



United States  
Department of  
Agriculture

Office of the  
Secretary

December 2000

# History of the U.S. Department of Agriculture 1993-2000

Weekly Reports from the  
Secretary of Agriculture  
to the White House

January 5, 2000-October 4, 2000



January 5, 2000

**MEMORANDUM FOR THE PRESIDENT**

**THROUGH: THE HONORABLE JOHN PODESTA**

**FROM: SECRETARY DAN GLICKMAN**

**SUBJECT: REPORT FOR WEEK OF January 2, 2000**

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**USDA Fact of the Week**

In spite of relative strength in the livestock complex, the prices farmers received for their products in December dropped 7% below their levels one year ago. Prices were pressured by crop prices 12% off December, 1998, with soybeans leading the decline with a 20% drop off last year, followed by a 15% drop in wheat prices, and 14% drop in corn prices off December, 1998.

**I. KEY DEPARTMENT NEWS**

**USDA Successfully Transitions into Year 2000:** As of January 4, 92% of USDA's mission critical systems (316 of 343) were operating normally, notwithstanding a minor number of problems associated with the rollover. Accordingly, USDA has scaled back to normal levels the operations of its year 2000 communications coordination center.

**USDA Continues Disbursing Emergency Farm Assistance:** On December 28, Secretary Glickman announced that USDA will pay out \$328 million to compensate tobacco growers and quota holders for reductions in the quota for the 1999 crop, as provided for in the FY00 emergency farm aid package. As of December 28, USDA had approved requests to make ranchers in 1,264 counties in 35 states eligible for compensation through the Livestock Assistance Program for grazing losses attributed to natural disasters in 1999.

**USDA Request Yields Chinese Flexibility on New Packing Rules:** In a letter delivered during the week of December 27, Secretary Glickman asked the head of China's Customs Department and the Chinese Minister of Foreign Trade and Economics for an extension of China's new restrictions on softwood packing materials from the U.S. The Chinese have agreed to give USDA until March 1 to ensure that U.S. exporters are complying with the new rules.

**USDA Horse Protection Plan Meets Opposition:** During the week of December 27, USDA

released its plan for enforcing the Horse Protection Act during the 2000 horse show season; however, 6 of the 9 horse industry organizations covered by the plan have indicated their refusal to sign the plan, notwithstanding previous commitments to the contrary. USDA will give the organizations until January 7 to agree to the plan, whose implementation has often generated considerable public, industry, and congressional interest.

**USDA Outdated Computers Assist HUD Clients:** In December 1999, as a result of an agreement between Secretaries Glickman and Cuomo to integrate their Departments' services, and share resources, USDA donated 14 excess computers to HUD's Dallas, TX office, helping local HUD housing residents to become computer literate; these computers will be placed in the Good Haven Neighborhood Network Center and will help 1,000 residents learn how to develop resumes and use the Internet to search for jobs.

**USDA Scientists Discover New Antibiotics:** USDA scientists searching for natural compounds to control fungi in plants have discovered new antibiotics that control human infections of streptococcus and staphylococcus bacteria. This new family of antibiotic compounds are not related to penicillin, and are thus potentially of widespread use, since 80% of all strains of staphylococcus are resistant to penicillin and its derivative forms.

**Commodity Markets in Review:** Wheat prices were unchanged, as a slowdown in exports was offset by concerns over dry conditions in parts of the Plains. Corn prices were nudged higher by continued strong exports and dry conditions in South America, but competition from China held gains in check. Rain in soybean-growing areas of South America depressed soybean prices. Rice cash prices held steady, but futures fell on large global supplies. Cotton prices received a boost as China estimated its 1999 cotton crop to be much smaller than previously thought. Cattle prices rose slightly in a slow week. Hog prices fell as slaughter schedules were curtailed. Broiler prices were marginally lower as production slackened. Cheese prices were up in sluggish activity. Butter prices dropped modestly.

**Average prices for the week ending December 30, 1999**

<b>Commodity</b>	<b>Weekly cash price</b>	<b>Change from a week ago</b>	<b>Change from a year ago</b>
Wheat \$/bu	2.60	0.00	-0.55
Corn \$/bu	1.92	0.01	-0.19
Soybeans \$/bu	4.47	-0.05	-0.87
Rice \$/cwt	6.75	0.00	-2.19
Cotton ¢/lb	46.38	0.10	-11.36
Steers \$/cwt	67.85	0.34	10.67
Hogs \$/cwt	36.24	-1.38	21.85
Broilers ¢/lb	57.23	-0.14	-4.69
Cheese \$/lb	1.17	0.02	-0.73
Butter \$/lb	0.88	-0.02	-0.56
Milk \$/cwt	10.33	-0.11	NA

**II. USDA WORK ON PRESIDENTIAL INITIATIVES**

**President's Initiative on Welfare Reform:**

**USDA Approves Waivers of Welfare Reform Requirements:** During the period from December 29, 1999 through January 5, 2000, USDA approved LA's request to extend and modify its waiver of the food stamp program's work requirements for 42 parishes and 5 cities, based on insufficient jobs, permitting beneficiaries in those locations to continue to receive food stamps notwithstanding the welfare reform bill's work requirements.

**President's Initiative on Food Safety:**

**USDA Readies Implementation of Final Phase of New Meat Inspection Rules:** On January 25, USDA will complete implementation of its new science-based meat and poultry inspection system -- known as HACCP, for hazard analysis and critical control point -- on the third and final class of plants, very small plants, which are those with fewer than 10 employees or sales under \$2.5 million annually, and which number approximately 3400 federally-inspected facilities and 2300 state-inspected plants.

**TX Firm Recalls Ground Beef for Possible E. coli O157:H7 Contamination:** On December 25, Supreme Beef Processors, Inc., of Dallas, TX voluntarily recalled approximately 180,000

pounds of ground beef that may have been contaminated with *E. coli* O157:H7 following discovery of the pathogen during routine USDA sampling.. This is the same plant that was the first in the nation to fail to meet USDA's salmonella performance standards in three consecutive sets, and follows the recent decision by the federal district court for northern TX granting Supreme Beef a preliminary injunction preventing USDA from removing its inspectors from the Dallas plant. This recall generated extensive press coverage, as has the entire dispute with the company, and the case will likely continue to generate media until its final disposition.

### **III. UPCOMING GRANTS, ANNOUNCEMENTS AND PUBLICATIONS**

**USDA to Release Supply and Demand Forecasts:** On January 11, USDA's National Agricultural Statistical Service (NASS) will issue its latest production forecasts for cotton and citrus, and on January 12 will release its final 1999/2000 production estimates for most major crops (including corn, wheat, rice, sorghum, barley, oats, soybeans, sugarcane, and sugar beets. NASS will also publish, on January 12, *Grain Stocks* (on and off-farm stocks of wheat, corn, sorghum, oats, barley and soybeans as of December 1, 1999), *Rice Stocks* (rough and milled rice stocks on and off farm), and *Winter Wheat and Rye Seedings* (seeded acreage of 2000 winter wheat and rye crops, plus Arizona and California durum seedings).

On January 12, USDA's projections of US supply, use, and prices for 1999/2000 will be published in the *World Agricultural Supply and Demand Estimates (WASDE)* report. The *WASDE* report will also contain world and country-specific supply and use forecasts for wheat, corn, coarse grains, rice, cotton, soybeans, and soybean products. The report includes projections of 2000 US livestock product and dairy supply, use, and prices.

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

On Monday, January 10, Secretary Glickman will hold a news conference on 1999 accomplishments and priorities for 2000.

On Tuesday, January 18, Secretary Glickman will attend a Harvard University Agri-business Seminar in Cambridge, MA.

On Wednesday and Thursday, January 19-20, Secretary Glickman will attend meetings of the Conference on Biotechnology in The Hague, Netherlands.

On Thursday, January 27, Secretary Glickman will accompany you during your State of the Union address.

### **V. SUB-CABINET SCHEDULE**

From Monday, January 10 through Thursday, January 13, Under Secretary Miley Gonzalez will lead the U.S. delegation at the Second Organization for Economic Cooperation and Development

(OECD) Conference on Agricultural Knowledge Systems in Paris.

On Tuesday, January 11, Chief Economist Keith Collins will address the 2000 American Farm Bureau Federation's Annual Convention in Houston, Texas.

On Thursday and Friday, January 13 and 14, Under Secretary Jim Lyons will attend the Partners Outdoors Conference in Orlando, FL.

On Sunday, January 16, Under Secretary Catherine Woteki will attend a Harvard University Graduate School of Business Administration agribusiness seminar, in Cambridge, MA.

On Tuesday, January 18, Under Secretary Michael V. Dunn will address the American Soybean Association's International Conference on The Food Chain of Tomorrow: Meeting the Demand for Identity Preserved Agricultural Commodities, in St. Louis, MO.

On Thursday and Friday, January 20 and 21, Under Secretary Catherine Woteki will visit with EU Commissioner for Health and Consumer Protection Byrne and other EU officials in Brussels.

On Monday, January 24, Under Secretary Catherine Woteki will lead a US delegation to an OECD ad hoc food safety task force meeting in Paris.

#### **VI. PRESS/MEDIA INQUIRIES :**

On January 10, Secretary Glickman will conduct a news conference covering USDA's accomplishments in 1999 and agenda and outlook for 2000.

#### **VII. FOIA REQUESTS**

Nothing of significance to report.

#### **VIII. WASTE, FRAUD AND ABUSE**

Nothing of significance to report.

#### **IX. CLIMATE CHANGE**

Nothing of significance to report.

#### **X. WEEKEND CONTACT**

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January 12, 2000

**MEMORANDUM FOR THE PRESIDENT**

**THROUGH: THE HONORABLE JOHN PODESTA**

**FROM: SECRETARY DAN GLICKMAN**

**SUBJECT: REPORT FOR WEEK OF January 9, 2000**

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**I. KEY DEPARTMENT NEWS**

**Humanitarian Aid to Arrive in North and South Korea:** On or about January 9, a bulk shipment of corn was expected to arrive in Pusan, South Korea for distribution to the hungry by CARE. The ship left a Los Angeles port on December 15. A vessel carrying 30,000 metric tons of bulk Hard Red Winter Wheat for the World Food Program departed a West Coast port on January 7, and is scheduled to arrive in N'ampo, North Korea by February 5.

**Marketing Loans for Honey:** As of January 4, nearly \$3.6 million in loans have been made to producers under the Honey Recourse Loan Program. On December 21, Secretary Glickman announced that USDA has extended the program to producers of 1999-crop honey. The program provides loans to help producers market their honey when prices are low without having to sell their crop to pay for expenses. Producers must request a loan by March 31.

**1999 Crop Marketing Assistance Loan and Loan Deficiency Payment Activity:** As of January 4, FSA has made 122,459 commodity loans totaling \$6.1 billion and 2,241,122 loan deficiency payments totaling \$5.4 billion.

**Pigford Case Update:** As of January 7, FSA has requested 19,259 producer files from 39 states, with 18,337 files sent into WDC headquarters. Since August 20, FSA has forwarded 15,181 Black Farmer Consent Decree files to the Adjudicator. To date, there have been 5,383 verified decisions, including 2,087 denials and 3,296 approvals.

**Advance Payments for Crop Disaster Program:** As of January 5, FSA has issued nearly \$17.6 million in advance 1999 Crop Disaster Program payments. The \$1.2 billion program helps farmers who lost at least 35 percent of their 1999 crop due to natural disasters. Farmers will receive 35 percent of their projected total payment once their application is approved, and will get the balance after all applications are received and approved following the end of sign-up on February 25.

**Disaster Assistance for Livestock Producers:** Through January 7, 1,297 counties in 37 states have been approved for participation and 36,300 producers have applied for benefits of more than \$63.8 million.

**Food Drive Update:** As of January 6, USDA has collected approximately 2.3 million pounds of food during its 1999 food drive--581,837 pounds have been donated from within USDA alone. USDA's partnership with the National Food and Agriculture Committee accounts for the remaining 1.6 million pounds of food. Eighteen States are still to report.

**Verification Notice:** This week, USDA is publishing a *Federal Register* notice soliciting proposals for pilot projects under which school food authorities and State agencies will test alternatives to the application procedures and verification process for households participating in the National School Lunch Program. The notice is entitled, "National School Lunch Program: Pilot Projects, Alternatives to Free and Reduced Price Application Requirements and Verification Procedures." The results of the pilot projects will be used to reduce misreporting of eligibility information.

**National Meeting on Food Stamp Access:** On January 10-12, USDA is hosting a national meeting on food stamp access issues at the Park Office Center complex for regional program directors and program access coordinators. Under Secretary Shirley R. Watkins and Deputy Under Secretary Julie Paradis addressed the group, and staff from the Department of Health and Human Services have been invited to take part in the discussion of Medicaid access reviews.

**GAO to Meet with USDA on Two Reviews:** On January 18, GAO officials will meet with USDA staff to discuss the findings of its recent "Review of the Costs to Deliver WIC Services." Also that day, GAO will hold an entrance conference on a new assignment, "Food Assistance for Medically Prescribed Diets."

**WIC Childhood Obesity Prevention Projects:** On January 31-February 2, USDA will sponsor a training meeting for grantees of the WIC Childhood Obesity Prevention Projects, featuring presentations by experts such as Dr. Bill Deitz of the Centers for Disease Control and Prevention.

**Update on Food Stamp QC Settlements:** Fifteen States have signed settlement agreements with USDA for adjusted liabilities based on their FY 1998 food stamp quality control (QC) error rates. Iowa, the sixteenth State, has chosen to have its Letter of Credit reduced to resolve its outstanding liability. Each State signing a settlement agreement has until February 4 to submit a reinvestment plan to USDA for review and approval. USDA has already received reinvestment plans from Oregon and Washington.

**Lipton Foods to Promote Kids' Food Guide Pyramid:** Lipton Foods, owner of Ragu spaghetti sauces, is planning to offer tear-pads with the Food Guide Pyramid for Young Children to pediatricians. The company plans to run an advertisement for the tear-pads in an upcoming issue of the Journal of the American Dietetic Association.

**Food Stamp Toll-Free Number:** In December, food stamp staff responded to 549 calls to the food stamp toll-free number. Since its inception, the toll-free line has logged in 3,142 calls from

potential food stamp applicants. Callers stated that they heard about the toll-free number from the radio, television, magazines, newspapers, the White House, City Hall, WIC offices, WIC program sheets and booklets, community centers, Spanish Services, daycare centers, jail facility, senior citizens programs, the Salvation Army, food banks/pantries, Call for Action packet in Wisconsin, churches, libraries, internet, friends, neighbors, the Medicaid program and other hotlines and helplines.

**Very Small Plant HACCP Implementation Update:** FSIS officials report that less than one percent of the 6,000 state and federal very small plants have indicated the possibility of closing plant operations rather than meet the HACCP requirements.

In related activity, on January 7, Administrator Billy sent a letter to all establishment owners/operators regarding the agency's final rule (published on October 22, 1999) consolidating the sanitation regulations applicable to meat and poultry plants and converting highly prescriptive sanitation requirements to performance standards. The final rule becomes effective January 25, 2000, concurrent with the implementation for very small plants to have a HACCP system in place. Administrator Billy explains in the letter that the agency is moving from a command and control methodology toward a more flexible regulatory approach based on HACCP philosophy and performance standards. In the letter, he suggests that owners/operators may want to review the new applicable agency directive for compliance with the new requirements.

**FSIS Responds to National Meat Association (NMA) on *Salmonella* Performance Standards Concerns:** On January 10, FSIS responded to Rosemary Mucklow of NMA regarding her request to not enforce *Salmonella* performance standards for ground beef in establishments that produce ground beef from raw materials derived from cow/bull carcasses. (The letter sent to NMA will also be used to respond to media requests on the same subject.) Administrator Billy denied the request in a January 10, 2000, letter. The agency observed that the overwhelming majority of processors of ground beef are meeting the *Salmonella* performance standard established for ground beef. In response to NMA's concern that about the lack of data to suggest a scientific rationale for varying performance standards, Billy noted that the preamble to the 1996 final rule on pathogen reduction and HACCP was very clear that the standards were not based on a quantitative assessment of the risk but on applying a uniform policy principle. That is, all establishments must achieve at least the current baseline level of performance with respect to *Salmonella* for the product classes they produce. This policy principle was based on the public health judgment that reducing *Salmonella* on raw products will reduce the risk of illness.

Billy also responded to the NMA's request that the agency recognize subsets within the bovine industry and set a new performance standard that is statistically and species justified. Billy commented that the feasibility of developing and enforcing a ground beef standard based on source material has not been established. For example, the agency's understanding is that (with the exception of bull meat) beef trimmings are generally marketed based on the percentage of lean and not on whether the trimmings are from steers, heifers or cows. Also, there are no regulations that require boneless manufacturing beef or beef trimmings to be labeled as to source.

Furthermore, the standards of identity for ground beef and hamburger require that these products "consist of chopped fresh and/or frozen beef..." and set limits and labeling requirements for the use of beef cheek meat but not other types of meat.

**Update on Meat Exports to the European Union (EU):** It is expected that the EU decision whether to continue accepting U.S. beef, pork, and horsemeat exports will be reached at a EU Standing Veterinary Committee (SVC) meeting on February 8-9. On January 24 and 25, meetings will be held with EU auditors, FSIS, and AMS to review the Hormone Free Cattle Program (HFCEP) and the Additional Residue Testing Program. On January 26, the EU delegation, FSIS and AMS officials will leave for Oklahoma and Nebraska to conduct HFCEP audits. During the week of January 30, the EU officials and FSIS/AMS will visit the Canadian Food Inspection Agency laboratory in Saskatoon, Saskatchewan, and Maxxam Analytics in Ontario to audit the Additional Residue Testing Program. The group will convene in Washington at the end of the second week for a final conference. FSIS will provide comments on the final EU report which will be submitted to the SVC.

**Update on Exports to Mexico:** On January 13 and 14, FSIS and Mexican officials will meet in College Station, Texas to discuss Mexico's de-listing of 17 U.S. meat and poultry plants. (Mexico re-listed the plants through January 31 pending the outcome of the meeting.) The meeting will focus on U.S. regulations and procedures related to sanitation issues raised by Mexico following its audit of the U.S. plants in November. Also, the group will visit Sanderson Farms, a large poultry operation in Bryan, Texas.

**Michigan Firm Pleads Guilty of Selling Adulterated Meat and Poultry:** On January 5, an FSIS news release announced that Capistar, Inc., a Grand Rapids food distribution firm, pleaded guilty in federal court for selling adulterated and contaminated ground beef, beef tenderloins, and chicken breasts. The U.S. District Court of the Eastern District of Michigan levied a \$50,000 criminal fine and required the firm to donate \$10,000 to a rescue mission. The investigation that led to the charges was conducted by FSIS in conjunction with the Michigan Department of Agriculture.

**FSIS Quarterly Regulatory and Enforcement Report:** The agency's report for July 1 - September 30, 1999 has been issued. The report provides a summary of the regulatory and enforcement actions, including those under the Pathogen Reduction/HACCP regulations, FSIS has taken to ensure that products that reach consumers are safe, wholesome, and properly labeled. Publication of this information is another step in the agency's commitment to openness and transparency in its work to protect the public from adulterated or misbranded meat, poultry, and egg products. The report is available on the FSIS website.

**Inspection Suspended at Ward's Manufacturing, Inc., Jamaica, New York:** On January 7, FSIS officials withheld the USDA marks of inspection at this very small plant because of sanitation standard operating procedure (SSOP) failures. FSIS compliance officers have been sent to investigate.

**Inspection Suspended at Shomokin Township Realty, Inc., Paxinos, Pennsylvania:** On January 7, FSIS officials withheld the USDA marks of inspection at this small HACCP plant because of repetitive SSOP failures. FSIS compliance officers are investigating.

**GAO Review on Country-of-Origin Labeling for Beef and Lamb:** On January 6, an exit conference was held with FSIS, FAS, ERS, and AMS on the subject review. The draft GAO report provides information on: (1) potential compliance costs for industry associated with mandatory country-of-origin labeling for fresh and processed beef and lamb; (2) enforcement costs associated with such a requirement; (3) trade issues associated with such a requirement; and (4) benefits of mandatory country-of-origin labeling. GAO states in the draft report that it is difficult to quantify the costs of country-of-origin meat labeling or to put a value on the benefits. The report, which does not contain any recommendations, should be available by January 31. The involved agencies provided comments on the draft report to GAO.

**GAO Draft Report – *School Meal Programs: Few Outbreaks of Foodborne Illness Reported:***

This report, to be issued in February, identifies five instances during the last 5 years when USDA, in collaboration with others, replaced or disposed of USDA-donated foods because of foodborne illness potential. (These five instances may not represent all food safety actions taken because USDA does not have a process to identify and document these actions.) The draft report states that twenty outbreaks of foodborne illness in schools were reported to CDC during 1997, the most recent year for which national data was available. (Health department records of states that reported outbreaks to CDC indicate that only 8 of the 20 outbreaks were associated with foods served in the school meal programs. The other 12 outbreaks were related to foods consumed in schools that were brought from home or obtained from other sources.) The report was requested by Senator Harkin to determine the extent of: (1) foodborne illness outbreaks related to meals served in schools; (2) USDA-donated foods in schools being removed, replaced, or disposed of because of a potential to cause foodborne illness; and (3) USDA's established procurement policies and procedures for ensuring the safety of foods it donates to the programs.

To better ensure that donated food safety actions are documented and that schools are provided with help to ensure the safety of foods purchased for the school lunch and school breakfast programs, GAO recommends that the Secretary of Agriculture direct the Administrator of FNS to: (1) implement the proposed food safety act database; and (2) provide more specific and complete guidance to school food authorities on safety provisions that could be included in food procurement contracts.

**Court to Hear Friends of Earth Case:** On January 18, the U.S. District Court in Burlington, VT, will hold a preliminary injunction hearing in the case of Friends of the Earth et.al. vs. United States Forest Service. The motion for preliminary injunction states that Forest Service actions are arbitrary and capricious because of failure to account for all the costs and benefits of forest management planning. Friends of the Earth have chosen four timber sale areas on the Green Mountain National Forest as examples and seek an order enjoining the Forest from permitting and/or undertaking any ground disturbing work in connection with the sales. The plaintiffs have

asked that the Forest Service comply with the Multiple-Use Sustained Yielded Act, the Forest and Rangeland Renewable Resources Planning Act, and the National Forest Management Act.

**Congressional Oversight Hearing Set for Sierra Nevada Framework:** A Congressional field oversight hearing on the Sierra Nevada Framework has been set for January 29, in Mariposa, CA, by the Subcommittee on Forests and Forest Health, chaired by Congressman Chenoweth. The Sierra Nevada Framework is a high profile project that has received considerable public, media, and Congressional interest. This field hearing is likely to attract regional media coverage.

**Lab Renaming:** In a ceremony to be held on January 21, the U.S. Salinity Laboratory in Riverside, CA, will officially be renamed the George E. Brown, Jr., Salinity Laboratory. Brown, who served California's 42nd Congressional District, was instrumental in obtaining funding for the new laboratory, which opened in May 1995. The old lab operated for 58 years at another Riverside location. The laboratory is located on the campus of University of California at Riverside. Deputy Secretary Richard Rominger, ARS Administrator Floyd Horn, UC Riverside Chancellor Raymond Orbach and George Brown's wife, Margaret, have been invited to speak.

**Initiative for Future Agriculture and Food Systems:** At his January 10 press conference, Secretary of Agriculture Dan Glickman committed initial funding of \$120 million to implement the new Initiative for Future Agriculture and Food Systems. The Initiative will fund competitive research, education, and extension grants that focus on production agriculture, natural resource management, and consumer issues. The Initiative's priorities include agricultural genomics and biotechnology risk assessment; food safety and the role of nutrition in health; new uses for agricultural products, including biomass fuel sources; natural resources management, pest management and precision agriculture; and farm efficiency and profitability, with an emphasis on small- and mid-sized family farms. CSREES will issue a request for proposals later this year, to solicit specific project proposals for the Initiative.

**Fund for Rural America:** At his January 10 press conference, Secretary of Agriculture Dan Glickman awarded grants announced by the Secretary include \$20 million in five Fund for Rural America "center" grants. The four-year grants will be administered by CSREES to support multi-organizational efforts addressing clusters of related agricultural, environmental, and rural development problems. The grants went to: (1) The Center for Minority Land and Community Security, led by Tuskegee University, will help increase land retention, acquisition, and land-based economic development among African Americans, Hispanic Americans and Native Americans; (2) the Northeast Center for Food Entrepreneurship, led by Cornell University, will assist entrepreneurs starting food manufacturing businesses and farmers trying to diversify; (3) the National Center for Manure and Animal Waste Management, led by North Carolina State University, will provide technical assistance and information about animal waste, while helping to lessen its environmental impact; (4) a Consortium for Site-Specific Resource Management, led by the University of Minnesota, will identify and expand the use of information systems that will help farmers more effectively manage natural resources; and (5) the National Resource Center for Rural People in Forest Communities, led by the Forest Trust of Santa Fe, New Mexico, will help

forest-dependent communities participate in natural resources decision-making.

**Higher Education Challenge Grants:** CSREES has published a Request for Proposals (RFP) for the FY 2000 Higher Education Challenge Grants Program. The program supports high-quality baccalaureate level teaching programs in the food and agricultural sciences to produce outstanding graduates capable of strengthening the nation's scientific and professional work force. All proposals must be received by February 14, 2000.

