why food banks are seeing increases in requests for help; and why people may choose food banks instead of applying for food assistance programs. The newspaper received information from FNS and has requested an interview.
- *CNN* asked whether determination of food stamp eligibility by private contract workers is legal under the welfare reform law, and whether it was illegal before the law was passed.
- *U.S. News and World Report* had questions regarding irradiated meat. Two additional media callers requested information about irradiated products.
- *The Washington Post* had questions about safe time limits for keeping potato salad out of the refrigerator.
- CBS Nightly News interviewed USDA's Acting-Director of Civil Rights, on black farmers. CNN and several print outlets inquired about the statute of limitations legislation.

### Amplification:

- **Presidential Race Initiative, Black Farmers:** Secretary Glickman amplified the President's race initiative in his Keynote Address to the NAACP's Plenary Session, "A

Journey, A Challenge, A Commitment in Support of America's Black Farmers," in Atlanta, Georgia, July 15. All the television networks and most of the nation's major newspapers covered the Secretary's appearance at the NAACP. In addition, the Secretary interviewed with CNN, and Tom Amontree talked with *The Washington Post*.

- **Presidential Support of the Family Farm:** Secretary Glickman met with President Clinton and the Democratic Congressional Leadership July 15 to discuss short- and long-term strategies to boost the farm economy. Following the meeting, the Secretary discussed farm issues with reporters at the White House driveway stake-out area.
- **White House EZ/EC Conference:** Secretary Glickman participated in the White House Conference on Empowerment Zones/Enterprise Communities in Washington, D.C., July 16. The Secretary said the President's Rural Empowerment Zones and Enterprise Communities Initiative "is beginning to turn the tide of chronic poverty in communities and regions that in the past have been virtually written off as hopeless." He pointed out that, since the EZ/EC initiative began, it has saved or created more than 9,940 jobs, built or rehabilitated 2,140 homes or apartments, built or improved 78 health care facilities, and financed 100 drinking water and waste disposal systems, among many other accomplishments." Futures World News and Bridge News covered the Secretary's remarks.
- **Presidential Trip to China, Most-favored Nation Status for China, IMF, Trade:** Secretary Glickman amplified the President's trip to China and the Administration's positions on international trade, Most-Favored Nation status, and the International Monetary Fund), in addition to general agricultural issues, in his speech to the U.S. Ag Export Development Council in Washington, D.C., July 16. Reuters, Bureau of National Affairs Futures World News, Bloomberg, Bridge News, and USDA TV and Radio covered the Secretary's speech.
- **Secretary's Biweekly Radio Message:** Secretary Glickman's radio address amplifying the President's support for renewing most-favored nation status for China received 75 calls for access; in addition, USDA mailed a tape to the 675 radio stations that subscribe to USDA's weekly radio service.
- **President's Radio Address:** Prior to the President's delivering his weekly Saturday radio address from Little Rock, Arkansas, July 18, Secretary Glickman briefed reporters at the White House on the farm economy and Food Aid programs.
- **Lake Tahoe Forum:** Under Secretary for Natural Resources and Environment James Lyons joined Senator Harry Reid at a workshop in Nevada July 18 that marked the first anniversary of President Clinton's Lake Tahoe Forum.
- **Visits with South Carolina farmers:** Secretary Glickman, joined by Senator Fritz

Hollings and other members of the South Carolina congressional delegation, toured drought-stricken farmland in South Carolina and talked with farmers in Eastover, Sumter, and Florence July 20, followed by media availabilities. There was heavy media turnout, including the network television affiliates from Greenville, Columbia, Sumter, and Florence, and reporters from the Associated Press and several South Carolina newspapers.

#### **VIII. FOIA REQUESTS**

- Nothing of significance to report this week.

#### **IX. WEEKEND CONTACT**

Greg Frazier