

June 28, 2000

MEMORANDUM FOR THE PRESIDENT

THROUGH: THE HONORABLE JOHN PODESTA

FROM: SECRETARY DAN GLICKMAN

SUBJECT: REPORT FOR WEEK OF June 25, 2000

USDA Fact of the Week

World-renowned actor Morgan Freeman has recorded a pair of recruitment spots for the Natural Resources Conservation Service's "Earth Team" volunteer program. This is the second time this year Mr. Freeman has recorded spots highlighting the benefits of NRCS conservation programs, in both cases, offering his services *pro bono*. The conservation-conscious actor has starred in dozens of movies, including "Driving Miss Daisy," "Unforgiven," and "The Shawshank Redemption."

I. KEY DEPARTMENT NEWS

Memorial Services to be held for Slain Food Safety Inspectors: On June 30, Secretary Glickman, Deputy Secretary Rominger, and other senior USDA officials will attend public memorial services in honor of 2 Federal and 1 State food safety inspectors shot and killed while conducting an investigation at a plant on June 21. The slain inspectors: Jean Hillery, 56, of Alameda, CA; and Tom Quadros, 52, of Hayward, CA (both Food Safety Inspection Service compliance officers); and William Shaline, 57, of Sacramento, CA (an investigator for California's Department of Food and Agriculture), were gunned down after arriving at the Santos Linguisa meat processing plant to investigate allegations that the plant had been shipping uninspected product under marks of having passed USDA inspection. On June 23, the U.S. Attorney for the Northern District of California charged Stuart Alexander, 39, the owner of the plant, with murder and attempted murder in the shootings.

Following the shootings, FSIS human resource professionals and grief counselors began providing support to the families, friends, and co-workers of the slain workers. The agency has also worked with the National Finance Center to help the families defray funeral costs. Statements have been issued by you, the Secretary and USDA agencies, and Governor Davis expressing condolences to the family, friends, and co-workers of the slain, and praising the efforts of Federal and local law enforcement agencies in bringing the killer to justice. Since the

time of the shooting, FSIS has received several "copycat" threats against employees, which are being aggressively investigated by the USDA Inspector General's Office.

Secretary Announces New Civil Rights Initiatives: On June 29, Secretary Glickman will hold an all-employee meeting to announce new initiatives for continuing the improvement of USDA's civil rights effort, and responding to employee concerns. With his entire Subcabinet present, the Secretary will strongly reiterate his personal commitment to civil rights progress, and put all his managers on notice that every USDA officer will be held accountable for ensuring the protection of Civil Rights. Acknowledging that much work remains to be done, the Secretary will announce: (1) a new, stronger accountability policy to ensure that those engaging in discriminatory conduct face swift, just, and effective disciplinary action; (2) targeted, unannounced civil rights compliance reviews in offices with a high number of complaints or allegations; (3) the hiring of outside contractors to speed complaint processing; and (4) the chartering of new advisory councils for all diversity groups, as well as an umbrella Diversity Steering Council, enabling employee groups to provide input directly to the Secretary, and enabling the Secretary to provide consistent policy.

Congressional Action on FY01 Agriculture Appropriations: On June 28 or 29, consideration of the FY01 Agriculture Appropriations bill is set to begin on the floor of the House; committee staff are aware of over 50 amendments that may be offered on the floor. Both Houses of Congress have completed markup of the bill. Language lifting restrictions on sales of food and medicine to certain states of concern is expected to be added to the supplemental funding portion of the Military Construction bill, rather than the Agriculture bill. According to the Statement of Administration Policy on the bill, a veto will be recommended should it pass in its present form.

Congressional Action on FY01 Interior Appropriations: The House has passed, and the Senate Committee on Appropriations has completed action on the FY01 Interior and Related Agencies Appropriations bill, which includes funding for the Forest Service. Both versions of the bill cut Forest Service funding from levels proposed in your budget, and both include objectionable environmental riders. According to the Statement of Administration Policy on the bill, a veto will be recommended should it pass in its present form.

House Agriculture Committee Approves Release of FY00 Funding for Common Computing Environment: On June 19, the House Committee on Agriculture approved the release of \$12.6 million in FY00 funding for developing and implementing the Common Computer Environment (CCE) program, which provides the hardware, software, and telecommunications infrastructure necessary to modernize USDA's county-based agencies (Farm Service Agency, Natural Resources Conservation Service, Rural Development agencies). USDA anticipates receiving the approval necessary to implement the scheduled enhancements from the remaining Senate and House Committees shortly.

Disaster Declared in Four States: On June 23, Secretary Glickman declared parts of AL, FL, NE, and NM agricultural disaster areas due to long term drought. The action enables farmers in

those areas to apply for low-interest emergency loans. USDA loans will also be available to help eligible ranchers get water to livestock.

USDA/USTR Roll Out of WTO Agriculture Proposal: On June 29, Secretary Glickman and USTR Barshefsky will hold an event on Capitol Hill releasing the U.S. agriculture negotiation proposal to the public and the news media. To date, the following Members have agreed to attend: Senators Lugar, Grassley, Harkin, Craig, Conrad, and Baucus; and Representatives Combest, Stenholm and Pomeroy. On June 30, the proposal will be presented to the WTO Committee on Agriculture Special Session, in Geneva, Switzerland.

Signing Ceremony for U.S. - Ghana Consultative Committee on Agriculture and Rural Development (CCARD): On June 29, Secretary Glickman will sign an MOU with the Ghanaian Minister of Food and Agriculture establishing the terms of reference for the U.S.- Ghana CCARD. The top priority issues are Ghanaian non-scientific barriers to U.S. meat exports and cooperation between the two countries on WTO, Africa Growth and Opportunity Act and USAID programs.

Supreme Beef Update: On June 21, Supreme Beef Processors, Inc., provided a written response to USDA's request that the plant correct its HACCP system to bring it into voluntary compliance with *Salmonella* standards, in which the plant asked the agency to withdraw the non-compliance report, stop *E. coli* O157:H7 testing and discontinue *Salmonella* testing at its plant. USDA plans to reply that *Salmonella* testing will continue, and while a Northern District Court of TX decision precludes the agency from taking action based upon *Salmonella* sampling, the agency will continue to use *E. coli* O157:H7 testing in order to judge the plant's compliance with food safety requirements. An FSIS review team held an in-depth review of Supreme Beef's HACCP and Sanitation Standard Operating Procedures systems from June 16-24, to ensure that corrective sanitation changes made by the plant in February were effective. In addition, USDA is preparing a response to the Supreme Beef motion for reconsideration of the judge's final order.

New National Scenic Byways Designated: On June 19, 6 (of 30) newly designated All-American Roads and National Scenic Byways which are on National Forest land, were officially recognized by the Department of Transportation and the Forest Service. They were designated and recognized for their important scenic, natural, historical, cultural, archaeological or recreational qualities. Nominations for designation are made through States and reviewed by a national panel of experts, after which the Department of Transportation's Federal Highway Administration manages the National Scenic Byways Program.

Grazing Allotment Environmental Assessment To Be Released: In the next two weeks, the Inyo National Forest (CA) is expected to release an Environmental Assessment (EA) for the management of the Templeton and Whitney grazing allotments. The allotments are located in the Golden Trout Wilderness and contain habitat for the volcano creek golden trout, a Forest Service sensitive species and a species listed under the State of California's Endangered Species Act. Cal Trout, environmental organization, is currently negotiating with Aneheuser-Busch

concerning ranch operations and grazing practices. Anheuser-Busch, owner of the ranch operations on the allotments, has been resistant to reductions in livestock numbers. Cal Trout has pushed for removal of livestock from the allotments for 10 years to help protect the golden trout. Depending on the outcome of those negotiations and the Forest Service on the EA, this issue could attract regional media interest. The Sacramento Bee has previously run a story on the golden trout.

Cerro Grande Fire: USDA is aiding in the clean-up and repair of damage done by the Cerro Grande fire in NM. Through its Emergency Watershed Protection (EWP) Program, USDA is providing \$1.2 million in technical and financial help to undo fire damage, including through the aerial seeding of 720,000 pounds of native grass and small grain seeds on 20,000 acres; through flood proofing and placement of debris barriers, trash racks, K-rails, and dikes, USDA hopes to prevent damage by flooding and erosion; a temporary Natural Resources Conservation Service field office is being staffed with conservationists, to help landowners plan and install erosion and flood control measures on home sites; and Resource Conservation and Development coordinators and other NRCS personnel are facilitating weekend volunteer efforts to rake, seed, and mulch burned areas upstream of neighborhoods in Los Alamos, and to shore up vulnerable areas in nearby White Rock. To date nearly 500 acres have been treated by nearly 1,500 volunteers.

Plum Pox: On June 20, Deputy Secretary Rominger and other USDA and OMB officials met with PA Agriculture Secretary Hayes to discuss the Federal and State approach to an outbreak of plum pox in Adams County, PA. Plum pox is an extremely serious disease of stone fruits, first detected in Adams County last fall. Since that time, USDA and the PA have been actively involved in an eradication program involving destruction of approximately 700 acres in five infested orchards, as well as nurserystock. As a result of the June 20 meeting, USDA, OMB, and PA officials have agreed on a formula for compensating growers for their losses. USDA will pay 85% of the costs of compensation, with the State paying the remaining 15%. USDA is currently working with the State—which has apportioned \$3 million for compensation—to determine the most efficient means for getting payments to growers.

Glassy-winged Sharpshooter/Pierce's Disease in CA: On June 23, Vice President Gore and Secretary Glickman announced USDA's declaration of an agricultural emergency in CA, and that \$22.3 million will be provided to help control and eradicate the glassy-winged sharpshooter. The glassy-winged sharpshooter, which serves as an extremely efficient vector of Pierce's disease, poses a serious threat to CA's grape, almond, citrus, and peach industries, together valued at about \$10 billion. Although infected plants cannot be cured, insecticide treatments are effective in controlling the insect vector; USDA will direct its \$22.3 million contribution (from Commodity Credit Corporation funds) into program operations, research, methods development, and biological control. The State of CA is prepared to provide \$14 million toward the effort.

Citrus Canker in FL: On June 24, Vice President Gore and Secretary Glickman announced USDA's provision of an additional \$56.6 million to help FL fight citrus canker. Citrus canker is a devastating exotic disease that threatens the viability of FL's citrus industry; the only way to

eradicate the disease is to remove and burn infected and exposed trees, and USDA and FL are involved in a massive cooperative eradication effort. USDA is directing \$56.6 million in funds from the Commodity Credit Corporation toward our cooperative eradication efforts with FL (with another \$49 million projected to be apportioned for next year's efforts). Compensation for infected groves remains an issue, and the FL congressional delegation recently wrote you urging that USDA provide such compensation to growers, in accordance with provisions made by Congress. Discussions are pending between OMB and USDA on interpretation of congressional language that provided compensation funds, as well as a formula for dispersing those funds.

USDA Mutual Self-Help Housing Program: On June 26, Secretary Glickman participated in a house building on the National Mall, highlighting the efforts of USDA's Mutual Self-Help Housing program in helping thousands of Americans realize their dreams of home-ownership, by offering them the chance to earn their own homes by constructing them themselves. The project is sponsored by in conjunction with several nonprofits. After participating in a home-building, the Secretary held a media availability, fielding questions about the program.

Farm Weather Outlook: The NWS 6-10 day outlook for June 29 - July 3 calls for near- to above-normal rainfall in most key agricultural areas nationwide, except on the southern High Plains. Seasonably dry weather is expected in California's Central Valley. Near- to above-normal temperatures will promote rapid summer crop development nearly nationwide. Cool weather is forecast to be confined to the Northeast and Northwest.

Commodity Markets in Review: Quality concerns led to increases in wheat prices quoted at major commodity exchanges. Widespread rain in the Corn Belt sent corn and soybean prices lower. Rice cash prices held steady, but futures slid as world supplies continue to mount. Liquidation of the July contract and excellent progress for the California and Texas crops helped drive cotton prices lower. Cattle prices fell as wholesale beef prices weakened. Heavy pork demand sent hog prices higher. Good food service demand boosted broiler prices. Cheese prices moved up as production slows seasonally. Butter prices dropped on news that stocks remain higher than a year ago.

Average prices for the week ending June 23, 2000

Commodity	Weekly cash price	Change from a week ago	Change from a year ago
Wheat \$/bu	2.90	0.16	0.20
Corn \$/bu	1.82	-0.04	-0.25
Soybeans \$/bu	5.01	-0.08	0.47
Rice \$/cwt	5.50	0.00	-2.06
Cotton ¢/lb	54.68	-0.68	1.57
Steers \$/cwt	69.27	-0.79	4.22
Hogs \$/cwt	52.69	1.35	16.33
Broilers ¢/lb	57.76	0.65	-2.48
Cheese \$/lb	1.26	0.06	-0.22
Butter \$/lb	1.18	-0.06	-0.32
Milk* \$/cwt	9.46	-0.12	NA

*June 2000 Class III futures price from the Chicago Mercantile Exchange

II. USDA WORK ON PRESIDENTIAL INITIATIVES

President's Initiative on Food Safety:

USDA Testing Leads to Contaminated Food Recall: On June 23, IBP, Inc., of Geneseo, IL, recalled approximately 266,000 pounds of ground beef because of *E. coli* O157:H7 discovered during routine USDA testing. Product had been distributed to KS, TX, MN, ME, MO, PA, KY, AR, SC, FL, GE, IA, IN, WI, TN, MD, OK, NE, NY, VA, NC, AL, OH, IL and MS. No reports of illness associated with the recall have been received.

USDA Enforces Food Safety Requirements in NC, WA: On June 23, and 19, respectively, USDA officials closed White Packing Co., of Williamson, NC, and Northwest Meats, of Sumner, WA, for *Listeria monocytogenes* discovered through routine USDA testing.

III. UPCOMING GRANTS, ANNOUNCEMENTS AND PUBLICATIONS

Electric Loan to GA Co-op: On June 28, USDA announced a 35-year \$9,280,000 loan guarantee with the Federal Financing Bank for the Okefenokee Rural Electric Membership Corporation, in Nhunta, GA, to aid the cooperative serve 3,170 new consumers with 166 miles of distribution line, and make other distribution system improvements.

IV. SECRETARY'S SCHEDULE

On Wednesday, June 28, Secretaries Glickman and Cuomo will join the Vice President at White House Conference on Community Empowerment events, in Columbus, OH.

On Thursday, June 29, Secretary Glickman will host a USDA ceremony on Civil Rights.

On Thursday, June 29, Secretary Glickman will host an MOU signing with the Ghanaian Minister of Agriculture.

On Thursday, June 29, Secretary Glickman will join USTR Barshefsky in a WTO rollout.

On Friday, June 30, Secretary Glickman will attend memorial services in Oakland, CA, for three food safety inspectors slain June 21 in a Bay area sausage plant.

V. SUB-CABINET SCHEDULE

On Thursday, June 29, Deputy Secretary Rominger will join Secretary Glickman at a Civil Rights event.

On Friday, June 30, Deputy Secretary Rominger will attend memorial services in Oakland, CA, for three food safety inspectors slain June 21 in a Bay area sausage plant.

On Wednesday, July 12, Deputy Secretary Rominger will address the Soil and Water Conservation Annual Conference, in St. Louis, MO.

On Thursday, July 13, Deputy Secretary Rominger will address a listening forum on farm-and forest-land protection, in DeKalb, IL.

On Wednesday, June 28, Under Secretary Catherine Woteki and a delegation from the White House, HHS, and EPA will meet with National Academy of Sciences leadership to propose that the Academy undertake a review of the recent EPA assessment on dioxin risks.

On Wednesday, June 28, and Thursday, June 29, Administrator Tom Billy will address the Codex Executive Committee of the Codex Alimentarius Commission, and participate in a World Health Organization meeting, in Geneva, Switzerland.

On Thursday, June 29, and Friday, June 30, Under Secretary Schumacher will attend WTO Meetings in Geneva, Switzerland.

On Thursday, June 29, and Friday, June 30, Under Secretary Catherine Woteki will attend memorial services in Oakland, CA, for three food safety inspectors slain June 21 in a Bay area

sausage plant.

From Saturday, July 1, through Tuesday, July 11, Under Secretary Gus Schumacher will attend bilateral meetings in Russia, Poland, Germany, and Italy.

On Thursday, July 13, Under Secretary Shirley R. Watkins will conduct a National Food Stamp Conversation in Atlanta, GA.

VI. PRESS/MEDIA INQUIRIES

Numerous requests have been received by many national and local media organizations following the June 21 shooting of 2 USDA, and 1 CA food safety inspectors.

On June 21, the Food Safety Inspection Service held a press event in response to an Inspector General audit. Media attending included: Associated Press, Bridge News, *Food Chemical News*, and the *Des Moines Register*. The *CBS Evening News* also aired a segment on the audit.

On June 26, Washington, DC's ABC affiliate, Northern Virginia all-news cable station, CBS affiliate, *Washington Times* and *Washington Post* attended an event at which the Secretary highlighted the Mutual Self-Help Housing Program. The Secretary held a media availability following the event at which other media as well were present

Detroit News and Free Press, *Bottom Line*, *Rocky Mountain News* (Denver, CO), *Cooking Lite*, *Fitness*, and multiple other organizations have requested information on safe internal temperatures for cooking meats, in anticipation of Independence Day cookouts.

VII. FOIA REQUESTS

A resident of Wolf Point, MT, requests copies of specific digging permits issued by USDA, and relating to Farm Service Agency inventory property (note: this is a high profile case involving inventory property containing dinosaur fossils).

The Government Accountability Project requests copies of all Food Safety Inspection Service records on plants that have withdrawn from the HACCP-based Inspection Models Project.

Organic Food Business News, in Altamonte Springs, FL, requests copies of all correspondence sent by the Secretary between April 3, and April 11.

VIII. WASTE, FRAUD AND ABUSE

Corrupt Employee Ring : Nine Agricultural Marketing Service (AMS) employees, previously indicted on 65 counts of racketeering in the Southern District of NY, have pled guilty to the specified charges. To date, 7 of the employees have been sentenced to a total of 141 months'

imprisonment, 15 years' probation, and fined \$189,000. These individuals each received sentences of imprisonment ranging from 15 to 30 months, probation from 2 to 3 years, and fines from \$4,000 to \$70,000. On June 19, a produce wholesaler (1 of 15 indicted on charges of bribery in the case) was sentenced to 2-1/2 years' probation, 6 months' home confinement, and \$26,262 in restitution.

IX. CLIMATE CHANGE

Nothing of significance to report this week.

X. WEEKEND CONTACT

Eric Olsen

July 5, 2000

MEMORANDUM FOR THE PRESIDENT

THROUGH: THE HONORABLE JOHN PODESTA

FROM: SECRETARY DAN GLICKMAN

SUBJECT: REPORT FOR WEEK OF July 2, 2000

USDA Fact of the Week

Through June 28, USDA has made over \$2.9 billion in direct and guaranteed loans to America's family farmers. This includes 13,352 direct loans, for \$737.1 million; 2,217 emergency loans for \$135 million; and 12,612 guaranteed loans for \$2.2 billion. Minority and women farmers have received \$265.8 million in loans and loan guarantees, up 2% over a year ago. 6,730 beginning farmers are receiving \$583 million in loans and guarantees, with their direct farm ownership loan funds up 22% over a year ago.

I. KEY DEPARTMENT NEWS

Memorial Services Held for Slain Public Servants: On June 30, Secretary Glickman, Deputy Secretary Rominger, and other senior USDA and CA Agriculture Department officials attended memorial services for two USDA compliance officers and a CA state investigator who lost their lives in the line of duty in a June 21 shooting at the Santos Linguisa Factory in San Leandro, CA. The families of the deceased were presented plaques, flags, and letters from you, Congressional leaders, and USDA officials. USDA compliance officers and inspection personnel continue to assist the USDA Inspector General and the Department of Justice to detail the events surrounding the three killings. Local CA police, FBI, and other law enforcement agencies have conducted on-site investigations. On June 29, two listening sessions were held in Oakland, CA, to address issues related to violence, intimidation, and personal safety in the workplace.

Congressional Action on FY01 Agriculture Appropriations: The House and Senate Committees on Appropriations have both completed markup of the FY01 Agriculture Appropriations bill, which began consideration on the House floor on June 29. In deliberations thus far, 9 amendments have been adopted, including an amendment eliminating funding for the Under Secretary of Natural Resources and Environment. We will work with Committee staff to delete this provision before enacting the bill. Also passed was an amendment striking a Committee prohibition on the use of funds for the American Heritage Rivers initiative.