**Asian Longhorned Beetle:** On January 14, the first meeting of a New York City Task Force on Asian longhorned beetle is scheduled. An ARS entomologist at the Beneficial Insects Introduction Research Unit, Newark, DE, was contacted by staff member of the Deputy Mayor of New York City, requesting that he participate at the meeting. Current concerns are directed specifically at the recent infestation found bordering Central Park. In other news, the Agricultural Ministry of Guatemala contacted ARS for information about humidity, temperature and other conditions that are needed for the Asian longhorned beetle to survive. The information is required for a Risk Pest Analysis, by the Agricultural Ministry of Guatemala.

**Delaware-Maryland 50<sup>th</sup> Anniversary of Rural Housing Service (RHS) Single Family Direct 502 Program, Georgetown, DE, January 13:** Administrator James Kearney will take part in the DE/MD Rural Development state office celebration of the 50-year anniversary of the Single Family 502 Direct Loan Program. The event will include addresses by former USDA employees Ralph Johnson and Art Collings, who were instrumental in making the first Self-Help Housing loans in the early 1960s, and DE/MD Rural Development State Director John Walls.

**Last Basic Formula Price (BFP) Issued:** On January 5, the BFP for December was issued. The price is \$9.63 per hundredweight, \$0.16 lower than November. The December BFP is the last one that will be issued. The new Federal milk order reform pricing system, which begins with January 2000 prices, does not use the BFP. The BFP was first used for the May 1995 price and was the replacement for the Minnesota-Wisconsin (M-W) price. The December BFP also is the lowest such price that has occurred; the M-W price was last this low in August 1978.

**Update on Pork Research and Promotion Program Petition for Referendum:** On January 5, AMS Administrator Kathleen Merrigan held a meeting in Washington, D.C., to inform pork industry representatives about the current status of USDA's validation of the pork petition submitted by the Campaign for Family Farms (CFF) on May 24, 1999. The Administrator was joined by AMS staff in discussing the current status of the validation process. AMS anticipates completing the process and announcing the outcome by the end of January. In a January 4 press release, CFF had accused AMS of mishandling the petition signature verification process. Industry members attending the meeting included representatives from the CFF, the National Pork Producers Council, the National Pork Board, the Farmers Legal Action Group, and the National Farmers Union. Also attending were representatives from the Senate and House

Agriculture committees and members of the press. The Office of General Counsel and Office of Communications also participated.

In a related action, on January 4, a U.S. Circuit Court judge ruled in favor of CFF by issuing a permanent injunction blocking the release of petition names by USDA.

**Yellowstone Bison Management Dispute:** On January 28, APHIS, the U.S. Forest Service (FS), the National Park Service (NPS), and the State of MT will meet in a settlement conference, as ordered by United States District Judge Charles Lovell, regarding the dispute over the National Environmental Policy Act process for a long-term management plan for Yellowstone bison. The NPS, FS, and the State of MT are joint lead agencies in the development of an Environmental Impact Statement (EIS) on this matter, and APHIS is a cooperating agency. Under the terms of a settlement agreement, MT and the Federal agencies agreed to work cooperatively on an EIS for bison management. In 1999, after the Federal agencies and MT were unable to resolve disagreements regarding the development of an EIS, the Federal agencies notified MT that they would complete the EIS without the State. In response, the MT filed a petition asking the court to prevent the Federal withdrawal, either by modifying the 1995 settlement agreement or through an injunction. All parties are to appear before Judge Lovell for the settlement conference in Helena, MT. Each agency is expected to be represented by an official who can make binding decisions.

**Plum Island Public Meetings:** On January 19 and 20, APHIS will participate in ARS-sponsored public meetings on activities at the Plum Island Animal Disease Center (PIADC) in Old Saybrook, CT, and Southampton, NY, respectively. These meetings will offer the public, local media, and elected officials the opportunity to learn more about PIADC and the activities conducted there. PIADC is operated jointly by ARS and APHIS to conduct research and diagnostics on animal diseases that are not present in the United States, but could pose a major economic threat to U.S. agriculture. Plans to upgrade the facility's ability to study even more serious animal diseases have raised public concerns in nearby communities in both NY and CT. Plum Island is located off the coast of Long Island, NY.

**News conference:**

Secretary Glickman held a news conference January 10, during which he discussed USDA's 1999 accomplishments and Administration priorities for 2000. The Secretary told reporters that President Clinton's fiscal 2001 budget will include specific, new proposals to strengthen the farm safety net and help farmers weather difficult times. He also mentioned (see below) the Vice President's announcement January 7 of a new \$1.3 billion conservation initiative to help small farmers and ranchers, preserve farmland, and protect water quality.

**On-line "town hall" forum:** Secretary Glickman is participating in an on-line forum January 11 sponsored by the *Minnesota Star-Tribune*. (Through internet access, the Secretary will be asked, and will answer, questions from Americans around the country.)

**Commodity Markets in Review:** Wheat cash prices were unchanged last week, but futures rose because of concerns over dryness in the western Great Plains. Corn cash prices were down slightly as futures rose following continued reports of poor weather in South America. Soybean prices were up across the board on worries about the South American crop. Rice cash prices fell on tepid demand and large supplies, but futures rose ahead of the January 12 *Crop Production* and *Rice Stocks* reports. Cotton prices were sharply higher on lower production prospects for China. Cash cattle prices dropped with wholesale beef prices but futures were up modestly in anticipation of a rebound in beef demand. Strong gains for belly, ham, and picnic cuts helped boost hog prices. Seasonally weak demand sent broiler prices down last week. Cheese and butter prices were almost unchanged.

**Average prices for the week ending January 7, 2000**

Commodity	Weekly cash price	Change from a week ago	Change from a year ago
Wheat \$/bu	2.60	0.00	-0.59
Corn \$/bu	1.89	-0.03	-0.25
Soybeans \$/bu	4.57	0.09	-0.81
Rice \$/cwt	6.63	-0.12	-2.31
Cotton ¢/lb	48.64	1.97	-7.80
Steers \$/cwt	67.57	-0.39	7.82
Hogs \$/cwt	36.92	0.68	14.92
Broilers ¢/lb	57.08	-0.15	-4.79
Cheese \$/lb	1.18	0.01	-0.59
Butter \$/lb	0.88	0.00	-0.56
Milk \$/cwt	10.16	-0.17	NA

**Farm Weather Outlook:** The National Weather Service 6-10 Day Outlook for January 13-17, 2000, calls for near- to above-normal temperatures over most of the Nation. The exceptions are in the Pacific Northwest and New England, where below-normal temperatures are predicted. Near- to above-normal rainfall is forecast over the northern half of the country and most of California. Mostly dry weather is forecast for the Southwest, the central and southern Great Plains, and most of the Florida Peninsula.

**District Court Upholds Interim Roads Rule: WTIA vs. USFS, 99-CV-1016-B (D. Wyo).** In April 1999 the Wyoming Timber Industry Assn. filed a lawsuit in Federal District Court in Wyoming challenging the regulation that temporarily suspension of road construction in most

unroaded areas of the National Forest System. On January 4, 2000, the District Court found that the plaintiffs lacked standing to sue and dismissed the lawsuit. Although the ruling is technically based on jurisdictional grounds, the court did examine the Forest Service's authority to promulgate such rules and determined that the agency was acting within its statutorily granted powers. The ruling is important as it sustains the current moratorium (which expires in August 2000) and will act as a stepping stone for the defense of the roadless initiative announced by the President on October 13, 1999.

## II. USDA WORK ON PRESIDENTIAL INITIATIVES

**President's Food Safety Council's Latest Strategic Plan Draft Posted On Website:** The President's Council on Food Safety's Strategic Planning Task Force posted a revised strategic plan draft on its website ([www.foodsafety.presidentscouncil.gov](http://www.foodsafety.presidentscouncil.gov)) January 7. The posting is designed to acquaint the public with progress in plan development since the last Council/task force public meeting in July. It will be the basis for comment at the Council's next public meeting, which was announced in the December 15 *Federal Register* and is scheduled for January 19 in Washington. The final plan is due to the President in mid-2000. The President's Council on Food Safety is co-chaired by Secretary Glickman. Its Strategic Planning Task Force is co-chaired by Under Secretary Catherine Woteki.

**Update on Supreme Beef Court Proceedings:** OGC is preparing a court motion to vacate the preliminary injunction which the U.S. District Court of Texas granted to Supreme Beef Processors on December 10. The injunction prevented FSIS from removing its inspectors from the HACCP plant in Dallas after FSIS took enforcement action when the plant failed to meet *Salmonella* performance standards in three consecutive sets of FSIS tests. The test failures demonstrated that the plant's HACCP system for raw, ground beef was inadequate.

OGC's motion to vacate the injunction follows the latest incident with Supreme Beef Processors. On December 25 the company voluntarily recalled approximately 180,000 pounds of ground beef because of possible *E. coli* O157:H7 contamination. The recall received extensive press coverage which included a statement by the *New York Times* that "the recall could have important ramifications for the lawsuit and ultimately for the government's authority to perform bacterial testing." An editorial, published by the *Washington Post* on January 8, states that the core questions posed by the case are not legal but scientific and not suited to resolution in a courtroom. It has been reported that the National Meat Association will request to be listed as a co-plaintiff on the lawsuit. USDA would object to this as not timely.

**Vice-President's Conservation Security Program:** Secretary Glickman issued a statement January 7 applauding the Vice-President's leadership on the new initiative. The Secretary said he wants to "work with Congress this year to significantly improve the farm bill," and that needed changes "must include stronger conservation provisions, such as the Vice President has proposed today." The statement was taped by USDA radio and featured on USDA's Radio Newslines.

### III. UPCOMING GRANTS, ANNOUNCEMENTS AND PUBLICATIONS

**USDA Announces Public Hearing on Clean Wheat Initiative:** On January 11, USDA announced that FAS will hold a public hearing to solicit comments on a proposal to finance cleaning systems at wheat elevators in the United States on January 28. The goal of this initiative is to improve the quality and competitiveness of U.S. wheat exports. It is part of our broad efforts to help put U.S. growers in a position to compete on an even footing with producers in other countries. USDA continues to work with the private sector to develop and implement innovative programs that will help American farmers expand their share of the world's market. The deadline for written comments on the proposed initiative has been extended to February 4.

**Crop Production:** The National Agricultural Statistics Service's (NASS) *February 11 Crop Production Report* will include indicated production of 1999-2000 citrus fruits; and area harvested, yield, and production of sugarcane for 1999.

**Sugar and Sweeteners:** On January 20, the *Sugar and Sweetener Situation and Outlook* will provide the latest U.S. and world sugar supply and demand estimates. Data on high fructose corn syrup supply and utilization will also be included in the report.

**Electric Loans to be Released:** On January 11, the following electric loan will be announced: The Alaska Village Electric Cooperative, Inc., Anchorage, AK, in the amount of \$11,835,000 to serve 482 new consumers, construct 23 miles of distribution line and make other system improvements.

### IV. SECRETARY'S SCHEDULE

On Tuesday, 18 January, Secretary Glickman will attend a Harvard University School of Business Administration seminar on Agribusiness, in Cambridge, MA.

On Wednesday January 19, Secretary Glickman will meet with various E.U. commissioners in Brussels, Belgium, prior to addressing the Conference on Biotechnology at The Hague, Netherlands.

On Tuesday, January 25, Secretary Glickman will address the national Cattlemen's Beef Association convention in Phoenix, AZ.

On Thursday, January 27, Secretary Glickman will accompany you to your State of the Union address.

On Wednesday, February 9, Secretary Glickman will address the National Association of Wheat Growers annual conference in Las Vegas, NV.

On Thursday, February 10, Secretary Glickman will testify before a Senate agriculture

appropriations committee hearing.

## **V. SUB-CABINET SCHEDULE**

On Thursday, January 13, Deputy Secretary Rominger will address USDA's Martin Luther King Observance ceremony.

On Friday, January 21, Deputy Secretary Rominger will dedicate the George E. Brown, Jr., Salinity Lab, at the University of California at Riverside campus.

On Tuesday, January 25, Deputy Secretary Rominger will attend a signing ceremony for a USDA/HI MOU on Fruitfly Technical Research Conference, in Honolulu, HI.

On Tuesday, January 11, Under Secretary Woteki will chair a joint meeting of the Codex Policy and Technical Committees, to discuss U.S. coordination of international food safety activities.

On Thursday, January 13, Under Secretary Shirley R. Watkins will hold a roundtable discussion on nutrition in Manchester, NH.

On January 13 & 14, Under Secretary Lyons will attend the Partners Outdoors Conference in Orlando, FL.

On Sunday, January 16, Under Secretary Catherine Woteki will attend a Harvard University Graduate School of Business Administration seminar on Food Safety, in Cambridge, MA.

On January 18, Under Secretary Michael V. Dunn will address the American Soybean Association's International Conference on The Food Chain of Tomorrow: Meeting the Demand for Identity Preserved Agricultural Commodities, in St. Louis, MO.

On January 19, Under Secretary Schumacher will address the NJ Vegetable Growers Association, in Atlantic City, NJ.

On Thursday, January 20, Under Secretary Shirley R. Watkins will attend the National Association of WIC Directors Board of Directors Meeting, in Santa Fe, NM.

On Thursday, January 20, and Friday, January 21, Under Secretary Catherine Woteki will meet with E.U. Commissioner for Health and Consumer Protection David Byrne and other E.U. officials, in Brussels, Belgium.

On Monday, January 24, Under Secretary Catherine Woteki will lead the U.S. delegation to OECD ad hoc food safety task force meeting, in Paris, France.

On Sunday, January 30, Under Secretary Catherine Woteki will attend the National Research Council's (NRC) Task Force on Goals and Operations, in Irvine, CA.

On Saturday, February 5, Under Secretary Shirley R. Watkins will address the Providers Food Program Conference in Newton, MA.

From February 7-9, Under Secretary Shirley R. Watkins will attend the 1890 Task Force Winter Meeting in Tallahassee, FL.

## VI. PRESS/MEDIA INQUIRIES

On January 10, AP interviewed Under Secretary Catherine Woteki on strategic plan activities of the President's Council on Food Safety.

The ABC television affiliate in Chicago has requested an interview next week with Under Secretary Catherine Woteki on the subject of irradiation.

*Indianapolis Star* asked about the African American farmers' lawsuit against USDA (background given) and asked how many farmers have received payment.

*National Journal* asked about the pork producers check-off referendum; update given

Associated Press, Minneapolis Public Radio, Hearst TV, Fox News, Conus TV, and the InfoStation asked about the January 10 news conference (in advance).

On January 12, a Federal Times reporter will interview CFO Thompson regarding the Foundation Financial Information System (FFIS) implementation

## VII. FOIA REQUESTS

On January 7, FSIS furnished *USA Today* with Freedom of Information Act documents requested for enforcement actions at IBP plants including information on the FSIS investigation of alleged falsification of records by an IBP technician at its Gibbon, Nebraska, plant. FSIS denied *USA Today's* request for records pertaining to the IBP plant in Wallula, Washington, because of a current FSIS investigation in a related matter.

FSIS received a FOIA request from the law firm of Zimmerman and Reed, Minneapolis, MN, for records for the past 6 months concerning Supreme Beef Processors, Inc.

*Newsday*, a *Times Mirror* newspaper in Melville, NY, requested non-compliance records and microbiological testing results for Hannelore Enterprises, Inc. (On December 17, Hannelore product was recalled for possible *Listeria* contamination.)

WZZM 13 of Grand Rapids, MI requested non-compliance reports for Bil Mar for 1998 and 1999, and performance based inspection system data for all plants for 1998 and 1999.

The Executive Director for Fish Unlimited, Inc., requested documents regarding the Agricultural Research Service, Plum Island Animal Disease Center. Specifically requested: (1) all historical and present records of effluent discharged (planned or unplanned) to Long Island Sound, Gardiner's Bay, Plum Island Ferry/Boat Basin, Plum Gut and groundwater, (2) all past and present permits dealing with water discharge whether issued by State or Federal Government pursuant to the Clean Water Act, and all information supplied to any agency during the above mentioned permitting process, (3) all historical and present records of airborne emissions both planned and unplanned from any and all buildings at Plum Island, and (4) all information related to the contamination in the area commonly known as the sewage treatment plant lagoon.

The Law Offices of Cohen, Milstein, Hausfeld and Toll filed a FOIA request for all documents regarding genetically modified corn, soybean, or cotton seeds or crops, including glyphosate - resistance, and/or Bt insect resistance modified seeds or crops also known as "Roundup Ready," "Yieldgard," or "Bollgard." Specifically, documents pertaining to any actual or potential environmental and health impacts, health effects testing, regulatory consideration, sale or use, and Monsanto's research, development and marketing.

On January 5, 2000, two FOIA requests were received from the law firm of Olsson, Frank and Weeda, Washington, D.C., on behalf of Excel Corporation. These request relates to the April 9, 1999, GIPSA complaint against Excel alleging that the firm failed to disclose to producers a change in the calculation of lean percent for hogs purchased on a carcass merit basis, and that, as a result of this change in formula, Excel paid lower prices for the majority of hogs purchased on a carcass merit basis. One FOIA request was for any 1998 or 1999 letters, memoranda, etc. between USDA officials and persons outside USDA, including but not limited to members of Congress, regarding whether to bring an action against Excel. The second request was for 1) all documents regarding implementation and interpretation of carcass weight purchase requirements and all related enforcement actions initiated by GIPSA; and 2) all administrative actions and court decisions in which a civil penalty was sought for both willful and non-willful violations of the Packers and Stockyards Act

#### **VIII. WASTE, FRAUD AND ABUSE**

#### **IX. CLIMATE CHANGE**

#### **X. WEEKEND CONTACT**

January 19, 2000

**MEMORANDUM FOR THE PRESIDENT**

**THROUGH: THE HONORABLE JOHN PODESTA**

**FROM: SECRETARY DAN GLICKMAN**

**SUBJECT: REPORT FOR WEEK OF January 16, 2000**

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**USDA Fact of the Week**

In 1999, USDA's measure of the gap between minimum nutritional requirements and actual per capita consumption in 67 developing countries -compared to 1996-98 levels- showed a 18% drop in intake over the 1998 gap. This worsening of the hunger level since 1998 is largely the result of adding North Korea to the analysis, and adjusting the level considered to meet minimum nutritional standards. USDA projects that over the next decade the gap between nutritional needs and actual intake will increase by 54%, while the gap compared with 1996-98 levels widens by 37%.

**I. KEY DEPARTMENT NEWS**

**Secretary to Meet with WTO Director General:** On January 20, Secretary Glickman will meet with WTO Director General Moore about the status of resuming the WTO agricultural negotiations; the Secretary has invited the leadership of the House and Senate agriculture committees to join him for the discussion, and will hold a media availability with Moore following the meeting.

**USDA Announces Aid for Small Farms:** On January 19, before the opening of USDA's Advisory Committee on Small Farms, Secretary Glickman announced that USDA will provide \$500,000 to the Universities of Georgia, Nebraska, and Vermont, and Utah State University, to help small farmers develop new methods for marketing their commodities, including direct selling to restaurants and forming cooperatives to export.

At the same meeting, Secretary Glickman announced that dairy farmers who did not participate in the 1999 dairy income loss compensation program, will have from January 24 to February 28 to sign up for this year's program, by which USDA is provided \$125 million to aid dairy farmers.

In a separate development, on January 21 USDA will end sign up for the 1999 livestock

assistance program, which as of January 15 had attracted 36,300 farmers in 38 states, who requested a total of nearly \$64 million.

**USDA Opens Conservation Reserve Program to New Sign ups:** On January 18, USDA began the 20<sup>th</sup> sign up for participation in the Conservation Reserve Program (CRP). As of October 1, 1999, nearly 35.1 million acres were enrolled in the CRP, 400,000 of which will expire on September 30. Your FY01 budget will include a proposal to increase the size of the CRP from the current maximum of 36.4 million acres to 40 million acres.

**Chinese Officials Touring U.S. Citrus and Wheat Growing Regions:** From January 14 through January 30, a team of Chinese officials are touring U.S. citrus and wheat growing regions in AZ, CA, FL, and TX as part of China's obligations under the terms of the WTO accession agreement. Upon successful conclusion of these visits, USDA expects China will begin allowing U.S. citrus into its market, and Chinese officials have indicated they plan a wheat purchasing visit to the U.S. after February 13.

**Secretary Announces Sheep Industry Compensation:** On January 13, Secretary Glickman announced the details of the sheep assistance package you committed to as aid to help the domestic industry recover from the effects of Australian and New Zealand imports. While the U.S. sheep industry's reaction has been generally positive, Australian and New Zealand officials have roundly criticized the measures.

**USDA Reports to Congress on Country of Origin Meat Labeling:** On January 12, USDA delivered to Congress a report on country of origin meat labeling, as required in the FY99 agricultural appropriations bill; the report examines the effects of such labeling on the food production, processing, and distribution industries, and on consumers.

**Congress Schedules Oversight and Budget Hearings:** On January 29, the House Subcommittee on Forests and Forest Health will hold a field hearing in Mariposa, CA on the Forest Service's plan for managing the Sierra Nevada national forests. The Sierra Nevada Framework is a high profile project that has received considerable public, media, and congressional attention.

On January 31, the House Agriculture Subcommittee on Livestock and Horticulture will hold a field hearing on invasive species issues at the University of Florida Citrus Research Center in Lake Alfred, FL.

On February 1, the Senate agriculture committee will hold an oversight hearing on the Grain Inspection and Packers and Stockyards Administration.

On February 8 and 9, the Senate agriculture committee will hold hearings on milk pricing issues, and conduct a general overview of dairy policy.

On February 10, Secretary Glickman will testify before the Senate Appropriations Subcommittee on Agriculture, Rural Development and Related Agencies, on the FY01 budget request.

On February 16, Secretary Glickman will testify before the House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies, on the FY01 budget request.

**USDA Releases Supply and Demand Forecasts:** On January 11, NASS issued its latest production forecasts for cotton and citrus in *Crop Production*. On January 12 NASS reported, in *Crop Production: 1999 Summary*, its final production estimates for 1999/2000 for most major crops (including corn, wheat, rice, sorghum, barley, oats, soybeans, sugarcane, and sugar beets). January 12 lockup reports also included *World Agricultural Supply and Demand Estimates (WASDE)*, *Grain Stocks*, *Winter Wheat Seedings*, and *Rice Stocks*. USDA's projections of U.S. supply, use, and prices for 1999/2000 were published in the *WASDE* report. The *WASDE* report also contained world and country-specific supply and use forecasts for wheat, corn, coarse grains, rice, cotton, soybeans, and soybean products. The report includes, in addition, projections of 2000 U.S. livestock product and dairy supply, use, and prices. Highlights from these reports include:

**All wheat:** The *Winter Wheat and Rye Seedings* report showed winter wheat seedings at 42.9 million acres for the 2000 crop, down 1.2 percent from the 43.4 million acres planted last year. If realized, this would represent the lowest winter wheat area planted since 1972. The December 1 *Grain Stocks* report estimated wheat stocks on December 1, 1999, to be 1.879 billion bushels, down 1 percent from the December 1, 1998.

**Rice:** The U.S. 1999/2000 rice crop is estimated at 210.5 million hundredweight (cwt), down 1.3 million cwt from last month, but still the largest crop on record. Domestic and residual use is projected up nearly 4 million cwt from last month because of a change in the milling yield used for 1999/2000.

**Corn:** Stocks as of December 1, 1999, reported in the *Grain Stocks* report, were 8.02 billion bushels, only slightly below the 8.05 billion held in all positions on December 1, 1998. Projected 1999/2000 ending stocks of corn are lowered 280 million bushels from last month. Corn production is estimated at 9,437 million bushels, down 100 million bushels from last month. The December 1 stocks indicated that feed and residual use during the September-November quarter was stronger than expected.

**Soybeans and products:** Soybean stocks as of December 1, 1999, reported in the *Grain Stocks* report, were 2.182 billion bushels, marginally below the 2.186 billion held in all positions on December 1, 1998. U.S. soybean production is estimated at 2.643 billion bushels, down 30 million bushels from last month. Argentina's soybean crop is raised 0.5 million tons to 19.0 million tons, based on record harvested area. Brazil's soybean crop forecast is unchanged this month at 31.0 million tons as larger area offsets reduced yield.

**Cotton:** Production is raised marginally to 16.95 million bales, as increases for the Southeast and far West are partially offset by lower estimates in the Southwest. The mill use forecast for 1999/2000 is unchanged at 10.2 million bales. The export estimate is raised 200,000 bales to 6.4 million bales, reflecting strong sales in recent weeks.

**Sugar:** U.S. sugar supply for fiscal year 1999/2000 is projected up 5,000 short tons, raw value, from last month. Beet sugar production is increased 75,000 tons, based on higher-than-expected sugar content in 1999 crop sugarbeets. Cane sugar production is decreased 70,000 tons, mainly due to lower forecast sugarcane yields in Florida.

**Livestock:** The estimate of total U.S. meat production in 1999 is lowered slightly as reduced turkey and pork production offset an increase in beef. For 2000, forecast meat production is raised because of higher beef production.

**Citrus:** Florida's all-orange forecast is 219 million boxes (9.86 million tons), up 2 percent from December and 26 percent from last year.

**Dairy:** Large milk production and weaker-than-expected demand for skim solids results in an increase in forecast CCC removals of nonfat dry milk for 1999/2000. Expected weakness in product prices is reflected in a 25-cent per cwt reduction from last month in the forecast Basic Formula/Class III price and a 10-cent per cwt reduction in the All-Milk price.

**Commodity Markets in Review:** Wheat prices rose last week due to lower-than-expected stocks and weather concerns. Corn prices surged as USDA lowered the 1999 production estimate and forecast higher domestic use and a substantially smaller forecast 1999/2000 carryout. USDA's forecast of lower 1999/2000 ending stocks for soybeans boosted prices. Rice cash prices held steady but futures fell on large long-grain supplies and weak demand. Cotton prices moved up as buyers moved to lock in prices at current levels. Cattle prices rose along with wholesale beef. Strong increases in pork cutout values led hog prices up. Large supplies continue to burden broiler prices. Cheese production remains seasonally heavy, and prices fell. Butter prices rose despite very active churning schedules.

**Average prices for the week ending January 14,2000**

<b>Commodity</b>		<b>Weekly cash price</b>	<b>Change from a week ago</b>	<b>Change from a year ago</b>
Wheat	\$/bu	2.65	0.05	-0.50
Corn	\$/bu	1.95	0.06	-0.16
Soybeans	\$/bu	4.62	0.05	-0.62
Rice	\$/cwt	6.63	0.00	-2.31
Cotton	¢/lb	50.93	2.29	-5.27
Steers	\$/cwt	68.99	1.32	7.36
Hogs	\$/cwt	37.84	0.92	8.37
Broilers	¢/lb	56.79	-0.29	-4.73
Cheese	\$/lb	1.12	-0.06	-0.51
Butter	\$/lb	0.94	0.06	-0.49
Milk	\$/cwt	10.02	-0.14	NA

**Farm Weather Outlook:** The NWS 6-10 day outlook for January 23-27 calls for near- to above-normal temperatures nationwide, except in the Northwest. Widespread, generally beneficial precipitation is forecast across the eastern half of the U.S. Heavy precipitation, including significant mountain snowfall, is possible from California to the central Rockies. Unfavorably dry conditions will continue from the Desert Southwest to West Texas.

**II. USDA WORK ON PRESIDENTIAL INITIATIVES**

**President's Food Safety Initiative:**

**USDA to Propose Allowing More Additives to Inhibit Listeria:** On January 20, USDA will release a proposal to amend federal meat and poultry regulations to increase permissible levels of flavor enhancers, and to permit the use of additives which will inhibit the growth of certain pathogens, specifically *Listeria monocytogenes*

**GAO to Review Risk and Benefits of Food Irradiation:** On January 20, USDA officials will hold an entrance conference with GAO auditors to: (1) determine the extent to which food irradiation is used, and for what purposes; (2) describe scientifically supportable risks and benefits of food irradiation; and (3) identify food safety laws and regulations that apply to food irradiation. Representatives Bliley and Upton commissioned the report.

**Public Meeting on National Food Safety Strategic Plan:** On January 19, USDA officials will hold a public meeting on coordinating a national food safety plan, developed under the auspices of your Food Safety Council.

**USDA Implements Changes in Recall Policy:** On January 14, USDA officials briefed industry and consumer groups on its plan to issue revised agency food recall procedures and guidelines that will go into effect on February 1, when USDA will issue news releases for all meat and poultry recalls. This will depart from previous policy under which USDA issued news releases only when the product in question had reached the consumer level in the chain of distribution, and was discretely identifiable.

**USDA Receives Petition to Require Testing for *Listeria*:** On January 13, the Center for Science in the Public Interest (CSPI), the American Public Health Association, and four other organizations petitioned USDA to require meat processors to conduct frequent tests for *Listeria monocytogenes*. The *Associated Press*, WUSA-TV (CBS), WTTG-TV (Fox), Hearst-Argyle TV, *CONUS-TV*, *CNN*, the *Detroit Free Press* and *Reuters* all interviewed USDA food safety officials about the petition.

**USDA Enforces New Meat and Poultry Rules:** On January 12, USDA suspended operations at Cornbelt Beef Corp. of Detroit, MI for its failure to meet sanitary operating procedure requirements.

**USDA Tests Prompt Recalls:** On January 14, Carolina Turkey of Mt. Olive, NC recalled 140,000 pounds of turkey breast due to possible under cooking; and Briden Foods of Glendale, AZ recalled 600 pounds of beef product, after USDA tests revealed the possible presence of *listeria*.

**Supreme Beef Update:** On January 12, the Justice Department filed a request to vacate a preliminary injunction requiring USDA to continue inspection at the Supreme Beef Processors, Inc., of Dallas, TX. The Dallas plant was the first in the nation to fail to meet *Salmonella* performance standards in three consecutive sets. In December the U.S. District Court for the Northern District of Texas had granted Supreme Beef a preliminary injunction preventing USDA from removing its inspectors from the Dallas plant. Because of a positive sample found by FSIS, on December 25, Supreme Beef voluntarily recalled about 180,000 pounds of ground beef that may have been contaminated with *E. coli* O157:H7.

### III. UPCOMING GRANTS, ANNOUNCEMENTS AND PUBLICATIONS

**USDA to Complete Memorandum of Agreement with Native American Indian Tribes:** On January 24, USDA's AZ rural development director will sign a memorandum of agreement implementing the new enterprise community designation granted to the Four Corners Enterprise Community, which encompasses portions of the Navajo, Hopi and Ute tribal lands.

**USDA to Finance Colonias Project:** On January 21, USDA will award \$1.5 million to finish building a wastewater system in Bayard, NM, and refurbish and expand a water system in the colonia of Brazito, just south of Las Cruces, NM, which will provide clean water to 177 homes.

**USDA to Finance Rural Electric and Telephone Cooperatives:** On January 18, USDA will release a \$4.9 million loan to the Mid Century Telephone Cooperative of Canton, IL to improve service to 517 subscribers; and on January 19, USDA will release \$8 million to the Tri-County Electric Membership Corporation, of Lafayette, TN, to construct 381 miles of distribution line, and make other system improvements.

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

On Thursday, January 20, Secretary Glickman will meet with WTO Director General Michael Moore.

On Sunday, January 23, Secretary Glickman will address a Jewish National Fund "Day in the Forest" event, in Angeles Forest, CA.

On Wednesday, January 26, Secretary Glickman will meet with the Trade Minister of Singapore, George Yeo.

On Thursday, January 27, Secretary Glickman will accompany you to the State of the Union address.

On Monday, January 31, Secretary Glickman will testify before the Senate budget committee on trade issues.

On Thursday, February 10, Secretary Glickman will testify before the Senate agriculture appropriations committee.

#### **V. SUB-CABINET SCHEDULE**

From Thursday, January 20, through Monday, January 24, Under Secretary Catherine Woteki will head the U.S. delegation to an OECD ad hoc food safety task force meeting in Paris, France.

On Friday, January 21, Chief Economist Keith Collins will address the National Grain Trade Council on farm policy issues.

On Sunday, January 23, Chief Economist Keith Collins will address the American Soybean Association regarding the economic outlook for U.S. agriculture.

On Tuesday and Wednesday, January 25-26, Under Secretary Catherine Woteki will attend meetings with U.S. Ambassador to the EU Richard Morningstar, and EU officials, including EU

Commissioner for Health and Consumer Protection David Byrne, in Geneva, Switzerland.

On Thursday and Friday, January 27-28, Under Secretary Michael V. Dunn will attend Yellowstone Bison Settlement Conference in Helena, MT.

On Sunday, January 30, Under Secretary Catherine Woteki will attend the National Research Council's (NRC) Task Force on Goals and Operations, in Irvine, CA.

On Wednesday, February 2, Under Secretary Michael V. Dunn will address the Animal and Plant Health Inspection Service's 1<sup>st</sup> Annual Civil Rights Awards Ceremony in Riverdale, MD.

From Monday through Wednesday, February 7-9, Under Secretary Shirley R. Watkins will attend the 1890 Task Force Winter Meeting in Tallahassee, FL.

On Tuesday and Wednesday, February 8- 9, Under Secretary Miley Gonzalez will address a Trilateral Conference between officials from the U.S., Canada, and Mexico, on Agricultural Migrant Labor in North America, in Los Angeles, CA.

From Tuesday through Thursday, February 8-10, Under Secretary Michael V. Dunn will attend the signing of a Memorandum of Understanding on Classical Swine Fever, in the Dominican Republic.

On Thursday, February 17, Under Secretary Shirley R. Watkins will address the University of Tennessee School of Biomedical Engineering in honor of Black History Month.

## **VI. MEDIA INQUIRIES**

*Bloomberg News* requested information the Chinese officials touring U.S. citrus growing regions - see Key Department News.

*NPR's Science Friday* asked for information on USDA's work containing the Asian Long-horned beetle infestation in NY.

*New York Times, Wall Street Journal, Dow Jones, Reuters* and the Associated Press asked for the status of the Supreme Beef case -- see USDA Work on Presidential Initiatives.

## **VII. FOIA REQUESTS**

The Center for Science in the Public Interest requested documents on USDA's travel costs for participation in Codex Alimentarius Commission meetings during FY98 and FY99.

Senator John McCain requested copies of all correspondence between his office and USDA.

**VIII. WASTE, FRAUD AND ABUSE**

Nothing of significance to report.

**IX. CLIMATE CHANGE**

Nothing of significance to report.

**X. WEEKEND CONTACT**

Greg Frazier

Home: 703.525.4186

Pager: 800.710.5528

January 28, 2000

**MEMORANDUM FOR THE PRESIDENT**

**THROUGH: THE HONORABLE JOHN PODESTA**

**FROM: SECRETARY DAN GLICKMAN**

**SUBJECT: REPORT FOR WEEK OF January 23, 2000**

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**USDA Fact of the Week**

As of January 19, demand for USDA loans was running almost 20% above the level of one year ago; thus far this fiscal year, USDA has provided \$764 million in direct and guaranteed loans to 6,970 family farmers, including \$70 million for 750 minority and women farmers, and \$165 million to 1,700 beginning farmers.

**I. KEY DEPARTMENT NEWS**

**State of the Union Amplification:** On January 28, Secretary Glickman held a radio bridge with farm broadcasters, and several one-on-one interviews in targeted markets, to amplify your State of the Union address, specifically the farm bill safety net proposals. On February 2, the Secretary will hold a news conference spelling out the details of those proposals.

**USDA Faces Court Challenge on New Dietary Guidelines:** On January 28, the Federal District Court of the District of Columbia will hear arguments for the Physicians Committee for Responsible Medicine's (PCRM) motion for a temporary restraining order preventing USDA from further spending to release new dietary guidelines. PCRM is charging that USDA violated the Federal Advisory Committee Act in selecting members to serve on the Dietary Guidelines Advisory Committee, but lost its attempt to secure an preliminary injunction against USDA.

**PA Signs Conservation Reserve Enhancement Program (CREP) Agreement with USDA:** On January 26, PA Governor Ridge signed a \$210 million agreement with USDA to protect PA watersheds, preserve up to 100,000 acres of farmland, and improve wildlife habitat in the Chesapeake Bay watershed in 20 PA counties, through the CREP.

**USDA Finances Organic Banana Cooperative:** On January 26, USDA awarded Capital Fruit, a Puerto Rican cooperative, a \$3 million loan to develop the first plantation of organic bananas in the U.S.

**USDA First-ever Africa Trade Team Mission:** Beginning January 25, USDA officials began a 10-day, 40-person Trade Team Mission to Morocco, Senegal, Ghana, and Nigeria, to explore untapped commercial opportunities for U.S. agricultural and food products.

**Twenty-Years of Sino-American Cooperation:** From January 19-29, USDA is co-chairing the twenty-first biennial Joint Working Group Meeting under the U.S.-P.R.C. Agreement on Scientific Cooperation and Technical Exchange, a program that has provided exchanges for more than 1,200 American and Chinese scientists for the purpose of better understanding and improving overall relations between the two countries, improving trade relations, and increasing understanding of the unique technologies and agricultural challenges of each country.

**Farm Weather Outlook:** The NWS 6-10 day outlook for January 27-31 calls for above-normal temperatures from the Plains into the Northeast. Near- to below-normal temperatures are forecast in the West and Southeast. A favorable pattern of above-normal precipitation is expected in the West, except from southern California to West Texas. Beneficial showers may occasionally spread as far east as the Plains. Mostly dry weather is forecast in the Corn Belt, but wet conditions are expected along much of the East Coast.

**Commodity Markets in Review:** Wheat cash prices were modestly higher, but futures were almost unchanged as a result of poor export prospects offsetting weather concerns. Strong exports boosted corn prices. Dry weather in South America and short-term tightness led to a surge in soybean cash prices, with futures also gaining, but by less than half as much. Rice cash prices held steady, but futures moved up on ideas that spring plantings would be sharply reduced from last year. Cotton prices were higher in volatile trade; speculators expressed doubt about China's ability to curtail imports or subsidize exports. Cattle prices fell, as lower futures weighed on the cash market. Hog prices advanced; packers raised bids in the face of cold weather in the Midwest. Broiler prices were little changed. Cheese prices remain slightly above support levels, but the heavy holiday demand schedule has ended and some producers are moving product into aging programs. Butter prices fell; cream supplies remain heavy and churning capacity in most regions is near capacity.

**Average prices for the week ending January 21, 2000**

<b>Commodity</b>	<b>Weekly cash price</b>	<b>Change from a week ago</b>	<b>Change from a year ago</b>
Wheat \$/bu	2.71	0.05	-0.36
Corn \$/bu	2.07	0.11	-0.05
Soybeans \$/bu	4.87	0.22	-0.30
Rice \$/cwt	6.63	0.00	-2.31
Cotton ¢/lb	53.49	2.29	-2.43
Steers \$/cwt	67.90	-1.09	6.91
Hogs \$/cwt	38.19	0.34	6.71
Broilers ¢/lb	56.65	-0.13	-4.86
Cheese \$/lb	1.11	0.00	-0.17
Butter \$/lb	0.93	-0.01	-0.50
Milk \$/cwt	10.09	0.07	NA

**II. USDA WORK ON PRESIDENTIAL INITIATIVES**

**President Food Safety Initiative:**

**USDA Meets with Supreme Beef Processors:** On January 24, USDA food safety officials met with representatives of Supreme Beef of Dallas, TX, to examine Supreme Beef's Hazard Analysis and Critical Control Point (HACCP) food safety inspection plan reassessment. The company is involved in a high-profile dispute with USDA, involving its failure to meet USDA's salmonella performance standards, its success in securing a Federal court order preventing USDA from closing the company, and subsequent recall of ground beef because of possible *E. coli* contamination.

In a separate but related development, on January 18, USDA permitted the company to reopen its affiliate, Supreme Beef Packers, Inc., of Ladonia, TX, the second plant in the nation to fail to meet the salmonella performance standard; a failure which had idled the plant since December 21, 1999.

**Millennium Green Event Marks Jewish Arbor Day:** On January 23, Secretary Dan Glickman and Forest Service Chief Mike Dombeck joined the Jewish National Fund leadership to celebrate Tu B'Shevat, on the Angeles National Forest (CA) as part of the Millennium Green project.

**Interagency Council on Biobased Products and Bioenergy:** On January 21, Under Secretary Miley Gonzalez co-chaired the first meeting of the Interagency Council on Biobased Products and Bioenergy, to implement the provisions of your executive order on developing and promoting biobased products and bioenergy.

### III. UPCOMING GRANTS, ANNOUNCEMENTS AND PUBLICATIONS.

**Increasing Food Recovery from Farmers' Markets: A Preliminary Analysis:** On February 7, USDA is scheduled to release the report: *Increasing Food Recovery from Farmers' Markets: A Preliminary Analysis.*

### IV. SECRETARY'S SCHEDULE

On Monday, January 31, Secretary Glickman will address members of the Campaign for Family Farms.

On Monday, January 31, Secretary Glickman will address the National Pork Producers.

On Wednesday, February 2, Secretary Glickman will discuss debt relief with representatives of the Oglala Sioux, whom you addressed at a New Markets Initiative event in Pine Ridge, SD, July 7, 1999.

On Monday, February 7, Secretary Glickman will hold a press conference on the FY01 Budget.

On Monday, February 7, Secretary Glickman will appear on the *Late Late Show with Craig Kilborn.*

On Tuesday, February 8, Secretary Glickman will address the California Farm Equipment Show and International Exposition, in Tulare, CA.

On Wednesday, February 8, Secretary Glickman will address the National Association of Wheat Growers conference in Las Vegas, NV.

On Thursday, February 10, Secretary Glickman will testify before a hearing of the Senate agriculture appropriations committee.

On Friday, February 11, Secretary Glickman will meet with the Ambassador of the Peoples' Republic of China on agriculture and trade issues.

On Wednesday, February 16, Secretary Glickman will testify before a hearing of the House agriculture appropriations committee.

On Thursday and Friday, February 17-18, Secretary Glickman will address the Comptroller of the

Currency/Administrator of National Banks "Agriculture Working Group" Conference, in St. Louis, MO.

On Thursday, February 24, Secretary Glickman will address the USDA Agricultural Outlook Forum in Arlington, VA.

## **V. SUB-CABINET SCHEDULE**

On Thursday and Friday, January 27-28, Under Secretary Michael V. Dunn will meet with Chinese officials on citrus issues, in Fresno, CA.

On Sunday, January 30, Under Secretary Catherine Woteki will attend the National Research Council's (NRC) Task Force on Goals and Operations, in Irvine, CA.

On Tuesday, February 1, Under Secretary Jim Lyons will address the National Association of Conservation Districts 54<sup>th</sup> Annual Meeting, in Colorado Springs, CO.

On Tuesday, February 1, Under Secretary Michael V. Dunn will testify before the Senate Agriculture Committee on the Grain Inspection and Packers and Stockyards Administration's (GIPSA's) enforcement authority.

On Wednesday, February 2, Under Secretary Gus Schumacher will meet with the Community Bankers Association of IL.

On Thursday and Friday, February 3-4, Under Secretary Michael V. Dunn will attend the Yellowstone Bison Settlement Conference in Helena, MT.

On Friday, February 4, Under Secretary Gus Schumacher will attend meetings of the Agricultural Policy Advisory Committee (APAC) and Agricultural Technical Advisory Committee (ATAC).

On Friday, February 4, Under Secretary Jill Long Thompson will keynote the STRATUM 2000 conference on "Opportunities and Challenges for Southwest Cooperatives and Producer Organizations in the New Millennium," in East Mesa, AZ.

On Monday and Tuesday, February 7-8, Under Secretary Michael V. Dunn will address the National Farmers Union on mandatory price reporting and concentration, in Albia, IA.

From Monday through Wednesday, February 7-9, Under Secretary Shirley R. Watkins will attend the 1890 Task Force Winter Meeting in Tallahassee, FL.

On Tuesday and Wednesday, February 8-9, Under Secretary Miley Gonzalez will address a Trilateral Conference on Agricultural Migrant Labor in North America, with officials from the U.S., Canada, and Mexico, in Los Angeles, CA.

On Thursday, February 10, Under Secretary Catherine Woteki and Deputy Under Secretary Caren Wilcox will attend a Washington meeting of the Trans Atlantic Consumer Dialogue.

On Friday, February 11, Under Secretary Schumacher will address the American Agriculture Movement Conference, in Oklahoma City, OK.

Monday, February 14, Under Secretary Schumacher will meet with UK Minister of Agriculture Nick Brown, at USDA.

On Wednesday and Thursday, February 16<sup>th</sup> and 17<sup>th</sup>, Under Secretary Jill Long Thompson will attend meetings on farmer cooperatives throughout MO, hosted by the Missouri Farmers Union. Governor Carnahan, State Senators and Representatives, members of the State Department of Agriculture, and farmers from various cooperatives throughout MO will attend.

On Thursday, February 17, Under Secretary Shirley R. Watkins will address the University of Tennessee School of Biomedical Engineering in honor of Black History Month.

On Tuesday, February 22, Under Secretary Jill Long Thompson will give the keynote address to the "Small Farmers, Women in Business and Marketing Conference 2000," in Jackson, MS.

From Friday through Wednesday, February 18-23, Under Secretary Michael V. Dunn will attend a conference on Best Management Practices for Controlling Invasive Alien Species in Cape Town, South Africa.

## **VI. PRESS/MEDIA INQUIRIES**

On January 26, Secretary Glickman gave an interview on biotechnology to ABC News. In a separate but related development, on January 21 Secretary Glickman named 38 members to a newly-formed USDA Advisory Committee on Agricultural Biotechnology.

## **VII. FOIA REQUESTS**

Safe Tables Our Priority (STOP) and the law firms of Zimmerman Reed of Minneapolis, MN, and David W. Whitehurst of Addison, TX, have requested records about USDA's inspections of Supreme Beef Processors, Supreme Beef Packers, and Spiritas Farms -- firms involved in a high-profile dispute with USDA involving the company's failure to meet USDA's salmonella performance standards, its success in securing a federal court order preventing USDA from closing the company, and subsequent recall of ground beef because of possible *E. coli* contamination.

## **VIII. WASTE, FRAUD AND ABUSE**

Nothing of significance to report.

**IX. CLIMATE CHANGE**

Nothing of significance to report.

**X. WEEKEND CONTACT**

Greg Frazier

February 2, 2000

MEMORANDUM FOR THE PRESIDENT

THROUGH: THE HONORABLE JOHN PODESTA

FROM: SECRETARY DAN GLICKMAN

SUBJECT: REPORT FOR WEEK OF January 30, 2000

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**USDA Fact of the Week**

Weakness in fruit and vegetable prices in January more than off-set a slight increase in other crop prices over their December levels, contributing to USDA's latest finding that prices farmers received for their products showed marked declines from levels one year ago. From price levels received in January, 1999, rice was down 31%; cotton was off 24%; soybean prices were down 14%; wheat fell 11%; and corn dropped 8%. Meanwhile, the livestock complex demonstrated the same mixed trends, as poultry, egg, and milk prices declined, while cattle prices climbed 13%, and hog prices jumped 40% from last year's levels.

**I. KEY DEPARTMENT NEWS**

**Secretary Rolls-Out Farm Safety Net Proposal:** On February 2, Secretary Glickman held a news conference announcing details of proposals that will be included in your FY01 budget to strengthen the farm bill's safety net by providing a counter-cyclical income support program, additional conservation funding, and improvements in the crop insurance program. Prior to the news conference, the Secretary and key USDA staffed briefed congressional staff, and following the news conference, briefed representatives of several farm groups.

On February 7, the Secretary will further amplify these proposals, as well as the rest of the initiatives in your budget, at a news conference announcing the entire FY01 USDA budget request. The Secretary will further amplify these proposals on February 8 at the California Farm Equipment Show and International Exposition in Tulare, CA; on February 9 before the annual conference of the National Association of Wheat Growers in Las Vegas, NV; and on February 10 before the Senate agriculture appropriations subcommittee.

**2000 Tobacco Crop to be Sharply Smaller Due to Drop in Demand:** On February 1, USDA announced a 45% reduction in the quota for the 2000 burley tobacco crop -- grown primarily in

KY and TN – due in large part to the 17% reduction in purchasing intentions from the domestic cigarette manufacturers.

**USDA Testifies on Rural Satellite Loan Program:** On February 1, USDA's Rural Utilities Service acting administrator testified before the Senate Banking Committee on legislation to create a loan program to finance satellite, and other means to provide television and other services to rural areas not being served now, or that will not be served as digital television signals develop; the Senate agriculture committee plans a hearing on the same subject February 3.

**USDA Lays Out Authorities on Agriculture Concentration:** On February 1, USDA's Under secretary for Marketing and Regulatory programs testified before the Senate agriculture committee on USDA's enforcement authority to combat and counter anti-competitive behavior in livestock markets, a subject of continually increasing attention from the public and Congress.

**USDA Outlines Invasive Species Initiatives:** On January 31, USDA associate deputy administrator for plant protection and quarantine testified concerning USDA efforts to combat invasive species, at a field hearing of the House Agriculture Committee's Subcommittee on Livestock and Horticulture in Lake Alfred, FL.

**Judge Backs USDA, Supports Release of Revised Dietary Guidelines:** On January 28, the District Court for the District of Columbia refused to block the February release of the Committee's proposed revisions to Dietary Guidelines, rejecting a suit brought by the Physicians Committee for Responsible Medicine, which may now bring a new complaint to block the guidelines based on an allegation that the new "food pyramid" is racially biased.

**Forest Service Prepares to Release Report on Work Environment and Community Relationships on the Humboldt-Toiyabe National Forest:** The Forest Service is preparing to release a report on the work environment and community relationships at the Humboldt-Toiyabe National Forest (NV). The Forest Service Chief commissioned the report following growing concerns about the physical safety and work climate for Federal employees on Forest Service units in NV, a problem highlighted in the national media when, last November, the Humboldt-Toiyabe Forest Supervisor announced she was leaving her position over concerns about her personal safety. USDA expects that the report will generate considerable public, media, and congressional interest.

**Farm Weather Outlook:** The NWS 6-10 day outlook for February 3-7 calls for a significant pattern change across the much of the U.S. East of the Rockies, stormy conditions will shift from the South to the North, resulting in possible heavy snow in the latter region, and the opportunity for recovery from rare snow and ice storms across the Deep South. Stormy, cool weather will continue across most of the West, but warm, unfavorably dry weather will return to the central and southern Plains.

**Average prices for the week ending January 28, 2000**

<b>Commodity</b>	<b>Weekly cash price</b>	<b>Change from a week ago</b>	<b>Change from a year ago</b>
Wheat \$/bu	2.69	-0.02	-0.39
Corn \$/bu	2.09	+0.02	-0.04
Soybeans \$/bu	4.99	+0.12	-0.05
Rice \$/cwt	6.63	0.00	-2.18
Cotton ¢/lb	54.17	+0.68	-2.02
Steers \$/cwt	67.12	-0.78	7.32
Hogs \$/cwt	39.99	+1.86	9.31
Broilers ¢/lb	56.79	+0.14	-5.47
Cheese \$/lb	1.11	0.00	-0.14
Butter \$/lb	0.90	-0.02	-0.46
Milk \$/cwt	10.11	+0.02	NA

**II. USDA WORK ON PRESIDENTIAL INITIATIVES**

**Presidential Initiative on Welfare Reform:**

**USDA Approves Welfare Reform Waiver:** During the period between January 26-February 3, USDA approved a request from KY to extend its waiver of the food stamp work requirements for residents of 58 counties.