Language lifting sanctions on sales of food and medicine is in the version of the bill under consideration on the floor, but is subject to a point of order. It is expected the House will resume consideration of the bill on July 10. Under the Statement of Administration Policy, the bill, if passed in its present form, would draw a recommendation for a veto.

Congressional Action on FY01 Interior Appropriations: The House has passed, and Senate Committee on Appropriations has completed action on the FY01 Interior and Related Agencies Appropriations bill, which includes funding for the U.S. Forest Service. Both versions cut Forest Service funding from levels proposed in your budget, and both include objectionable environmental riders. The Senate is expected to begin consideration of the Interior bill on Monday, July 10. Under the Statement of Administration Policy, the bill, if passed in its present form, would draw a recommendation for a veto.

New Rules Ease Credit Restrictions: The week of July 3, USDA will announce the beginning of direct and guaranteed operating loans to qualified farmers, who were previously ineligible for them due to limits imposed by the 1996 Farm Bill. Under the old bill, producers were limited to no more than 7 years of direct or guaranteed FSA loans, or a total of 15 years of both direct and guaranteed loans. Under this system, the financial burdens of low farm prices made it harder for producers to move to commercial credit, a key aim of USDA. Under the 2000 Agricultural Risk Protection Act, these loan limits have been suspended for two years.

Secretary Glickman and Ambassador Barshefsky Release U.S. WTO Agriculture Proposal: On June 29, at a bi-partisan event with Members of Congress, industry, and the Administration, Secretary Glickman and Ambassador Barshefsky released the U.S. Proposal for Comprehensive Long-Term Agricultural Trade Reform. At the June 29-30 WTO Committee on Agriculture Special Session, the U.S. proposal was well received by a broad array of countries for its overall reformist approach, innovation, and comprehensiveness. As expected, Japan and the EC were not supportive. Certain members also expressed concerns with U.S. proposals on cutting tariffs from applied rates, domestic support and State Trading Enterprises.

Haying of Conservation Reserve Program Land: On July 6, USDA will announce the approval of additional emergency haying on CRP land, helping ranchers deal with hardships imposed by the long-term drought. To be eligible, counties must have suffered a 40% reduction in rainfall, as well as a 40% loss of normal forage. Producers who hay their CRP land will have a 25% reduction in program rental fees. As of July 3, USDA has approved grazing of Conservation Reserve Program acreage in eligible counties in 11 states (AL, IA, ID, KS; MO; MT; NE; NM; OK; TX; WY), helping livestock producers cope with long-term drought. This issue is the subject of intense Congressional interest.

U.S. and Mexico Hold Sugar Net Surplus Consultations: Representatives from USDA and USTR held consultations with Mexican trade officials on June 29 to determine the sugar net surplus producer status for each country, as required by the NAFTA. On the basis of FY01 projections presented during the meeting, it was determined that Mexico will be a net surplus

producer of sugar and the U.S. will not. However, because the U.S. and Mexico do not agree on the formula to be used to determine Mexico's preferential access for FY01, the level of Mexico's access was not determined. The two governments expect to meet again shortly on this matter.

AARP Support for Food Stamp Public Education Campaign: On June 28, USDA and AARP staff met to discuss ways to partner to ensure seniors have needed information about the Food Stamp Program. The AARP agreed to publicize the USDA toll free food stamp hotline; to provide 100 copies of their food stamp informational brochures (in 8 different languages) for States to freely copy and distribute; to link their web site to USDA's; and to actively campaign for legislation that provides financial support to USDA for the food stamp education campaign in 2001.

USDA Loses HACCP Inspection Models Project (HIMP) Case: On June 30, a unanimous three-judge panel of the U.S. Court of Appeals for the District of Columbia ruled that in delegating the inspection of carcasses to plant employees, the HIMP program violates food safety inspection statutes, and so reversed the district court's grant of summary judgement to USDA. The HIMP project began in October 1999, following the September 23 decision of the U.S. District Court for the District of Columbia. This is the latest development in a 1998 suit filed by the American Federation of Government Employees (AFGE), National Joint Council of Food Inspection Locals (NJC), and other plaintiffs, alleging that the HIMP program, which alters the method in which food is tested for pathogens, illegitimately changes the working conditions of compliance officials. USDA has stated that although the technology used to conduct inspection is updated under the HIMP program, the working conditions of the Department's inspectors are not altered, as government inspectors retain full authority over product in the sampling and testing process. Preliminary data show the HIMP system will improve food safety and quality. USDA and the Department of Justice are considering subsequent steps, and whether a legislative solution should be pursued..

Vice President and Secretary Announce Anti-Plum Pox Effort: On June 29, the Vice President and Secretary Glickman announced that USDA is providing \$13.2 million to compensate PA fruit growers for plum pox virus-related tree damage. USDA and the PA Agriculture Department are continuing an intensive survey and eradication program in and around the infested area. Plum pox virus, also known as sharka, infects stone fruit species including peaches, apricots, plums, and almonds. Most strains, including the one present in PA, do not affect cherries. Fruit from infected trees may be deformed or blemished with spots or rings, with fruit often falling prey to premature dropping from trees. Currently, the only way to stop the spread of the virus is to destroy infected trees.

Secretary Receives Food Research and Action Committee (FRAC) Award: On June 27, in recognition of "... his longstanding support of nutrition programs for low-income Americans. ." Secretary Glickman was presented with an award by the Food Research and Action Committee (FRAC).

Commodity Markets in Review: Slow farmer selling and fears of quality problems helped boost wheat prices. Widespread rain in the Corn Belt led corn and soybean prices down. Rice cash prices were unchanged, but new-crop futures rose in anticipation that USDA would show fewer acres planted in the June 30 *Acreage* report. Cotton prices fell on major exchanges due to quality concerns and improving crop conditions. Cattle and hog prices dropped as slaughter schedules for the July 4th holiday week are shortened. Cheese prices were virtually unchanged. Butter moved slightly higher as increased quantities of cream move to ice cream and milk production slows seasonally.

Average prices for the week ending June 30, 2000

Commodity	Weekly cash price	Change from a week ago	Change from a year ago
Wheat \$/bu	2.98	0.08	0.33
Corn \$/bu	1.71	-0.11	-0.24
Soybeans \$/bu	4.92	-0.09	0.57
Rice \$/cwt	5.50	0.00	-2.06
Cotton ¢/lb	53.05	-1.63	1.76
Steers \$/cwt	67.91	-1.36	4.26
Hogs \$/cwt	52.65	-0.04	20.25
Broilers ¢/lb	NA	NA	NA
Cheese \$/lb	1.26	0.00	-0.24
Butter \$/lb	1.19	0.02	-0.20
Milk* \$/cwt	9.48	0.02	NA

*June 2000 Class III futures price from the Chicago Mercantile Exchange

II. USDA WORK ON PRESIDENTIAL INITIATIVES

President's Initiative on Welfare Reform:

MT and SD Waiver Approvals, Request from TX: During the period from June 27-July 5, USDA approved requests from MT and SD, and received a request from TX, to extend their current waivers of food stamp work requirements, based on insufficient jobs.

President's Initiative on Food Safety:

USDA Inspections lead to Contaminated Food Recall: On July 2, routine USDA sampling and

testing led to the recall of approximately 2,400 lbs. of ground beef from Top Cut Meats, of Battle Creek, MI, due to possible *E. coli* O157:H7 contamination.

USDA Closes NY, ID Plants For Food Safety Violations: On June 28, USDA closed the Heinsen Products, Inc., plant in Corona, NY, for failure to maintain records as part of the plant's HACCP plan. On June 27, USDA had closed Commons Wholesale Meat, of Idaho Falls, ID, for failures in the plant's HACCP plan for cooked product.

President's Initiative on Community Empowerment:

White House Community Empowerment Conference: On June 28, Secretary Glickman attended the White House Community Empowerment Conference in Columbus, OH. At the conference, the Secretary announced \$4.7 million in rural development loans and grants in six states, as part of USDA's rural Empowerment Zone/Enterprise Community (EZ/EC) initiative.

Water 2000 Roll Out on July 10th: On July 10, USDA will hold the 6th annual Water 2000 project rollout. This year's project list –112 safe and clean water projects in 41 states– is the biggest yet. The \$312 million in total funding –\$225 million from the USDA, with the remaining \$87 million from a variety of other public sources– will serve high quality, dependable water to more than 44,000 people, upon completion of construction. Approximately 1/3 of Water 2000 recipients are in presidentially-designated Empowerment Zones and Enterprise Communities, in Hispanic colonias on the nation's southwestern border, and on Native American reservations and Alaskan Native villages.

USDA Surpasses Its D.C. Federal Jobs Initiative Commitment: Under the D.C. Federal Jobs Initiative, which provides employment for D.C. youths in cooperation with the city government, USDA committed to hiring 25 young students. As of June 23, USDA has hired 30 individuals, with additional selections pending. Students may be selected to work for the summer only, or for year-round employment, earning up to \$9 per hour.

III. UPCOMING GRANTS, ANNOUNCEMENTS AND PUBLICATIONS

Nothing of significance to report this week.

IV. SECRETARY'S SCHEDULE

On Monday, July 10, Secretary Glickman will attend a Water 2000 rollout event, in Raleigh, NC.

On Tuesday, July 18, Secretary Glickman will address the American School Food Service Association convention, in St. Louis, MO.

V. SUB-CABINET SCHEDULE

On Friday, July 7, Deputy Secretary Rominger will discuss the National Plum Pox Virus Program with the PA Agriculture Secretary, at York Springs, PA

On Wednesday, July 12, Deputy Secretary Rominger will address the Soil and Water Conservation Association annual conference, in St. Louis, MO.

On Thursday, July 13, Deputy Secretary Rominger will address a listening forum on farm-and forest-land protection, in DeKalb, IL.

On Monday, July 17, Deputy Secretary Rominger will address the National Association of State Universities And Land-Grant Colleges annual meeting, in Lake Tahoe, NV.

On Thursday, July 20, Deputy Secretary Rominger will address the signing ceremony for a Mutual Assistance Agreement Between the White Mountain Apache Tribe, USDA, and the White Mountain Apache Natural Resource Conservation District, in Show Low, AZ.

From Tuesday, July 4, through Saturday, July 8, Under Secretary Schumacher will attend official meetings in Russia, and Poland.

On Thursday, July 6, Under Secretary Catherine Woteki and Deputy Under Secretary Caren Wilcox will chair a meeting of the Codex Policy Committee to discuss U.S. positions on precaution and biotechnology labeling.

On Thursday, July 13, Under Secretary Shirley R. Watkins will hold a National Food Stamp Conversation, after which she will address the 1890s Scholars Orientation awards dinner, in Atlanta, GA.

From Thursday, July 13, through Saturday, July 15, Under Secretary Jim Lyons will tour the Grays River Road Forest Service Tax Demonstration Project, in Alpine, WY.

On Thursday, July 13, Under Secretary Jim Lyons will attend a Farmland Listening Session in De Kalb, IL.

On Friday, July 14, Under Secretary Jill Long Thompson will address the Community Connections celebration of the 100th Customer Family Home Purchase through the Rural Home Partnership program, in Knox, IN.

From Saturday, July 15, through Tuesday, July 18, Under Secretary Shirley R. Watkins will attend the American School Food Service Association's Annual National Conference in St. Louis, MO.

On Monday, July 17, Under Secretary Jill Long Thompson will join Representative Strickland at a Water 2000 event (featuring disbursement of \$21,000,000), in Columbus, OH.

On Wednesday, July 19, Under Secretary Catherine Woteki will address the USDA Summer Nutrition Institute.

On Wednesday, July 19, Under Secretary Catherine Woteki and Deputy Under Secretary Caren Wilcox will attend a Harvard University presentation on the University's Mad Cow Disease risk assessment study.

On Wednesday, July 19, Administrator Tom Billy will give the keynote address to the International Food Safety Congress, in Orlando, FL.

On Wednesday, July 19, Chief Financial Officer Sally Thompson will address the 31st National Training Conference hosted by the Federally Employed Women in New Orleans, LA.

On Thursday, July 20, Under Secretary Shirley R. Watkins will conduct a National Food Stamp Conversation in New York, NY.

On Thursday, July 20, Under Secretary Catherine Woteki will join a 7-member U.S. delegation of panel members at a Euro-American Seminar on the precautionary principle in food safety.

VI. PRESS/MEDIA INQUIRIES

In anticipation of his current series of bilateral meetings in Europe and Russia, Under Secretary Schumacher has been interviewed by Mid-America Ag Network, Brownfield Network, Bridge News, WGN and Tribune Radio Network, the Berns Bureau (radio), Southeast AgNet Radio Network, the *Des Moines Register*, and the *National Journal*.

Risk Management Agency Director Ken Ackerman discussed the recently enacted Agricultural Risk Protection Act of 2000 with the Farm Broadcasters, the 128-stations of Agri-Talk, Ag Day TV, *Successful Farming* magazine, and a panel of seven agricultural broadcasters from around the country.

Numerous national, local, tabloid, and Bay Area specialty press requests continue to be received in response to the June 21, shooting deaths of 3 food safety investigators near Oakland, CA. The June 30 memorial service for the slain inspectors was covered by (among others) the Associated Press, *Contra Costa (CA) Times*, the *Oakland Tribune*, the *San Francisco Examiner*, the *San Jose Mercury News*, KDTV-TV (Univision), KGO-TV (ABC), KPIX-TV (CBS), KTVU-TV (Fox), and KGO-AM (ABC radio).

USDA responded to requests for information about the Vice President's June 29, announcement of up to \$13.2 million in anti-plum pox funding to PA fruit growers, by the *Hanover Evening News* in Hanover, PA; *Harrisburg Patriot News* in Harrisburg, PA; *Pittsburgh Tribune Review*; WGET in Gettysburg, PA; and WITF in Harrisburg, PA.

VII. FOIA REQUESTS

"Public Citizen" has requested equivalency records, compliance and enforcement program reviews, and audit records for Argentina, Brazil, Costa Rica, Croatia, Czech Republic, Hungary, Mexico, Nicaragua, Northern Ireland, Paraguay, Romania, and Uruguay. USDA is withholding a request for information on Canada's Modernized Poultry Inspection Program because our decision on Canada's program is pending.

The Assistant Attorney General of WA, representing the WA Agriculture Department, requested a copy of USDA non-compliance reports for IBP, Inc., in a joint Federal-state investigation of allegations of inhumane slaughter at the plant.

The *Oakland Tribune* and the *San Francisco Chronicle* requested copies of inspection records for Santos Linguisa Factory, San Leandro, CA (follow up to the shootings of 3 food inspectors by the plant's owner on June 21).

VIII. WASTE, FRAUD AND ABUSE

On July 7, owners of a Chicago, IL store who are charged with 21-counts of food stamp fraud, costing \$7.4 million, will plead guilty.

IX. CLIMATE CHANGE

Nothing of significance to report this week.

X. WEEKEND CONTACT

Eric Olsen

July 12, 2000

MEMORANDUM FOR THE PRESIDENT

THROUGH: THE HONORABLE JOHN PODESTA

FROM: SECRETARY DAN GLICKMAN

SUBJECT: REPORT FOR WEEK OF July 9, 2000

USDA Fact of the Week

In USDA's third yearly Welfare to Work report, the Department is pleased to note the hiring of 677 employees off of welfare since the program began. This places USDA at 180% of its total 4-year commitment to provide jobs to 375 former welfare recipients.

I. KEY DEPARTMENT NEWS

Water 2000 Roll Out: On July 10, Secretary Glickman held USDA's 6th annual Water 2000 project rollout in Drewry, NC, during which he announced significant new Federal funding to promote clean, dependable drinking and waste-water systems in rural NC, and 40 other states. The \$226 million in grants and loans will benefit 380,000 residents through 113 projects. Approximately 1/3 of Water 2000 recipients are in presidentially-designated Empowerment Zones and Enterprise Communities, in Hispanic *colonias* on the nation's southwestern border, on Native American reservations and in Alaskan Native villages. The Secretary was joined for the announcement by Representative Clayton, and residents of Wilson and Warren Counties, NC.

Prion Disease in VT Sheep: On July 3, tests indicated the presence of a prion disease in three quarantined sheep in VT. The sheep are from one of two flocks that were imported from Belgium in 1996, and were quarantined by the State of VT at USDA's request, due to risks associated with transmissible spongiform encephalopathies in animals from Europe. USDA is working with other Federal agencies, the state, and the owners to take possession of the sheep, which will be destroyed to prevent any risk to the public.

Increased Crop Insurance Premium Subsidies for Winter Wheat: On July 5, USDA announced that higher premium subsidies will be available for fall-planted, winter wheat. The higher subsidies for the 2001 crop year were made available by the Agricultural Risk Protection Act of 2000, which commits \$8.2 billion in Federal funds to crop insurance over the next five years. Of that amount, \$6.5 billion will be used to make premiums for crop insurance more

affordable to producers.

USDA Authorizes Emergency Haying for Drought Relief: On July 6, Secretary Glickman announced that emergency haying will be permitted on some Conservation Reserve Program (CRP) acres in areas of the country hit hardest by the long-term drought. CRP is a voluntary program offering annual rental payments and cost-share assistance to establish long-term resource-conserving cover on eligible land. The emergency haying will permit approved CRP participants to harvest hay on CRP acreage, providing supplemental forage to producers whose pastures have been decimated by drought.

In related news, USDA has also authorized grazing of CRP land due to drought conditions in 185 counties in 13 states: AL (5); CO (1); ID (3); IA (28); KS (6); MS (1); MO (22); MT (23); NE (30); NM (6); OK (1); TX (58); WY (1). Authority for CRP emergency grazing ends September 30 for all states.

USDA to Make \$79 Million in Payments for Cottonseed Program: On July 10, USDA announced the immediate beginning of \$79 million in payments for the 1999-crop cottonseed payment program. The program, first announced by Secretary Glickman on March 29, will help farmers offset losses from low 1999-crop cottonseed prices with an average payment rate of \$12.23 per ton of cottonseed, based on an estimated 6.46 million tons of cottonseed. Payments are being made to cotton gins, which usually retain proceeds from the sale of the seed. When applying for payments, gins have agreed to share payments with farmers, as the effect of low cottonseed prices is usually borne by farmers rather than the gin.

USDA Establishes Cranberry Volume Regulation: On July 11, USDA published in the *Federal Register* a final rule regulating the volume of cranberries that can be marketed during the 2000-2001 crop year. A producer allotment of 85% on a marketable quantity of 5.468 million barrels will be implemented for the new season beginning September 1, to stabilize prices that are falling due to expanding production and mounting inventories. The allotment establishes the quantity of cranberries that handlers may purchase from or handle for growers. Total growers' sales histories were set at 6.432 million barrels, with the allotment percentage equaling the marketable quantity divided by the total of all growers' sales histories. The Cranberry Marketing Committee, which locally administers the order, met on June 6 and recommended an alternative option incorporating aspects from three proposed options to the proposed rule, which is being adopted with two changes: (1) continuing to allow excess fresh cranberries to be exported and (2) recognizing established growers' sales of cranberries from recently planted acreage. The order covers cranberries grown in MA, RI, CT, NJ, WI, MI, MN, OR, WA, and NY. Imports are not regulated under the marketing order.

Pasture Recovery Payments Begin: On July 11, USDA announced that it will begin issuing nearly \$40 million in Pasture Recovery Program payments, to help livestock producers in 21 states hurt by drought in 1999. Because of the large number of producers affected by drought last year, demand for the program exceeded the amount of money available, and a national factor was

applied to distribute the money fairly. KY producers will receive over \$13.7 million, with \$5.6 million for MO producers, and \$4.9 million to help WV. Other states getting funds include AL, AR, CT, GA, HI, IN, MD, MA, MS, MT, NH, NY, NC, OH, OK, PA, RI, TN, VA and VT. To be eligible, pasture land normally used for grazing had to be so damaged by drought that it required seeding to re-establish the forage. Payments will begin at the county level once re-seeding has been established.

Final Judgment Issued in Supreme Beef Case: On July 12, Judge Fish of the District Court for the Northern District of TX, issued his final judgment confirming his May 25 ruling that USDA is precluded from using *Salmonella* performance standards in deciding whether or not to close plants within his District. The judgment stems from Supreme Beef's contention, after failing 4 successive *Salmonella* contamination tests, that the contamination cannot be used as a standard to justify withholding marks of inspection under current statutes, if the contamination cannot be traced directly to the plant's processing procedures. While the judgment precludes the closing of the plant for *Salmonella* failures, it takes no position on whether or not USDA can take those failures into account when buying product for its various nutrition and supplementary food assistance programs. Plants in other districts, nationwide, continue to meet the requirements of the testing program, and USDA will continue exploring additional means of enhancing food safety. USDA has requested that the Department of Justice appeal the ruling.

Pork Checkoff Referendum: On July 13, the final rule for the Pork Checkoff Referendum will be published. Producers and importers who have dealt in pigs or hogs, pork, or pork products at any time from August 18, 1999, through August 17, 2000, are eligible to vote. The rule provides for in-person voting September 19 - 21, and for absentee voting from August 18 - September 21. Producer voting will take place at Farm Service Agency county offices. Importers will vote by mail to the FSA headquarters office.

Livable Communities Initiative: On July 13, Deputy Secretary Rominger will hold the first of four listening forums on farm, ranch and forest land protection, sponsored by the Department's Policy Advisory Committee on Farmland Protection, at the Dekalb County Farm Bureau Center for Agriculture, in Dekalb, IL. The Committee is seeking policy feedback and information on what is useful from a community's perspective, to protect land from urban sprawl. The next forum will be on July 21, in Davis, CA, with additional forums to be held this summer in Seattle, WA, the NJ highlands, and possibly Atlanta, GA.

Comment Period for Roadless Environmental Impact Statement (EIS) Closing: On July 17, the public comment period will end on the Proposed Roadless Area Rule and Draft EIS. The Roadless Team is coordinating with the White House, USDA, and various Forest Service Offices to help assure that any correspondence held in those offices is forwarded to the team by the 17th. At this point, we have received in excess of 100,000 responses and have been notified of scheduled deliveries of more than 500,000 additional responses. A total of 424 public meetings have been held in connection with the comment period and we have distributed 50,000 copies of the Draft EIS and Proposed Rule.

Pork for Export to the EU to be Certified Free of Paylean: By August 28, USDA will implement a process by which hog producers can certify their products free of Paylean (ractopamine hydrochloride), a feed additive recently approved for use in the U.S., but which remains banned in the EU. The additive, which boosts feed efficiency and muscle production and reduces fat deposition when fed during the last 90 days before slaughter, became commercially available in the U.S. on July 5, with distribution to feed manufacturers expected by July 10. USDA will be working with Maxxam Analytics, Inc., to verify that swine exported to the EU are free of the compound, and will provide additional information on monitoring activities to the EU within the next 3 weeks.

Farm Weather Outlook: The NWS 6-10 day outlook for July 13-17 calls for above-normal temperatures across the western two-thirds of the U.S. Very hot weather is forecast to persist on the central Plains, while below-normal temperatures will prevail in the Southeast. Dry weather is expected in the western and south-central U.S., while below-normal rainfall is forecast as far north as the southwestern Corn Belt. Near-to- above-normal rainfall is forecast across the North and East.

Commodity Markets in Review: Wheat prices dropped sharply following USDA reports that indicated both higher-than-expected spring wheat acreage and stocks. Continued beneficial rain in the Corn Belt drove corn and soybean prices down. Rice cash prices were unchanged, but futures rose on USDA's June 30 forecast of smaller rice acreage. Cotton prices fell slightly on signs that the cotton crop could be larger than the 19 million bales forecast by USDA in June. Lower boxed beef prices sent cattle prices lower in light trade. Cash hog prices slipped last week as rising temperatures in the Midwest hindered movement, but futures followed belly prices higher. Retail featuring helped boost broiler prices. Cheese prices were little changed in light trade. Butter averaged up slightly in volatile trade.

Average prices for the week ending July 7, 2000

Commodity	Weekly price	Change from a week ago	Change from a year ago
Wheat \$/bu	2.80	-0.16	+0.36
Corn \$/bu	1.62	-0.07	-0.12
Soybeans \$/bu	4.73	-0.17	+0.70
Rice \$/cwt	5.50	+0.00	-2.06
Cotton ¢/lb	52.11	-0.74	+2.27
Steers \$/cwt	67.02	-0.42	+3.87
Hogs \$/cwt	50.53	-1.79	+19.45
Broilers ¢/lb	58.13	+0.21	-2.08
Cheese \$/lb	1.27	+0.01	-0.26
Butter \$/lb	1.23	+0.03	-0.12
Milk* \$/cwt	10.98	-0.08	NA

*July 2000 Class III futures price from the Chicago Mercantile Exchange

II. USDA WORK ON PRESIDENTIAL INITIATIVES

President's Initiative on Food Safety:

USDA and FDA Planning Public Meeting on Egg Safety: On July 31, USDA and FDA will hold a public meeting to make available the agencies' analyses on necessary elements for proposed regulations ensuring egg safety. The analyses will be posted on the Internet at: www.foodsafety.gov. The agencies are participating in an Egg Safety Action Plan as part of your Food Safety Council, with the goal of ultimately reducing foodborne illness associated with *Salmonella* by 50%, by 2005, and of eliminating egg-associated *Salmonella* illnesses by 2010. Under the action plan, FDA develops standards for the egg producer, while states provide oversight and enforcement on the farm; USDA develops standards for both shell egg packers and egg product producers, and provides inspection and enforcement for both; and FDA and CDC conduct surveillance and monitoring activities.

USDA Testing Leads to Food Recalls: As a result of routine USDA food-safety sampling and testing: on July 3, Top Cut Meats, of Battle Creek, MI, recalled 1,800 pounds of ground beef and 60 pounds of ground pork sausage due to possible *E. coli* O157:H7 contamination; on July 4, Bert HazeKamp & Son, Inc., of Muskegon, MI, recalled 11,000 pounds of ground beef due to possible *E. coli* O157:H7 contamination; on July 6, Nodine's Smokehouse, Inc., of Torrington, CT, recalled 125 pounds of beef jerky for possible *Listeria monocytogenes* contamination; and on July 8, Waldbaum's Supermarket in Lawrence, NY, recalled 158 pounds of ground beef due

to possible *E. coli* O157:H7 contamination.

III. UPCOMING GRANTS, ANNOUNCEMENTS AND PUBLICATIONS

Nothing of significance to report this week.

IV. SECRETARY'S SCHEDULE

On Monday, July 17, Secretary Glickman will attend a luncheon in honor of South American Ambassadors, held by Ambassador Holbrook in New York, NY.

On Monday, July 17, Secretary Glickman will address the UN World Food Program ECOSOC conference in, New York, NY.

On Tuesday, July 18, Secretary Glickman will address the American School Food Service Association, in St. Louis, MO.

On Tuesday, July 18, Secretary Glickman will hold the kickoff event for the Nutrition Education and Promotion Campaign.

On Thursday, July 20, Secretary Glickman will address the U.S. Agricultural Export Development Council annual attache seminar.

On Tuesday, July 25, Secretary Glickman will address the U.S. Agriculture Communications Congress.

On Friday, July 28, Secretary Glickman will make the Southern University Commencement address, in Baton Rouge, LA.

V. SUB-CABINET SCHEDULE

On Thursday, July 13, Deputy Secretary Rominger will hold a listening forum on farm, ranch and forest land protection at the Dekalb County Farm Bureau Center for Agriculture, in Dekalb, IL.

On Monday, July 17, Deputy Secretary Rominger will address the Annual Meeting of the National Association of State Universities And Land-Grant Colleges, in Lake Tahoe, NV.

On Tuesday, July 18, and Wednesday, July 19, Deputy Secretary Rominger will tour the Herger Feinstein Quincy Library Group, at Plumas National Forest, in Quincy, CA.

On Thursday, July 20, Deputy Secretary Rominger will attend the signing ceremony of a mutual assistance agreement between the White Mountain Apache Tribe, USDA, and the White Mountain Apache Natural Resource Conservation District, in Show Low, AZ.

On Friday, July 21, Deputy Secretary Rominger will hold a listening forum on farm, ranch, and forest land protection in Davis, CA.

On Wednesday, July 26, and Thursday, July 27, Deputy Secretary Rominger will address the

Advisory Committee on Biotechnology.

From Thursday, July 13, through Saturday, July 15, Under Secretary Jim Lyons will tour the Grays River Road Forest Service Tax Demonstration Project, in Alpine, WY.

On Thursday, July 13, Under Secretary Catherine Woteki and Deputy Under Secretary Caren Wilcox will attend a meeting of the Codex Policy Committee to discuss the U.S. Codex position paper on precaution and biotech labeling.

On Thursday, July 13, Under Secretary Shirley R. Watkins will conduct a National Food Stamp Conversation, and address an 1890s Scholars Orientation Awards Dinner, in Atlanta, GA.

On Thursday, July 13, Under Secretary Jim Lyons will attend a Farmland Listening Session, in De Kalb, IL.

On Friday, July 14, Under Secretary Jill Long Thompson will address the Community Connections celebration of the 100th Customer Family Home Purchase through the Rural Home Partnership, in Knox, IN.

From Saturday, July 15, through Tuesday, July 18, Under Secretary Shirley R. Watkins will attend the School Food Service Association's annual national conference, in St. Louis, MO.

On Monday, July 17, Under Secretary Jill Long Thompson will be joined by Representative Strickland in presenting \$21,000,000 at a Water 2000 event, in Jackson, OH.

On Wednesday, July 19, Chief Financial Officer Sally Thompson will address the 31st National Training Conference hosted by the Federally Employed Women in New Orleans, LA.

On Wednesday, July 19, Under Secretary Catherine Woteki and Deputy Under Secretary Caren Wilcox will attend Harvard University's updating of its mad cow disease risk assessment study.

On Wednesday, July 19, Deputy Under Secretary Caren Wilcox will attend a Trans-Atlantic Consumer Dialogue meeting.

On Wednesday, July 19, Administrator Tom Billy will give the keynote address to the International Food Safety Congress, in Orlando, FL.

On Thursday, July 20, Under Secretary Shirley R. Watkins will conduct a National Food Stamp Conversation in New York, NY.

On Thursday, July 20, Under Secretary Catherine Woteki will attend a Euro-American seminar on the precautionary principle in food safety. American panel members will include Representative Kucinich, and members of industry, consumer groups, academia, and the FDA. The European panel will include European Commission representatives and French agriculture and food safety officials.

On Thursday, July 20, Chief Economist Keith Collins will testify on fuel prices before the Senate Committee on Agriculture, Nutrition, and Forestry.

On Friday, July 21, Chief Economist Keith Collins will brief Senate Democratic staff on the state of the farm economy.

On Sunday, July 23, Under Secretary Catherine Woteki will discuss food safety risk analysis before the Horticultural Science Annual Conference, in Orlando, FL.

From Wednesday, July 26, through Friday, July 28, Under Secretary Jim Lyons will attend a recreation tour with Forest Service Chief Mike Dombeck and former Chief Jack Ward Thomas, in Missoula, MT.

On Thursday, July 27, Under Secretary Shirley R. Watkins will hold a National Food Stamp Conversation in Chicago, IL.

VI. PRESS/MEDIA INQUIRIES

Following up on the June 21 shooting of 2 FSIS compliance officers, and a CA State compliance officer, *San Jose Mercury News*, requested a list of CA meat and poultry plants under FSIS inspection.

The Associated Press has requested an interview about humane slaughter practices and inspector training.

The *Wall Street Journal* queried about the Agricultural Research Service creation of the new fruit the "plumcot," a cross between a plum and apricot.

The Associated Press, Bloomberg News and the *Fresno Bee* queried on a potential lawsuit by the U.S. Citrus Science Council to stop the importation of Argentine citrus.

The *New York Times* queried on recent Asian Longhorned Beetle finds in Manhattan.

The *Washington Post* queried on biotech meat regulations.

VII. FOIA REQUESTS

USDA has received requests for records relating to the plant at which two FSIS compliance officers were killed on June 21, in San Leandro, CA. Because investigations are still being conducted, FSIS will respond that the records are exempt from release.

VIII. WASTE, FRAUD AND ABUSE

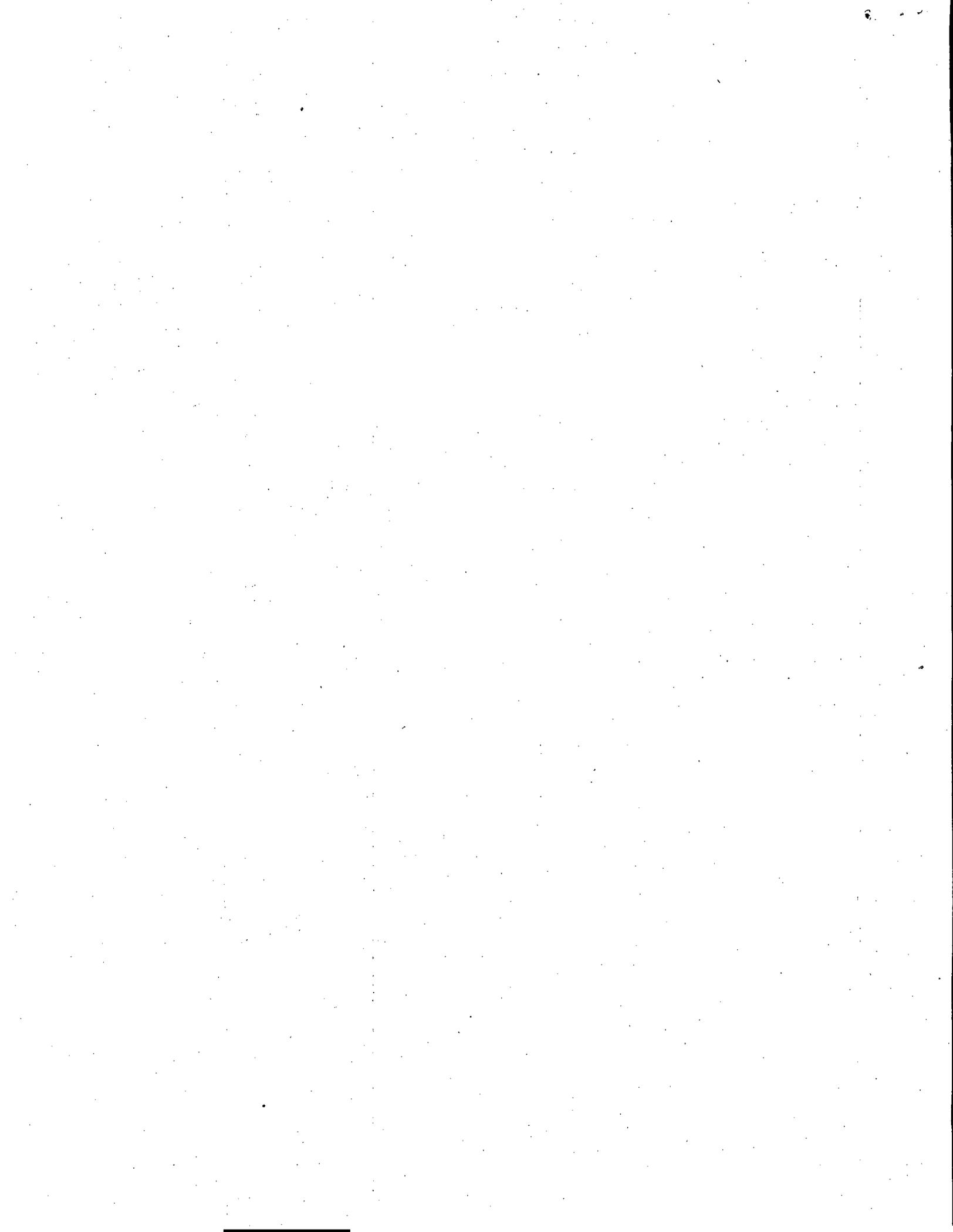
Former County Official Sentenced for Corruption: On June 30, the former County Executive Director (CED) for the Farm Service Agency in Snohomish County, WA, was sentenced to 18 months in prison, followed by 3 years of supervised release, and was ordered to pay \$229,331 in restitution, after pleading guilty to charges of theft of Government funds and filing false tax returns. The former CED voluntarily agreed to surrender the funds in her retirement account and approximately \$8,000 in payments due from her unused leave to be credited toward the restitution.

IX. CLIMATE CHANGE

Nothing of significance to report this week.

X. WEEKEND CONTACT

Eric Olsen



July 19, 2000

MEMORANDUM FOR THE PRESIDENT

THROUGH: THE HONORABLE JOHN PODESTA

FROM: SECRETARY DAN GLICKMAN

SUBJECT: REPORT FOR WEEK OF July 16, 2000

USDA Fact of the Week

On Tuesday, July 18, Secretary Glickman and Under Secretary Watkins launched the "Eat Smart, Play Hard" multi-year nutrition and exercise promotion effort. The program, featuring USDA's new spokes-character "the Power-Panther," encourages children participating in or eligible for Federal nutrition assistance, and their care-givers, to improve their nutrition and increase the frequency of exercise, boosting health and reducing obesity.

I. KEY DEPARTMENT NEWS

Transmissible Spongiform Encephalopathy (TSE) in VT Sheep: USDA continues to work to obtain approximately 400 sheep from three owners in VT as a result of finding transmissible spongiform encephalopathy (TSE) in the sheep. Imported from Belgium in 1996, the sheep may have consumed ruminant feed and have been, with their progeny, under quarantine since September 1998. Milk and cheese from the sheep, and some of their slaughtered offspring had been sold for human consumption prior to being quarantined. Since USDA's emergency order on July 14 to destroy the sheep, with compensation at fair market value, one owner has voluntarily agreed to convey the sheep to USDA, which USDA expects to obtain and destroy later this week. However, the other two owners have filed for Temporary Restraining Orders against USDA, and a scheduling conference is set for July 20 to determine the timing of a hearing on a preliminary injunction.

Earlier this week, VT's Public Health Commissioner issued a statement recommending that consumers not eat cheese from these sheep, consistent with advice from the Centers for Disease Control. In this regard, it should be noted that the U.S. also imports cheese produced from sheep's milk in Europe. In addition, the entire VT delegation issued a statement expressing sympathy for the owners but supporting USDA's actions. There has been extensive press coverage in VT, as well as in *USA Today*, the *Wall Street Journal* and the *New York Times*.

Livable Communities Listening Forums: On July 21, Deputy Secretary Rominger will chair the 2nd of 5 USDA listening forums on farm, ranch, and forest land protection. The public forum, in Davis, CA, will solicit community feedback on what are effective Federal tools for protecting farm and forest land from urban sprawl. The next forum will be held July 31, in Seattle, WA; with additional forums on August 7, in Atlanta, GA; and August 9, in Morristown, NJ.

Upcoming Congressional Oversight Hearings: On July 19 and 26, the House Agriculture Committee will hold hearings on federal farm policy at 10:00 a.m. in 1300 Longworth. On July 20, the Senate Energy and Natural Resources Committee will hold an oversight hearing on the investigation of the Cerro Grande Fire in NM. The hearing which will be held at 9:30 AM in 366 Dirksen, will focus on federal fire -prevention and -fighting policies.

Deputy Secretary Rominger Visits QLG; Lake Tahoe Federal Advisory Committee: On July 18 and 19, Deputy Secretary Rominger reviewed a Herger-Feinstein Quincy Library Group (HFQLG) project with members of the Quincy Library Group (QLG), and personnel from the Lassen, Plumas, and Tahoe National Forests. On July 17, the Deputy Secretary met with the Lake Tahoe Federal Advisory Committee, which recently criticized the Administration for allegedly failing to keep pace with state funding, and failing to implement the Environmental Improvement Program. Implementation of the HFQLG Legislation and Administration commitments at Lake Tahoe are high visibility issues that have attracted scrutiny from a number of Congressional and other interests.

Dairy Forward Contracting Final Rule: On July 18, the final rule to implement the dairy forward contracting pilot program was published in the *Federal Register*. Under the new program, handlers may enter into forward contracts with dairy farmers or cooperative associations to buy milk used to make non-fluid products such as butter, powdered milk, cheese, ice cream, and yogurt. Handlers will not be required to pay dairy farmers the mandated minimum Federal order price. Dairy farmers and the handler will agree to a price specified in a forward contract, which will be accompanied by a USDA-prepared instructional tip sheet for the producer. Initial contracts may not be written for a period longer than 12 months, and both a copy of the contract, and a disclosure statement confirming receipt of the tip sheet by the producer must be submitted to USDA, in order to be considered eligible for the pilot program. The program is voluntary and intended to offer an additional marketing tool for dairy farmers.