**House Passes EBT Interoperability Legislation:** On Monday, January 31, the House passed H.R. 2709, the Electronic Benefit Transfer (EBT) Interoperability and Portability Act, sponsored by Rep. Goodlatte. The bill requires states to conform their EBT standards to a national, uniform operating system that the states choose, and is designed to ensure that food stamp recipients can use EBT cards across state borders, as well as prevent interstate food stamp fraud -- which is increased when states have different systems that are not interoperable for processing EBT payments. The Senate passed a companion bill in November.

**President's Initiative on Food Safety:**

**USDA Report on Recalls Transmitted to Congress:** On January 31, USDA submitted to Congress a report on recalls as requested by the House and Senate reports to the FY2000 Appropriations Act. The report describes USDA's recall authorities, procedures, and recall office structure and budget, as well as reporting that USDA has no authority currently to require recalls, but has submitted proposed legislation to remedy that problem.

**USDA Testing Prompts Recalls:** On January 28, Koenemann Sausage Co. Inc., of Volo, IL voluntarily recalled approximately 200 pounds of ready-to-eat dry sausage that routine USDA testing revealed may be contaminated with *Listeria monocytogenes*. Also on January 28, House of Raeford Farms, Inc., of Athens, MI, voluntarily recalled about 4,500 pounds of roasted ground chicken meat for the same problem.

### III. UPCOMING GRANTS, ANNOUNCEMENTS AND PUBLICATIONS

**USDA Finance Rural Electric Improvements:** On February 2, USDA loaned East Central Energy, of Braham, MN, \$29,076,000 to provide service to 4,380 new consumers, construct 379 miles of distribution line and make other system improvements. Also on February 2, USDA loaned \$26,000,000 to the Withlacoochee River Electric Cooperative, Inc., in Dade City, FL, so the cooperative can serve 7,186 new consumers, construct 361 miles of distribution line, 3 miles of transmission line and make other system improvements.

### IV. SECRETARY'S SCHEDULE

On Monday, February 7, Secretary Glickman will hold a press conference announcing USDA's FY01 budget request.

On Monday, February 7, Secretary Glickman will appear on the *Late Late Show with Craig Kilborn*.

On Tuesday, February 8, Secretary Glickman will address the California Farm Equipment Show and International Exposition, in Tulare, CA.

On Wednesday, February 8, Secretary Glickman will address the National Association of Wheat Growers conference in Las Vegas, NV.

On Thursday, February 10, Secretary Glickman will testify before a hearing of the Senate agriculture appropriations subcommittee.

On Friday, February 11, Secretary Glickman will meet with the Ambassador of the Peoples' Republic of China on agriculture and trade issues.

On Wednesday, February 16, Secretary Glickman will testify before a hearing of the House agriculture appropriations subcommittee.

On Thursday and Friday, February 17-18, Secretary Glickman will address the Comptroller of the Currency/Administrator of National Banks "Agriculture Working Group" Conference, in St. Louis, MO.

On Thursday, February 24, Secretary Glickman will address the USDA Agricultural Outlook Forum in Arlington, VA.

## V. SUB-CABINET SCHEDULE

On Thursday, February 3, Deputy Secretary Rominger will open USDA's Black History Month Observance ceremony.

On Monday, February 7, Deputy Secretary Rominger will address the Weed Science Society of America, in Toronto, Canada.

On Monday and Tuesday, February 21-22, Deputy Secretary Rominger will address the World Congress of Young Farmers of the American Farm Bureau, in Orlando, FL.

From Sunday through Wednesday, February 27 through March 1, Deputy Secretary Rominger will address the annual conference of the Associations of California Water Agencies.

On Wednesday, February 2, Under Secretary Schumacher will meet with the Community Bankers Association of IL.

On Wednesday, February 3, Under Secretary Schumacher will meet with WV State officials on agricultural issues, in Charleston, WV.

On Wednesday and Thursday, February 3-4, Under Secretary Michael V. Dunn will attend the Yellowstone Bison Settlement Conference in Helena, MT.

On February Monday and Tuesday, 7-8, Under Secretary Michael V. Dunn will address the Iowa Farmers Union on mandatory price reporting and concentration, in Albia, IA.

From Monday through Wednesday, February 7-9, Under Secretary Shirley R. Watkins will attend the 1890 Task Force Winter Meeting in Tallahassee, FL.

On Tuesday, February 8, Chief Economist Keith Collins will testify before the Senate Committee on Agriculture, Nutrition, and Forestry regarding dairy issues.

On Tuesday, February 8, Under Secretary Miley Gonzalez will address participants at the "Showcase of Model Programs Implementing Executive Order 12900, Educational Excellence for Hispanic Americans" at the White House Conference Center.

On Wednesday, February 9, Under Secretary Catherine Woteki and Deputy Under Secretary Caren Wilcox will meet with the National Association of Federal Veterinarians' executive board, to discuss veterinarians' role in food safety.

On Wednesday, February 9, Under Secretary Miley Gonzalez will attend meetings with officials from the U.S., Canada, and Mexico, on Agricultural Migrant Labor in North America, in Los Angeles, CA.

On Thursday, February 10, Under Secretary Catherine Woteki and Deputy Under Secretary

Caren Wilcox will attend a Washington meeting of the Trans Atlantic Consumer Dialogue (TACD), covering EU/U.S. policy issues related to trade, food, and electronic commerce.

On Friday, February 11, Under Secretary Schumacher will address the American Agriculture Movement Conference, in Oklahoma City, OK.

On Saturday, February 12, Under Secretary Jim Lyons will address the Washington Outfitters and Guide Association's Annual Meeting in Ellensburg, WA.

On Monday, February 14, Under Secretary Schumacher will meet with UK Minister of Agriculture Nick Brown.

On Thursday, February 17, Under Secretary Shirley R. Watkins will address the University of Tennessee School of Biomedical Engineering in honor of Black History Month.

From Friday through Wednesday, February 18-23, Under Secretary Michael V. Dunn will attend a conference on the best management practices for controlling invasive alien species, in Cape Town, South Africa.

On Monday, February 28, Under Secretary Michael V. Dunn will meet with State Attorneys General and Agricultural Commissioners to discuss concentration and price reporting, in Des Moines, IA.

## **VI. PRESS/MEDIA INQUIRIES**

On February 8, Under Secretary Woteki will be interviewed by the Council for Excellence in Government for the sixth volume of its *Prune Book* series addressing performance in high-level federal positions.

The San Diego, CA *ABC-TV* affiliate is beginning research on truth in labeling regarding the fat content in ground beef.

*KPIX* in San Francisco called about a number of issues on meat and poultry safety for a 5-part series that may begin airing the week of February 7.

## **VII. FOIA REQUESTS**

Nothing of significance to report.

## **VIII. WASTE, FRAUD AND ABUSE**

Nothing of significance to report.

## **IX. CLIMATE CHANGE**

Nothing of significance to report.

**X. WEEKEND CONTACT**

Greg Frazier

February 8, 2000

**MEMORANDUM FOR THE PRESIDENT**

**THROUGH: THE HONORABLE JOHN PODESTA**

**FROM: SECRETARY DAN GLICKMAN**

**SUBJECT: REPORT FOR WEEK OF February 6, 2000**

**USDA Fact of the Week**

Growers in the Everglades Agricultural Area (EAA) have reduced their phosphorus pollution below state requirements for the 4th consecutive year. In the year ending April, 1999, the amount of phosphorus drained into the Everglades from farms south of Lake Okeechobee fell by 49 percent, in part as a result of assistance in runoff cutting that USDA officials have provided the farmers.

**I. KEY DEPARTMENT NEWS**

**Secretary Announces FY01 Budget:** On February 10 and 16, Secretary Glickman will further amplify your FY01 budget in testimony before the agricultural appropriations subcommittees of first then Senate, then the House. These appearances follow his announcement of the entire USDA budget in a February 7 news conference, and one on February 2 focusing exclusively on your initiative to improve the farm safety net.

Prior to the Secretary's news conference, USDA personnel briefed staff of the House and Senate agriculture and appropriations committees, and then on February 7, briefed representatives of almost 100 organizations.

On February 8, in a speech to the California Farm Equipment Show and International Exposition in Tulare, CA, and in remarks February 9 to the annual convention of the National Association of Wheat Growers in Las Vegas, NV, the Secretary continued his amplification of your budget. On February 11, the Mid-America Ag Network, a regional radio network, the Associated Press, and EXB-TV will interview the Secretary on the farm safety net proposals specifically.

**Secretary Address Trans-Atlantic Food Safety Problems:** On February 10, Secretary Glickman will address the Trans-Atlantic Consumer Dialogue Committee, focusing on government's – especially USDA's – role in serving the needs of consumers, using food safety as

a prime example in addition to other USDA programs.

**Oilseeds Assistance Available:** On February 8, Secretary Glickman announced a \$475 million Oilseeds Payment Program, as provided in the FY01 agricultural appropriations bill, designed to help farmers of eligible oilseeds suffering from low market prices. USDA will begin accepting applications for the program February 22, and expects to begin issuing payments in mid-April.

**USDA Announces New Federal Milk Order Prices:** On February 4, USDA announced prices for milk products under the new Federal milk marketing order reform pricing system enacted by Congress as part of the FY01 consolidated appropriations bill, which overturned USDA's plan to reform the milk marketing order system. For January, the new class III price -- which measures butter, cheese, and dry whey prices, and which replaces the old basic formula price (BFP) -- was \$10.05 per hundredweight, \$0.42 higher than the December level but \$6.22 below the comparable measure's level in January, 1999.

In related developments, on February 8, the Senate agriculture committee held a hearing on Federal dairy policy, focusing on why the U.S. needs a dairy program and the current state of the dairy industry, and on February 9, held another hearing on the dairy pricing system.

**USDA Starts Spanish Web Site Launched:** February 3 marked the beginning of USDA's Agricultural Research Service's Ciencia Para Ninos Web site. This new Spanish language version of the Science For Kids web site was demonstrated to a class of 15 bilingual 6th graders at Lincoln Multicultural Middle School in Washington, DC by USDA's Under Secretary for Research, Education, and Economics. Two cameramen and a correspondent from two Hispanic news media outlets--Telemundo, and Univision --attended the hour-long event. In 1999, more than 42,000 people per month visited the English version of the Science for Kids web site.

**Demand For USDA Credit Continues Heavily:** Through February 2, USDA has provided \$995 million in direct and guaranteed loans to 8,200 family farmers this fiscal year, 19% above the pace of last fiscal year.

**USDA Expands Asian Long-horned Beetle Quarantine:** On February 2, USDA expanded the area in and around Chicago, IL, by adding two new areas in Cook County under quarantine to control the infestation of the Asian long-horned beetle, a problem that continues to generate strong public, congressional, and media interest.

**USDA Proposes Changes in Grading of Imported Meat:** On February 1, USDA announced its intent to take public comments on a proposal advanced by the U.S. cattle and sheep industries by which the U.S. would discontinue grading imported beef, lamb, veal, and calf carcasses. USDA has been grading these imports since the 1950's; and in 1999, graded over 50,000 imported beef and 80,000 imported lamb carcasses, out of a total of 27 million beef and 3 million lamb carcasses.

**Commodity Markets in Review:** Poor export prospects and improved moisture in the U.S. Southern Plains depressed wheat prices. Strong competition from China led to a slight decline in corn prices. Soybean prices fell sharply following timely rains in soybean-growing areas of South America. Rice cash prices held steady, but futures dropped as grain and oilseed prices weakened. Cotton prices edged down slightly on concern that plantings for the 2000 crop may be larger than previously expected. Higher beef prices boosted cattle. Tight supplies of marketable hogs, probably the lingering result of poor weather, left hog prices up for the week. Light demand dampened broiler prices. A burst of buying at attractive prices raised butter prices above week ago levels. Cheese prices hovered just above support; supplies remain heavy.

**Average prices for the week ending February 4, 2000**

Commodity		Weekly cash price	Change from a week ago	Change from a year ago
Wheat	\$/bu	2.62	-0.07	-0.42
Corn	\$/bu	2.07	-0.02	-0.08
Soybeans	\$/bu	4.91	-0.08	-0.13
Rice	\$/cwt	6.63	0.00	-2.18
Cotton	¢/lb	53.67	-0.50	-3.28
Steers	\$/cwt	68.10	0.90	6.86
Hogs	\$/cwt	41.39	1.40	12.41
Broilers	¢/lb	56.53	-0.26	-4.07
Cheese	\$/lb	1.11	0.00	-0.18
Butter	\$/lb	0.96	0.06	-0.33
Milk	\$/cwt	9.95	-0.05	NA

**Farm Weather Outlook:** The NWS 6-10 day outlook for February 10-14 calls for near- to above-normal temperatures to continue on the Plains. Cold weather is expected in the Great Lakes region and along the East Coast, accompanied by near- to above-normal precipitation and possible snowfall. Beneficial precipitation is forecast to spread from the West Coast to the northern and central Plains. However, the southern Rockies and southern Plains will remain unfavorably dry.

**II. USDA WORK ON PRESIDENTIAL INITIATIVES**

**President's Initiative on Welfare Reform**

**USDA Approves Welfare Reform Waivers:** During the week of February 2-9, USDA approved requests from TN, AL, NJ and ME, extending and modifying their waivers of food stamp work requirements, based on high unemployment or insufficient jobs.

### III. UPCOMING GRANTS, ANNOUNCEMENTS AND PUBLICATIONS

**USDA Funds Native American Healthcare Facility:** On February 11, USDA's CA rural development office will take part in a ceremony marking USDA's awarding of \$9 million in a grant and loan to United Indian Health Services, Inc. for a 42,000 square foot structure in Arcata, CA that will provide for a comprehensive health care center.

**USDA to Release Supply and Demand Forecasts:** On February 11, the National Agricultural Statistical Service (NASS) will issue its latest production forecasts for sugarcane and citrus. USDA's projections of U.S. major field crop supply, use, and prices for 1999/2000 will be published on February 11 in the *World Agricultural Supply and Demand Estimates (WASDE)* report. The *WASDE* report will also contain world and country-specific supply and use forecasts for wheat, corn, coarse grains, rice, cotton, soybeans, and soybean products. The report includes, in addition, projections of 2000 U.S. livestock product and dairy supply, use, and prices.

**U.S. and Canadian Cattle Report:** On February 18, USDA will issue a new report, compiled at the request of the U.S. cattle industry, summarizing January 1, 2000 Canadian cattle inventory estimates along with U.S. figures released on January 28.

**Agricultural Outlook:** Available electronically on February 22, the *March Agricultural Outlook* will address the U.S.-China bilateral trade agreement --a major step in China's potential accession to the World Trade Organization-- as well as several other issues including trade liberalization by developing countries, and patterns of global meat trade. Other articles will present the historical context for farm policy, the proposed railroad industry merger between Burlington Northern and Canadian National, and brief pieces on crop insurance subsidies, processed tomatoes, and the hog industry outlook.

**Outlook for U.S. Agricultural Trade:** Available electronically on February 24, the *Outlook for US Agricultural Trade* will contain an update of USDA's forecasts for FY00 export and import value, as well as the actual trade data for the first quarter--October-December--of FY00.

### IV. SECRETARY'S SCHEDULE

On Thursday, February 10, Secretary Glickman will address the Transatlantic Consumer Dialogue Committee on trade issues.

On Thursday, February 10, Secretary Glickman will testify on budget issues before the Senate agriculture appropriations committee.

On Thursday, February 10, Secretary Glickman will meet with EU Commissioner David Byrne on trade issues.

On Thursday, February 10, Secretary Glickman will meet with Senator Kennedy on hunger issues.

On Friday, February 11, Secretary Glickman will discuss trade issues with China's Ambassador to the U.S.

On Friday, February 11, Secretary Glickman will be interviewed by Hugh Downs for EXBTB.

On Sunday, February 13, Secretary Glickman will address the Council for Urban Economic Development.

On Monday, February 14, Secretary Glickman will discuss trade issues with UK Agriculture Minister Brown.

On Tuesday, February 15, Secretary Glickman will address the National Association of WIC Directors on nutrition issues.

On Tuesday, February 15, Secretary Glickman will hold a video conference with the agriculture committee of the IL state House of Representatives.

On Wednesday, February 16, Secretary Glickman will testify before the House agriculture appropriations committee.

On Wednesday, February 23, Secretary Glickman will testify before a Senate budget committee hearing on trade issues.

On Thursday, February 24, Secretary Glickman will address USDA Agricultural Outlook Forum.

On Friday, February 25, Secretary Glickman will address University of North Carolina Emerging Issues forum with Governor Hunt, in Raleigh, NC.

On Monday, February 28, Secretary Glickman will address the National Farmers' Union annual convention in Salt Lake City, UT.

On Tuesday, February 29, Secretary Glickman will address the Garden Club of America.

On Tuesday, February 29, Secretary Glickman will meet with members of the German Bundestag on trade and other issues.

On Friday, March 3, Secretary Glickman will address the National Association of State

Departments of Agriculture (NASDA) mid-year conference.

## **V. SUB-CABINET SCHEDULE**

On Monday and Tuesday, February 21-22, Deputy Secretary Rominger will address the World Congress of Young Farmers of the American Farm Bureau, in Orlando, FL.

From Sunday through Wednesday, February 27 through March 1, Deputy Secretary Rominger will address the annual conference of the Associations of California Water Agencies.

On Thursday and Friday, February 10-11, Under Secretary Catherine Woteki and Deputy Under Secretary Caren Wilcox will attend meetings of the Trans Atlantic Consumer Dialogue (TACD).

On Thursday, February 10, Under Secretary Schumacher will accompany Secretary Glickman to testimony before the Senate appropriations committee on the 2001 Budget.

On Thursday, February 10, Under Secretary Catherine Woteki will address the Food Forum, Institute of Medicine, National Academy of Sciences, on USDA food safety activities, the President's Council on Food Safety, and E-coli 0157:H7 detection methods.

On Monday, February 14, Under Secretary Schumacher will meet with UK Minister of Agriculture Nick Brown.

On Monday, February 14, Under Secretary Miley Gonzalez will attend a meeting with Representative Rick Boucher and an OMB staffer on future funding, at Virginia Tech in Blacksburg, VA.

On Tuesday, February 15, Chief Financial Officer Sally Thompson will address the Government Finance Officers Association

On Thursday, February 17, Chief Economist Keith Collins will testify before the House Subcommittee on General Farm Commodity, Resources Conservation, and Credit, concerning the state of the agricultural economy.

On Thursday, February 17, Under Secretary Shirley R. Watkins will address the University of Tennessee School of Biomedical Engineering in honor of Black History Month.

From Friday through Wednesday, February 18-23, Under Secretary Michael V. Dunn will attend conferences on the best management practices for controlling invasive species, in Cape Town, South Africa.

On Friday, February 18, Under Secretary Schumacher will address the American Agriculture Movement Conference, in Oklahoma City, OK.

On Thursday and Friday, February 24-25, Under Secretary Miley Gonzalez will address the 40th Anniversary Celebration of the USDA-ARS Water Conservation Laboratory in Phoenix, AZ and Tuscon, AZ.

On Thursday, February 24, Under Secretary Michael V. Dunn will address the USDA Agricultural Outlook Conference on Biotechnology Issues for U.S. Agriculture in Arlington, VA.

On February 28, Under Secretary Michael V. Dunn will meet with State Attorneys General and Agricultural Commissioners on concentration and price reporting issues, in Des Moines, IA.

On Tuesday, February 29, Under Secretary Schumacher will testify before the Senate appropriations subcommittee on the state of agriculture.

## **VI. PRESS/MEDIA INQUIRIES**

The Discovery Channel interviewed Under Secretary Catherine Woteki on food irradiation for a program scheduled for airing on February 11.

On February 3, *USA Today* inquired about farmland loss and urban development for a story about farmland loss in CA's Central Valley.

## **VII. FOIA REQUESTS**

The Center for Food Safety of Washington, D.C. requested documents relating to the transgenic fish.

NBC's *Dateline* requested copies of documents containing information on the charity "Feed the Children," from 1980 to the present, specifically grant money, food grants, and financial and program audits.

Counsel to Bill Bradley for President, Perkins Coie, LLP of Washington, D.C., requested copies of correspondence between USDA and former Senator Bill Bradley.

## **VIII. WASTE, FRAUD AND ABUSE**

**GAO Requests Information on Improper Payments:** GAO has requested information about USDA programs GAO identified as at risk for improper payments, including the Food Stamp Program, Child and Adult Care Food Program, National School Lunch Program, and the Special Supplemental Nutrition Program for Women, Infants and Children.

## **IX. CLIMATE CHANGE**

**USDA Briefs on Global Climate Change Programs:** On February 11, representatives of

USDA's Global Change Program Office and Office of Energy Policy and New Uses will brief Senate staff on USDA climate change programs in your FY01 budget; they will brief House staff February 14.

**X. WEEKEND CONTACT**

Greg Frazier

February 16, 2000

**MEMORANDUM FOR THE PRESIDENT**

**THROUGH: THE HONORABLE JOHN PODESTA**

**FROM: SECRETARY DAN GLICKMAN**

**SUBJECT: REPORT FOR WEEK OF February 13, 2000**

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**USDA Fact of the Week**

On February 9<sup>th</sup>, for the 3<sup>rd</sup> straight year, the American Farm Bureau Federation celebrated Food Check-Out Day, the day when Americans earned enough disposable income to pay for their annual food supply. This year, Americans will devote only 10.7 percent of their incomes to pay for food, 40 days of earnings. In 1970, Food Check-Out Day was February 20.

**I. KEY DEPARTMENT NEWS**

**Secretary Amplifies Farm Budget and Reform:** On February 16, Secretary Glickman testified before the House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies on the still fragile farm economy, USDA budget, and need for farm safety net reform. This followed the Secretary's February 10<sup>th</sup> testimony on the same issues before the Senate Appropriations Subcommittee on Agriculture, Rural Development and Related Agencies.

**Great Nutrition Debate:** On February 24, Secretary Glickman will host The Great Nutrition Debate from 10:00 a.m. to 1:00 p.m. in USDA's Jefferson Auditorium. Participating in the forum discussing approaches to dieting, nutrition and long-term health effects will be some of the nation's best-known weight-loss authors and nutrition experts including Dr. Robert C. Atkins, author of *Dr. Atkins' New Diet Revolution*; Dr. Morrison Bethea (*Sugar Busters! Cut Sugar to Trim Fat*); Dr. Dean Ornish (*Eat More, Weigh Less*); Dr. Barry Sears (*The Zone*); Dr. Keith-Thomas Ayoob, Albert Einstein College of Medicine; and Dr. Denise Bruner, American Society of Bariatric Physicians.

**USDA Provides Needed Farm Credit:** Indicative of USDA efforts to aid family farmers hurt by low prices, through February 10 of this fiscal year, USDA has provided \$1.1 billion in direct and guaranteed loans to 9,375 family farmers, up 13 percent over this time last year. \$88 million of

these loans and loan guarantees have been made to 990 minority and women farmers, up 19 percent over a year ago; while beginning farmers have also benefitted from USDA aid with \$218 million in direct and guaranteed loans to 2,329 beginning farmers, up 28 percent over this time last year.

**New Regulation on Irradiation Effective Next Week:** Effective February 22, irradiation will be allowed for treating refrigerated or frozen uncooked meat, meat by-products, and certain other meat food products, subject to proper labeling. --See USDA Work on Presidential Initiatives.

**USDA Announces \$475 Million Oilseed Program:** From February 28 through March 31, USDA will conduct sign-ups for a \$475 million Oilseed Payment Program to aid farmers who grew soybeans, sunflowers, flaxseed, canola, rapeseed, safflower seed, mustard and crambe in 1999. According to USDA records, about 850,000 farms reported 1999 oilseed acreage, with the top oilseed producing states being IA, IL, IN, MN and SD.

**USDA Africa Trade Team Mission:** From January 25 to February 5, Associate Administrator Patrick Steel of USDA's Foreign Agricultural Service led USDA's first-ever trade team mission to Africa. The 40-person trade team visited Morocco, Senegal, Ghana, and Nigeria to explore untapped commercial opportunities for U.S. agricultural and food products, and to address bilateral and WTO related issues.

**Citrus Canker in FL:** On February 11, FL Governor Bush declared a citrus canker state of emergency in 6 FL counties, and recommended a \$110 million plan to destroy as many as one million more trees over the next 12 months to help eradicate the disease. A citrus quarantine currently exists over an approximately 507 square mile of 2 counties, but State and Federal officials are concerned recent citrus canker finds in Miami-Dade County lime groves indicates that a more intensive effort must be taken to combat and rein in the spread of the disease. USDA's Animal and Plant Health Inspection Service is evaluating further options.

**USDA Releases Supply and Demand Forecasts:** On February 11, *Crop Production* reported USDA's latest forecast for 1999/2000 citrus and sugarcane production. USDA's projections of U.S. supply, use, and prices for 1999/2000 were published, also on February 11, in the *World Agricultural Supply and Demand Estimates* (WASDE) report. The WASDE report also contained world and country-specific supply and use forecasts for wheat, corn, coarse grains, rice, cotton, soybeans, and soybean products. The report includes, in addition, projections of 2000 U.S. livestock product and dairy supply, use, and prices. Highlights of these reports include:

**All wheat:** Projected 1999/2000 ending stocks of wheat are up 25 million bushels from last month because of lower exports. Projected exports are down 25 million bushels from last month because of increased competition from Kazakstan and Australia.