USDA Declares Disaster Areas in Four States: On July 17, Secretary Glickman declared as agricultural disaster areas due to drought: 7 AZ counties, and 12 adjacent counties in UT, NM and CO. On July 13, Secretary Glickman had declared all of GA, and large parts of FL and SC agricultural disaster areas, also due to long term drought. The declarations enable farmers in those areas to apply for low-interest USDA emergency loans, and will help eligible ranchers get water to livestock. USDA is also reviewing requests for haying or grazing of Conservation Reserve Program acreage in these states, and has made almost \$1.4 million available in cost-share assistance to GA producers under the Emergency Conservation Program, which provides

funding to supply water for livestock and other purposes.

WTO Upholds U.S. Duties on EU; Finds U.S. Action Over Banana Issue Premature: On July 17, a WTO dispute settlement panel announced that the U.S. acted contrary to WTO rules in changing import requirements on EU goods before WTO dispute proceedings had concluded in an argument over the EU's preference towards bananas from former colonies. The U.S. had added duties to EU goods for 6 ½ weeks in 1999, in retaliation for the EU's manifested favoritism. The panel did, however, reject EU arguments that U.S. tariffs now in place over the dispute violate those rules, and is requiring no further action by the U.S.

Blueberry Checkoff Program: On July 13, USDA announced that 67.8% of eligible blueberry producers and importers voting in a March 13 through April 14 referendum, favored implementation of the Blueberry Promotion, Research, and Information Order. Starting in 2001, the national promotion program will be funded by an assessment of \$12 per ton of domestic cultivated blueberries, and \$12 per ton of fresh and processed imported cultivated blueberries. The program will be administered by a 13-member council under USDA supervision. The Order will become effective 30 days after final publication in the Federal Register.

USDA Releases Supply and Demand Forecasts: On July 12, *Crop Production* reported survey-based 2000 forecasts for area, yield and production of U.S. wheat, barley, and oats. Projections for 2000 production of other U.S. crops were published in the *World Agricultural Supply and Demand Estimates* report (*WASDE*). USDA's projections of U.S. and world supply and use for 2000/01 were also included. Country-specific 2000/01 projections were made for wheat, corn, coarse grains, rice, cotton, and oilseeds. The *WASDE* report also featured projections of U.S. livestock and dairy supply and use for the coming year (2001 for animal products and 2000/01 for milk). Highlights of the *Crop Production* and *WASDE* reports follow:

All Wheat. Projected U.S. 2000/01 ending stocks of wheat are up 138 million bushels from last month, due to larger supplies and reduced use. All wheat production is forecasted up 31 million bushels from last month, with increases in spring wheat offsetting the 34 million bushel decline in winter wheat. Reported beginning stocks are 33 million bushels above last month's forecast. Projected feed and residual use is down 49 million bushels because of sharply lower corn prices in recent weeks. Projected exports are down 25 million bushels. Winter wheat production is forecast at 1.588 billion bushels, down 2% from June, and 6.5% from 1999. Harvest acres are forecast at 35.1 million, down 0.5% from 1999. Spring wheat Durum production is forecast at 128.2 million bushels, 29% above 1999. Production in ND, forecast at 94.25 million bushels, is 31% higher than 1999. Other spring wheat production is forecast at 526.1 million bushels, 4.6% more than in 1999

Rice. U.S. production in 2000/01 is projected at 193.5 million cwt, down 6.5 million cwt from last month and a decline of 17 million cwt from the record 1999/2000 crop. The pace of rough rice exports continues to be strong to Mexico and Turkey.

Corn. Projected 2000/01 ending stocks of corn are up sharply from last month because of gains in production and beginning stocks. Corn production is projected 273 million bushels higher than last month, at 10.0 billion bushels. Harvested acres are 2 million acres higher than last month's projections, reflecting the June 30 *Acreage* report. Total use is up marginally as higher exports more than offset reductions in domestic use. Higher projected U.S. corn exports are due to reduced competition from China and Eastern Europe.

Soybeans and products. Soybean 2000/01 production is forecast to be a record 2.94 billion bushels, about 300 million above 1999/2000. Soybean gains are based on record acreage and trend yields. U.S. soybean crush is forecast at 1.61 billion bushels, up 40 million bushels from last year. Soybean exports are forecast at 970 million bushels, slightly above last year's record, but down 10 million from June indications. Supply increases in key importing countries compared to last year, notably for China and India, along with slowing demand for protein meals in the EU-15, is expected to limit U.S. export gains for soybeans and soybean meal. U.S. soybean oil exports are expected to rebound, helped by a slowing of palm oil production and a reduction in global production of high-oil-content seeds.

Cotton. Larger production, exports, and ending stocks highlight this month's 2000/01 U.S. projections. Production is projected at 19.3 million bales, up 300,000 bales, due to lower expected abandonment based on favorable conditions thus far this season, especially in Texas. Exports are raised 200,000 bales as a result of larger U.S. production and higher foreign consumption.

Sugar. Projected 2000/01 production is increased 60,000 short tons, raw value, from last month, based on higher sugarbeet and sugarcane area forecast in the June 30 *Acreage* report. Beet sugar production is increased 30,000 tons. Cane sugar production is increased 80,000 tons in Louisiana, more than offsetting a 50,000-ton decrease in Florida.

Livestock. Production forecasts for red meats and poultry are little changed from last month. Feedlot placements remain high; supporting continued large beef production through the fall. Pork production for 2000 and 2001 is increased as higher hog weights and inventories are forecast. Broiler and turkey production is lowered as the rate of eggs set has slowed in response to lower returns relative to last year.

U.S. Files for WTO Consultations With Mexico Over Hog Anti-Dumping Measure: On July 11, the U.S. filed a WTO request for consultations over Mexico's use of anti-dumping measures against imports of U.S. live hogs. Mexico imposed duties on imports of live U.S. hogs in October 1999, following release of a six-month Mexican study claiming that U.S. hogs have caused a fall in Mexico's domestic hog prices. The U.S. refutes this study, and makes the counter-claim that Mexico maintains restrictive sanitary requirements which prohibit the import of hogs heavier than 110 kilograms without scientific justification. Under WTO rules, consultations between the U.S. and Mexico must take place within 60 days. Should consultations fail, the U.S. has the right to seek WTO arbitration. In 1999, the U.S. exported

over 160,500 hogs to Mexico.

Commodity Markets in Review: Slow farmer selling boosted wheat cash prices, but USDA's forecast of higher U.S. and global ending stocks sent futures lower. Corn cash prices were up slightly on slow farmer selling early in the week, but futures fell sharply following USDA's forecast of the second-largest corn crop ever. Soybean cash prices held firm in sympathy with corn, but futures dropped steadily in the face of improving weather in the Midwest. Rice cash prices were unchanged, but new-crop futures moved higher as USDA confirmed a smaller 2000 crop. Dryness in the Mississippi Delta helped cotton prices rebound. Cattle prices move up slightly in light trade. Cash hog prices rose slightly on reports of spot shortages, but large inventories sent futures sharply lower. Broiler prices were almost unchanged. Stock liquidation led cheese prices lower. Butter prices dropped in volatile trading.

Average prices for the week ending July 14, 2000

Commodity		Weekly cash price	Change from a week ago	Change from a year ago
Wheat	\$/bu	2.92	0.12	0.53
Corn	\$/bu	1.64	0.02	-0.03
Soybeans	\$/bu	4.74	0.01	0.64
Rice	\$/cwt	5.50	0.00	-2.06
Cotton	¢/lb	53.36	1.25	5.70
Steers	\$/cwt	67.36	0.28	3.86
Hogs	\$/cwt	50.95	0.42	18.00
Broilers	¢/lb	58.12	-0.01	-1.44
Cheese	\$/lb	1.22	-0.05	-0.37
Butter	\$/lb	1.19	-0.04	-0.13
Milk*	\$/cwt	10.58	-0.40	NA

*July 2000 Class III futures price from the Chicago Mercantile Exchange

II. USDA WORK ON PRESIDENTIAL INITIATIVES

President's Initiative on Food Safety:

USDA Highlights HACCP-Based Inspection Models Project (HIMP) Effectiveness; Denies Media Misinformation: On July 17, USDA announced that, according to preliminary data, the HIMP program is leading to dramatic improvements in food safety. In plants participating in the

program, food safety defects in young chickens have dropped by at least 92%. For five categories that address conditions not posing a food safety hazard, improvements were documented in four categories under the HIMP system, as compared to the traditional inspection system. The date of the report is important because it clearly demonstrates that July 15 press reports regarding the HIMP program are incorrect. Reports in the *Washington Times* as well as an editorial in the *St. Louis Post-Dispatch* wrongly claimed that USDA was allowing cancer, tumors, and open sores to be classified as safe for human consumption. As the newly released data on improved food safety reflects, HIMP food safety standards are more stringent than in the past, not less.

USDA Inspection Leads to IA, LA, WA Plant Closures: Routine USDA food safety testing led to the following plant closures: on July 12, USDA closed IBP Inc., of Waterloo, IA, for *Listeria monocytogenes (Lm)* in cooked poultry product; and Randall Farms, L.L.C., of Arcadia, vLA, for adulterated product; and on July 13, USDA closed Briazz, Inc., of Seattle, WA, for *Listeria monocytogenes (Lm)* in product.

USDA-FDA Public Meeting on Egg Safety: On July 31, USDA and FDA will hold a public meeting on the national standards for egg safety, at the Holiday Inn on Capital Hill. The meeting is set to discuss the Egg Safety Action Plan, part of your food safety council's effort to reduce *Salmonella enteritidis (Se)* in chicken eggs by 50%, by 2005, and eliminate egg-associated *Se* illnesses by 2010. Under the action plan, FDA and CDC conduct surveillance and monitoring activities; FDA develops standards for egg producers, with states providing oversight and enforcement on the farm; and USDA develops standards for both shell egg packers and egg product producers, and provides inspection and enforcement for both. CDC is focusing on human health and FDA is focusing on the food supply.

III. UPCOMING GRANTS, ANNOUNCEMENTS AND PUBLICATIONS

\$3.3 Million Electrification Loan in SC: On July 13, USDA presented a loan in the amount of \$3,323,000 to the Fairfield Electric Cooperative, Inc., in Winnsboro, SC, to serve 1,000 new consumers, construct 76 miles of distribution line, and make other system improvements.

\$5.9 Million in Telephone Loans to MN: On July 13, USDA provided a Rural Utilities Service (RUS) loan in the amount of \$588,000, a Rural Telephone Bank Loan for \$343,350, and an RUS hardship loan of \$5,000,000 to the Federated Telephone Cooperative, of Chokio, MN, to connect 79 new subscribers consumers and construct 122 miles of fiber optic cable and 81 miles of copper cable, providing advanced services including high speed data capabilities.

IV. SECRETARY'S SCHEDULE

On Thursday, July 20, Secretary Glickman will address the U.S. Agriculture Export Development Council annual attache seminar.

On Thursday, July 20, Secretary Glickman will meet with the IL Congressional Delegation on IL river conservation efforts.

On Monday, July 24, Secretary Glickman will attend events with Representative Baron Hill highlighting rural development initiatives, in Scottsburg, and Aurora, IN.

On Tuesday, July 25 Secretary Glickman will address U.S. Agriculture Communicators' Congress.

On Tuesday, July 25 Secretary Glickman will be interviewed on biotechnology for a History Channel documentary.

On Tuesday, July 25 Secretary Glickman will attend the Vice President's celebration in honor of the American Disabilities Act anniversary.

On Friday, July 28, Secretary Glickman will give Southern University's commencement address in baton rouge, LA.

From Saturday, July 29, through Tuesday, August 8, Secretary Glickman will attend bilateral meetings in Nigeria, Kenya, and South Africa.

V. SUB-CABINET SCHEDULE

On Thursday, July 20, Deputy Secretary Rominger will attend the signing ceremony of a mutual assistance agreement between the White Mountain Apache Tribe, USDA, and the White Mountain Apache Natural Resource Conservation District, in Show Low, AZ.

On Friday, July 21, Deputy Secretary Rominger will hold a listening forum on farm, ranch, and forest land protection in Davis, CA.

On Wednesday, July 26, and Thursday, July 27, Deputy Secretary Rominger will address the Advisory Committee on Biotechnology.

On Wednesday, July 19, Under Secretary Catherine Woteki and Deputy Under Secretary Caren Wilcox provided an update for a Harvard University "Mad Cow Disease" risk assessment study.

On Wednesday, July 19, Administrator Tom Billy gave the keynote address to the International Food Safety Congress, in Orlando, FL.

On Thursday, July 20, Under Secretary Shirley R. Watkins will conduct a National Food Stamp Conversation in New York, NY.

On Thursday, July 20, Under Secretary Catherine Woteki will attend a Euro-American seminar

on the precautionary principle in food safety. American panel members will include Representative Kucinich, and members of industry, consumer groups, academia, and the FDA. The European panel will include European Commission representatives and French agriculture and food safety officials.

On Sunday, July 23, Under Secretary Catherine Woteki will discuss food safety risk analysis before the Horticultural Science Annual Conference, in Orlando, FL.

From Wednesday, July 26, through Friday, July 28, Under Secretary Jim Lyons will attend a recreation tour with Forest Service Chief Mike Dombeck and former Chief Jack Ward Thomas, in Missoula, MT.

On Wednesday, July 26, Chief Economist Keith Collins will testify before the Senate Committee on Agriculture, Nutrition, and Forestry on the sugar market.

On Thursday, July 27, Under Secretary Shirley R. Watkins will hold a National Food Stamp Conversation in Chicago, IL.

From Saturday, July 29, through Tuesday, August 8, Under Secretary Schumacher will accompany Secretary Glickman on his trip to Nigeria, Kenya, and South Africa.

On Monday, July 31, Under Secretary Shirley R. Watkins will address the Southern Peanut Grower's Conference in Panama City, FL.

On Monday, July 31, Under Secretary Jim Lyons will attend a Farmland Listening Session in Seattle, WA.

On Tuesday, August 1, Under Secretary Jill Long Thompson will give the keynote address at the National Council of Farmer Cooperatives Foundation conference of the 72nd Annual National Institute on Cooperative Education, in Nashville, TN.

On Thursday, August 3, Under Secretary Shirley R. Watkins will hold a National Food Stamp Conversation in Kansas City, MO.

On August 3-4, Under Secretary Jim Lyons will participate in the Outdoors Recreation Tour in Atlanta, GA.

VI. PRESS/MEDIA INQUIRIES

Requests have come in from BNA's *Food Safety Report*, *Food Chemical News*, *Meat and Poultry Magazine*, and other media since an incorrect Scripps-Howard News Service article claiming that HIMP standards allow for meat with cancers, tumors and open sores, and since USDA rebutted the story, and released data showing that the HIMP plan has greatly improved

food safety.

Atlantic Monthly inquired about the recently released USDA report, *How Much Would Increasing the Minimum Wage Affect Food Prices?*, showing that a minimum wage increase would raise food prices by a minuscule amount.

The Washington Times, and the *Christian Science Monitor* inquired about a new USDA report, *The Decline in Food Stamp Program Participation in the 1990's*.

VII. FOIA REQUESTS

The *Washington Post* requested copies of quarterly enforcement summaries on 45 plants, including IBP., Inc., Smithfield Foods, Inc., Excel Corp., and other large plants.

Associated Press requested copies of correspondence from Members of Congress seeking to influence any USDA official action from 7/99 through the present.

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

Eric Olsen

July 26, 2000

MEMORANDUM FOR THE PRESIDENT

THROUGH: THE HONORABLE JOHN PODESTA

FROM: SECRETARY DAN GLICKMAN

SUBJECT: REPORT FOR WEEK OF July 23, 2000

USDA Fact of the Week

On July 25, USDA held an event recognizing projects designed by students of the Los Angeles Unified School District, as part of the USDA Greenlink program, which helps at-risk inner-city children receive the resources and training they would need to enter into careers in natural resource management. The event featured masks designed by the students to express the personal connections between their cultures, and ecology.

I. KEY DEPARTMENT NEWS

Secretary to Highlight Hunger and Health Issues On Africa Trip: From July 29 – August 7, Secretary Glickman will lead a mission to Africa, highlighting opportunities for international cooperation on hunger, nutrition, and health care issues. The Secretary will discuss your \$300 million Global Food for Education (GFE) pilot program, hold meetings with government officials and international business executives on joint aid programs, and tour agricultural production and international aid facilities in Nigeria, Kenya, and South Africa. In anticipation of this trip, on July 26, Secretary Glickman met with representatives of private voluntary organizations and the World Food Program, to brief them on your GFE program, and to seek their support and input, and on July 27, he will testify on the GFE before the Senate Agriculture Committee. Last week, to highlight the Administration's commitment to fighting hunger, Secretary Glickman announced that USDA will donate to drought afflicted and war-torn African countries an additional 350,000 metric tons of farm commodities, worth some \$145 million. This will bring total donations to Africa for the year to 1 million metric tons of food –nearly tripling the amount of last year's total donations.

USDA to Propose Rules for Protecting Market Competition: Secretary Glickman will soon announce that the Grain Inspection, Packers and Stockyards Administration (GIPSA) will develop new rules addressing producer concerns about a lack of transparency in market transactions, and the impact of growing concentration in the livestock, poultry, and meat packing

industries. Specifically, under the Packers and Stockyards Act, the GIPSA initiatives will clarify recordkeeping requirements for packers; clarify contract terms and disclosure provisions for livestock and poultry producers; and foster competitive pricing, including appropriate premiums and discounts, for individual livestock sellers.

USDA Reviewing Refunds of Dade County Disaster Payments: On July 24, Secretary Glickman directed the Farm Service Agency (FSA) to complete a comprehensive internal review before attempting to obtain refunds of previously made disaster payments from Dade County, FL, farmers. Internal agency reviews had shown more than \$3 million in questionable disaster payments to Miami-area farmers, leading FSA to request refunds. The week of July 17, the National Appeals Division (NAD) began conducting an estimated five weeks of hearings to consider producers' appeals of the repayment request. Secretary Glickman asked NAD to suspend the hearings, and ordered FSA to finish its internal review, in order to ensure that all possible resolutions to the problem are considered before any continuation of refund requests.

VT Sheep TSE Update: Last week, USDA was temporarily prevented from seizing and euthanizing 2 flocks of sheep for infection with Transmissible Spongiform Encephalopathy (TSE) when the owners brought a court action challenging the validity of the test used to determine that the sheep were infected, an evidentiary hearing on this issue is set for July 27. The owner of the third flock willingly sold them to the USDA, after which the flock was removed to a facility in Newburgh, NY, where they were tested and euthanized. The VT Congressional delegation and media have been generally supportive of USDA's actions.

OECD Credit Negotiations will Continue in the Fall: On July 20, U.S. negotiators reported from Paris that OECD participants will continue discussions on a package of disciplines governing the provision of export credits, credit guarantees and insurance, later this fall. Although no final decisions were made during the week's negotiations, participants agreed to consider the Chairman's proposals to conclude the negotiations and implement an "Understanding" by the end of this year.

USDA Announces Compensation for Tobacco Farmers: On July 20, Secretary Glickman announced that USDA will distribute \$340 million to compensate tobacco farmers who suffered a reduction of tobacco quota or acreage for the 1999 and 2000 crop years. While USDA does not pay direct subsidies to tobacco farmers, the amount of U.S. tobacco produced is regulated to match supply and demand, with a guaranteed minimum price for producers through a no-net-cost program. In recent years, allotments and quotas for some kinds of tobacco have been greatly reduced. As directed by Congress, farmers of designated types of tobacco will receive a portion of the \$340 million, to help defray lost income resulting from declining quotas and allotments.

USDA Corrects the Record on Food Safety Improvements: On July 19, USDA officials held a press briefing addressing misinformation about the HACCP-Based Inspection Models Project (HIMP). Responding to recent inaccurate editorials and articles claiming that USDA food safety standards allow for meat with sores and tumors, Administrator Billy summarized analysis of

HIMP data highlighting a significant improvement in food safety under HACCP, and completely refuted the charge that diseased carcasses are acceptable. Additionally, an Op-Ed piece by the Secretary further clarifying USDA's testing standards has run in the *St. Louis Post-Dispatch*.