**Rice:** U.S. exports for 1999/2000 are projected at 86 million hundredweight, an increase of 4

million hundredweight from last month and nearly the same as 1998/99. The increase in exports is entirely in milled long-grain rice. The pace of exports through the first 6 months of the marketing year has been brisk, particularly to markets in the Western Hemisphere, Western Europe, and the Middle East. Ending stocks for 1999/2000 are projected at 40.6 million hundredweight, down 4 million hundredweight from last month, but up over 18 million hundredweight from 1998/99 and the highest stocks level since 1986/87.

**Corn:** Projected U.S. ending stocks of corn are up 25 million bushels from last month because of reduced export prospects. Forecast corn exports by China are increased by 3 million tons; China has reportedly made several large sales in recent weeks as the U.S. price rose in response to the smaller-than-expected U.S. corn crop and December 1 stocks. However, projected U.S. corn exports are down only 635,000 tons (25 million bushels) from last month because increased imports by a number of countries.

**Soybeans and products:** Soybean export prospects are up sharply this month to 890 million bushels. Lower South American crops, reduced Indian soybean meal export prospects, and a more pronounced shift by China to oilseeds imports are supporting U.S. export shipments. Soybean crush is reduced 5 million bushels this month, based on reduced soybean meal export prospects. Despite the lower crush, domestic soybean oil production is slightly higher this month because of an increase in the oil extraction rate. Soybean oil exports are trimmed by 100 million pounds to 1.65 billion pounds, based on lower prospective China imports and larger supplies of competing oils.

**Cotton:** No changes were made in the U.S. cotton supply and demand estimates this month.

**Sugar:** U.S. sugar supply for fiscal year 1999/2000 is projected up 163,000 short tons, raw value, from last month. Beet sugar production is increased 75,000 tons, based on higher-than-expected sugar content in 1999 crop sugarbeets. Cane sugar production is increased 88,000 tons, although forecast sugarcane production is unchanged, based on end-of-season information from mills in Louisiana and Texas. The stocks-to-use ratio is forecast to be 17.6 percent, compared with 16.0 percent last month.

**Livestock:** Continued large placement in feedlots in December and the size of the inventory and calf crop on January 1 have result in a higher forecast for beef production for 2000 than indicated in January. However, beef production is still expected to remain below 1999's record. The pork production forecast is increased slightly in the first quarter of 2000 but also remains below last year; poultry production is unchanged from last month. As a result of smaller forecast declines in beef and pork, total meat production is now likely to be about the same as last year.

**Dairy:** Milk production in 1999/2000 is forecast slightly higher this month due to higher milk per cow. Net CCC removals of nonfat dry milk are increased and the BFP/Class III price is lowered, reflecting the weakness in product prices.

**Citrus:** All orange production for the United States was unchanged from January indications. Florida's production is forecast to be 219 million boxes, unchanged from January, and 18 percent above 1998/99. Production in California, at 67.0 million boxes, is 76 percent higher than last year. Florida FCOJ yield is forecast to be 1.54 gallons per box at 42.0 degree Brix concentrate, down from 1.57 gallons per box in January. Most of the decline is from the Valencia crop.

**USDA Chief Information Officer (CIO) Hires Cyber Security and Policy Officials:** On February 14, CIO Joseph Leo named Mr. Bill Hadesty, former IRS director of Security Standards and Evaluation, to be the new USDA Associate CIO for Cyber Security. On the same day, CIO Leo named Dr. Gregory Parham, formerly Executive Director of USDA's Y2K Program Office, as Acting CIO for Policy.

**Commodity Markets in Review:** Wheat prices rose on optimistic export prospects and weather concerns. Strong exports and spillover support from wheat sent corn prices higher. Improved growing conditions in South America were balanced by strong export sales to leave soybean prices almost unchanged for the week. Robust export sales sent rice futures up, but cash price were unchanged. Cotton prices fell slightly, along with loan deficiency payments and the Step 2 payment rate. Higher beef prices held cash cattle prices up early last week, but an increase in the quantity of beef grading choice led futures down. Hog prices dropped as marketings increased following last week's weather problems. Broiler prices rose despite continued heavy production. Cheese held just above the support price. Butter prices dropped sharply as churning schedules remain active.

**Average prices for the week ending February 11, 2000**

<b>Commodity</b>	<b>Weekly cash price</b>	<b>Change from a week ago</b>	<b>Change from a year ago</b>
Wheat \$/bu	2.75	0.13	-0.23
Corn \$/bu	2.11	0.04	-0.02
Soybeans \$/bu	4.92	0.01	0.00
Rice \$/cwt	6.63	0.00	-2.18
Cotton ¢/lb	53.26	-0.41	-1.86
Steers \$/cwt	68.54	0.14	6.60
Hogs \$/cwt	40.94	-0.45	9.53
Broilers ¢/lb	57.62	1.09	-1.98
Cheese \$/lb	1.11	0.00	-0.22
Butter \$/lb	0.91	-0.05	-0.38

Milk	\$/cwt	9.69	-0.27	NA
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## II. USDA WORK ON PRESIDENTIAL INITIATIVES

### Presidential Initiative on Welfare Reform:

**Mrs. Gore and Secretary Glickman Announce Job training and Children's Health Insurance Programs:** On February 14, Mrs. Gore and Secretary Glickman announced a \$370,000 USDA grant for food stamp recipients and low income families to attend food service industry job training at school cafeterias and community kitchens. The welfare-to-work grant results from a partnership between USDA, the School Food Service Foundation and the DC Central Kitchen. An effort was also announced to help qualifying low-income children obtain health insurance by reviewing and correctly forwarding information from their school lunch applications.

### President's Initiative on Food Safety:

**Supreme Beef Plant Complies with USDA Salmonella Standards:** On February 14, USDA announced the Supreme Beef Processors, Inc., of Dallas, TX, has committed to reaching compliance with USDA *Salmonella* performance standards by implementing changes in its HACCP inspection system. This will allow the plant to resume sales to the school lunch program. The Dallas plant had been operating under the protection of a federal court, after having been closed by USDA inspectors for failing to meet *Salmonella* performance standards three times. The new announcement allows the plant to reopen without need for the court order.

**USDA Enforces Food Safety Inspection Rules: Inspection Suspended at Smithfield Packing Co., Inc., Kinston, North Carolina:** On February 8, USDA officials suspended operations at Smithfield Packing Co, Inc., in Kinston, NC, for positive findings of *Listeria monocytogenes* in ready-to-eat pork products.

### President's Initiative on Race:

**USDA Works to Improve Service to Native Americans:** On February 16-17, USDA Rural Development offices in CA and NV, and the Rural Community Assistance Corporation (RCAC) will sponsor a Federal Agency Roundtable to explore better ways of serving Native Americans. Issues to be discussed include environmental, housing, and community and business development, improving coordination between programs, and recognition of challenges faced by the Native American community, as well as ways government offices can best maximize the effectiveness of resources to meet those needs.

## III. UPCOMING GRANTS, ANNOUNCEMENTS AND PUBLICATIONS

**USDA Gives Housing Grants During 50<sup>th</sup> Anniversary Celebrations:** On February 18, USDA will help honor the 50<sup>th</sup> Anniversary of the Rural Housing Service by announcing new Rural Home Loan Partnership Agreements including a presentation of \$480,000 for construction of homes in Muldrow, OK; and presentation of \$390,000 to the Housing Authority of the Cherokee Nation, in Tahlequah, OK. Local media, state officials, and Members of Congress have been invited.

**\$90 Million For Multi-Family Housing Programs to be Announced:** During the week of February 27, USDA plans to announce the recipients of \$90 million in funds under the Section 515 Rural Rental Housing Notice of Funds Availability (NOFA), and the first section of the Section 538 Rural Rental Housing Guaranteed Loans NOFA. Closing date for applications is February 22, 2000 for the Section 515 funds, and the closing date for applications for the first pool of \$40 million in funds under the Section 538 program is February 21, 2000.

**USDA Reports Modest Farm Debt Decline:** On February 28, USDA's Economic Research Service (ERS) will release the summary of the *Agricultural Income & Finance* report; which shows that despite low commodity prices which hurt farm operating incomes, financial institutions continue enjoying improved conditions, reflecting both the generally healthy state of farmers' finances before commodity prices declined, and high levels of Federal assistance to the farm sector (\$22.7 billion in 1999). Total outstanding farm debt declined slightly in 1999, to \$172.8 billion at year's end, after 6 consecutive years of growth, and the outlook for 2000 indicates a continued modest decline. Commercial banks hold 40 percent of outstanding farm business debt, making them the leading agricultural lender, followed by the Farm Credit System with 27 percent.

**Rural OK Community Receives Water System Aid:** On March 1, USDA will present \$698,000 to the Picher, OK Public Works Authority for improvements to water distribution and storage systems. Several miles of deteriorated line will be replaced and improved.

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

On Wednesday, February 23, Secretary Glickman will meet with Senator Kennedy on hunger issues.

On Thursday, February 24, Secretary Glickman will address USDA's Agricultural Outlook Forum.

On Thursday, February 24, Secretary Glickman will address the National Congress of American Indians.

On Friday, February 25, Secretary Glickman will address the NC State Emerging Issues Forum.

On Monday, February 28, Secretary Glickman will address the National Farmers' Union

convention in Salt Lake City, UT.

On Monday, February 28, Secretary Glickman will attend the Democratic Governor's Association dinner honoring you.

On Tuesday, February 29, Secretary Glickman will address the Garden Club of America.

On Tuesday, February 29, Secretary Glickman will meet with several members of the German Bundestag.

On Wednesday, March 1, Secretary Glickman will testify before the Senate Agriculture Committee on trade issues with China.

On Friday, March 3, Secretary Glickman will address the National Association of State Departments of Agriculture Mid-Year conference.

On Friday, March 3, Secretary Glickman will meet the Oglala-Sioux regarding debt relief.

#### **V. SUB-CABINET SCHEDULE**

On Thursday, February 17, Deputy Secretary Rominger will address the Migrant Federal Interagency Committee.

On Tuesday, February 22, Deputy Secretary Rominger will address the World Congress of Young Farmers of the American Farm Bureau, on Orlando, FL.

On Thursday, February 24, Deputy Secretary Rominger will address and moderate the USDA Agricultural Outlook Forum.

On Friday, February 25, Deputy Secretary Rominger will address the 40<sup>th</sup> anniversary ceremony of the U.S. Water Conservation Laboratory, in Phoenix, AZ.

On Tuesday, February 29, Deputy Secretary Rominger will address the annual conference of the Association of California Water Agencies.

On Friday, March 2, Deputy Secretary Rominger will address the USDA Millennium Symposium on Invasive Species.

On Wednesday, February 16<sup>th</sup> and Thursday, February 17<sup>th</sup>, Under Secretary Jill Long Thompson will attend meetings throughout MO hosted by the Missouri Farmers Union. Participating will be Governor Carnahan, local MO State Senate and House Representatives, members of the MO Department of Agriculture, and farmers from various cooperatives throughout the state.

On Wednesday, February 16, Under Secretary Jim Lyons will meet with the Private Management Commissioner and the Commissioner of the Environment and Transportation in Boston, MA.

From Thursday through Sunday, February 17-20, Under Secretary Gus Schumacher will make various agricultural site visits throughout CA.

On Thursday, February 17, Under Secretary Shirley R. Watkins will address the University of Tennessee School of Biomedical Engineering in honor of Black History Month.

On Thursday, February 17, Under Secretary Catherine Woteki and Deputy Under Secretary Caren Wilcox will meet with National Turkey Federation leaders on participating in the HACCP food safety inspection models project.

From Friday through Wednesday, February 18-23, Under Secretary Michael V. Dunn will attend a meeting on the best management practices for controlling invasive species, in Cape Town, South Africa.

On Friday, February 18, Under Secretary Catherine Woteki will be interviewed by the Princeton Survey Research Association for a Brookings Institution study of presidential appointees.

On Tuesday, February 22<sup>nd</sup>, Under Secretary Jill Long Thompson will give the keynote address at a conference on, "Small Farmers, Women in Business and Marketing Conference 2000", hosted by Alcorn State University in Jackson, MS.

On Thursday and Friday, February 24-25, Under Secretary Miley Gonzalez will address participants at the 40th Anniversary Celebration of the USDA-ARS Water Conservation Laboratory in Phoenix and Tucson, AZ.

On Thursday, February 24, Chief Economist Keith Collins will address USDA's annual Agricultural Outlook Forum.

On Thursday, February 24, Under Secretary Schumacher will travel to the Dominican Republic to follow up on previous meetings there.

On Thursday, February 24, Under Secretary Catherine Woteki and Deputy Under Secretary Caren Wilcox will attend the USDA-led Food Supply Working Group's wrap-up meeting.

On Monday, February 28, Under Secretary Michael V. Dunn will meet with State Attorneys General and Agricultural Commissioners to discuss concentration and price reporting, in Des Moines, IA.

On Tuesday, February 29, Under Secretary Schumacher will testify before the Senate Appropriations Subcommittee on the state of agriculture.

On Tuesday, February 29, Under Secretary Catherine Woteki will give opening remarks at an agency public meeting on *E-coli* O157:H7, which is being held to discuss the agency's policy and new information about the pathogen.

## VI. PRESS/MEDIA INQUIRIES

Over 100 media inquiries were responded to over the week of February 7 dealing with food safety issues, including: over 30 calls relating to a *Cox* article about Gold Kist plants from the Associated Press, *Cincinnati Enquirer*, *Ft. Worth Star Telegram*, *Dallas Morning News*, *Cleveland Plain Dealer*, *Huntsville (AL) Times*, *Birmingham News*, and network TV stations nationwide.

*The Hill* asked the Secretary to prepare an op-ed on ag priorities for year 2000 that will be printed in the February 23 issue.

CBS' *Eye on America* plans to do a story about the Hunts Points Terminal Market in The Bronx, NY. The focus of the story is expected to be on the events leading up to the arrests of AMS inspectors at Hunts Point, and follow-up actions taken by the Department. Inspector General Roger Viadero has agreed to be interviewed for the story.

## VII. FOIA REQUESTS

The Democratic Senatorial Campaign Committee requests all correspondence, inquiries, and other information requested by or provided to the following current and former United States Congressmen for the time periods noted: John Ensign 1995-1998; Bill McCollum 1995-Present; Bill Redmond 1997-1998.

## VIII. WASTE, FRAUD AND ABUSE

**MI Meat Processing Plant Officials Fined:** On February 11, USDA announced that the U.S. Court for the Eastern District of MI fined Turner's Big Game Processing facility in Marlette, MI, \$500, and placed the owner on probation for 2 years for failing to mark custom exempt products properly and for sanitation deficiencies. The plant's owner is prohibited from owning or operating a custom slaughtering or processing business until 2009.

In separate court action taken by the U.S. Court for the Eastern District of MI, the former president of a Dearborn, MI, packing plant was fined \$22,000 for selling and transporting approximately 4,500 pounds of spoiled meat and poultry products to retail stores, restaurants, and a correctional facility.

**Agricultural Marketing Service Employees Plead Guilty:** On February 9, the last of 8 AMS employees indicted on 65 counts of bribery and racketeering in the Southern District of NY, entered guilty pleas in court. In addition, 13 owners and employees of produce wholesalers were

indicted on bribery charges. Sentencing is scheduled for May. To date, four of these individuals have resigned from their positions with AMS. Two additional employees have indicated they will submit resignations in the near future.

**IX. CLIMATE CHANGE**

Nothing to report this week.

**X. WEEKEND CONTACT**

Greg Frazier

February 23, 2000

MEMORANDUM FOR THE PRESIDENT

THROUGH: THE HONORABLE JOHN PODESTA

FROM: SECRETARY DAN GLICKMAN

SUBJECT: REPORT FOR WEEK OF February 20, 2000

**USDA Fact of the Week**

There were more farms in the U.S. in 1999 than in 1998, due to the 15,690 new farms in the smallest sales class, an increase that off-set reductions in farm numbers in all larger categories of farmers. Meanwhile, the average farm size fell by 3 acres to 432 acres, as the total area of farms decreased. Leading in the area declines from 1998 were farms in TX, which were off 1 million acres; farms in CA, 700,000 acres smaller than in 1998, and farms in AZ and NM, which were both off 600,000 acres from 1998.

**I. KEY DEPARTMENT NEWS**

**USDA Hosts Diet Debate:** On February 24, Secretary Glickman hosted USDA's "Great Nutrition Debate," a symposium featuring some of the country's best known authors of popular diet books, including Dr. Robert Atkins, author of *Dr. Atkins' New Diet Revolution*; Dr. Keith-Thomas Ayoob, of the Albert Einstein College of Medicine; Dr. Morrisson Bethea, co-author of *Sugar Busters!*; Dr. Denise Bruner, of the American Society of Bariatric Physicians; Dr. John McDougall, author of *Dr. McDougall's Right Foods*; Dr. Dean Ornish, author of *Eat More, Weigh Less*; and Dr. Barry Sears, author of *The Zone*. CNN Senior Correspondent Carolyn O'Neil moderated the event, which attracted extensive media coverage.

**Secretary Amplifies Farm Safety Net Proposal:** On February 24, during his keynote address to USDA's annual agricultural outlook conference, Secretary Glickman again called on Congress to enact the farm safety net proposal included in your FY01 budget, and to approve permanent normal trade relations for China.

**Secretary Amplifies Commitment to Native Americans:** On February 24, Secretary Glickman highlighted your initiatives for Native Americans in the FY01 budget during remarks to the National Congress of American Indians.

**Administration Removes Welfare to Work Obstacles:** On February 23, Secretary Glickman joined in you in announcing the Administration's proposal to remove outdated rules that prevent many food stamp recipients from owning their own cars, consequently hobbling their attempts to move from welfare to work. The proposal revises restrictions current food stamp rules place on the value of an automobile that a food stamp beneficiary can own while retaining eligibility for the program.

**Secretary Addresses New Water Pollution Rules:** On February 23, Secretary Glickman testified before the Senate agriculture committee on rules proposed by EPA to control non-point sources of water pollution; the proposals have generated considerable attention and opposition within the agricultural community.

**USDA Officials Assess Citrus Canker in FL:** On February 22, Deputy Secretary Rominger met with state and citrus industry representatives in Orlando, FL, to consider appropriate responses to the spread of citrus canker in FL, deciding that the state will take full responsibility for tree removal, implementing the 1900 foot buffer recommended by a science panel, beginning from simultaneously from the north and south borders of the infestation and moving toward the center. The infestation and tree removal have generated considerable congressional, public, and media attention.

**USDA Begins Issuing Commodity Certificates:** On February 22, USDA's Commodity Credit Corporation (CCC) began issuing commodity certificates to farmers with collateral pledged to CCC for a commodity loan, as provided for in the FY00 consolidated appropriations bill. Because the issuance and exchange of the certificates may enable some of the country's largest farmers, particularly cotton farmers, to evade rules that otherwise limit the amount farmers may receive through USDA's commodity loan program, the announcement has received considerable congressional, public, and media interest.

**USDA Makes Dietary Guidelines Available for Public Comment:** On February 18, USDA made the final Report of the Dietary Guidelines Advisory Committee available for public comment until March 15, and announced that on March 10, USDA and HHS will conduct a public hearing to receive oral comments on the guidelines at USDA headquarters.

**USDA Promotes Budget on Capitol Hill:** USDA officials will be testifying on various aspects of your FY01 budget in a series of hearings:

February 29, the Senate Appropriations Subcommittee on Agriculture, Rural Development and Related Agencies will hold a hearing on the state of the farm economy and programs to assist producers;

February 29, the Senate Energy and Natural Resources Committee will hold a hearing on the FY 01 budget for the Forest Service;

March 1, the House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies will hold a hearing on USDA's food assistance programs FY01 budget request;

March 2, the House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies will hold a hearing on USDA's conservation programs FY01 budget request;

March 8, the House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies will hold a hearing USDA research and cooperative extension budget request for FY01;

March 9, the House Appropriations Subcommittee on Interior will hold a hearing on the Forest Service's FY01 budget request;

March 9, the House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies will hold a hearing on USDA's FY01 budget request for farm and foreign agriculture programs; and

March 15, the House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies will hold a hearing on USDA's budget request for FY01 marketing and regulatory programs.

In addition, on March 1, Secretary Glickman will testify before the Senate Agriculture, Nutrition, and Forestry Committee on the agriculture provisions of the U.S.-China trade agreement, focusing on the components of the agreement, and the potential impact it might have on U.S. agriculture; and on March 7, he will testify before a Senate Finance Committee on international trade matters. Finally, the House Agriculture Committee will hold the first of a series of hearings on possible farm bill changes in Lubbock, TX.

**Commodity Markets in Review:** Wheat cash prices averaged higher for the week, but futures dropped on news of improved moisture in the Southern Plains and sluggish exports. Corn prices were almost unchanged as better conditions for planting in the Midwest were balanced by the effects of USDA's February 11 forecast of lower ending stocks. Strong export indications helped boost soybean prices. Rice cash prices were unchanged, but futures have been pressured by falling world prices. Cotton prices moved slightly higher in lackluster trade. Declining wholesale beef prices led to a slip in cattle prices. Hog prices fell slightly as an approaching Midwest winter storm partially offset weak cutout values. Broiler prices weakened on tentative demand and strong supplies. Cheese prices hovered at just above support. Butter prices dropped as buyers remain unwilling to build stocks in the face of heavy supplies.

**Average prices for the week ending February 17, 2000**

<b>Commodity</b>	<b>Weekly cash price</b>	<b>Change from a week ago</b>	<b>Change from a year ago</b>
Wheat \$/bu	2.84	+0.09	-0.02
Corn \$/bu	2.11	0.00	-0.01
Soybeans \$/bu	4.95	+0.03	0.18
Rice \$/cwt	6.63	0.00	-1.87
Cotton ¢/lb	53.84	+0.58	-0.63
Steers \$/cwt	67.98	-0.70	5.91
Hogs \$/cwt	40.74	-0.20	11.78
Broilers ¢/lb	56.05	-0.67	-4.25
Cheese \$/lb	1.11	0.00	-0.22
Butter \$/lb	0.89	-0.01	-0.45
Milk \$/cwt	9.61	-0.08	NA

**Farm Weather Outlook:** The NWS 6-10 day outlook for February 17-21 calls for near- to above-normal temperatures nationwide. Above-normal precipitation is forecast in California, the Great Basin, and the Northeast, while near- to below-normal amounts are expected elsewhere. A few, much-needed showers are possible on the southern Plains.

In a related matter, on February 16, because of extreme drought condition, USDA permitted 3 more TX counties to graze land enrolled in the Conservation Reserve Program (CRP) on an emergency basis, bring to 21 the number of TX counties who have requested and received such emergency treatment.

**II. USDA WORK ON PRESIDENTIAL INITIATIVES**

**President's Initiative on Food Safety:**

**USDA Permits Meat Irradiation:** On February 22, USDA's new rule took effect allowing irradiation treatment of refrigerated or frozen uncooked meat, meat by-products, and certain other meat food products, to help eliminate and reduce foodborne pathogens, such as *E. coli* O157:H7, and to extend shelf-life of product. The rule has generated considerable public and media interest.

**Supreme Beef Update:** On February 16, USDA awarded Supreme Beef -- the Dallas, TX company whose dispute with USDA over USDA's new meat inspection rules resulted in a highly visible court case -- a contract to resume supplying ground beef to the school lunch program; notwithstanding the court order the prevented USDA from closing the plant's operation, USDA had suspended the company's participation in the school lunch program until it agreed to meet USDA's meat safety requirements, which it did on February 9.

**USDA Testing Results in Recalls:** On February 23, Gold Kist recalled 114,000 pounds of breaded chicken produced in the company's Boaz, AL plant because of possible listeria contamination. Previous reports alleging food safety problems at some of the company's facilities have generated considerable public and media attention.

On February 16, Callaway Packing Inc., a processing firm in Delta, Colorado voluntarily recalled approximately 4,600 pounds of ground beef, ground beef patties, beef patty mix, and beef cube steak that may be contaminated with *E. coli* O157:H7.

**Presidential Initiative on Welfare Reform:**

**USDA Approves Welfare Reform Waivers:** During the week of February 16-23, USDA approved requests from MO and ID to extend and modify their waivers of the food stamp work requirements, based on insufficient jobs.

**Administration Removes Welfare to Work Obstacles:** On February 23, Secretary Glickman joined you in announcing the Administration's proposal to remove outdated rules preventing many food stamp recipients from owning their own cars, consequently hobbling their attempts to move from welfare to work; the proposal revises restrictions current food stamp rules place on the value of an automobile that a food stamp beneficiary can own while retaining eligibility for the program.

**President's Initiative to Protect Roadless Areas in the National Forests:**

**USDA Testifies on Initiative:** On February 22, the Senate Energy and Natural Resources Committee held a hearing on rulemaking to implement the roadless initiative, to be followed by a similar hearing on March 14 by the House Resources Subcommittee on Forests and Forest Health.

In a related development, on February 18 the District Court for Idaho held that until the Environmental Impact Statement process for the roadless initiative is completed, and a decision made, there is no final agency action reviewable by a court. The State of ID had claimed that the scoping period had been too short for meaningful comment, and that it had not received information necessary to make meaningful comments.

**III. UPCOMING GRANTS, ANNOUNCEMENTS AND PUBLICATIONS**

**USDA to Finance TX Rural Development Project:** On February 29, USDA will make a \$2.5 million loan to the American Plume and Fancy Feather Company in Marfa, TX so the company can improve its capacity to processes turkey feathers for use in feather products.

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

On Friday, February 25, Secretary Glickman will address the NC State Emerging Issues Forum.

On Monday, February 28, Secretary Glickman will address the National Farmers' Union convention in Salt Lake City, UT.

On Monday, February 28, Secretary Glickman will attend the Democratic Governor's Association dinner honoring you.

On Tuesday, February 29, Secretary Glickman will address the Garden Club of America.

On Tuesday, February 29, Secretary Glickman will meet with several members of the German Bundestag.

On Wednesday, March 1, Secretary Glickman will testify before the Senate agriculture committee on trade issues with China.

On Wednesday, March 1, Secretary Glickman will meet with the House Blue Dog caucus.

On Friday, March 3, Secretary Glickman will address the National Association of State Departments of Agriculture Mid-Year conference.

On Friday, March 3, Secretary Glickman will meet the Oglala-Sioux regarding debt relief.

On Monday, March 6, Secretary Glickman will address the National Rural Development Partnership Conference.

On Thursday, March 9, Secretary Glickman will address the 2000 European Agricultural Outlook Conference, in London, UK.

#### **V. SUB-CABINET SCHEDULE**

On Thursday, February 24, Deputy Secretary Rominger will address and moderate the USDA Agricultural Outlook Forum.

On Friday, February 25, Deputy Secretary Rominger will address the 40<sup>th</sup> anniversary ceremony of the U.S. Water Conservation Laboratory, in Phoenix, AZ.

On Tuesday, February 29, Deputy Secretary Rominger will address the annual conference of the Association of California Water Agencies.

On Friday, March 2, Deputy Secretary Rominger will address the USDA Millennium Symposium on Invasive Species.

On Monday, February 28, Under Secretary Michael V. Dunn will meet with State Attorneys General and Agricultural Commissioners to discuss concentration and price reporting, in Des Moines, IA.

On Monday, February 29, Under Secretary Schumacher will testify on the state of the agriculture economy before the Senate agriculture appropriations subcommittee.

On Tuesday, February 29, Chief Economist Keith Collins will testify before the Senate appropriations committee regarding farm aid programs.

On Wednesday, March 1, Under Secretary Catherine Woteki will chair a meeting of the Codex Policy Steering Committee, to discuss the development of a report on U.S. food safety systems and activities.

On Wednesday, March 1, Under Secretary Catherine Woteki will participate with consumer and industry members of the Partnership for Food Safety Education/FightBAC! in a briefing for House and Senate staff on partnership activities.

On Wednesday, March 1, Under Secretary Michael V. Dunn will address the Alliance for Rail Customers' Forum in Washington, DC.

On Friday, March 3, Under Secretary Schumacher will meet with Farm Service Agency State Executive Directors and Committee Members in PA.

On Friday, March 3, Under Secretary Catherine Woteki will address the Refrigerated Foods Association's Conference 2000 meeting in San Francisco.

On Saturday, March 4, Under Secretary Michael V. Dunn will address the National Association of State Departments of Agriculture Mid-Year Conference.

On Wednesday, March 8, Under Secretary Miley Gonzalez will testify before the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies on the FY01 budget.

On Thursday, March 9, Under Secretary Miley Gonzalez will address the Summit on the Future of Agricultural Education in Des Moines, IA.

On Thursday, March 9, Under Secretary Schumacher will testify before the House agriculture appropriations subcommittee on the FY01 budget.

On Thursday, March 9, Under Secretary Catherine Woteki will address the "Critical Issues Affecting Food Safety & Trade: A Symposium on Codex Alimentarius" conference.

On March 15, Under Secretary Michael V. Dunn will testify at the House agriculture appropriations subcommittee on the FY01 budget.

## **VI. PRESS/MEDIA INQUIRIES**

In March, USDA expects the CBS *Evening News* to run an "Eye on America" story about the Hunts Point Terminal Market, and arrests and convictions of USDA inspectors and produce company employees.

On February 14, *USA Today* asked for information on USDA's regulation of biotech industry products.

On February 14, the *Sacramento Bee* contacted ERS for information for a story on organic agriculture.

On February 14 and 16, NBC's *Dateline* requested information about USDA's regulation of commercial dog dealers.

On February 16, *60 Minutes* requested information from APHIS on the Horse Protection Act.

*Bakersfield Californian*, *Porterville Recorder*, and *USA Today* inquired about your letter to the Secretary asking for recommendations on permanent protection of the sequoia trees in the Sequoia National Forest.

*The Miami Herald* inquired about money in FY01 budget for citrus canker control -- see Key Department News.

## **VII. FOIA REQUESTS**

NBC News requested a list of all FOIA requests USDA's Foreign Agriculture Service has received since June 1999.

*The Hill* requested copies of all correspondence from Chairman Lugar and Ranking Member Harkin to USDA from January 1, 1998, to the present.

*The Wall Street Journal* requested copies of all non-media FOIA requests from November 1, 1998 mentioning Senator McCain, former Senator Bradley, or the Vice President.

## **VIII. WASTE, FRAUD AND ABUSE**

Nothing of significance to report.

## **IX. CLIMATE CHANGE**

**USDA Briefs Congressional Staff on Climate Change Budget Initiatives:** On February 25, USDA's Global Change Program Office will brief the staff of the Senate agriculture committee on USDA climate change programs in your FY01 budget.

## **X. WEEKEND CONTACT**

Greg Frazier

March 1, 2000

**MEMORANDUM FOR THE PRESIDENT**

**THROUGH: THE HONORABLE JOHN PODESTA**

**FROM: SECRETARY DAN GLICKMAN**

**SUBJECT: REPORT FOR WEEK OF February 26, 2000**

**USDA Fact of the Week**

In spite of extremely low commodity prices in 1999, the financial condition of agricultural lending institutions and many farm borrowers actually improved during the year; however, according to USDA's latest *Agricultural Income and Finance* report, the 16% reduction in net cash farm income USDA projects for 2000 will cause about 14% of all farm business to experience debt repayment programs during this year and farmers' debt repayment capacity will shrink by about 18%.

**I. KEY DEPARTMENT NEWS**

**Secretary Presses for China NTR:** On March 3 and 6 respectively, Secretary Glickman will stress the importance of favorable congressional action on Chinese permanent normal trade relations, during remarks to the mid-year convention of the National Association of State Directors of Agriculture in Washington, DC and the Commodity Classic, a convention of over 1000 farmers, in Orlando, FL. During his trip to FL, the Secretary tentatively plans to hold a media availability in a citrus grove, highlighting that particular aspect of the Chinese-US agreement on China's WTO accession. Both speeches will also feature the proposals included in your FY01 budget to strengthen the farm safety net.

In separate but related developments, on March 7, Secretary Glickman will testify before the Senate Finance Committee Trade Subcommittee on international trade, with emphasis on China NTR. On March 1, Secretary Glickman testified before the Senate agriculture committee on trade issues with China.

In addition, on February 28, in remarks to the annual convention of the National Farmers Union in Salt Lake City, UT. Secretary Glickman delivered the same message on the importance of China NTR and announced during that speech that China purchased 50,000 tons of wheat from the Pacific Northwest. This is the first such purchase in nearly 2 decades, due to a prior Chinese

ban on Pacific Northwest wheat, over concerns about possible wheat disease infestation; it is also the first such purchase under the WTO agreement. Following this speech, the Secretary addressed the UT Legislature on the same themes.

**USDA to Release New Organic Foods Proposal:** On March 8, Secretary Glickman will unveil USDA's new proposal to establish a national organic foods standard. When first announced two years ago, the proposal attracted more public comments than any other USDA proposal, over 250,000, and has since been rewritten to address concerns about the use of genetically-modified organisms, irradiation, and biosludge. USDA expects this announcement will generate a similarly intense level of public, congressional, and media attention.

**USDA Presses for Favorable Action on FY01 Budget:** In several hearings, as listed, USDA officials are pressing congressional appropriators for favorable consideration of your FY01 budget:

On March 2, the House appropriations subcommittee on agriculture will examine USDA's land and water conservation programs' request;

On March 8, the House appropriations subcommittee on agriculture will consider USDA's budget request for research, extension, and education programs;

On March 9, the House interior appropriations subcommittee will study the FY01 funding request for the Forest Service; and

On March 9, the House appropriations subcommittee on agriculture will consider USDA farm and foreign agricultural programs;

**Congress Begins Action on USDA Agenda:** From crop insurance to forest roads, Congress continues its work on USDA's 2000 legislative agenda in the following hearings and mark ups:

On March 2, the Senate agriculture committee marked up and reported a crop insurance reform bill that, by and large, tracks the principles Secretary Glickman released in February, 1999 with your FY00 budget after defeating Chairman Lugar's mark and adopting it a Kerrey-Roberts compromise;

On March 2, the Senate Subcommittee on Forests and Public Land Management and House Subcommittee on Forests and Forest Health held hearings on the Forest Service's proposed regulations for national forest planning; and

On March 6, the House Agriculture Committee will hold the first of several hearings on the farm bill beginning with a field hearing in Lubbock, TX

**Secretary Announces Additional Aid for NC Farmers:** On February 25, during his

participation in Governor Hunt's emerging issues conference, Secretary Glickman discussed your request for supplemental FY00 funds to help farmers and rural residents continue their recovery from the effects of Hurricane Floyd, as well as your proposals to amend the 1996 farm bill and to secure permanent NTR for China.

**Secretary Confers with Governor on Citrus Canker Eradication:** On February 27, Secretary Glickman met with Governor Bush of FL on refining a joint USDA-state program to eradicate citrus canker. The governor is proposing a roughly \$100 million program, the cost of which would be split equally, under this proposal, between USDA and the state.

**Secretary Calls for Pork Check Off Vote:** On February 28, during remarks to the annual convention of the National Farmers' Union, in Salt Lake City, Secretary Glickman called for a vote on whether the pork check off program – a research and promotional program financed through assessments on the sale of every pig – should continue; the petition drive to secure the vote has been deeply controversial within the pork industry and the Secretary's decision is likely to generate additional congressional, public, and media attention.

**USDA Officials Meet with States on Concentration Issues:** On February 28, Under Secretary Dunn held the first of 3 meetings USDA will conduct with state attorneys general and commissioners of agriculture to discuss concentration in agriculture and state and federal legislation mandating reporting of livestock transaction prices; in addition to USDA staff, the Justice Department special counsel for agriculture and 43 state officials attended the session.

**USDA Announces Cottonseed Program:** On February 29, Secretary Glickman announced that producers and ginners of 1999-crop cottonseed will receive more than \$74 million to help offset losses because of low prices and increased ginning costs, as authorized in the FY00 consolidated appropriations bill.

**USDA and Brazil Team Up to Fight Dengue Virus:** On February 29, USDA and Brazilian officials signed a research agreement to conduct a joint research project to control biologically the mosquito that transmits Dengue virus, a disease that threatens 2.5 billion people—two fifths of the world's population -- and which in Brazil is reaching epidemic proportions.

**Commodity Markets in Review:** Widespread rains and spillover pressure from declining corn prices sent wheat lower. Corn prices dropped as a result of improved planting prospects in the Corn Belt. Soybean cash prices moved higher on brisk exports, but futures fell on reports of good weather in South America. Rice prices fell on lackluster demand and declining world prices. A good *Export Sales* report helped boost cotton prices. Declining beef prices led cattle prices down. Hog prices moved up following the President's Day holiday. Broilers moved higher, despite pressure from large supplies. Cheese prices continued to hover just above support. Butter ended up for the week in volatile trade.

**Average prices for the week ending February 25, 2000**

<b>Commodity</b>	<b>Weekly cash price</b>	<b>Change from a week ago</b>	<b>Change from a year ago</b>
Wheat \$/bu	2.73	-0.10	-0.03
Corn \$/bu	2.08	-0.02	0.01
Soybeans \$/bu	4.98	+0.03	0.39
Rice \$/cwt	6.25	-0.38	-2.25
Cotton ¢/lb	56.01	+1.80	0.91
Steers \$/cwt	66.95	-1.00	4.23
Hogs \$/cwt	41.68	+0.78	13.05
Broilers ¢/lb	56.18	+0.13	-2.89
Cheese \$/lb	1.11	0.00	-0.22
Butter \$/lb	0.94	+0.04	-0.42
Milk \$/cwt	9.56	-0.05	NA

**Farm Weather Outlook:** The NWS 6-10 day outlook for March 2-6 calls for very warm weather to prevail nearly nationwide. The warmth will cause winter wheat to break dormancy as far north as the central Plains and Ohio Valley. Meanwhile, an active storm track will continue to provide wet conditions to much of the nation. Exceptions will include the Southwest, southern High Plains, and Peninsular Florida, where dry weather will stress dryland crops and increase irrigation requirements.

In a related development, on February 24, USDA approved emergency grazing of land enrolled in the Conservation Reserve Program (CRP) for 6 more TX counties because of drought conditions, bringing to 27 the number of TX counties accorded the emergency treatment.

**II. USDA WORK ON PRESIDENTIAL INITIATIVES**

**Presidential Initiative on China NTR:**

**Secretary Presses Groups to Support China NTR:** In speeches on February 28, March 3, and March 6 as well as during congressional testimony on March 1 and March 6, Secretary Glickman continued his advocacy of favorable congressional action on normal trade relations (NTR) for China – see Key Department News.

## **President's Initiative on Food Safety:**

**Colorado Firms Recall Vegetable Soup for Possible Metal Contamination:** On February 25, Campbell Soup Co., a processing firm in Camden, New Jersey, voluntarily recalled approximately 109,000 pounds of Healthy Request Vegetable Beef condensed soup because the soup may contain metal contamination. The product was distributed in Arizona, Colorado, Iowa, Kansas, Louisiana, Missouri, Mississippi, Nebraska, New Mexico, Oklahoma, South Dakota, Tennessee, and Texas. The problem was discovered through consumer complaints to the firm. FSIS has received no reports of illness or injury associated with the recall.

### **III. UPCOMING GRANTS, ANNOUNCEMENTS AND PUBLICATIONS**

**USDA to Release Supply and Demand Forecasts:** The National Agricultural Statistical Service (NASS) will issue its latest production forecasts for sugarcane and citrus on March 10. USDA's projections of U.S. major field crop supply, use, and prices for 1999/2000 will be published on March 10 in the *World Agricultural Supply and Demand Estimates (WASDE)* report which will also contain world and country-specific supply and use forecasts for wheat, corn, coarse grains, rice, cotton, soybeans, and soybean products and livestock product and dairy supply, use, and price estimates.

**Economic Implications of the Methyl Bromide Phase out:** On March 13, USDA will release *Economic Implications of the Methyl Bromide Phaseout*. Being phased out by the Montreal Protocol, the pesticide has been used for over 50 years to control insects, nematodes, pathogens, and weeds as a soil fumigant before planting many fruits, vegetables, ornamentals, and agricultural nurseries; for post-harvest fumigation of commodities in storage and prior to shipment; and for government-required quarantine treatment to prevent the spread of pests.

**Price and Quality of Pork and Broiler Products: What's the Role of Vertical Coordination?:** On March 13, USDA will release *Price and Quality of Pork and Broiler Products: What's the Role of Vertical Coordination?*, a study examining whether the significant changes in vertical coordination of the US broiler industry many years provide useful insight into the rapid changes occurring in today's pork industry.

**Structural Change and Competition in Seven US Food Markets:** On March 15, USDA will release *Structural Change and Competition in Seven US Food Markets*, a report analyzing retail and farm prices for seven composite US food industries.

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

On Friday, March 3, Secretary Glickman will address the National Association of State Departments of Agriculture Mid-Year conference.

On Friday, March 3, Secretary Glickman will meet members of the Oglala-Sioux regarding debt

relief.

On Monday, March 6, Secretary Glickman will address the Commodity Classic in Orlando, FL.

On Thursday, March 9, Secretary Glickman will address the 2000 European Agricultural Outlook Conference, in London, UK.

## **V. SUB-CABINET SCHEDULE**

From Monday through Thursday, February 28-March 2, Deputy Secretary Rominger will address COMESA Economic Conference & Trade Discussions in Cairo, Egypt & Jordan.

On Tuesday, March 7, Deputy Secretary Rominger will address the Western SARE Conference on Sustainable Agriculture in Portland, OR.

On Wednesday, March 15, Deputy Secretary Rominger will address the Kick-off Meeting for the Friends of the National Agriculture Library.

On Thursday, March 23, Deputy Secretary Rominger will address the Natural Products Expo West Trade Show, in Anaheim, CA.

On Wednesday, March 1, Under Secretary Catherine Woteki chaired a meeting of the Codex Policy Steering Committee, discussing the development of a report on U.S. food safety systems and activities.

On Wednesday, March 1, Under Secretary Catherine Woteki briefed House and Senate staff on USDA cooperation with consumer and industry groups in Partnership for Food Safety Education and FightBAC! activities.

On Wednesday, March 1, Under Secretary Michael V. Dunn addressed the Alliance for Rail Customers' Forum.

On Thursday, March 2, Under Secretary Michael V. Dunn will address the Secretary's Advisory Committee for Employees with Disabilities Pilot Mentoring Program.

On Thursday, March 2, Under Secretary Michael V. Dunn will moderate USDA's Invasive Species Symposium.

On Friday, March 3, Under Secretary Catherine Woteki will address the Refrigerated Foods Association's Conference 2000 meeting in San Francisco, CA.

On Saturday, March 4, Under Secretary Michael V. Dunn will address the National Association of State Departments of Agriculture Mid-Year Conference.

On Monday, March 6, Under Secretary Michael V. Dunn will address the Alabama Farmers Federation, on Research and Promotion Programs.

On Wednesday, March 8, Under Secretary Jill Long Thompson will address the National Rural Development Partnership and National Rural Policy Conference.

On Wednesday, March 8, Under Secretary Miley Gonzalez will testify before the House agriculture appropriations subcommittee on the FY01 budget.

On Wednesday, March 8, Under Secretary Michael V. Dunn will testify before the Surface Transportation Board.

From Wednesday through Friday, March 8-10, Assistant Secretary Paul Fiddick will attend the Winter 2000 Council Meeting on Historic Preservation, in Phoenix, AZ.

On Thursday, March 9, Under Secretary Miley Gonzalez will address the Summit on the Future of Agricultural Education, in Des Moines, IA.

On Thursday, March 9, Under Secretary Schumacher will testify before the House agriculture appropriations subcommittee on the FY01 budget.

On Thursday, March 9, Under Secretary Catherine Woteki will address the "Critical Issues Affecting Food Safety & Trade: A Symposium on Codex Alimentarius" conference.

On Monday, March 13, Chief Financial Officer Sally Thompson will attend a Thrift Investment Board meeting at the National Finance Center, in New Orleans, LA.

On Tuesday, March 14, Chief Financial Officer Sally Thompson will address the Joint Financial Management Improvement Program's annual conference.

On March 15, Under Secretary Michael V. Dunn will testify at the House agriculture appropriations subcommittee, on the FY01 budget.

On Saturday, March 18, Under Secretary Shirley R. Watkins will address the American Federation of Teachers 23<sup>rd</sup> Annual Conference in Washington, DC.

On Wednesday, March 22, Under Secretary Michael V. Dunn will address the National Animal Disaster Conference on the Animal Disaster Plan in Altamonte, FL.

On Thursday and Friday, March 23 & 24, Under Secretary Lyons will give lectures to the School of Forestry at Colorado State University, Fort Collins, CO.

On Sunday, March 26 Under Secretary Catherine Woteki will lead a U.S. delegation to Paris for a three-day meeting of the OECD Ad Hoc Working Group on Food Safety.

On Sunday, March 26, Under Secretary Shirley R. Watkins will address the American Commodity Distribution Association Annual Conference in Columbus, OH.

From Sunday through Tuesday, March 26-28, Under Secretary Lyons will attend the North American Wildlife Conference in Rosemont, IL.

On Monday, March 27, Under Secretary Shirley R. Watkins will address the Florida School Food Service Association Legislative Action Conference, in Tallahassee, FL.

Wednesday, March 29, Under Secretary Michael V. Dunn will address emerging trends in U.S. and global regulation of biotech before the Bio2000 Biotechnology Conference on Environmental Regulation of Biotechnology, in Boston, MA.

On Friday, March 31, Under Secretary Shirley R. Watkins will open the New York Child Nutrition Conference in Albany, NY.

On Friday, March 31, Under Secretary Michael V. Dunn will address the Minorities in Agriculture, Natural Resources, and Related Sciences Conference in Lexington, KY.

## **VI. MEDIA INQUIRIES**

On February 24, the *Los Angeles Times* requested background information about the Market Access Program, by which USDA helps finance the market development programs of private agriculture and food organizations; the program has been the subject of continuing controversy in the media and among some in Congress.

On Monday, February 28, Under Secretary Catherine Woteki was interviewed by National Public Radio, which wanted her comments on the science behind irradiation and predictions on the extent industry would use the technology and consumers would accept its use. The program is expected to air March 3.

The recall of Gold Kist chicken nuggets has generated over 15 inquiries including *Reuters*, *Associated Press*, Ohio radio stations, and local television and radio stations -- see weekly report of February 22, 2000.

## **VII. FOIA REQUESTS**

The Center for Science in the Public Interest requested documents prepared for USDA Food Safety and Inspection Service (FSIS) employees who traveled to Argentina, Canada, Croatia,

Finland, Romania, and the United Kingdom in 1998 and for all countries FSIS audited in 1999 to ascertain whether they were eligible to ship meat and meat products to the US.

*Cox Newspapers* requested copies of all consumer protection inspection records concerning Gold Kist, Guntersville, Alabama, from October 1, 1999, to the present.

### **VIII. WASTE, FRAUD AND ABUSE**

**USDA Announce Joint Initiatives to Curb Crop Insurance Program Abuse:** On February 29, USDA announced joint initiatives with the trade associations representing all the companies now participating in the program to strengthen the crop insurance program's integrity, protect taxpayer dollars, and catch those who deliberately break the rules.

### **IX. CLIMATE CHANGE**

Nothing of significance to report.

### **X. WEEKEND CONTACT**

Greg Frazier

March 5, 2000

**MEMORANDUM FOR THE PRESIDENT**

**THROUGH: THE HONORABLE JOHN PODESTA**

**FROM: SECRETARY DAN GLICKMAN**

**SUBJECT: REPORT FOR WEEK OF March 2, 2000**

**USDA Fact of the Week**

On March 31, USDA announced March Class III prices for Federal milk marketing orders of \$9.54 per hundredweight, unchanged from February's price, but \$2.08 lower than the BFP in March 1999. Meanwhile USDA's March 30 *Agricultural Prices* report estimates the March all-milk price at \$11.80 per cwt, unchanged from February, and \$3.20 per cwt lower than in March 1999. \$123 million in Dairy Market Loss Assistance Program (DMLA) payments are expected to be made during the first week in April, in an effort to offset the continuing near-record low prices.

**I. KEY DEPARTMENT NEWS**

**House Passes Supplemental Appropriations:** On March 30, the House passed the FY00 Supplemental Appropriations Bill by a vote of 263 to 146, including total appropriations to USDA of \$373 million, and to the Commodity Credit Corporation (CCC) of \$156 million. The CCC funding will provide disaster relief for NC, citrus canker, and natural resource programs, while the USDA funding includes: \$150 million for Forest Service wildland fire management; \$113 million in rural electrification loans; \$78 million to retain 1,100 temporary employees to help deal with the farm crisis; and \$77.5 million for rural housing loans and grants for low income residents and migrant farm workers. The bill also includes provisions blocking the use of funds for the Fund for Rural America, and Initiative for Future Agriculture and Food Systems.

**Interactive Healthy Eating Index Being Posted:** The week of April 10, USDA will post a new Interactive Healthy Eating Index (IHEI), online site enabling the public to enter the foods they consume and get a score indicating the quality of their diet.

**Final Feed Weighing Regulations to be Published:** On April 5, USDA will publish in the *Federal Register* the final rule for livestock and poultry feed weighing under a contract growing arrangement. The rule will help ensure that feed weight is properly documented whenever it

affects payment or settlement to livestock and poultry growers, addressing contract poultry growers' concerns that integrators use their dominant positions to impose unfair and discriminatory terms upon them.

**Sandia Settlement Reached:** On April 4, 2000, USDA, DOI, and DOJ, signed a settlement agreement with the Pueblo of Sandia and the Sandia Peak Tram Company, that resolves the Pueblo's claim against the Federal government, protects public access and enjoyment, preserves the area, and ensures Forest Service ownership and management. Senator Domenici and Representative Wilson have strongly criticized the settlement, which is the product of extensive mediation and requires legislation to be effective. The city of Albuquerque, Bernalillo County, and an association of homeowners and users of the area initially participated in the mediation but withdrew last year and elected to resume litigation. With the signing, the Federal government is seeking to withdraw our appeal and end the litigation.

**Second Regional Meeting on Concentration:** On April 4, Under Secretary Michael V. Dunn and GIPSA are holding a second regional meeting in Denver addressing Federal and State efforts to enact legislation, and promulgate and enforce regulations on: a) mandatory price reporting; b) fair trade practices; c) contracting; and d) concentration and mergers. Participants in the meeting will include USDA, State Directors of Agriculture, and State Attorney Generals. The meeting is designed to improve relationships with the states and address issues facing independent, family farmers. The first meeting was held on February in Des Moines, IA. A third meeting will be held in Atlanta, GA on April 11.

**First U.S. Meat Shipment to China:** On April 2, the first shipment of U.S. meat under the U.S.-China Agricultural Cooperation Agreement was airlifted directly from a San Francisco Airport to Shanghai, China. In 1999, of total Chinese imports of \$1.3 million metric tons of beef, pork, and poultry from all sources, from the U.S. were purchased 2,800 tons of beef; 3,400 tons of pork and variety meats; and 75,900 tons of poultry. The U.S. expects greater exports under the new agreement.