USDA Donates 350,000 tons of Grains to Africa and the Middle East: On July 17, USDA announced authorization through the Section 416(b) program of the following donations to World Food Program operations: 60,000 tons of wheat for Afghanistan; 2,000 tons of rice for Djibouti; 45,000 tons of wheat, and 4,000 tons of fortified blended foods for Eritrea; 55,000 tons of corn, and 5,000 tons of fortified blended foods for Kenya; 8,300 tons of corn, and 2,500 tons of wheat for Sudan; and 25,000 tons of corn for Angola.

CARA Legislation Passes Senate Committee: The Senate Natural Resources and Energy Committee has reported out the Conservation and Reinvestment Act (CARA) of 2000, with funding for the Forest Service's land acquisition program. The bill also provides \$50 million for urban and community forestry, \$50 million for farm and ranchland protection, \$60 million for the Forest Service's youth conservation corps, \$25 million for the Forest Service's rural development program, and \$25 million for the Forest Service's rural community assistance.

USDA to Hold Memorial Service for Agency Compliance Officers: On August 8, USDA will host a Food Safety Inspection Service (FSIS) memorial for 2 slain FSIS compliance officers, at USDA headquarters. The employees, Jean Hillery and Thomas Quadros, were shot and killed while inspecting an Oakland, CA -area plant, on June 21. Family members will be joined by Deputy Secretary Rominger, Under Secretary Woteki, Deputy Under Secretary Wilcox, FSIS Administrator Billy, and other FSIS and USDA officials.

Farm Weather Outlook: The NWS 6-10 day outlook for July 27-31 calls for a continuation of near- to below-normal temperatures from the Corn Belt to the East Coast, accompanied by near- to above-normal rainfall. Hot weather is forecast to persist in the Plains and Intermountain West. Unfavorably dry weather is expected in the Northwest and across the south-central United States.

Commodity Markets in Review: Wheat prices fell across the board, driven by weak cash corn prices and sluggish export markets. Increased farmer selling led cash corn prices lower, but futures rose on ideas that the market was oversold. Soybean cash and nearby futures fell as the crop continues to develop ahead of schedule, but new-crop futures rose amid a spate of commercial buying and optimism on exports. Rice cash prices were unchanged, but weather concerns sent new-crop futures up slightly. Heat and drought stress from Texas through Alabama boosted cotton prices. Cattle prices fell in light trade, pressured by declining boxed beef prices. Lower product prices led to a drop in hog prices. Cheese prices were down fractionally in seasonally light trade. High stock levels depressed butter prices.

Average prices for the week ending July 21, 2000

Commodity	Weekly cash price	Change from a week ago	Change from a year ago
Wheat \$/bu	2.81	-0.11	0.35
Corn \$/bu	1.55	-0.09	-0.17
Soybeans \$/bu	4.58	-0.16	0.29
Rice \$/cwt	5.50	0.00	-2.06
Cotton ¢/lb	56.90	3.54	7.32
Steers \$/cwt	66.85	-0.47	2.95
Hogs \$/cwt	50.33	-0.62	17.23
Broilers ¢/lb	NA	--	--
Cheese \$/lb	1.21	-0.01	-0.46
Butter \$/lb	1.15	-0.04	-0.13
Milk* \$/cwt	10.44	-0.14	NA

II. USDA WORK ON PRESIDENTIAL INITIATIVES

President's Initiative on Food Safety:

USDA Testing Leads to Unsafe Food Recalls in AK, CA: Routine USDA food safety inspection has resulted in the following food recalls: on July 24, 800 lbs. of ground beef from C & J Tender Meats, a processing firm in Anchorage, AK, due to possible *E. coli* O157:H7; on July 18, 2,320 lbs. of pork rinds from Fil-Am Specialty Foods, of Los Angeles, CA, for failing to label the presence of monosodium glutamate.

President's Initiative on Food Aid:

International School Lunch Program: On July 27, Secretary Glickman will testify before the Senate Agriculture Committee on the school lunch program, amplifying your announcement during the G-8 summit on the international school lunch program.

President's Initiative on Livable Communities:

Livable Communities Initiative: On July 21, Deputy Secretary Rominger attended a farm- and forest-land Protection listening forum in Davis, CA. During the forum, the Deputy Secretary highlighted the Vice President's Livable Communities Initiative, and discussed USDA efforts to

support local programs to protect against urban sprawl, and create more livable communities.

III. UPCOMING GRANTS, ANNOUNCEMENTS AND PUBLICATIONS

USDA to Announce Payment-in Kind Program for Sugar Growers: USDA may soon announce details of an acreage diversion program for the 2000 sugar -beet and -cane crop. Under the program, payments-in-kind (PIK) would be made to help sugar -beet and -cane farmers deal with low sugar prices caused by an excess of domestic sugar. The PIK program offers farmers the choice of exchanging their crop for certificates representing government held sugar, after which farmers could bid to take their certificates to processors who would redeem them. Farmers would be limited to \$20,000 in PIK payments.

USDA Loans \$8.3 Million to Hawaii: In mid-August, USDA will present Hawaii with \$8,350,000 in rural development loans to create and sustain jobs in depressed communities. Specifically, the HI State Office will receive \$2 million to build-out an abalone agriculture facility in Kailuakona, HI; \$3.6 million to facilitate a 100% stock purchase, debt refinancing and working capital for a solvent recycling and equipment leasing facility in Kapolei, HI; and \$2.75 million for permanent working capital, purchase of a building, leasehold improvements and purchase of equipment for a seafood importer/exporter. The three projects collectively will help create 35 jobs while saving 99 jobs.

Nutrition and Health Promotion Center to Open at Southern University: On July 28, during his commencement address to the school, Secretary Glickman will announce the creation of a USDA-sponsored Center of Excellence (Center) in the area of food, nutrition and health promotion, at Southern University and A&M College in Baton Rouge, LA. The Center will design and test culturally appropriate nutrition intervention strategies to reduce hunger among poor children and families in the lower Mississippi Delta area.

GAO to Release USDA Information Security Audit: By August 4, GAO expected to release an audit on USDA Information Security, calling on the Department to implement its information security plan. The GAO audit also recommends that USDA report its information security weaknesses as a material internal control weakness under the Federal Manager's Financial Integrity Act. USDA Chief Information Officer Leo has responded that, while more work needs to be done, the GAO audit did not take into account USDA budgetary constraints, and the role of business leaders in taking responsibility for their own information assets.

IV. SECRETARY'S SCHEDULE

On Friday, July 28, Secretary Glickman will give the commencement address at Southern University; in Baton Rouge, LA.

From Saturday, July 29, through, Monday, August 7, Secretary Glickman will attend meetings in Nigeria, Kenya, and South Africa.

On Wednesday, August 9, Secretary Glickman will address the White House Internship Program Speaker Series.

On Thursday, August 10, Secretary Glickman will address the Hispanic Colleges and Universities National Internship program farewell reception.

On Friday, August 11, Secretary Glickman will tour "Earthbound (organic produce) Farms," with Representative Farr, in San Juan Bautista, CA.

V. SUB-CABINET SCHEDULE

On Wednesday, July 26, Deputy Secretary Rominger addressed the Advisory Committee on Biotechnology.

On Monday, July 31, and Tuesday, August 1, Deputy Secretary Rominger will address the Forum on Invasive Species, in Chicago, IL.

On Monday, August 7, Deputy Secretary Rominger will hold a public listening forum on farm- and forest -land protection, in Atlanta, GA.

On Monday, August 7, Deputy Secretary Rominger will conduct a tour of drought damaged areas near Atlanta, GA.

On Tuesday, August 8, Deputy Secretary Rominger will address a memorial service for 2 slain food safety compliance employees.

From Wednesday, July 26, through Saturday, July 29, Under Secretary Michael V. Dunn will attend bilateral meetings with the Chinese, in Fairbanks, AK.

On Thursday, July 27, Under Secretary Shirley R. Watkins will hold a National Food Stamp Conversation event, in Chicago, IL.

From Saturday, July 29 through Monday, August 7, Under Secretaries Gus Schumacher, Shirley R. Watkins, and Jill Long Thompson will accompany the Secretary to meetings in Nigeria, Kenya, and South Africa.

On Monday, July 31, Under Secretary Jim Lyons will attend a public "Farmland Listening Session," in Seattle, WA.

From Thursday, August 3, through Friday, August 4, Under Secretary Jim Lyons will attend an outdoor recreation areas tour, in Atlanta, GA.

On Tuesday, August 8, Under Secretary Catherine Woteki and Deputy Under Secretary Caren

Wilcox will accompany the Deputy Secretary at a memorial for 2 slain food safety compliance officers.

On Wednesday, August 9, Under Secretary Jim Lyons attend a public Farmland Listening Session in Morristown, NJ.

From Thursday, August 10, through Saturday, August 12, Under Secretary Jim Lyons will attend an Outdoor Retailers Meeting, in Salt Lake City, UT.

On Thursday, August 10, Under Secretary Schumacher will attend an agricultural issues forum with Representative Baldacci, and tour aqua-culture operations in ME.

VI. PRESS/MEDIA INQUIRIES

Following an inaccurate, July 15, Scripps Howard wire service article, which incorrectly asserted that proposed USDA food safety rules allow for meat with sores and tumors, inquiries on actual food safety guidelines were received from the following media outlets: Reuters, Bloomberg, *Restaurants & Institutions Magazine*, *Meat & Poultry Magazine*, *Meat Marketing & Technology Magazine*, KGO radio (San Francisco), ABC radio (San Francisco), and the Metro Radio Network (San Francisco). Editorials written under the assumption the false Scripps Howard article was correct were printed in the *Portsmouth Herald* (NH) and the *Bergen Record* (NJ). The *St. Louis Post Dispatch* printed Secretary Glickman's refutation of the original, incorrect article, and Administrator Billy held interviews with the *Raleigh News and Observer*, WRFD radio (OH), and the Fox News Network to clarify food safety rules and proposals.

Inquiries from local media were received about a swarm of Africanized, so called-"killer" honey bees discovered in VA, in early July.

The discovery of several VT sheep infected with what may be a relative of "Mad Cow Disease," sponsored inquiries from several media outlets, including: the *New York Times*, CBS News, ABC News, BBC, Reuters, and local VT press.

Reuters and Associated Press asked about Secretary Glickman's upcoming trip to Nigeria, Kenya, and South Africa.

Time, magazine and the *Washington Post*, respectively, asked about genetically engineered crops and trees.

VII. FOIA REQUESTS

ANG Newspapers in Oakland, California, requests copies of all correspondence from all the California Members of Congress to USDA from January 1, 1999, to the present.

Piper, Marbury, Rudnick & Wolfe, LLP, in Washington, D.C., requests information on purchases of certain telecommunication services by the Forest Service under a contract procured by NATO (North Atlantic Treaty Organization).

VIII. WASTE, FRAUD AND ABUSE

Nothing to report this week.

IX. CLIMATE CHANGE

Nothing to report this week.

X. WEEKEND CONTACT

Eric Olsen

August 2, 2000

MEMORANDUM FOR THE PRESIDENT

THROUGH: THE HONORABLE JOHN PODESTA

FROM: SECRETARY DAN GLICKMAN

SUBJECT: REPORT FOR WEEK OF July 30, 2000

USDA FACT OF THE WEEK

On August 2, USDA outlined additional steps the Department is taking during this worst fire season in years. The Forest Service currently has over 15,000 personnel fighting forest fires raging throughout western states, and is working with the military, eastern states, and Canada to get additional fire-fighting resources. So far this year, over 3.5 million acres have burned –more than twice the 10-year average number of acres for this point of the year. There are currently 32 fires larger than 1,000 acres burning in the western U.S. Conditions are expected to continue declining before there is any improvement. In the short-term, weather and fire indices in the western states continue to predict very high to extreme fire dangers. Dry lightning across the West has continued starting new fires that we struggle to put out before losing control. Worse yet, the fire season was early this year, and new fires are likely throughout August, which is typically the worst month for western fires.

I. KEY DEPARTMENT NEWS

Secretary Highlighting Hunger and Health Issues On Africa Trip: From July 29 through August 7, Secretary Glickman is leading a mission to Africa, highlighting opportunities for international cooperation on hunger, nutrition, and health care issues. The Secretary will discuss your \$300 million Global Food for Education (GFE) pilot program, hold meetings with government officials and international business executives on joint aid programs, and tour agricultural production and international aid facilities in Nigeria, Kenya, and South Africa. In preparation for the trip, on July 26, Secretary Glickman briefed representatives of private voluntary organizations and the World Food Program on your GFE program, and sought their support and input. On July 27, Secretary Glickman joined Ambassador McGovern and former Senator Dole to testify on the GFE before the Senate Agriculture Committee. The previous week, the Secretary announced USDA's donation to drought afflicted and war-torn African countries of an additional 350,000 metric tons of farm commodities, worth some \$145 million –bringing total donations to Africa for the year to 1 million metric tons of food – nearly tripling

the amount of last year's total donations.

Milwaukee *E. Coli* O157:H7 Outbreak: At least 46 *E. coli* O157:H7 infections have now been linked with eating food at a Milwaukee, WI, Sizzler restaurant, between July 10 and 26 (Milwaukee Health Dept. figures). That count includes the illness of 20 adults and 25 children, with 1 child dying due to the pathogen. Another 8 confirmed cases are being investigated but do not appear linked with the restaurant, which voluntarily closed on July 26. Testing by USDA and the WI Department of Public Health shows the presence of the pathogen in watermelon and one meat product at the restaurant, and that cross-contamination may have been a factor. Sizzler USA's chief executive officer traveled to Milwaukee to aid the investigation, and has pledged resources and additional assistance in memory of the deceased child. *E. coli* O157:H7 is a potentially deadly pathogen that can cause bloody diarrhea and dehydration. It can lead to hemolytic uremic syndrome in young children, the major cause of kidney failure in children.

USDA Memorial Service for Slain Employees: On August 8, USDA's Food Safety Inspection Service (FSIS) will hold a memorial service at USDA headquarters for two FSIS compliance officers, Jean Hillery and Thomas Quadros, slain while inspecting an Oakland, CA -are plant in June. Deputy Secretary Rominger and family members of the slain employees will be joined by Under Secretary Catherine Woteki, Deputy Under Secretary Caren Wilcox, FSIS Administrator Thomas Billy, and other USDA officials.

Pine Ridge Groundbreaking Ceremony: On August 3, Deputy Secretary Rominger will travel to the Pine Ridge Reservation in SD, to announce the groundbreaking and construction of the Pine Ridge Youth Opportunity and Wellness Center. USDA and HUD are cooperating with the Tribe to build this center, in an effort initiated after your trip to Pine Ridge last year.

USDA Receives Favorable Decision on VT Sheep: On August 1, Federal District Court Judge J. Garvan Murtha refused to grant an injunction preventing the USDA purchase and disposal of two flocks of sheep that may have transmissible spongiform encephalopathy (TSE). During a July 27 hearing on this matter, attorneys for the owners of the sheep questioned the validity of the test used to determine that the animals were positive for TSE. Both owners have until August 7 to appeal Judge Murtha's decision. After the legal issues are resolved, USDA will take the animals to a facility in Newburgh, NY, where they will be euthanized and have additional samples taken for diagnostic purposes –as was done with a flock taken with the owner's cooperation on July 21. The samples and the carcasses will then be transported in a controlled and humane manner to USDA's high-biosecurity facility at Plum Island, NY, where the samples will be stored and the carcasses will be incinerated under strict protocols. USDA is working to alleviate concerns expressed by Representative Forbes about any potential risk to human or animal health in the surrounding area.

USDA Announces Program to Aid U.S. Sugar Growers: On August 1, USDA announced a new effort to help sugar-beet and -cane farmers deal with low prices caused by an excess of domestic sugar. The Payment-In-Kind (PIK) program offers sugar beet farmers the choice of

exchanging their crop for sugar held by USDA's Commodity Credit Corporation (CCC). Farmers can then bid for this sugar by offering to divert acres from production. By reducing this year's harvest, the PIK program will help alleviate sugar overproduction, reduce probable crop loan forfeitures, and dispose of government inventory. The amount of sugar available for the PIK program is likely to increase in the coming months as sugar pledged as collateral for CCC loans is forfeited.

State Citrus Canker Inspector Threatened: On the morning of August 1, citrus canker program inspector from the State of FL was threatened by a homeowner, angry over the need to inspect trees on his property. The homeowner shot into the air, and barricaded himself within his home. The inspector was uninjured, and local authorities are still negotiating with the homeowner.

USDA Protecting Livestock Industry Competition: On July 28, Secretary Glickman announced that the Grain Inspectors, Packers and Stockyards Administration (GIPSA) will issue new rules helping ensure fair competition in the livestock, poultry, and meat packing industries. The new regulations will: 1. Mandate disclosure of basic contract terms, ensuring that production contracts are easy to understand; 2. Prohibit restrictions on disclosure of contract terms, preventing packers from imposing restrictions on a producers's ability to obtain legal or financial advice; 3. Clarify record keeping requirements for packers, specifying the form and content of records that must be maintained on livestock procurement transactions, ensuring more accurate information; 4. Prohibit conditional purchases of animals from one seller that are tied to the purchase of animals from another seller, requiring each lot of livestock to be purchased or offered on its own merits; and 5. Require that packers specify the basis on which they pay different prices for like quality livestock. The Secretary also announced that USDA will hold public forums in September to solicit input on issues pertaining to captive supplies, including the petition of Western Organization of Resource Councils (WORC), which seeks to restrict packer use of forward contracting and packer feeding of cattle.

Valles Caldera National Preserve and Trust Purchase: On July 27, with your signature of authorizing legislation, USDA completed acquiring the 95,000-acre Valles Caldera National Preserve and Trust, formerly known as the Baca Ranch. Under the terms of the purchase, management of the area will be the responsibility of a Presidentially-appointed Board of Trustees. As a result of land's significant scientific, cultural, historic, recreational, and ecological values, this is considered one of the most important Federal purchases ever.

Bilaterals With China: On July 27, Under Secretary Michael V. Dunn and USDA personnel successfully concluded bilateral discussions with Chinese officials in Fairbanks, AK. As a result of the discussions, China will adopt a regulation allowing the importation of U.S. tobacco, and will begin a review process allowing the importation of U.S. potatoes from AK, WA, and OR. The Chinese delegation also agreed to do away with a regulation requiring addresses to appear on shipments of U.S. citrus. The requirement had led to confusion at Chinese ports of entry and delayed the distribution of U.S. citrus shipments.

Farm Weather Outlook: The NWS 6-10 day outlook for August 3-7 calls for near- to above-normal rainfall and near- to below-normal temperatures across the eastern half of the U.S., while hot weather is forecast from the High Plains westward. Significant precipitation in the West will be confined to portions of the Intermountain West and Southwest.

Commodity Markets in Review: Wheat cash prices dropped on increased new-crop availability, but futures held steady on better-than-expected export news. Excellent growing conditions in the Corn Belt sent corn and soybean prices down across the board. Rice cash prices were up in light trade, but futures fell on improved crop prospects. Cotton prices moved slightly lower; both the Texas and California crops are in generally good condition. Lower slaughter and large supplies combined to erode cattle prices. Declining wholesale prices for most pork products helped reduce hog prices. Increased retail featuring offset poor food service demand to help hold broiler prices steady. Cheese prices were up for the week. Demand for cream helped hold butter prices firm.

Average prices for the week ending July 28, 2000

Commodity	Weekly cash price	Change from a week ago	Change from a year ago
Wheat \$/bu	2.75	-0.06	0.25
Corn \$/bu	1.50	-0.05	-0.24
Soybeans \$/bu	4.52	-0.06	0.30
Rice \$/cwt	5.88	+0.38	-1.68
Cotton ¢/lb	56.51	-0.39	7.17
Steers \$/cwt	65.11	-1.72	0.29
Hogs \$/cwt	50.04	-0.29	16.01
Broilers ¢/lb	58.20	+0.01	-0.66
Cheese \$/lb	1.26	+0.05	-0.50
Butter \$/lb	1.16	+0.01	-0.23
Milk* \$/cwt	10.57	+0.13	NA

*July 2000 Class III futures price from the Chicago Mercantile Exchange

II. USDA WORK ON PRESIDENTIAL INITIATIVES

President's Initiative on Food Safety:

USDA Testing Leads to AK Recall: On July 24, routine USDA testing led to recall of 800 lbs.

of ground beef from C & J Tender Meats, of Anchorage, AK, for contamination with *E. coli* O157:H7. USDA has received no reports of illness associated with the recall.