**Oilseeds Program Extended:** On March 31, USDA extended signup for the \$462.5 million Oilseeds Program from March 31 to April 14. -See Upcoming Grants, Announcements, and Publications

**New Chief of Staff Named as Former Becomes USTR for Agriculture:** On March 31, Secretary Glickman named Eric Olsen, his Domestic Policy Council since July 1997, as USDA Chief of Staff. Mr. Olsen replaces Greg Frazier, USDA Chief of Staff since 1995, who has been appointed U.S. Trade Representative Special Negotiator for Agriculture and Food Policy.

**Rural Satellite Loan Guarantee Bills Moving Through Congress:** On March 30, the Senate voted 97-0 to create a new loan guarantee program for rural television satellite coverage, to be run by the USDA Rural Utilities Service, and limited to \$1.2 billion; companion legislation reported by the House Commerce Committee creates an oversight board to approve the loans,

limits the authorization to \$1 billion, and sunsets the program in the year 2006.

**Freedom to E-File Hearing:** On March 29, the House Agriculture Committee approved by voice vote the Freedom to E-File Act, instructing USDA to offer online forms for USDA programs, and allow farmers to file government-required paperwork via the Internet.

**Farm Weather Outlook:** The National Weather Service (NWS) April 6-10 outlook predicts cool weather in portions of the central and western U.S., with mild weather across the South and East. Mostly dry weather will favor fieldwork in the West Coast States and across the Southwest, but wet conditions will further improve soil moisture levels but slow fieldwork in most areas from the Rockies to the East Coast. Exceptions include southern portions of TX and FL, which will remain unfavorably dry.

**Commodity Markets in Review:** Wheat cash prices fell as crop conditions improved, but futures were up sharply due to a freeze threat and moderately bullish USDA reports. Weather concerns led corn and soybean prices higher, with soybeans also boosted by strong export indications. Rice cash prices were unchanged, but futures rose along with other grains. Cotton prices slumped in anticipation of bearish USDA reports and the release of Census Bureau data on domestic consumption which sent mixed signals to the market. Cattle prices slipped in light trading. Seasonal tightening in supplies sent hog prices up. Broiler prices held steady. Cheese remained marginally above the support price. Increases in cream demand led butter prices crisply higher.

**Average prices for the week ending March 31, 2000**

Commodity	Weekly cash price	Change from a week ago	Change from a year ago
Wheat \$/bu	2.64	-0.07	-0.39
Corn \$/bu	2.16	+0.01	-0.06
Soybeans \$/bu	5.14	+0.07	0.39
Rice \$/cwt	6.00	0.00	-2.13
Cotton ¢/lb	55.42	-1.62	-1.00
Steers \$/cwt	72.03	-0.73	7.69
Hogs \$/cwt	45.45	+0.61	16.66
Broilers ¢/lb	56.20	0.00	-0.30
Cheese \$/lb	1.11	0.00	-0.22
Butter \$/lb	1.11	+0.07	0.13

Milk*	\$/cwt	9.61	+0.01	NA
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\*April 2000 Class III futures price from the Chicago Mercantile Exchange

## II. USDA WORK ON PRESIDENTIAL INITIATIVES

### President's Initiative on Welfare Reform:

#### USDA Approved IN Waiver, State Error Rate Disqualifies from Enhanced Funding:

During the period from March 22-28, USDA approved an IN request to waive Food Stamp Program work requirements due to insufficient jobs, and is continuing to review similar requests from MN, NV, PA, WA, SC, and CO.

Meanwhile, on April 7, IN is due to present a rebuttal to a USDA finding that the state miscalculated by over 6% benefits to enrollees in the food stamp program, thus disqualifying it from receiving enhanced funding. The state is also disqualified from enhanced funding for having a negative error rate (denying food stamps to qualifies households) of 6.27% –which is worse than the national average for the previous year of 2.44%.

### President's Initiative on Food Safety:

**USDA Report Denies Swiss Claim of DES in U.S. Beef:** USDA has released a March 2000 report entitled *USDA's Response to the Swiss Report of Detecting DES in U.S. Beef*, noting, in response to a Swiss government identification of diethylstilbestrol (DES) in 2 samples of U.S. beef, that EU lab analysis could not confirmed presence of the chemical in U.S. beef samples, and that FDA has found no evidence of U.S. misuse of DES. The chemical was removed from FSIS National Residue Plan monitoring in 1991, due to having been absent from test results since the early 1970's.

**Minneapolis, MN *E. coli* Outbreak:** On March 28, confirmation was received that health officials in Minneapolis, MN are searching for the cause of an *E. coli* outbreak which left 15 children ill.

**USDA Enforces Food Safety Requirements in PA and GA:** On March 31, USDA issued a warning of impending closure to a small Ball Park Brands processing plant in Philadelphia, PA, due to *Listeria monocytogenes* in beef franks. This follows the plant's March 24 recall of approximately 34,500 pounds of hot dogs based on positive testing results for the pathogen.

Additionally, on March 27, Quality Foods, a retail store in Monroe, GA, recalled approximately 1,000 pounds of ground chuck because of *E. coli* O157:H7 contamination discovered through routine USDA testing.

### President's Initiative on New Markets:

**USDA Funds KY Goodwill Food Processing Facility:** On April 3, USDA held the grand opening of a Goodwill Industries of KY training and food processing facility at the Industrial Foundation Park in Monticello, KY. The Fresh Start Vegetable Processing Plant is a partnership between Goodwill, the Wayne County Industrial Authority, and the Appalachian Regional Commission (ARC), and will focus on processing vegetables from the Cumberland Farms Cooperative (another EZ project). Total employment at the plant is expected to reach 50 persons in two years.

### III. UPCOMING GRANTS, ANNOUNCEMENTS AND PUBLICATIONS

**Oilseeds Program Extended:** On March 31, USDA extended signup for the \$462.5 million Oilseeds Program from March 31 to April 14. The extension results from extremely high levels of program participation, especially in the central Midwest, the northern two-thirds of the Mississippi Valley, and eastern sections of the northern plains. As of March 27, more than 530,390 applications totaling \$394.8 million have been received; 153,499 applications have been approved from producers in 41 states totaling \$126.9 million.

**Agricultural Outlook Report Coming Up:** On April 19, USDA will release the summary of the May *Agricultural Outlook*, covering several topics concerning farm income including: rising oil prices, the upward trend of interest rates, and the farm income forecast for 2000, which also reflects the current commodity price situation. An article on farm prices will look at which farmers are most affected when prices go down, and the issue will report on farmers' prospective plantings for this season and on the outlook for the beef and dry bean sectors, and will explore the relative effects of alternative environment policies on agricultural trade.

**Tobacco Report Coming Up:** On April 19, USDA will release the summary of April's *Tobacco* report, containing updated estimates for 1999 cigarette and tobacco production, consumption, and cigarette production by type and length. Leaf supply and use tables will be updated using the results of the March Planting Intentions report for the 2000 crop year. Trade statistics will be updated through January 2000.

**Vegetables and Specialties Report Coming Up:** On April 21, USDA will release the summary of the *Vegetables and Specialties* report, noting that per capita use of all vegetables and melons increased two% to 454 pounds in 1999, led by a five percent gain in fresh-market vegetables and melons. The report will also note that despite the eastern drought and Southeastern floods, favorable weather in the major growing areas led to large supplies and low prices.

**Annual Floriculture Crops Summary Coming Up:** On April 25, USDA will release the *Annual Floriculture Crops Summary* report, including preliminary 1999 and revised 1998 horticultural data for 36 program states, with information by flower category for number of growers, production, average price, percentage of sales at wholesale, value of sales at wholesale equivalent, average labor usage by operation size, and total coverage area.

**Library Grant for TN:** The week of April 3, USDA provided a \$40,000 Community Facilities grant to the Tiptonville, TN (population 2,140) library. Matched by \$120,000 in community donations and in-kind labor, the money will allow the remodeling and expansion of the building.

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

On Thursday, April 13, Secretary Glickman will address the Natural Resources Conservation Service's Earth Day Celebration on the Mall.

On Thursday, April 13, Secretary Glickman and EPA Administrator Browner will address the IL Congressional Delegation on MTBE and Ethanol.

On Friday, April 14, Secretary Glickman will attend a meeting of your Food Safety Council.

On Monday, April 17, Secretary Glickman will attend a luncheon being given in his honor by Ambassador to the UN Holbrooke in New York, NY.

On Tuesday April 18, Secretary Glickman will address the Consumer Federation of America 2000 National Food Policy Conference.

On Wednesday, April 19, Secretary Glickman will address the Sparks Company SCI Food and Agricultural Policy conference.

From Monday through Sunday, April 24-30, Secretary Glickman will lead a Congressional Delegation to China on PNTR and WTO issues.

#### **V. SUB-CABINET SCHEDULE**

From March 31 through April 15, Under Secretary Schumacher will travel to Tokyo, Japan; Beijing, China; Hong Kong, China; Singapore; Jakarta, Yogyakarta and Denpasar, Indonesia; and Seoul, Korea. Schumacher will meet with officials on China WTO, biotech, food safety, food aid, and to examine market opportunities.

On Tuesday, April 4, Deputy Under Secretary Caren Wilcox is scheduled to participate in an interagency meeting on OECD's work in food safety and chemicals.

On April 5-6, Under Secretary Lyons will visit the University of Michigan.

On Thursday, April 6, Under Secretary Catherine Woteki is expected to participate in an interagency meeting of FORCG (Foodborne Outbreak Response and Coordination Group). One agenda item will be the recent GAO report on agency preparedness in the event of deliberate contamination of the food supply.

On Thursday, April 6, Under Secretary Woteki plans to meet, as vice chair of the OECD's Ad Hoc Group on Food Safety, with members of the Biotechnology Working Group of the United States Council for International Business. She has been asked to update the group on OECD work in response to the G8 request last year to undertake a food safety study.

On Thursday, April 6, USDA Chief Information Officer Joseph Leo will address the Professional Services Council in Washington, D.C.

On Friday, April 7, Under Secretary Catherine Woteki is scheduled to meet with National Cattlemen's Beef Association officials who are holding a legislative and regulatory conference in Washington. The association has identified several topics it wants to discuss, including HACCP implementation, *E. coli* O157:H7 policy, *Salmonella* testing, and equivalency of foreign inspection.

On Friday, April 7, Deputy Under Secretary Caren Wilcox will be in Madison, Wisconsin, to tour a meat processing plant, traveling to Milwaukee on Saturday, April 7, to participate in a Conference on Food Protection.

On April 7, Under Secretary Lyons conduct a presentation at Fort Lee High School in Englewood, NJ.

On Monday, April 10, through Friday, April 14, Under Secretary Catherine Woteki plans to lead the U.S. delegation to the joint FAO/WHO Codex Committee on General Principles meeting in Paris. Agenda items include risk analysis and the role of science and other factors in relation to risk analysis.

On Monday, April 10, Under Secretary Miley Gonzalez will address participants at the National 4-H Conference at the National 4-H Center, in Chevy Chase, MD.

On April 11, Under Secretary Michael V. Dunn will meet with State Attorneys General and State Commissioners of Agriculture to discuss concentration and price report in Atlanta, GA.

On April 11, Chief Economist Keith Collins will testify on MTBE before the Senate Agriculture Committee.

On April 13-14, Under Secretary Lyons will attend the NRCS Dedication of the Sgt. Major Watershed in Cheyenne, OK.

On Thursday and Friday, April 13 and April 14, Under Secretary Miley Gonzalez will address participants at the Western Region Agricultural Education Conference in Las Cruces, NM.

On Thursday, April 13, Under Secretary Shirley R. Watkins will be the keynote speaker at the Tuskegee University Annual Banquet in St. Louis, MO.

On April 13, Under Secretary Michael V. Dunn will address the Agriculture Marketing Outreach Workshop to help train limited resource farmers and ranchers on marketing their products in Memphis, TN.

On Sunday, April 16, Under Secretary Shirley R. Watkins will speak at Founders Day at the University of Arkansas in Pine Bluff, AR.

On April 17, Under Secretary Lyons will conduct a presentation at the American Planning Association Urban Resources Partnership Meeting New York City, NY.

On April 18-19, Under Secretary Michael V. Dunn will tour Central Idaho's Frank Church River Wilderness on invasive species in ID.

From Wednesday, April 26, through Friday, April 28, Under Secretary Catherine Woteki will be in Paris for the third OECD (Organization for Economic Cooperation and Development) Ad Hoc Group on Food Safety meeting. The group is working to finalize international and national food safety system documents for presentation to OECD this summer. The G8 asked OECD last year to provide food safety issue papers, based on information provided by its 29 member countries. Woteki is Ad Hoc Group vice chair and co-leader with FDA's Jane Henney of the interagency team putting together the U.S. contributions.

## VI. PRESS/MEDIA INQUIRIES

On March 27, the *Detroit Free Press* inquired about the Ball Park Brands hot dog recall, asking about mandatory testing and labeling, and the status of the letter from Secretary Glickman to Senator Harkin. A positive article resulted on March 28.

On March 28, the *Wall Street Journal* inquired about the Ball Park Brands hot dog recall. An in-depth article ran on March 31.

On March 28, FAS Administrator Galvin participated in a State Department video conference with Australian officials and media to discuss the biosafety protocol.

On March 28, *Bridge News* requested information about food aid to Bangladesh.

On March 28, *Feedstuffs* magazine requested information about citrus shipments to China.

On March 29, FAS Administrator Galvin spoke to *Reuters* about the clean wheat initiative.

On March 29, the *Amarillo Globe News* inquired about *Listeria monocytogenes* at a local IBP plant. The call was generated by an employee's anonymous letter to the reporter stating that there was Lm at the plant. The plant, however, is a slaughter plant and does not test for LM. The reporter decided no story would probably result.

On March 30, the *Wall Street Journal* inquired concerning the diet of Americans for an article in its Health and Fitness section at the end of April.

On March 31, the DES report "USDA's Response to the Swiss Report of Detecting DES in U.S. Beef" was distributed to the in-house reporters, *Washington Post*, *Wall Street Journal*, and trade press.

On March 31, the *Chicago Tribune* and *CLTV* (Chicago) inquired about FSIS' detention of nearly 3 million pounds of meat, poultry, and egg products for rodent infestation at an Illinois warehouse. CPA is unsure if stories will result.

On March 31, the *Seattle Times* interviewed an FSIS official on safe handling labels, cooking instructions, and definitions of cooked and uncooked products.

On March 31, *Good Housekeeping Magazine* interviewed Under Secretary Woteki on trends in food safety.

On April 5, a reporter for the State Department's *Washington File* publication will interview Under Secretary Woteki on her work as vice chair of OECD's Ad Hoc Group on Food Safety and on the upcoming Codex Committee on General Principles. She will lead the U.S. delegation to that April 10-14 meeting in Paris.

A writer for "National Wildlife" magazine sought information for an article on coral reef restoration.

A writer for "Texas Water Resources," a publication of Texas A&M University, requested information on siltation of lakes and reservoirs and aging reservoirs.

A writer for the "Santa Barbara (California) News-Press" sought information about conflicts between urban growth and biological preservation.

A writer for "Southwest Spirit" magazine, Southwest Airlines' in-flight publication, requested information about invasive species of plants.

On March 28, ERS was contacted by the *Wall Street Journal* regarding 1999 acreage estimates of genetically modified crops.

On March 28, the ARS Chief of the Calcium and Bone Metabolism Laboratory at the Human Nutrition Research Center on Aging in Boston, MA, was interviewed by NBC regarding osteoporosis prevention. The report aired on the Nightly News.

On March 30, the New York Post's West Coast bureau called ARS for information on Africanized honey bees, following two relatively recent stinging incidents. He was furnished

with general background and then referred to the Carl Hayden Bee Research Center, Tucson, AZ.

The March 2000 issue of *Progressive Farmer* contains a short summary of recent research by an ARS Research Agronomist at the Dale Bumpers Small Farms Research Center, Booneville, AR.

The Discovery Channel is scheduled in September to air a program, "Storm Warning," based on the work of the ARS Land Management and Water Conservation Research Unit, Pullman, WA. The research involves ways to farm dust that can cause dangerous conditions on highways--such as conditions that caused a massive vehicle pileup with about 8 deaths on Interstate 84 near Pendleton, OR, last September.

On April 2, a program on cherry blossoms in Washington, DC, was shown on the Home and Garden Television channel (HGTV - cable). This program was produced with the assistance of the U.S. National Arboretum. Secretary Glickman was interviewed. Also, Dr. Thomas S. Elias, Director, U.S. National Arboretum; and Dr. Margaret Pooler, Research Geneticist, Floral and Nursery Plants Research Unit were interviewed. Home and Garden Television filmed at the Arboretum, and Arboretum staff had provided materials. The USDA and Arboretum are listed in the credits.

On March 29, a reporter with *American Forests* magazine called for some background information from APHIS on the Asian longhorned beetle program, specifically the chronology of research events.

On March 29, a television crew filmed APHIS Plant Protection and Quarantine officers in action to be featured in a documentary on John F. Kennedy International Airport for the *Learning Channel*.

On March 27, a reporter with the television show *Extra* requested information from APHIS on swim-with-the-dolphins programs, including complaints, safety guidelines, and recommendations on how to choose a location to visit.

On March 26, a reporter with the *Rapid City Journal* requested information from APHIS on blackbird control in the Dakotas.

On March 29, the *American Sheep Industry Association newsletter* called for information on the crash of an APHIS Wildlife Services-contracted helicopter in TX.

On March 28, a reporter from the *Del Rio [TX] News Herald* contacted APHIS field personnel for more details about the helicopter crash on March 27.

On March 29, the *Antrim County News* called for information on MI's tuberculosis status.

Bridge News asked about the on foot-in-mouth disease in Korea.

*St. Louis Post Dispatch* and *Washington Post* asked for details on the Biotech Advisory Committee meeting.

NBC News for a status report on the *Pigford* case; update given.

Gannet News Service asked about USDA's blackbird kill program; query referred to APHIS in North Dakota.

*Denver Post* inquired about a letter signed by Forest Service employees opposing the roadless issue; referred query to Forest Service.

Gannett News Service asked about ethanol, specifically as it affects New Jersey; query referred to Keith Collins.

*NY Times Magazine* is considering doing a story on changing technology in agriculture; provided background information.

*Congressional Quarterly* inquired about USDA's position on ag. biotech; background given.

*Miami Herald* called on emergency spending bill that passed last week; and wanted information on funds for citrus canker.

*Farm Progress* publications interviewed NRCS on March 14 for an update on its accountability efforts.

*The Colorado Springs, Colorado, Gazette* called March 15 for information on work underway to fix drainage in a canyon following flooding last April.

*Erosion Control* magazine called on March 15 for story ideas on erosion control, for National Resources Inventory data, and to plan a story on the agency, one in a series on federal agencies involved in erosion control.

## **VII. FOIA REQUESTS**

During the week of March 24, a research associate with PERC, a marketing organization in Bozeman, MT, requested information regarding APHIS' expenditures used for the lethal control of wildlife and a breakdown of the number of animals taken in 1999.

## **VIII. WASTE, FRAUD AND ABUSE**

**IX. CLIMATE CHANGE.**

**X. WEEKEND CONTACT.**

March 8, 2000

**MEMORANDUM FOR THE PRESIDENT**

**THROUGH: THE HONORABLE JOHN PODESTA**

**FROM: SECRETARY DAN GLICKMAN**

**SUBJECT: REPORT FOR WEEK OF March 5, 2000**

**USDA Fact of the Week**

25% of all shoppers buy organic food at least once a week, partly accounting for the fact that they make up the fastest growing segment of the food industry with sales now totaling over \$6 billion annually.

**I. KEY DEPARTMENT NEWS**

**USDA Completes State Office Co-Location:** On March 10, Secretary Glickman will announce USDA's plan to complete the co-location of the state offices of its 3 primary field agencies, the Farm Services Agency, Natural Resources and Conservation Service, and Rural Development, in the 23 states that have not yet consolidated their offices as part of USDA's on-going reorganization and streamlining plan. The decisions affecting IL, KS, and especially TX have attracted the most attention and controversy, and USDA expects continued congressional scrutiny of the TX decision.

**Secretary Glickman Promotes China NTR:** On March 9, Secretary Glickman addressed the European Agricultural Outlook Conference in London about Chinese normal trading relations (NTR), the outlook for next round of WTO negotiations, biotechnology, and your proposal to improve the farm bill and on March 16, Secretary Glickman will testify on Chinese NTR before an executive session of the House Agriculture Committee.

**Committee Considers Additional USDA Funding:** On March 9, the House Appropriations Committee will mark up a supplemental appropriations bill for FY00, legislation that USDA expects will contain several USDA-related measures.

**USDA Pushes FY01 Budget:** In the following hearings, USDA will be promoting your FY01 agricultural budget proposals:

On March 8, the House agriculture subcommittee will review USDA's research

budget request;

On March 8, the House Agriculture Subcommittee on Department Operations, Oversight, Nutrition, and Forestry will hold a hearing to review the Forest Service budget request;

On March 9, the House interior appropriations subcommittee will hold a hearing on the Forest Service's FY01 budget;

On March 9, the House agriculture appropriations subcommittee will hold a hearing on USDA farm and foreign and agricultural programs;

On March 15, the House agricultural appropriations subcommittee will hold a hearing on USDA's marketing and regulatory programs' budget request; and

On March 16, the House agricultural appropriations subcommittee will hold a hearing on USDA's information technology spending request for FY01.

**Secretary Announces National Organic Standards:** On March 7, Secretary Glickman presented USDA's new proposal for a national organic foods standards – see weekly report for March 2 – to extensive public and media attention.

**USDA Announces \$93 Million Conservation Program for Virginia:** On March 6, Secretary Glickman announced the \$93 million Virginia Conservation Reserve Enhancement Program (CREP), a cooperative effort between the Commonwealth and USDA protecting water quality in the Chesapeake Bay and several VA rivers. USDA projects that the program will cost \$93 million over 15 years, \$68 million of which USDA will pay.

**USDA Initiates Plum Pox Eradication:** On March 2, USDA published declarations of emergency and extraordinary emergency in response to plum pox virus detections in PA; the actions will make available funding for USDA and the Commonwealth to begin actions, including the eradication of infected orchards to control the disease, which has never before been detected in the U.S. and, poses a serious threat to the US stone fruit industry.

**USDA Continues Payments for Crop Disaster Program:** As of March 1, USDA had issued nearly \$330 million in advance payments for the crop disaster assistance program included in the FY00 consolidated appropriations bill. Under the program, farmers receive 35 percent of their projected total payment once their application is approved, getting the balance after USDA completes process applications during the sign up period, which ended February 25.

**Commodity Markets in Review:** Widespread precipitation in the Southern Plains and poor export prospects sent wheat prices down. Relatively strong exports and continued poor subsoil moisture in much of the Corn Belt helped support corn prices. Soybean prices moved higher on

export sales to China. Rice cash prices held steady, but futures were up on dry conditions in the South which may curtail plantings. Cotton prices surged on strong foreign demand. Cattle prices moved sharply higher, on the strength of strong demand for boxed beef. Weak wholesale carcass values led to light hog marketings and lower prices. Broiler prices were stable, but large supplies continued to pressure prices. Cheese prices were up fractionally, but production remains heavy. Butter prices moved up as cream began moving into increased production of other products, such as ice cream.

**Average prices for the week ending March 3, 2000**

Commodity		Weekly cash price	Change from a week ago	Change from a year ago
Wheat	\$/bu	2.63	-0.10	-0.16
Corn	\$/bu	2.11	+0.03	+0.03
Soybeans	\$/bu	5.00	+0.02	+0.43
Rice	\$/cwt	6.25/	0.00	-2.19
Cotton	¢/lb	56.49	+0.48	-1.43
Steers	\$/cwt	69.92	+2.71	+6.09
Hogs	\$/cwt	41.11	-0.57	+14.08
Broilers	¢/lb	56.16	-0.02	-3.23
Cheese	\$/lb	1.12	+0.01	-0.21
Butter	\$/lb	0.97	+0.04	-0.39
Milk*	\$/cwt	9.86	+0.07	NA

**Farm Weather Outlook:** The NWS 6-10 day outlook for March 9-13 calls for near- to above-normal temperatures to continue from the Plains to the East Coast. In contrast, cool, wet conditions will delay spring fieldwork in California and the Southwest. Widespread rainfall will ease long-term drought across the South, especially from the southern High Plains to the Delta.

## II. USDA WORK ON PRESIDENTIAL INITIATIVES

### Presidential Initiative on China NTR

**Secretary Glickman Promotes China NTR:** On March 9, Secretary Glickman addressed the European Agricultural Outlook Conference in London about Chinese normal trading relations (NTR), the outlook for next round of WTO negotiations, biotechnology, and your proposal to improve the farm bill and on March 16, Secretary Glickman will appear before an executive

session of the House Agriculture Committee on Chinese NTR.

**Presidential Initiative on Food Safety:**

**GAO Reviewing Federal Food Safety Resources:** On March 14, USDA food safety officials will meet with GAO investigators on a study Senators Hagel, Harkin, and Lugar requested on the amount of federal resources allocated to FDA and USDA in FY98 and FY99 and how they were used, and the amount states spent on food safety and related activities in the same period.

**Presidential Initiative on Forest Protection:**

**USDA to Host Workshops on Giant Sequoia Preservation:** On March 17 and 18, USDA will host public hearings in CA on establishing the national monument to protect the giant sequoias that you announced in February.

**USDA Testifies on Baca Ranch Acquisition:** On March 10, USDA officials will testify before the Senate Subcommittee on Forests and Public Lands Management on the Forest Service's planned acquisition of the Baca (NM) Ranch, with specific attention on GAO's questions about the Forest Service's appraisal of the value of the ranch.

**USDA Announces New Policy for Managing Forest Roads:** On March 2, Secretary Glickman announced a proposed policy to improve management of the Forest Service's existing 380,000 mile road system, the next step in putting into place the policy you announced last fall.

In a separate, related development, on March 14, Forest Service Chief Dombeck will testify before the House Subcommittee on Forests and Forest Health on the new policy.

**III. UPCOMING GRANTS, ANNOUNCEMENTS AND PUBLICATIONS**

**USDA Finances CA Museum:** On March 10, USDA will award International Agri-Center a \$1.2 million loan to develop a farm equipment and learning center in Tulare, CA, a facility that will create 150 jobs initially and 1000 jobs over the next 7 years.

**IV. SECRETARY'S SCHEDULE**

From Thursday, through Saturday, March 9-11, Secretary Glickman will attend the 2000 European Agricultural Outlook Conference, in London, UK.

On Tuesday, March 14, Secretary Glickman will attend the National medals of Science and Technology Awards Ceremony.

On Thursday, March 16, Secretary Glickman will testify before the House Agriculture Committee, in Executive Session, on Chinese PNTR and WTO accession.

## **V. SUB-CABINET SCHEDULE**

On Wednesday, March 15, Deputy Secretary Rominger will address the Kick-off Meeting for the Friends of the National Agriculture Library.

On Thursday, March 23, Deputy Secretary Rominger will address the Natural Products Expo West Trade Show, in Anaheim, CA.

On Thursday, March 9, Under Secretary Miley Gonzalez will address the Summit on the Future of Agricultural Education in Des Moines, IA.

On Monday, March 13, Chief Economist Keith Collins will address the National Association of Wheat Growers on the general agricultural outlook.

On Saturday, March 18, Under Secretary Shirley R. Watkins will address the American Federation of Teachers 23<sup>rd</sup> Annual Conference in Washington, DC.

On Sunday and Monday, March 19-20, Under Secretary Shirley R. Watkins will address the Penn State Research Conference in University Park, PA.

On Wednesday, March 22, Under Secretary Michael V. Dunn will address the National Animal Disaster Conference on the Animal Disaster Plan, in Altamonte, FL.

On Thursday, March 23, Under Secretary Catherine Woteki will address the National Food Safety Summit.

On Friday, March 24, Under Secretary Catherine Woteki will attend the Beltsville Agriculture Research Center's annual Women's History Month event, at Beltsville, MD.

On Friday, March 24, Under Secretary Jill Long Thompson will address the 41<sup>st</sup> Annual Inter-American Development Bank Annual Boards of Governors Meeting in New Orleans, LA.

On Sunday, March 26, Under Secretary Catherine Woteki will lead a U.S. delegation to Paris for a 3-day meeting of the OECD Ad Hoc Working Group on Food Safety.

On Sunday, March 26, Under Secretary Shirley R. Watkins will address the American Commodity Distribution Association Annual Conference in Columbus, OH.

On Monday, March 27, Under Secretary Shirley R. Watkins will address the Florida School Food Service Association Legislative Action Conference in Tallahassee, FL.

On Wednesday, March 29, Under Secretary Michael V. Dunn will address the Bio2000 Conference on Environmental Regulation of Biotechnology, in Boston, MA.

On Friday, March 31, Under Secretary Shirley R. Watkins will address the New York Child Nutrition Conference in Albany, NY.

On Friday, March 31, Under Secretary Michael V. Dunn will address the Minorities in Agriculture, Natural Resources, and Related Sciences Conference in Lexington, KY.

## **VI. MEDIA INQUIRIES**

*The New York Times* interviewed the Secretary about USDA's new organic foods standard—see Key Department News— and infestation of the Asian long-horned beetle in New York.

On March 7, the Secretary is giving an interview on the organics rule to the Lehrer NewsHour.

During the week of March 12, *National Public Radio's Morning Edition* will air its interview of Under Secretary Woteki about the use of irradiation on meat and meat products.

*USA Today*, States News Service, Gannet News, *Stockton Newspapers*, and the *Boston Globe* asked about the Forest Service's roads proposed new policy on road construction.

## **VII. FOIA REQUESTS**

On March 3 and 6, the National Pork Producers Council requested documents related to the Secretary's decision to conduct a referendum determining whether to continue the pork promotion program -- see March 2 weekly report.

On March 1, the *Natural Resources News Service* requested any records generated in connection with contacts by the President or Vice President on genetically engineered agricultural products.

*The Guardian* in London requested information on the President's May 29, 1997, trip to Britain to visit Prime Minister Blair.

## **VIII. WASTE, FRAUD AND ABUSE**

Nothing of significance to report.

## **IX. CLIMATE CHANGE**

Nothing of significance to report.

## **X. WEEKEND CONTACT**

Greg Frazier

March 15, 2000

**MEMORANDUM FOR THE PRESIDENT**

**THROUGH: THE HONORABLE JOHN PODESTA**

**FROM: SECRETARY DAN GLICKMAN**

**SUBJECT: REPORT FOR WEEK OF March 12, 2000**

**USDA Fact of the Week**

Through March 9, USDA has provided \$1.528 billion in direct and guaranteed loans to 13,670 family farmers, up 9% over this time last year; including \$119 million in loans to 1,383 minority and women farmers, up 26% over last year; and \$310 million in direct and guaranteed loans to 3,515 beginning farmers, up 67% over last year.

**I. KEY DEPARTMENT NEWS**

**Secretary to Inspect U.S. Port Facilities:** On successive days March 21–24, Secretary Glickman will amplify the dangers of invasive species to U.S. agriculture by visiting USDA port inspection facilities in New York, NY; Miami, FL; San Diego and Long Beach, CA, respectively. During his tour the Secretary will discuss problems associated with pests and diseases imported from abroad, and will highlight USDA efforts to minimize and reverse damage. Invasive species issues have been brought to public attention recently with the introduction of the Asian Longhorned beetle from untreated Chinese wooden packing crates, and with continuing efforts to fight the Mediterranean fruit fly and citrus diseases in FL and CA.

In a related story, on March 8, USDA completed a \$175 million revised citrus canker eradication operational plan, to be implemented by the FL Department of Agriculture. Under the revised plan, the funds will establish a Statewide residential survey; enhance detection and control activities in Dade and Broward Counties; establish a contingency fund for rapid response to canker detections outside quarantined areas; and enhance public outreach and education activities. The plan follows the January approval of H.R. 3425, a authorizing \$16 million for tree and canopy replacement to help commercial growers replace trees lost due to canker.

**Secretary Promotes Chinese PNTR, While Trade Differences are Negotiated:** On March 16, Secretary Glickman testified before an Executive Session of the House Agriculture Committee on your initiative to grant China permanent normal trade relations, in anticipation of China's

accession to the WTO. This follows the Secretary's March 9 address to the European Agricultural Outlook Conference in London about the next round of WTO negotiations, biotechnology, and U.S. farm policy. Following this speech, the Secretary held a press availability with Reuters, Associated Press, Bridge News, *Financial Times*, *Times of London*, *The Guardian*, Dow Jones, Bloomberg, BBC Radio, and six European farm publications. Also while in London, Secretary Glickman gave an interview to the wire services, and gave individual to BBC Radio, CNN International, and *The Financial Times*.

In a related story, from March 11-25, USDA, State and Commerce staff, and 2 private attorneys, will presenting U.S. perspectives on market transparency, uniform application of laws, independent appeals, and other key free-trade issues before groups of Chinese business and government officials in Shanghai and Beijing.

In another related story, since March 1, China has refused to accept U.S. shipments that are not in compliance with new Chinese regulations on pinewood nematode in softwood packing material. This ends a 2-month period in which Chinese authorities allowed operational flexibility in the regulation's implementation, and follows USDA banning of untreated Chinese wood packing crates, due to the introduction of Asian longhorned beetle to the U.S. USDA has posted a certificate for complying with the new Chinese requirement to the Department web site for immediate use by exporters.

**Advisory Committee on Agricultural Biotechnology To Meet:** On March 29-30, USDA will hold its first meeting of the Advisory Committee on Agricultural Biotechnology (ACAB). Issues to be discussed include biotechnology as it relates to international marketing and trade, and the regulatory aspects of agricultural biotechnology.

**Giant Sequoia Forum to Draw Environmental Group Attention:** In accordance with your directive, on March 18, the Sequoia National Forest (CA) will host a forum designed to highlight protection and restoration of the giant sequoia trees. Demonstrations by SAMS (a coalition of pro-forest and public lands access groups) and the Sierra Club are likely. Representatives Radanovich, Dooley, and Thomas are interested in the process. Local and regional media coverage is expected.

**Audit of USDA Civil Rights Complaints Issued:** On March 15, USDA's Inspector General (IG) reported dissatisfaction with Civil Rights Office (CR) attempts at implementing changes to increase the efficiency of complaint review. The report issues from Secretary Glickman's request that the IG evaluate CR efforts to implement efficiency improving recommendations made during six previous reviews of CR complaint handling. While noting that CR has reduced the large original backlog of program complaints to 35, the IG audit sees continuing problems with these remaining cases, is critical of CR complaint review restructuring, notes that 646 cases are stalled in CR's "intends-to-file" category, and states concern about the processing of 216 new cases, accepted after November 1997. On a related note, on March 20, a black farmers group will likely protest the lack of resolution of remaining civil rights complaints at USDA.

**Secretary Provides Drought Outlook:** On March 13, Secretary Glickman joined Secretary Daley and NOAA Administrator Baker for a media briefing on the spring drought outlook. While the Northeast should experience some relief from the drought suffered since last summer, dry conditions are expected to continue from the Southwest to FL. Covering the announcement were: CBS, NBS, ABC, CNN, C-Span, Fox, CNBC, AP, Reuters, *NewsHour*, *The Baltimore Sun*, *USA Today*, Bloomberg, Conus, EXB-TV.com, Potomac news, NB News Channel, Tribune Broadcasting, Belo Broadcasting, Berns Bureau, NBC *O&Os*, *Deseret News*, Metro Networks, Potomac Radio, Nikkei, Knight Ridder, *Geotimes*, *ABC NewsOne*, *Farm Progress*, WMAL, and *Global Change*.

**USDA Announces Livestock Payments:** On March 13, Secretary Glickman announced that USDA will begin issuing \$190 million in payments to farmers and ranchers under the 1999 Livestock Assistance Program (LAP), and 1999 Livestock Indemnity Program (LIP), beginning on March 15. More than 214,000 livestock producers in 44 states will receive LAP money to help them pay additional feed costs incurred due to drought; and LIP payments will be made to more than 700 livestock producers for the loss of more than 79,000 head of livestock due to drought. Sign-up for both programs ended February 25.

**USDA Promotes FY01 Budget and Initiatives:** In the following hearings, USDA will promote your FY01 agricultural budget and other proposals:

On March 15, the House agricultural appropriations subcommittee held a hearing on USDA's marketing and regulatory programs' budget request;

On March 16, the House agricultural appropriations subcommittee will hold a hearing on FY01 USDA information technology spending;

On March 16, Secretary Glickman will testify on China before an executive session of the House Agriculture Committee;

On March 16, the House agriculture appropriations subcommittee will hold a hearing on FY01 agriculture appropriations.

On March 16, the Senate agriculture appropriations subcommittee will hold a field hearing in Green Bay, WI, on the FY01 budget for nutrition programs;

On March 16, the House Commerce Subcommittee on Telecommunications, Trade and Consumer Protection will hold a hearing on legislation authorizing a loan program for improving rural access to direct TV systems;

On March 21, the House agriculture appropriations subcommittee will hold a hearing on FY01 Agriculture Appropriations.

On March 22, the House agriculture appropriations subcommittee will hold a hearing on FY01 Agriculture Appropriations.

On March 22, the Senate interior appropriations subcommittee will hold a hearing on the FY01 forest service budget.

On March 22, the Senate Agriculture forestry subcommittee will hold a hearing on S.1938, a bill providing fees to the federal government for use of National Forest land.

**USDA Releases Supply and Demand Forecasts:** On March 10, *Crop Production* reported USDA's latest forecast for 1999/2000 citrus and sugarcane production, and USDA made its March 10 projections of U.S. supply, use, and prices for 1999/2000 in the *World Agricultural Supply and Demand Estimates* (WASDE) report. Highlights of the *Crop Production* and WASDE reports include:

**All wheat:** U.S. 1999/2000 supply and use projections are unchanged from last month, notwithstanding some offsetting changes in exports and ending stocks by class of wheat. However, there is a 1 million ton increase in Australia's forecast 1999/2000 crop.

**Rice:** U.S. exports for 1999/2000 are projected at 87 million hundredweight (cwt), up 1 million from last month, and an increase of nearly 2 million from 1998/99. The pace of exports of rough rice has been particularly strong through the first seven months of the marketing year. Ending stocks for 1999/2000 are projected at 39.6 million cwt, down 1 million from last month, but up over 17 million from 1998/99. The current projection, if realized, would be the highest stocks level since 1986/87.

**Corn:** Projected supply and use of corn is unchanged.

**Soybeans and products:** The 1999/2000 forecast for U.S. soybean exports is up 20 million bushels this month to 910 million. Higher soybean import prospects for China and lower prospective Indian soybean meal exports are supporting larger U.S. soybean export shipments. U.S. soybean stocks are reduced 20 million bushels this month to 325 million bushels, 23 million below a year earlier.

**Cotton:** This month's 1999/2000 U.S. estimates include lower mill use and higher exports, with ending stocks unchanged at 4.4 million bales. A reduction of 100,000 bales in domestic use is based on sluggish year-to-date mill activity. An offsetting increase of 100,000 bales in estimated exports reflects recent strong sales in response to rising world import demand.

**Sugar:** U.S. sugar supply for fiscal year 1999/2000 is projected up 118,000 short tons, raw value, from last month. Beet sugar production is increased 100,000 tons, based on higher than expected sugar content in 1999 crop sugarbeets. Cane sugar production is increased 15,000 tons, the result of higher-than-expected sugar content in Florida sugarcane. Imports not under the

tariff rate quota (TRQ) are increased 3,000 tons to reflect the observed pace of high-tier tariff imports during October to February. The projected stocks-to-use ratio is 18.7%, compared with 17.6% last month.

**Livestock:** Total U.S. meat production in 2000 is forecast 475 million pounds higher this month, based on USDA's recent *Cattle on Feed* report. That report indicated continued large placements of cattle into feedlots in January. Dressed slaughter weights are projected to remain relatively high. Pork production is forecast slightly higher on the basis of higher-than-expected slaughter weights. Poultry production is forecast slightly lower. Total meat production in 2000 is now projected to be about 550 million pounds above last year.

**Dairy:** Milk production in 1999/2000 is forecast 500 million pounds higher this month due to slightly more cows and further gains in milk per cow. While growth in milk production is expected to slow during the year, the volume of milk available through most of the year will continue to pressure prices. The BFP/Class III price is projected lower and net CCC removals are increased this month, reflecting weakness in product prices.

**Citrus:** Florida's all-orange forecast is 226 million boxes, up 3 percent from February indications. Frozen concentrated orange juice yield is forecast at 1.54 gallons per box of 42.0 degree Brix concentrate, unchanged from February.

**Commodity Markets in Review:** Concerns about the winter crop and a pickup in exports sent wheat prices up last week. Cash corn prices were unchanged, but dryness in the Midwest and continued strong exports boosted futures. Cash soybean prices averaged \$5.00 per bushel for the second consecutive week, but futures fell following the announcement that a large U.S. soybean crushing facility in Arkansas will be shut down. Cash rice prices held steady, but futures moved higher on USDA's forecast for increased exports. Cotton prices rose sharply as near-term supplies tightened; there are reports of continued delivery problems by major exporters, particularly Uzbekistan. Heavy demand for beef, particularly advanced purchases for retail featuring, lifted cattle prices. Slow movement of hogs to market led to higher prices. Broiler prices were virtually unchanged, despite an increase in slaughter. Cheese prices held steady, just above support. Butter prices ticked up slightly on retail featuring.

**Average prices for the week ending March 10, 2000**

<b>Commodity</b>	<b>Weekly cash price</b>	<b>Change from a week ago</b>	<b>Change from a year ago</b>
Wheat \$/bu	2.72	0.09	-0.15
Corn \$/bu	2.11	0.00	-0.09
Soybeans \$/bu	5.00	0.00	0.31
Rice \$/cwt	6.25	0.00	-2.06
Cotton ¢/lb	58.79	2.30	0.00
Steers \$/cwt	70.86	0.91	5.16
Hogs \$/cwt	42.37	1.26	14.94
Broilers ¢/lb	56.16	-0.02	-3.23
Cheese \$/lb	1.12	0.00	-0.21
Butter \$/lb	0.98	0.01	-0.37
Milk* \$/cwt	9.72	-0.13	NA

**II. USDA WORK ON PRESIDENTIAL INITIATIVES**

**President's Initiative on China PNTR:**

**Secretary Promotes Chinese NTR, While Trade Differences are Negotiated:** On March 16, Secretary Glickman testified before an Executive Session of the House Agriculture Committee on your initiative to grant China permanent normal trade relations, following a March 9 address to the European Agricultural Outlook Conference in London about the next round of WTO negotiations, biotechnology, and U.S. farm policy. In related efforts, USDA is soon sending officials to China to discuss rule-of-law and trade liberalization reforms; and is negotiating over differences with China concerning possible contamination of American packing materials with pinewood nematode. -See Key Department News.

**President's Initiative on Food Safety:**

**USDA Enforces Food Safety Regulations in GA and NY:** On March 13, USDA announced that Zartic, Inc., a HACCP processing plant in Rome, GA, voluntarily recalled 18,600 pounds of cooked chicken breast fritters for containing egg that was unlisted on the product label. The product was distributed to AL, GA, IL, TX, KY, TN, KS, FL, OK, AZ, OH, NC, and PA.

**USDA Enforces Food Safety Regulations in NY:** On March 9, USDA announced that,

following routine testing, three Star Provision Co., of South Ozone Park, NY, voluntarily recalled 270 pounds of cooked Mortadella sausage due to possible salmonella contamination. The product was distributed to wholesale outlets in the greater New York City area. In a related story, on March 7, USDA officials closed the AGY Corp. Plant in Mongaup Valley, for failures in the plant's food safety system plan.

#### **President's Initiative on Welfare Reform:**

**WA and IN Apply for Food Stamp Waivers:** During the period from March 8-15, USDA received requests from WA and IN to extend their waivers of Welfare Reform Bill food stamp work requirements. USDA is also reviewing requests from ND, NY and FL.

**Census 2000 Income Waivers:** As of March 8, 38 States have agreed to waive income earned by temporary census workers from counting against food stamp eligibility, per USDA policy to approve all such requests. Seven additional states are considering asking for these waivers. States not seeking waivers include KS, ME, MI, SD, VT and WY.

#### **President's Initiative on the Future of Princeville, NC:**

**Princeville Mayor Meets with Rural Development Agencies:** On March 9, Princeville, NC Mayor Perkins met with a delegation of senior USDA Rural Development staff in-keeping with your initiative on rebuilding and securing the future of her historic community.

### **III. UPCOMING GRANTS, ANNOUNCEMENTS AND PUBLICATIONS**

**Consolidation in U. S. Meatpacking:** On March 23, USDA will release *Agricultural Economic Report No. 785*, noting that the meatpacking industry has consolidated rapidly over the last 20 years. As the report notes, through the 1970's, larger plants paid higher wages, offsetting the cost advantages provided for them by their larger scales. This wage premium disappeared in the 1980's, while technological improvement unleashed even larger advantages of scale, resulting in growing cost advantages over smaller plants, and accelerating consolidation.

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

On Thursday, March 16, Secretary Glickman will testify before the House Agriculture Committee, in Executive Session, on Chinese PNTR and WTO accession.

On Monday, March 20, Secretary Glickman will address the National Association of Conservation Districts spring legislative conference.

On Tuesday, March 21, Secretary Glickman will visit USDA port inspection facilities in New York City, to highlight the problem of invasive species.

On Wednesday, March 22, Secretary Glickman will visit USDA port inspection facilities in Miami, FL, to highlight the problem of invasive species.

On Thursday, March 23, Secretary Glickman will visit USDA port inspection facilities in San Diego, CA, to highlight the problem of invasive species.

On Friday, March 24, Secretary Glickman will visit USDA port inspection facilities in Long Beach, CA, to highlight the problem of invasive species.

On Wednesday, March 29, Secretary Glickman will attend the first meeting of USDA's Bio-Technology Advisory Committee.

## **V. SUB-CABINET SCHEDULE**

On March 22, Deputy Secretary Rominger will address the Agriculture Council of America.

On March 23, Deputy Secretary Rominger will address the Natural Products Expo West Trade Show, in Anaheim, CA.

On March 24, Deputy Secretary Rominger will address the 132<sup>nd</sup> Charter Anniversary and Alumna of the Year ceremony at the University of California in San Francisco, CA.

On Wednesday, March 15, Under Secretary Michael V. Dunn will testify before the House appropriations committee.

On Thursday, March 16, Under Secretary Watkins will testify at an field hearing on hunger convened by Senator Kohl in Green Bay, WI.

On Saturday, March 18, Under Secretary Shirley R. Watkins will address the American Federation of Teachers 23<sup>rd</sup> Annual Conference.

On Sunday and Monday, March 19 and 20, Under Secretary Shirley R. Watkins will address the Penn State Research Conference in University Park, PA.

On Monday, March 20, Deputy Under Secretary Caren Wilcox will attend an interagency meeting on Organization for Economic Cooperation and Development's food safety work.

On Tuesday, March 21, Under Secretary Catherine Woteki will testify before the House appropriations committee.

On Tuesday, March 21, Under Secretary Michael V. Dunn will accompany Secretary Glickman on an inspection of USDA port facilities at JFK Airport in New York City.

On Wednesday, March 22, Under Secretary Michael V. Dunn will accompany Secretary Glickman on an inspection of USDA port facilities the Miami Airport, in Miami, FL.

On Wednesday, March 22, Under Secretary Michael V. Dunn will address the National Animal Disaster Conference on the Animal Disaster Plan in Altamonte, FL.

On Thursday, March 23, Under Secretary Catherine Woteki will address a Food Safety Summit sponsored by the National Food Processors Association, *Food Testing & Analysis* and *Meat & Poultry* magazines.

On Thursday and Friday, March 23-24, Under Secretary Jim Lyons will address the School of Forestry at Colorado State University, Fort Collins, CO.

On Friday, March 24, Under Secretary Catherine Woteki will address the Beltsville Agriculture Research Center's annual Women's History Month observance.

On Sunday, March 26, Under Secretary Shirley R. Watkins will address the American Commodity Distribution Association Annual Conference in Columbus, OH.

On Sunday, March 26, Under Secretary Catherine Woteki will lead a U.S. delegation to Paris for a 3-day meeting of the OECD Ad Hoc Working Group on Food Safety.

On Sunday, March 26, Deputy Under Secretary Caren Wilcox will attend an American Chemical Society panel in San Francisco, CA, to discuss the policy implications of bioengineered food.

From Sunday through Tuesday, March 26-28, Under Secretary Lyons will attend the North American Wildlife Conference in Rosemont, IL.

On Monday, March 27, Under Secretary Shirley R. Watkins will address the Florida School Food Service Association Legislative Action Conference in Tallahassee, FL.

On Wednesday, March 29, Under Secretary Michael V. Dunn will address the Bio2000 Biotechnology Conference on Environmental Regulation of Biotechnology in Boston, MA.

From Wednesday through Friday, March 29-31, Under Secretary Gus Schumacher will address the National Conference of State Legislatures in Denver, CO.

On Friday, March 31, Under Secretary Shirley R. Watkins will address the New York Child Nutrition Conference in Albany, NY.

On Friday, March 31, Under Secretary Michael V. Dunn will address the Minorities in Agriculture, Natural Resources, and Related Sciences Conference in Lexington, KY.

From Friday March 31-Sunday, April 16, Under Secretary Gus Schumacher will visit Japan, China, and Hong Kong on various trade issues and food aid.

## **VI. PRESS/MEDIA INQUIRIES**

During the week of March 5-10, due to the recent announcement of a new organic standards rule, USDA officials fielded calls about organic farming trends in the U.S. from *Time*, CNN, *NewsHour*, *USA Today*, NBC News, *Newsday* (Long Island), *Los Angeles Times*, *Marketplace* (NPR), CNN-Spanish, *Family Circle* magazine, and NPR. *Farm Industry News Magazine*, and the *San Jose Mercury News*. Also in organic coverage: on March 14, Secretary Glickman discussed the new organic rule on NPR's *Diane Rehms* show; on March 15, USDA Organic Program Director Keith Jones participated in a live call-in show with CA's KPFA-FM and KFCF-FM; and USDA Agriculture Marketing Service Administrator Kathleen Merrigan will be on a live call-in show with the same stations on March 28.

## **VII. FOIA REQUESTS**

The Natural Resources News Service requested all information about genetically engineered agricultural products generated in connection with contacts by you, the Vice-President, OMB, Congress, Mycogen, Dow AgraSciences, Dow Chemical, Dupont Corp, Michael Taylor, and L. Val Gidings.

The *Wall Street Journal* requested all non-media requests since 11/1/98 mentioning Senator McCain, Bill Bradley or the Vice President.

The *Arizona Republic*, of Phoenix, AZ, requested all correspondence between Senator McCain's office and USDA.

## **VIII. WASTE, FRAUD AND ABUSE**

Nothing of significance to report this week.

## **IX. CLIMATE CHANGE**

Nothing of significance to report this week.

## **X. WEEKEND CONTACT**

Greg Frazier