USDA and FDA Public Meeting on Eggs: On July 31, USDA and FSIS and FDA held a public meeting to discuss reduction and possible elimination of *Salmonella enteritidis* in shell eggs and egg products using a farm-to-table approach. At the meeting, the agencies made available current proposals for regulations ensuring egg safety, including possible requirements related to the production, processing, packaging, and retail sale of shell eggs. USDA published a news release on July 20, and a *Federal Register* notice on July 11, announcing the public meeting.

III. UPCOMING GRANTS, ANNOUNCEMENTS AND PUBLICATIONS

USDA Funds Two Solid Waste Projects for Native Americans: On July 25th, USDA funded two significant American Indian solid waste disposal projects – one costing \$325,000 for the Oglala Sioux reservation in SD; the other costing \$150,000 for the Turtle Mountain Chippewa tribe in ND. These projects are highly significant in that the applications came to USDA through a multi-agency working group the Rural Utilities Service has been a part of for more than a year. The group, chaired by the Bureau of Indian Affairs also includes the EPA, HUD and the Indian Health Service. This is yet another example of a new USDA multi-agency partnership.

Community Facility Loan for Oklahoma Hospital: On August 4, USDA will announce a \$1,470,000 Rural Development investment for the Shattuck, OK, Hospital Authority –which will use the 30-year loan to refinance existing bond debt and purchase new equipment. The hospital has been in operation serving the Shattuck area since the early 1960's, and the area has experienced the largest percentage of out-migration of population in the state.

Rural Utilities Loans and Grants in OK: On Thursday, August 3, USDA will present \$8.4 million in loans and grants for utilities service expansion in OK. \$4.5 million will be presented to Choctaw Rural Water, Sewer, Gas & Solid Waste Management District number 6, representing a \$3,293,500 grant and a \$1,206,500 low interest loan, to improve delivery of quality drinking water to over 400 homes and businesses in Western Choctaw County and a small part of southeastern Bryan County. Additionally, \$1.46 million will be presented to Rural Water District #2 in Okmulgee County for improvements on an existing system; and a \$2.4million low interest loan will be presented to the Lake Region Electric Coop in Cherokee County, for improvements in two water systems.

Groundbreaking for CA Native American Health Clinic: On August 4, USDA will participate in a groundbreaking ceremony for the Feather River Tribal Health Clinic located in Oroville, CA. The 37,463 square foot facility will be constructed using a \$4 million CF Guarantee, and will offer outpatient clinic which will offer outpatient clinic services to Native American, Medical and Medicare people in Butte, Yuba and Sutter Counties.

USDA to Release Supply and Demand Forecasts on August 11: USDA's latest projections of

U.S. supply, use, and prices of major crops for 2000/01 will be published on August 11 in the *World Agricultural Supply and Demand Estimates (WASDE)* report. The National Agricultural Statistics Service's first survey-based 2000/01 production forecasts for cotton, corn, sorghum, rice, soybeans, sugarcane, and sugar beets will be published in the August 11 *Crop Production*. In addition, new survey-based production forecasts will be issued for winter wheat, durum, other spring wheat, barley, and oats. The *WASDE* report will also contain global 2000/01 supply and use forecasts for all wheat, wheat by class, corn, coarse grains, rice, cotton, soybeans, and soybean products. Country-specific 2000/01 forecasts will be made for wheat, corn, coarse grains, rice, soybeans and products, and cotton. The report includes, in addition, projections of supply, use, and prices for calendar year 2001 U.S. livestock products and fiscal 2001 dairy.

IV. SECRETARY'S SCHEDULE

From Saturday, July 29, through, Monday, August 7, Secretary Glickman will attend meetings in Nigeria, Kenya, and South Africa.

On Wednesday, August 9, Secretary Glickman will address the White House Internship Program Speaker Series.

On Thursday, August 10, Secretary Glickman will address the Hispanic Colleges and Universities National Internship program farewell reception.

On Friday, August 11, Secretary Glickman will tour "Earthbound (organic produce) Farms," with Representative Farr, in San Juan Bautista, CA.

From Sunday, August 13, through Thursday, August 17, Secretary Glickman will attend the Democratic National Convention, in Los Angeles, CA.

V. SUB-CABINET SCHEDULE

On Monday, August 7, Deputy Secretary Rominger will address a listening forum on farm- and forest-land protection, in Atlanta, GA.

On Monday, August 7, Deputy Secretary Rominger will tour drought-damage near Atlanta, GA.

On Tuesday, August 8, Deputy Secretary Rominger will address a memorial service for 2 Food Safety Inspection Service employees, slain on June 21 near Oakland, CA.

From Sunday, August 13, through Thursday, August 17, Deputy Secretary Rominger will attend the Democratic National Convention, in Los Angeles, CA.

From Saturday, July 29 through Monday, August 7, Under Secretaries Gus Schumacher, Shirley R. Watkins, and Jill Long Thompson will accompany the Secretary to meetings in Nigeria,

Kenya, and South Africa.

On Monday, August 7, Under Secretary Jim Lyons will attend a Farmland Listening Session in Atlanta, GA.

On Tuesday, August 8, Under Secretary Catherine Woteki and Deputy Under Secretary Caren Wilcox will accompany the Deputy Secretary at a memorial for 2 slain food safety compliance officers.

On Wednesday, August 9, Under Secretary Jim Lyons will attend a Farmland Listening Session in Morristown, NJ.

On Thursday, August 10, Under Secretary Schumacher will attend an agricultural issues forum with Representative Baldacci, and tour aqua-culture operations in ME.

From Thursday, August 10, through Saturday, August 12, Under Secretary Jim Lyons will attend an Outdoor Retailers Meeting in Salt Lake City, UT.

VI. PRESS/MEDIA INQUIRIES

Inquiries continue to arrive, including from Reuters, Bloomberg, *Restaurants & Institutions Magazine*, *Meat & Poultry Magazine*, *Meat Marketing & Technology Magazine*, KGO radio (San Francisco), ABC radio (San Francisco), and the Metro Radio Network (San Francisco), regarding a July 15 *Scripps Howard* wire service article, which incorrectly alleged that new food safety standards would allow diseased and blemished meat and poultry products to enter commerce.

As a result of the worsening fire season, the History Channel queried about smokejumpers; and Newhouse News Service queried about fire history, fire management policy, and the status of forest fires across the nation.

Associated Press, Bridge News, Reuters, Bloomberg News, and the *Ventura County Star* (CA) queried on issues surrounding Senator Boxer's amendment prohibiting the use of funds to implement the Argentine citrus rule, and in response to the lawsuit filed by the U.S. Citrus Science Council aimed at stopping the importation of Argentine citrus.

VII. FOIA REQUESTS

Nothing of significance to report this week.

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

Eric Olsen

August 09, 2000

MEMORANDUM FOR THE PRESIDENT

THROUGH: THE HONORABLE JOHN PODESTA

FROM: SECRETARY DAN GLICKMAN

SUBJECT: REPORT FOR WEEK OF August 6, 2000

USDA FACT OF THE WEEK

USDA has been sued by several U.S. citrus growers over a USDA rule allowing importation of citrus from certain regions of Argentina. The Senate has also adopted a rider to delay implementation of the rule. Sunkist growers, in contrast, has announced that it will market lemons from the two largest shippers in Argentina.

I. KEY DEPARTMENT NEWS

Forest Fire Inspection: On August 8, you were joined by Secretaries Glickman and Babbitt, Under Secretary Lyons, and Forest Service Chief Dombeck on an inspection tour of firefighting efforts in ID, and the Burgdorf Junction Fire Incident Command Post (ICP). While still early in the fire season, there are already over 70 fires raging through Western states, with some 4 million acres burned - well over twice the 10-year average for this point in the year. The Forest Service currently has over 15,000 personnel fighting the fires, with the aid of 2 battalions of U.S. troops, and a third training to join in. During the trip, you instructed Secretaries Glickman and Babbitt to, within 30 days, report on medium and long-term re-forestation needs and other fire-damage-related issues. You also announced the release of \$150 million in emergency funds for U.S. Forest Service firefighting efforts.

Secretary Highlights African Hunger and Health Issues: From July 29 through August 7, Secretary Glickman led a mission to Africa, highlighting opportunities for international cooperation on hunger, nutrition, and health care issues. The Secretary discussed your \$300 million Global Food for Education (GFE) pilot program, held meetings with senior government officials and international business executives on joint aid programs, and toured agricultural production and international aid facilities in Nigeria, Kenya, and South Africa. Prior to the trip, the Secretary announced USDA's donation to drought afflicted and war-torn African countries of an additional 350,000 metric tons of farm commodities, worth some \$145 million - bringing total donations to Africa for the year to 1 million metric tons of food - nearly tripling the amount of

last year's total donations.

Memorial Service Held for Food Safety Compliance Officers: On August 8, Deputy Secretary Rominger, Under Secretary Woteki, and Administrator Billy joined the families of two Food Safety Inspection Service compliance officers slain in the line of duty, at a memorial service at the USDA headquarters complex. The officers, Jean Hillery and Thomas Qauandros, and a CA food safety inspector were shot and killed on June 21, near Oakland, CA, while investigating a plant near Oakland, CA.

Wisconsin Outbreak Toll Reaches 64: On August 7, the Milwaukee Health Department (MHD) released the latest figures on an outbreak of *E. coli* O157:H7 infections. As of August 7, the outbreak had caused 64 laboratory-confirmed infections, including 22 hospitalizations and 1 death. (Only 2 persons are still hospitalized.) Of those infected, 57 had eaten at a Milwaukee Sizzler restaurant, and another 2 had eaten at a Waswatosa, WI Sizzler. USDA is working with the Milwaukee and WI health departments and FDA in investigating the outbreak.

Belgium Requests Return of Transmissible Spongiform Encephalopathy (TSE) -Infected Sheep: On August 4, the Belgian Ministry of Agriculture requested that USDA return 65 sheep exported to the U.S. in 1996, some of which later proved to carry TSE; in subsequent consultations, Belgian officials indicated a preference to have all their exported sheep back, for monitoring and testing. On August 7, the owner of one of the flocks at issue appealed a decision denying the request for a preliminary injunction. Under the terms of the decision, the parties had until August 7 to establish an agreement for the removal of the sheep. Because we were unable to establish such an agreement, USDA filed a motion asking the judge to order the parties involved to comply with Secretary Glickman's order. We are awaiting action by the court.

Controversy Over Pork Referendum Ballot Requests: On July, 13, the final procedures for an upcoming referendum on continuation of the pork checkoff program were published in the *Federal Register*. A dispute over whether individual hog producers have to personally request absentee ballots, or whether the National Pork Producers Vote Yes Task Force can request ballots for them, has generated numerous press and Congressional inquiries.

Farm Weather Outlook: The NWS 6-10 day outlook for August 10-14 calls for near- to above-normal temperatures nationwide, except along the West Coast. Much warmer weather and below-normal rainfall will increase crop-water requirements and reduce soil moisture reserves in the central Plains and western Corn Belt. Unfavorably hot, dry weather will persist in the south-central U.S., including from TX to the Delta. Near- to above-normal rainfall is forecast in most areas east of the Mississippi River, while mostly dry conditions will continue in the West.

Commodity Markets in Review: An expected large spring wheat crop and lagging export demand sent wheat prices lower for the week. Slow farmer selling lifted cash corn prices, but futures dropped in anticipation of record production. Favorable weather in growing areas pushed soybean prices lower. Rice cash prices held steady but futures weakened on sluggish exports and prospects for high new-crop supplies. Cotton prices were almost unchanged in very light trading, as many await USDA's first survey-based crop estimate to be released on August 11. Cattle

prices fell, following wholesale beef prices down. Lower slaughter sent hog prices lower. Brisk food service demand helped boost broilers. Cheese prices moved lower as large supplies loomed over the market. Butter rose slightly on a brief pickup in demand; buyers continue to buy only to meet current needs.

Average prices for the week ending August 4, 2000

Commodity		Weekly cash price	Change from a week ago	Change from a year ago
Wheat	\$/bu	2.71	-0.03	0.04
Corn	\$/bu	1.52	+0.02	-0.36
Soybeans	\$/bu	4.44	-0.08	-0.09
Rice	\$/cwt	5.88	0.00	-1.68
Cotton	¢/lb	56.42	-0.09	6.44
Steers	\$/cwt	63.97	-1.14	-0.50
Hogs	\$/cwt	48.79	-1.25	12.23
Broilers	¢/lb	58.54	+0.34	-0.15
Cheese	\$/lb	1.15	-0.12	-0.66
Butter	\$/lb	1.18	+0.03	-0.29
Milk*	\$/cwt	10.22	-0.47	NA

*August 2000 Class III futures price from the Chicago Mercantile Exchange

II. USDA WORK ON PRESIDENTIAL INITIATIVES

President's Initiative on Welfare Reform:

USDA Approves ME Food Stamp Waiver: During the period from August 2-August 8, USDA approved a request from ME to extend its current waiver to Food Stamp Program work requirements for the Penobscot Indian Reservation, based on insufficient jobs.

President's Initiative on Food Safety:

USDA Food Safety Inspections Yield Recalls: Routine USDA food safety sampling and testing led to the following recent food recalls: on August 3, Ahava Products, Corp., of Brooklyn, NY, recalled 6,000 lbs of chicken nuggets imported from Israel, for possible *Salmonella* contamination; on August 5, Moyer Packing Co. of Souderton, PA, recalled 253,350 lbs of ground beef for possible contamination with *E. coli* O157:H7, this follows a July 29 recall

from the same plant of 346,700 lbs of ground beef, also for *E. coli* 0157:H7; on August 3, Levonian Brothers, of Troy, NY, recalled 19,000 lbs of ham, salami, roast beef, corned beef, pastrami, and hot dogs, for possible *Listeria monocytogenes* contamination, product had been distributed to ME, MA, MO, NJ, NY, and RI.

President's Initiative on New Markets:

Rural Development Grants: On August 3, Secretary Glickman announced that, as part of the continuing effort to ensure that rural Americans benefit in the nation's strong economy, USDA will award \$5.7 million in grants to help 21 nonprofit corporations help farmers and rural residents to organize new cooperatives.

Pine Ridge Empowerment Zone: On August 3, Deputy Secretary Rominger attended the groundbreaking ceremony for a Pine Ridge Reservation, SD, Youth Opportunity and Wellness Center. The Pine Ridge Empowerment Zone, headed by Vice President Gore, will create jobs and empower communities. USDA and HUD issued a joint release to local media about the center, and Empowerment Zone program.

III. UPCOMING GRANTS, ANNOUNCEMENTS AND PUBLICATIONS

Electric Loan announcements for August 2:

Electrification Loans to MN, MT, TX: On August 2, USDA provided the following electrification loans: \$4,659,000 to Meeker Cooperative Light & Power, of Litchfield, MN, to serve 438 new consumers, construct 36 miles of distribution line, and make other system improvements; \$12,448,000 to the Missoula Electric Cooperative, Inc., of Missoula, MT, to serve 1,805 new consumers, construct 80 miles of distribution line, and make other system improvements; and \$3 million to the DeWitt Electric Cooperative, Inc., of Cuero, TX, to serve 476 new consumers, construct 62 miles of distribution line, and make other system improvements. On July 27, USDA provided an electrification loan in the amount of \$85,600,000 to the East Kentucky Power Cooperative, Inc., of Winchester, KY, to construct 57 miles of distribution line, build new substations, switching station, line/station changes and make other system improvements.

Telecommunications Loan to SD: On August 2, USDA provided \$5.6 million in telecommunications loans to RC Communications, Inc., of New Effington, SD, to provide modern, state-of-the-art service in 5 exchanges previously served by US West.

IV. SECRETARY'S SCHEDULE

From Saturday, July 29, through Monday, August 7, Secretary Glickman discussed hunger and food aid issues with government, NGO, and industry representatives in Nigeria, Kenya, and South Africa.

On Tuesday, August 8, Secretary Glickman accompanied you on an inspection of firefighting efforts in ID.

On Thursday, August 10, Secretary Glickman addressed the Hispanic Association of Colleges and Universities National Internship Program farewell reception.

On Friday, August 11, Secretary Glickman will tour Erathbound (organic) Farms with Representative Sam Farr, in San Juan Bautista, CA.

From Sunday, August 13, through Friday, August 18, Secretary Glickman will attend the Democratic National Convention, in Los Angeles, CA.

On Friday, August 25, Secretary Glickman will address the 25th anniversary celebration of Center industries, in Wichita, KS.

V. SUB-CABINET SCHEDULE

From Monday, August 14, through Friday, August 18, Deputy Secretary Rominger will attend Democratic Convention events in Los Angeles, CA.

On Saturday, August 19, Deputy Secretary Rominger will attend a meeting of the Quincy Library Group Meeting, in Quincy, CA.

On Tuesday, August 22, Deputy Secretary Rominger will attend the 3rd Meeting of the USDA Advisory Committee on Small Farms, in Sacramento, CA.

On Tuesday, August 8, Under Secretary Catherine Woteki and Deputy Under Secretary Caren Wilcox attended an interagency meeting of the Foodborne Outbreak Response Coordinating Group (FORCG), to discuss a WI outbreak of *E. coli* 0157:H7-related food poisoning.

On Tuesday, August 8, Under Secretary Catherine Woteki, Deputy Under Secretary Caren Wilcox, Administrator Tom Billy and other USDA officials joined the Deputy Secretary at a memorial service attended by the families of 2 Food Safety Inspection Service officers slain while inspecting a plant in the Oakland area in June.

On Tuesday, August 8, Under Secretary Catherine Woteki; Deputy Under Secretary Caren Wilcox; and other USDA officials met with a delegation from the Italian Parliament's Agriculture Committee on food safety and genetically modified food issues.

On Tuesday, August 8, Under Secretary Jim Lyons joined you and Secretary Glickman on a trip to inspect firefighting efforts, in McCall, ID.

On Tuesday, August 9, Under Secretary Jim Lyons will attend a Farmland Listening Session, in

Morristown, NJ.

On Thursday, August 10, Under Secretary Gus Schumacher will attend an Ag Forum with Representative Baldacci and tour farms and aquaculture operations in his district.

On Thursday, August 10, Under Secretary Catherine Woteki will join the Secretary in a ceremony recognizing accomplishments of USDA summer interns under the Hispanic Association of Colleges and Universities' national internship program.

From Thursday, August 10, through Saturday, August 12, Under Secretary Jim Lyons will attend an Outdoor Retailers Meeting, in Salt Lake City, UT.

On Thursday, August 17, Under Secretary Catherine Woteki will address food safety issues at a Sparks Companies Policy Roundtable.

On Thursday, August 24, Under Secretary Shirley R. Watkins will convene a National Food Stamp Conversation in Dallas, TX.

VI. PRESS/MEDIA INQUIRIES

Bloomberg News requested information on the export potential for U.S. tobacco in China after Chinese accession to the WTO.

ABC, CBS, NBC, and CNN have requested background on the western forest fires.

Asking about the pork check-off program, and whether a third party can request pork referendum ballots for farmers, were KTOK Radio, OK; MidAmerica Ag Radio Network; *Food Management Magazine*; *America's Time Recorder*, Americus, GA; WHO Radio, Des Moines, IA; *Farm News*, Fort Dodge, IA; Iowa CCI; Bridge News; Iowa Farm Bureau Spokesman, Des Moines, IA; *News Journal*; *Des Moines Register*; *Bridge News*; *AgriNews*; and *The Kansas City Star*. There has been significant inquiry about this issue, and USDA is making its final decision.

Reuters, Bloomberg News, Bridge News, and the *Richmond Times Dispatch* requested information about the agreements reached at the U.S./Chinese bilaterals in AK.

AP, Reuters, ABC News, *USA Today*, and *The New York Times* inquired about Vermont sheep being tested for Transmissible Spongiform Encephalopathy.

VII. FOIA REQUESTS

The National Security Archive requested several confidential Foreign Agriculture Service cables relating to the 1991 attendance of a U.S.-Mexico Binational Commission meeting in Mexico City by Secretaries Baker and Madigan. FAS is reviewing whether the cables can be released, at the

request of the State Department.

The *San Jose Mercury News* in San Jose, CA, requested inspection documents related to the Santos Linguisa Factory, where 2 Food Safety Inspection Service officers, and one CA Food Safety official were slain in June. The request has been denied, citing continuing investigations.

Fox News requested documents from January 1, 1997, to the present pertaining to allowable levels of irregularities in inspected meat.

The *Valley Reporter*, in VT, requested documents concerning the Transmissible Spongiform Encephalopathy testing of VT sheep.

The *Wall Street Journal* requested correspondence between USDA, Secretary Cheney; and the Halliburton Company, since February 1993.

VIII. WASTE, FRAUD AND ABUSE

Nothing to report this week.

IX. CLIMATE CHANGE

Nothing to report this week.

X. WEEKEND CONTACT

Eric Olsen

August 16, 2000

MEMORANDUM FOR THE PRESIDENT

THROUGH: THE HONORABLE JOHN PODESTA

FROM: SECRETARY DAN GLICKMAN

SUBJECT: REPORT FOR WEEK OF August 13, 2000

USDA Fact of the Week

Recent months are showing increasing participation in the Women and Infant Children (WIC) supplementary nutrition program, with June participation reaching approximately 7,266,000—the highest level thus far in FY00. If this trend continues, the Program will achieve an average monthly participation of 7.2 million women and children.

I. KEY DEPARTMENT NEWS

Wildfire Update: Two firefighters have died during operations in the Western U.S. On August 4, a Bureau of Indian Affairs Engine operating in WY was overtaken by fire, killing one crewman and injuring a second; and on August 6, a Bell 412 helicopter conducting water drops on fires in NV crashed, killing the pilot. To date, 66,123 wildfires (compared with a 10 year average year of 56,242) have burned more than 4.8 million acres, double the 10 year average of 2,415,704 acres. A total of 20,713 personnel are now involved in firefighting operations, including 3 battalions of U.S. troops, 11 Canadian aircraft, 15 Canadian firefighting crews, and one Mexican firefighting crew. Seventy-eight firefighters from Australia and New Zealand are also expected for deployment in the Northern Rockies. Weather forecasts predict dry conditions and heavy lightning activity over the Northern Rockies for the next several weeks, exacerbating the fire threat.

Forest Service Begins Innovative FIRE S.T.O.P. Effort: The USDA Forest Service Pacific Southwest Region is increasing its wildfire response capability by providing additional highly flexible aviation resources through the FIRE S.T.O.P. program. During the week of August 13, the Region will activate four high-capacity helicopters, each capable of carrying a fully equipped 18-person firefighting crew, to be available 7 days a week, and be strategically deployed to cover the entire region. This marks the first time the Region has fielded initial attack resources that can deploy full fire crews of this size with the speed of a helicopter.

Over 70 Ill in WI Outbreak: On August 11, the Milwaukee Health Department (MHD) announced that 63 persons with confirmed *E. coli* O157:H7 infections had eaten at a Milwaukee Sizzler restaurant. In addition, 2 persons had acquired the infection via secondary transmission from someone who had eaten at the restaurant. An additional 2 persons with confirmed infections had eaten at the Wauwatosa, WI Sizzler. One child has died in this outbreak affecting more than 70 persons. USDA is investigating allegations that the Milwaukee Sizzler restaurant was often found to keep food improperly.

In a similar item, as of August 16, there were 14 confirmed illness resulting from *E. coli* O157:H7 contamination in Medina, OH. Those suffering illness appear to have been infected at the Medina County Fair. The OH Health Department is still leading the investigation, and USDA is monitoring the situation carefully.

Court Action on HIMP Expected This Week: On August 15, the HACCP-based Inspection Models Project case was remanded to District Court. On June 30, the U.S. Court of Appeals for the District of Columbia had ruled that delegating carcass inspection to plant employees violates food safety inspection statutes, reversing a September 1999 decision in which the U.S. District Court for DC found that the agency had statutory authority to conduct HIMP. The suit against the project was filed in 1998 by the AFGE, NJC, and other plaintiffs.

Canada Initiates Anti-Dumping Investigation on U.S. Corn: On August 9, the Canada Customs and Revenue Agency (CCRA) announced initiation of an antidumping and countervailing duty (AD/CVD) investigation on U.S. corn exports to Western Canada. The CCRA will make a preliminary decision on dumping and subsidies within 90 days, and the Canadian International Trade Tribunal will make an injury determination within 60 days. The CCRA announcement is the result of an AD/CVD complaint filed by the Manitoba Corn Growers Association (MCGA), which claims that U.S. domestic support programs and the ethanol subsidy program adversely affect corn production and trade.

VT TSE Sheep Remain Quarantined: On August 9, an agreement was signed allowing USDA to continue quarantine of sheep infected with Transmissible Spongiform Encephalopathy, while a U.S. District Court rehears the case. On August 2, Judge J. Garvan Murtha had ruled that USDA could buy and slaughter the imported sheep, after which the owners of a flock of 350 sheep filed an appeal.

USDA Releases Supply and Demand Forecasts: The National Agricultural Statistics Service (NASS) issued its first survey-based 2000/01 production forecasts for cotton, corn, sorghum, rice, soybeans, sugarcane, and sugar beets in the August 11 *Crop Production* report. In addition, new survey-based production forecasts were issued for winter wheat, durum, other spring wheat, barley, and oats. USDA's projections of U.S. and global supply, use, and prices for 2000/01 were published, at the same time, by the OCE's World Agricultural Outlook Board, in the *World Agricultural Supply and Demand Estimates* report. Highlights of the reports include:

Winter wheat: Winter wheat production is forecast at 1.588 billion bushels, up slightly from last month. Hard red winter is forecast to be 883 million bushels, white winter at 240 million, and soft red winter at 471 million. Both white and soft red are up slightly from last month.

Spring wheat: Other spring wheat production is forecast at 554 million bushels, up 5 % from last month and 10 % above 1999. Hard red spring accounts for 499 million of the total. Reduced yield expectations in North Dakota resulted in a 10 % drop in forecast durum production, to 115 million bushels.

All wheat: Projected 2000/01 U.S. ending stocks of wheat are up 15 million bushels from last month as the larger crop more than offsets a 5-million bushel increase in food use. Food use is up because of the recent upward revision in calendar 1999 mill grind by the Bureau of Census. The projected season-average price range is unchanged from last month at \$2.25 to \$2.75 per bushel, compared with \$2.50 for 1999/2000.

Rice: USDA's first survey-based forecast of the 2000/01 U.S. rice crop is 198.2 million cwt, up 4.7 million cwt from last month, but 12.3 million cwt below the record 1999/2000 crop. The 2000/01 crop would be the second largest on record. U.S. average yield for 2000/01 is estimated at a record 6,184 pounds per acre, up 221 pounds per acre from last month's estimate, and an increase of 276 pounds per acre from 1999/2000. The season-average price range projection for 2000/01 is lowered \$0.50 per cwt on each end to \$4.75-\$5.75 per cwt, compared to a revised \$6.10 per cwt for 1999/2000. Global rice prices are expected to remain weak.

Corn: A record corn crop of 10.369 billion bushels is forecast, up 356 million from last month and 932 million above last year. The first survey-based yield forecast is a record 141.9 bushels per acre, 4.9 bushels above last month's estimate. Projected 2000/01 ending stocks of corn are up only 207 million bushels from last month because of smaller forecast beginning stocks and larger domestic use and exports. Projected exports are 75 million bushels above last month due to reduced competition from China and Argentina. The projected price range for corn is down 5 cents on each end from last month to \$1.45 to \$1.85 per bushel, compared with \$1.80 in 1999/2000.

Soybeans and products: Soybean production is up 49 million bushels from last month to a record 2.989 billion, based on the survey-based yield forecast of 40.7 bushels per acre. This yield is exceeded only by the record 41.4 bushels set in 1994/95. Crush is increased to 1,625 million bushels based on improved soybean meal export prospects. Reduced oilseed crops in China and the EU-15 along with stock building in China to meet needs of recently opened crushing plants are boosting global trade prospects this month. U.S. soybean exports are forecast up to a record 1,010 million bushels, as South American beginning stocks are down sharply from a year earlier.

U.S. season-average soybean prices for 2000/01 are projected at \$3.90 to \$4.80 per bushel, down slightly from last month and compared with \$4.65 in 1999/2000. Soybean meal prices are forecast at \$140 to \$165 per short ton, down from \$140 to \$170 last month. Soybean oil prices

are projected at 15 to 18 cents per pound, unchanged from last month.

Cotton: The U.S. estimates for 2000/01 reflect lower production and ending stocks relative to last month. The first survey-based U.S. crop estimate indicates production of 19.2 million bales, 13 % above last year and the highest since 1994/95. The domestic mill use and export estimates are unchanged. Ending stocks are pegged at 4.9 million bales, 100,000 below last month and equal to 26.6 % of total use.

Sugar: Projected fiscal year 2000/01 sugar production is decreased 110,000 short tons, raw value, from last month. Lower cane sugar production more than offsets higher beet sugar output. This estimate does not reflect USDA's newly announced PIK program.

Livestock and poultry: The forecasts for total meat production in 2000 and 2001 are raised from last month due to greater beef production. Pork production is little changed. Broiler production is reduced slightly from last month as lower egg sets should result in a more gradual rate of increase than had previously been forecast. The forecast for second-half 2000 turkey production is raised as turkey hatchery data indicates egg sets have been increasing. Forecast prices are little changed in 2000 and 2001 despite forecast higher total meat production. Strong consumer demand for meat is supporting livestock prices despite record levels of meat production.

Dairy: Milk production is reduced slightly in 1999/2000 but increased in 2000/01. Low feed prices are expected to encourage continued expansion in the cow herd through 2000. However, this increase is being partly offset by slower-than-expected growth in milk production per cow. Product prices are forecast to remain weak through most of the period. As a result, the forecasts for Class III, Class IV, and all-milk prices have been reduced from last month. With increased milk production in 2000/01, CCC removals of nonfat dry milk are increased to reflect the large sales to the CCC through the end of the price support program in December 2000.

Farm Weather Outlook: The NWS 6-10 day outlook for August 17-21 calls for a continuation of very warm weather nationwide, except along the East and West Coasts. Much-above-normal temperatures are forecast for the central Plains and western Corn Belt, accompanied by near- to below-normal rainfall. Near- to above-normal rainfall is expected to be confined to parts of the North, Southwest, and along portions of the Gulf and Atlantic Coasts, while mostly dry weather is forecast elsewhere.

Commodity Markets in Review: A large spring wheat harvest and tepid exports pressured wheat prices for the week. Improved export demand helped corn cash prices, but futures dropped on good crop conditions and expectations that USDA would forecast a record crop. Short-term weather concerns and brisk exports boosted soybean prices. Rice cash prices held steady, but futures fell on expectations of burdensome supplies. Combined heat and drought in the Mississippi Delta sent cotton prices sharply higher. Cattle prices rose in thin trade. Hog prices fell as several plants saw limited production and wholesale pork prices dropped. Broiler prices

were almost unchanged. Low prices attracted cheese buyers, raising prices. Butter prices were little changed as high butter stocks offset declining production.

Average prices for the week ending August 11, 2000

Commodity		Weekly cash price	Change from a week ago	Change from a year ago
Wheat	\$/bu	2.64	-0.07	-0.01
Corn	\$/bu	1.55	0.03	-0.29
Soybeans	\$/bu	4.47	0.03	-0.04
Rice	\$/cwt	5.88	0.00	-1.62
Cotton	¢/lb	58.31	1.94	7.72
Steers	\$/cwt	64.01	0.28	-0.65
Hogs	\$/cwt	46.27	-2.52	6.43
Broilers	¢/lb	58.53	-0.01	-0.45
Cheese	\$/lb	1.22	0.08	-0.68
Butter	\$/lb	1.20	0.01	-0.22
Milk*	\$/cwt	10.11	-0.11	NA

*August 2000 Class III futures price from the Chicago Mercantile Exchange

II. USDA WORK ON PRESIDENTIAL INITIATIVES

President's Initiative on Food Safety:

USDA Inspections Lead to Food Recalls: Routine USDA inspections have led to the following recalls: on August 14 --400 lbs. of ground beef by the Bel-Air Supermarket of Yuba City, CA, for possible *E. coli* O157:H7 contamination; and 380 lbs. of various ready-to-eat products by Tri City Meats, Inc. of Meridian, ID, for possible *Listeria monocytogenes* contamination; on August 8 -- 73,800 lbs of ground beef chuck by Lakeside Packers, an IBP subsidiary located in Brooks, Alberta, Canada, for possible *E. coli* O157:H7.

USDA Closes Plants for Contaminated Food: On August 8, USDA closed Columbia River Farms, a very small plant in Clatskanie, OR, for failing to comply with HACCP requirements. On August 7, USDA closed Supreme Beef Processors, of Dallas, TX, (which has previously challenged the validity of USDA *Salmonella* performance standards) for failing to maintain sanitary conditions, and failing to implement and maintain Sanitation Standard Operation Procedures. On August 7, USDA closed Briazz, Inc., a very small plant in Seattle, WA, for

failing to implement contamination preventing measures in the plant's HACCP plan.

President's Initiative on Bio-Mass and Bio-Fuels:

Biodiesel Goal Met and Exceeded: Following your signing of Executive Order 13134 (Developing and Promoting Biobased Products and Bioenergy), Secretary Glickman announced USDA's commitment to using 20,000 gallons of B20 biodiesel fuel over FY00. Thanks to the Secretary's commitment and the successful use of biodiesel fuel at the Beltsville Agricultural Research Center and Black Hills National Forest, 67,000 gallons of B20 biodiesel fuel have been used in USDA vehicles over the past year, more than triple the goal.

III. UPCOMING GRANTS, ANNOUNCEMENTS AND PUBLICATIONS

\$34 Million Disaster Relief Notice Of Funding Availability (NOFA): On August 16, in the *Federal Register*, USDA published the NOFA for \$34 million in funds for the Section 515 Multi-Family Housing and Section 521 rental assistance programs. The funding will be used to aid families hurt by hurricanes affecting CT, DE, FL, ME, MD, NH, NJ, NY, NC, PA, SC, VT, and VA. The deadline for applications for this aid will be 60 days from the date of publication, with applicants needing to demonstrate a need for new housing or repair funding as a result of hurricane damage. \$6 million and any remaining funds from the programs will be placed in the Administrator's Reserve to be available for applications delayed past the deadline by hurricane.

MOU to Resolve Solid Waste Problems on Native American Reservations: On August 11, USDA and several other Federal agencies signed a Memorandum of Understanding (MOU) with several Indian Tribes to aid them in closing high threat open dump sites. In addition to Federal representatives, some 100 participants of a solid waste conference for Native American Tribes were present for the signing.

Telephone Loans for AZ: On August 10, USDA provided a Rural Utilities Service loan of \$1,983,000; a Rural Telephone Bank Loan of \$1,157,100; and an Federal Financing Bank loan of \$1,225,000 to the San Carlos Apache Telecommunications Utility, Inc., of San Carlos, AZ, to connect 658 new subscribers, upgrade existing switches and fiber, and construct a headquarters and warehouse.

Electricity Development Loans for SD, IA, GA: On August 9, USDA provided the following electricity development loans: \$12,368,000 to the East River Electric Cooperative, Inc., of Madison, SD, to build 31.5 miles of new line, a new substation, switching station, and make line/station changes and other system improvements; \$2,000,000 to the Grundy County Rural Electric Cooperative, of Grundy Center, IA, to serve 76 new consumers, build 4 miles of distribution line, and other system improvements; and \$14,500,000 to the Colquitt Electric Membership Corporation, of Moltrie, GA, to serve 5,680 new consumers, build 317 miles of distribution line, and other system improvements.

Telephone Loans for VA: On August 9, USDA provided a loan of \$5,196,000 to the Citizens Telephone Cooperative, of Floyd, VA, to serve 2,268 new consumers, upgrade equipment, provide fiber connection for 26 new Digital Loop Carrier (DLC) systems and purchase land for new remote DLC sites.

IV. SECRETARY'S SCHEDULE

From Sunday, August 13, through Friday, August 18, Secretary Glickman will attend the Democratic National Convention, in Los Angeles, CA.

V. SUB-CABINET SCHEDULE

From Monday, August 14, through Friday, August 18, Deputy Secretary Rominger will attend the Democratic National Convention in Los Angeles, CA.

On Saturday, August 19, Deputy Secretary Rominger will attend a meeting of the Quincy Library Group Meeting, in Quincy, CA.

On Tuesday, August 22, Deputy Secretary Rominger will attend the 3rd Meeting of the USDA Advisory Committee on Small Farms, in Sacramento, CA.

On Thursday, August 17, Under Secretary Catherine Woteki will address food safety issues at a Sparks Companies policy roundtable.

On Monday, August 21, Under Secretary Catherine Woteki and Deputy Under Secretary Caren Wilcox will meet with food industry leaders on Codex issues.

On Thursday, August 24, Under Secretary Shirley R. Watkins will convene a National Food Stamp Conversation in Dallas, TX.

On Tuesday, August 29, and Wednesday, August 30, Under Secretary Shirley R. Watkins will convene a National Food Stamp Conversation in Los Angeles, CA.

VI. PRESS/MEDIA INQUIRIES

The *Washington Post* featured an article heralding the benefits of biotechnology to plant disease resistance.

The *Des Moines Register* and WHO Radio in Des Moines, IA inquired about the decision to allow third party requests for ballots on the pork checkoff referendum.

VII. FOIA REQUESTS

The Guardian Newspaper in London requested information on a meeting that took place June 19, 1997, between Secretary Glickman and Jack Cunningham, British Minister for Agriculture, Food, and Fisheries.

VIII. WASTE, FRAUD AND ABUSE

Operation "Kiddie Care" Final Report: As of August 14, 47 CACFP sponsors, who were receiving about \$82.7 million annually, have been found seriously deficient in their operation of the Program. The Food and Nutrition Service (FNS) took action to terminate 29 of these sponsors, who received about \$52.9 million annually, because the sponsors did not take sufficient action to correct the deficiencies. 62 individuals were indicted or named in criminal information documents for defrauding the CACFP, and 47 individuals pled guilty or have been convicted.

IX. CLIMATE CHANGE

Nothing of significance to report this week.

X. WEEKEND CONTACT

Bart Chilton

August 23, 2000

MEMORANDUM FOR THE PRESIDENT

THROUGH: THE HONORABLE JOHN PODESTA

FROM: SECRETARY DAN GLICKMAN

SUBJECT: REPORT FOR WEEK OF August 20, 2000

USDA Fact of the Week

During this worst fire-season in 50 years, firefighting personnel have been supplemented by 3 battalions of soldiers and marines thus far, with 2 additional battalions training to join in fire-fighting efforts. The soldiers and marines are used in supplementary roles, freeing expert firefighters for front line fire suppression.

I. KEY DEPARTMENT NEWS

Fire Update: As of August 22, 69,558 wildfires have burned more than 5.73 million acres this year, well over the 10-year average for this point in the year. More than 67 fires larger than 1,000 acres are currently burning. Currently fighting fires are a total of 25,474 personnel, using more than 1000 engines, 200 helicopters and 40 air tankers. There are also three military battalions of 500 people each fighting fires, and two more are being activated to support fire operations soon. The Army 327th Infantry Battalion from Ft. Campbell, KY will begin training on the 24th and be deployed in the Northern Rockies. The 2nd Marines from Camp Lejeune, NC will be trained and deployed shortly after. On August 15, OPM delegated authority to grant waivers for the U.S. Forest Service (FS) to rehire retirees without reducing their pay by the amounts of their annuities, and without former employees having to refund buyouts given before 1996. FS requested these delegations to help battle the worst fire season in 50 years, which has resulted in a serious shortage of qualified fire personnel. The delegations are valid through December 31, 2000.

Asian Aphid in Midwest: By August 25, USDA will convene a team of experts to draft options for responding to the recent detection of the Asian soybean aphid in the Midwest. A plant pest new to North America, the soybean aphid (*Aphis glycine*) was recently detected in the North-Central U.S. by University of IL scientists. The pest, which is a vector of plant disease, and feeds on the soy plant, is currently confirmed in eastern WI and northern IL, and has been reported in southern MI, and eastern MN.

National Black Farmers Association Conference: On August 24 and 25, USDA staff will attend the National Black Farmers Association annual conference in Richmond, VA. This conference will provide information on farm management strategies and aid interaction with stakeholders and other professionals. USDA will share findings on information sources about marketing channels used by small farms, and other workshop topics include discussions on farm marketing and diversification strategies, and new agricultural technologies.

New Enforcement Action, Supreme Beef Processors, Inc.: On August 22, USDA issued a Notice Of Intended Enforcement (NOIE) against Supreme Beef Processors, Inc., of Dallas, TX, due to sanitation problems. Supreme Beef, which has successfully sued USDA regarding our *salmonella* performance standard, may challenge this enforcement action in the media and on the Hill. Meanwhile, discussions continue with the Justice Department regarding whether to appeal the District Court's decision against USDA's enforcement of *salmonella* standards.

USDA Announces Sign-Up for Sugar Payment-In-Kind Program: On August 21, USDA began a 2-week signup period for the Sugar Payment-In-Kind (PIK) Program. Signup ends September 1. The PIK Program offers sugar beet producers the choice of diverting from production a portion of their crop in exchange for sugar held by CCC. Farmers can bid for this sugar in CCC inventory by offering to divert acres from production, and are limited to \$20,000 in PIK payments. By reducing this year's harvest, the PIK Program will help reduce government inventory costs, reduce potential forfeitures of loan collateral under CCC's sugar program during FY01, and alleviate the current sugar overproduction situation.

Mexico Requests NAFTA Dispute Settlement Panel on Sugar: On August 17, following weeks of intense negotiations, the Mexican Government informed the USTR that it will request formation of a NAFTA dispute settlement panel to resolve the issue of Mexico's access to the U.S. sugar market. The core issue is the amount of sugar Mexico should be allowed to export to the U.S. under the NAFTA agreement. Both sides agree that this level is scheduled to increase significantly beginning October 1, however, the U.S. believes that there is an agreement to limit Mexican imports to no more than 250,000 tons, which Mexico does not recognize. Mexico believes it is entitled to ship its entire net sugar production surplus (over 600,000 tons) to the U.S., which would further pressure record low U.S. sugar prices. The next step in the NAFTA dispute settlement process is the selection of panelists, which could take 30 days. The panel should issue its initial findings within 90 days of the selection of the panelists.

Argentina Suspends Beef Exports to U.S.: On August 16, USDA announced that Argentina has voluntarily suspended all beef exports to the U.S. as a result of Foot and Mouth Disease (FMD). In order to keep the outbreak at a minimum, Argentina ordered the destruction of 3,000 head of cattle in three northeastern provinces after finding antibodies in 10 cattle that had been smuggled past sanitary controls in Paraguay. According to the Argentine Government, the cattle did not carry the virus itself and therefore undertook the destruction as a "precautionary measure." In 1999, the U.S. imported 24,751 tons of fresh-chilled and frozen beef from

Argentina. Fresh-chilled and frozen beef (year to date) have increased from last year.

U.S. Halts Pork Imports from the UK: On August 16, USDA placed a hold on all pork and live hog imports from the UK, following UK confirmation of the first British outbreak of swine fever in 14 years. The U.S. plans to hold off on all pork and hog imports from the UK until disease-free status is obtained. As of August 14, the UK Ministry for Agriculture, Food, and Fisheries (MAFF) said 10,500 pigs had been slaughtered or earmarked for slaughter in an attempt to contain the disease. In 1999, the UK exported 225,000 tons of pork, of which the U.S. imported 3,800 tons.

Transmissible Spongiform Encephalopathy (TSE) Sheep in VT: During the week of August 14, an amended complaint was filed by the owner of a VT herd of sheep in which TSE has been detected. The amended complaint contends that the owner's 5th amendment rights of due process and just compensation were violated by USDA's takeover of the sheep. He has asked that the USDA be enjoined from further action, and that he be awarded compensatory damages and attorneys fees. The owners of another herd have filed a request for more information from the USDA and have also filed an opposition to USDA's motion for the judge to rule on the merits of the case, and to compel compliance.

P.L. 480, Title I Agreements: During the week of August 14, USDA announced a P.L. 480, Title I agreement with the government of Peru for the sale of \$5 million worth of U.S. wheat, or approximately 40,000 tons, in FY00. On August 18, USDA announced a P.L. 480, Title I agreement to make available \$10 million worth of concessional sales of approximately 40,000 tons each of wheat and barley to the Kingdom of Morocco.

Public Forum on Captive Supplies: On September 21, USDA will hold a public forum to address issues dealing with the WORC petition and captive supplies, in Denver, CO. At the meeting will be panels for industry, academic experts, and public questions. Panelists will be asked to address ways in which actions or practices may violate the Packers and Stockyards Act.

Farm Weather Outlook: The NWS 6-10 day outlook for August 24-28 calls for very warm weather to prevail west of the Mississippi River, especially from the High Plains westward. Near- to below-normal temperatures are expected to continue in the East. Mostly dry weather will persist in the south-central U.S., but near- to above-normal rainfall is expected in most other areas, including the fire-ravaged Intermountain West.

Commodity Markets in Review: Wheat prices rose on news of purchases by a number of countries. Concern over crop conditions in parts of the Western Corn Belt sent corn and soybean prices higher. Rice cash prices were unchanged, but futures were mixed – scorching heat worsened yield prospects in Louisiana, offsetting disappointing export news. Hot, dry weather in Texas and the Delta raised cotton prices. Preparation for Labor Day featuring led cattle prices higher. Declining pork prices sent hog prices down. Broiler prices were up slightly; some areas reported good retail demand. Increased buying interest boosted cheese prices, even as production

remained seasonally strong. Butter prices were slightly off as the summer buying season winds down.

Average prices for the week ending August 18, 2000

Commodity	Weekly cash price	Change from a week ago	Change from a year ago
Wheat \$/bu	2.72	0.08	0.06
Corn \$/bu	1.57	0.02	-0.22
Soybeans \$/bu	4.58	0.11	0.08
Rice \$/cwt	5.88	0	-1.37
Cotton ¢/lb	59.37	0.95	8.31
Steers \$/cwt	65.31	1.06	-0.05
Hogs \$/cwt	43.61	-2.66	5.1
Broilers ¢/lb	58.73	0.2	-0.92
Cheese \$/lb	1.28	0.06	-0.68
Butter \$/lb	1.19	-0.01	-0.14
Milk* \$/cwt	10.09	-0.02	NA

*August 2000 Class III futures price from the Chicago Mercantile Exchange

II. USDA WORK ON PRESIDENTIAL INITIATIVES

President's Initiative on Global Food for Education:

USDA Established Guidelines for GFE Initiative: On August 17, USDA held a meeting with Private Voluntary Organizations (PVOs) to establish guidelines for, and the structure of, the Global Food for Education Initiative. A *Federal Register* notice is being prepared calling for PVOs to submit documents on their capacity to implement a pilot feeding program as outlined in the Initiative, after which qualifying PVOs will work with USDA to further define proposals and begin implementing the program. We hope to select the first proposals by October 31.

President's Initiative on Food Safety:

USDA Testing Leads to Food Recalls: Routine USDA food safety testing has led to the following food recalls: on August 17, 1,100 pounds of bratwurst sausages by Canino's Sausage Co., Inc., of Denver, CO, for failing to label the presence of monosodium glutamate (MSG); on August 20, 460 pounds of chicken salad by Aldon Food Corporation, of Philadelphia, PA, for

Salmonella.

USDA Testing Leads to Plant Closures: Routine USDA food safety testing and sampling led to the following plant closures: on August 18, Lieb Brothers Packing Co., of Pittston, PA, for failing to maintain the building in sound condition to prevent unsanitary production; on August 15, Yee Tung, Inc., of Philadelphia, PA, for failures in the plant's HACCP system.

III. UPCOMING GRANTS, ANNOUNCEMENTS AND PUBLICATIONS

Air Quality Team Releases Report on Tech Transfer, Animal Feeding Operations: USDA's Agricultural Air Quality Task Force released a white paper report that presents findings on air quality issues associated with confined animal feeding operations. The report titled "Air Quality Research and Technology Transfer White Paper and Recommendations for Concentrated Animal Feeding Operations," was prepared by the Task Force's Confined Livestock Air Quality Committee and is available at www.nhq.nrcs.usda.gov/faca/Policies/CAFO.htm.

Electric Loan to ND: On August 16, USDA announced an electrical development loan of \$2 million to the Verendrye Electric Cooperative, Inc., of Velva, ND, to serve 140 new consumers, construct 22 miles of distribution line, and make other system improvements.

Telephone Loan to SD: On August 16, USDA announced a telephone system development loan of \$4,952,000 to the Kennebec Telephone Company, Inc., of Kennebec, SD, to serve 47 new subscribers, deploy 4 miles of new fiber and copper cable, and upgrade digital switching technology services.

IV. SECRETARY'S SCHEDULE

On Thursday, August 24, Secretary Glickman will tape remarks for the American Community Gardening Association's fall conference.

On Sunday, August 27, Secretary Glickman will appear on *FOX News Sunday*, to discuss firefighting efforts.

On Monday, August 28, Secretary Glickman will tour drought damage in TX.

On Thursday, August 31, Secretary Glickman will tape remarks for a PBS special on Hunger in America.

On Wednesday, September 6, Secretary Glickman will inspect fire fighting efforts near Missoula, MT.

On Friday, September 8, Secretary Glickman will address food security before the Second Harvest national conference in Tucson, AZ.

V. SUB-CABINET SCHEDULE

On Thursday, August 31, Deputy Secretary Rominger will address the National Conference on Carbon: Exploring the Benefits to Farmers and Society, in Des Moines, IA.

On Friday, September 8, Deputy Secretary Rominger will be Keynote Speaker for a symposium on 21st century challenges for agricultural research, in Albany, CA.

On Thursday, August 24, Administrator Tom Billy will address the National Black Farmers Association on consumer education and assistance to small businesses, in Richmond, VA.

From Saturday, August 26, through Thursday, August 31, Under Secretary Michael V. Dunn will attend the International Federation of Organic Agriculture Movements 13th International Scientific Conference, in Basel, Switzerland.

On Wednesday, August 30, Under Secretary Jill Long Thompson will give the Keynote Address at the Kansas Agriculture Value-Added Conference, in Hays, KS.

On Thursday, August 31, Under Secretary Gus Schumacher will attend farm forums with Representative Minge, in New Ulm, MN.

VI. PRESS/MEDIA INQUIRIES

CNN Business News has asked about tobacco exports to China, and an upcoming visit to U.S. tobacco production areas by Chinese plant pathologists.

There has been steady coverage of the western wildfires by the national news media, including reports by the *New York Times*, *Los Angeles Times*, NPR, C-SPAN (*Washington Journal*), *NBC Nightly News*, UPI, and *Rivera Live*. In addition, reports are expected by *Time* magazine and the *Newshour with Jim Lehrer*.

ABC News has contacted the Cleveland National Forest (CA) for a possible story on Endangered Species Act (ESA) actions and effects on recreation.

On August 15, the USDA/ARS press release on the increase in ragweed pollen due to global warming-related increasing CO₂ levels in the air, received extensive media interest, including from: the *Washington Post*, AP, *USA Today*, Reuters, Pennsylvania Radio Network, CBS Radio, *Science News*, and the *Baltimore Sun*.

Farm Weekly, the *Wall Street Journal*, and Reuters have requested background information on USDA handling of new pest introductions, reaction to the discovery of an Asian aphid in several Midwestern States.

The *New York Times*, *London Times*, Reuters (both print and television), Dow Jones, the

Associated Press, the BBC, Bridge News, Bloomberg News, a national agriculture magazine in the Netherlands, and a French wire service requested information on USDA's response to a classical swine fever outbreak in Britain.

Several media outlets have requested background on USDA's temporary hold on beef imports from Argentina, where there has been a Foot and Mouth Disease outbreak: Bloomberg News (United States and Argentine bureaus), Associated Press, French News Service, *Western Livestock Reporter*, *Feedstuffs*, *La Nacion (Argentina)*, Reuters, Dow Jones News Service, ANSA Argentina, German News Service, Bridge News Service, BNA Publications, and *St. Louis Farm Newsletter*.

VII. FOIA REQUESTS

The law firm of Hogan & Hartson requests any records USDA has received or produced relating to the *E. coli* O157:H7 outbreak in Milwaukee and Wauwatosa, WI.

The Los Angeles Times requested correspondence from Senator Lieberman to USDA between January 1, 1997, to July 31, 2000.

Saltman & Stevens, P.C., of Washington, D.C., requested copies of all documents regarding the actual or proposed creation of National Monuments by Presidential Proclamation or by legislation which include some or all of the Giant Sequoia trees of the Sequoia National Forest.

VIII. WASTE, FRAUD AND ABUSE

Nothing significant to report this week.

IX. CLIMATE CHANGE

Nothing significant to report this week.

X. WEEKEND CONTACT

Eric Olsen

August 30, 2000

MEMORANDUM FOR THE PRESIDENT

THROUGH: THE HONORABLE JOHN PODESTA

FROM: SECRETARY DAN GLICKMAN

SUBJECT: REPORT FOR WEEK OF August 27, 2000

USDA Fact of the Week

In August, the USDA Natural Resources Conservation Service Plant Materials Center in MS, and the Energy Department's Oakridge National Laboratory began studying 5 plant species for use in producing biofuel on marginal cropland in the Southeast. Caucasian bluestem, 'Ermelo' weeping lovegrass, 'Tifton 44' bermudagrass, 'Alamo' switchgrass, and 9062680 eastern bluegrass have the potential to improve air quality, increase carbon sequestration in soil, reduce reliance on fossil fuels, and decrease soil erosion.

I. KEY DEPARTMENT NEWS

Current Fire Report: As of August 30, 72,968 wildland fires have burned more than 6.24 million acres, more than 230% the 10-year average. In the last week alone, nearly one million acres were lost to fire. Weather predictions indicate warm and dry conditions will continue over the northwest states for the next several weeks. Total personnel assigned to wildland fires increased this week to over 30,000 people. Four military battalions are assigned to supplement firefighters in MT and ID (3 Army and 1 Marine), with another battalion of marines on the way. Also, two international Incident Management Teams are now assigned to fires: an Australian team managing the Northwest Peaks Complex in northern ID, and a Canadian team at the Valley Complex in MT. There are 820 people from the international community working with federal and local firefighters, including 22 from Mexico, 98 from Australia/New Zealand, and 700 from Canada. USDA and the Interior Department are developing an Action Plan to address the current wildland fire situation, and provide recommendations on minimizing the short and long-term impacts, per your order of August 8.

Secretary Inspects Texas Drought: On Tuesday, August 29, Secretary Glickman was joined by Representative Stenholm in touring drought damage North of Dallas-Ft. Worth, TX, in an area which has gone a record 60 days without rainfall. As of the Secretary's trip, 153 TX counties had been declared agricultural disaster areas due to drought, with weather forecasts showing little

state cotton yields will be down 30% to 50% from last year, with west TX being hardest hit. The reduction in the cotton crop will impact more than just growers - gins, small businesses, and the entire economy of the area will suffer. Any rain would now be too late to increase dryland yields, and might even be detrimental by stimulating increased insect problems.

MO Conservation Reserve Enhancement Program (CREP): On September 15, Secretary Glickman and Governor Carnahan will sign a recently cleared MO CREP agreement. The \$85 million Federal-State initiative is designed to protect MO drinking water by reducing the amount of nutrients, sediment, and other pollutants from farms that enter the streams and reservoirs that supply rural water supplies to over 375,000 people. The CREP partners the Federal Conservation Reserve Program with State programs, to aid cooperation in meeting Federal and State environmental objectives. The MO project's goal is to retire 50,000 acres of highly erodible and environmentally sensitive cropland laying along streams leading to 83 reservoirs that supply 58 public water supplies in 36 counties.

Chinese Visiting U.S. Tobacco Sites: On August 25, four Chinese scientists are scheduled to arrive in Raleigh, NC, to begin a 3 week tour of tobacco growing areas of NC, VA, and KY. The team is being sponsored by the U.S. tobacco industry, and will provide China with information on conducting a Pest Risk Analysis on imports of U.S. leaf tobacco into China. U.S. leaf is susceptible to outbreaks of tobacco blue-mold, a disease reportedly not found in China. In May 2000, China agreed to lift the ban on importing U.S. leaf after joint U.S. and Chinese research results showed minimal risk of blue-mold transmission associated with importing cured and dried U.S. leaf. China views the Pest Risk Analysis as a formality necessary to pave the way for shipments of U.S. leaf. The U.S. leaf tobacco industry hopes shipments to China will begin shortly after December 1.

Chinese Imports Up 40%, Trade Barriers Still Distort Growth: On August 22, an analysis of China's official import statistics indicated that for the first half of 2000 China's total world agriculture, fish, and forestry imports were up almost 40%. The U.S. is China's largest supplier of soybeans, with exports up 50% overall. Excluding oilseeds, U.S. exports are up 24% to China, with increases in cotton, poultry, citrus and other fruits, forest products, and fish.

***E. coli* Outbreak Traced to CO Beef Producer:** Beef associated with an August outbreak of *E. coli* O157:H7 in WI Sizzler restaurants, originated at Excel Corporation, a wholly owned subsidiary of the Cargill Corporation, in Fort Morgan, CO. On August 25, the Milwaukee Health Department released a proposed contamination scenario, under which the Sizzler restaurants in question ground tri-tip sirloin (not intended for grinding) for use in taco meat. The outbreak was probably caused by, among other things, uncooked meat that cross-contaminated salad bar items. On August 24, the Milwaukee and Wauwatosa Health Departments announced that 65 persons with confirmed *E. coli* O157:H7 infections had eaten at the Milwaukee or Wauwatosa restaurants. In addition, 2 persons have acquired the infection via secondary transmission of the disease since the beginning of the outbreak. USDA is also assisting State and Federal authorities in investigating *E. coli* O157:H7 outbreaks in OR, WA, OH and NJ.

Biotechnology for African Agriculture: From August 15-17, USDA helped organize a meeting in Nairobi, Kenya, in support of the USDA-1890 Universities-CIMMYT (International Maize and Wheat Improvement Center) Memorandum of Cooperation (MOC), signed by Secretary Glickman on July 27, 1999. The purpose of the MOC is to strengthen cooperation between participating organizations in solving major African agricultural problems. The next activity will be a workshop with broader African representation in Accra, Ghana, November 7-10, where will be developed a strategy for increasing the application of biotechnology in Africa, thus helping alleviate hunger and poverty.

USDA Ground Beef Purchases for Schools in the News: The media has recently focused on USDA's new food safety requirements for ground beef purchased for the school lunch program. Industry has criticized these requirements as infeasible, and the volume of USDA purchases is lower than average, with prices averaging roughly 50% higher. Some states have opted to purchase their own beef at lower prices. USDA is considering whether additional revisions to the standard should be made.

Smithfield Purchases IBP Stock: On August 23, Smithfield Foods, Inc., disclosed the acquisition of a 6.3% stake in its largest rival—IBP, Inc. Smithfield, headquartered in Smithfield, VA, raises and slaughters up to 12 million hogs annually, and controls about 21% of the Nation's hog slaughtering capacity. IBP, based in Dakota Dunes, SD, slaughters hogs and cattle, and controls about 18% of the Nation's pork packing capacity. The move has exacerbated producer concerns about concentration in the hog industry.

Farm Weather Outlook: The NWS 6-10 day outlook for August 31 - September 4 calls for several major changes in the overall weather pattern. Much cooler air is forecast to overspread areas west of the Rockies, accompanied by beneficial precipitation in the Northwest. Very warm conditions are forecast to shift eastward, encompassing areas from the Mississippi Valley eastward. Beneficial showers are forecast to become more widespread across the South, including parts of Texas.

Commodity Markets in Review: Wheat prices rose modestly on news that wheat exports from the European Union are likely to be limited by quality problems with the French crop. Corn prices showed little change for the week as a slight, but bullish decline in crop conditions was offset by huge supplies overhanging the market. Soybean cash prices dropped on sluggish export news, but worries about the adverse yield effects of hot, dry weather in the South sent futures higher. Rice cash prices held steady, but futures surged following release of a bullish USDA *Rice Stocks* report. Cotton prices surged on weather concerns in Texas and the Delta. Cattle prices dropped in slow trade. Hog prices rose as packers scrambled to maintain slaughter schedules ahead of the Labor Day holiday. Retail featuring led broiler prices higher. Cheese prices moved up as buyers tried to beat the expected squeeze at the start of the school year. Butter prices were unchanged.

Average prices for the week ending August 25, 2000

Commodity	Weekly cash price	Change from a week ago	Change from a year ago
Wheat \$/bu	2.74	+0.02	0.10
Corn \$/bu	1.56	-0.01	-0.21
Soybeans \$/bu	4.52	-0.06	-0.04
Rice \$/cwt	5.88	0.00	-1.37
Cotton ¢/lb	60.91	+1.54	12.68
Steers \$/cwt	65.16	-0.15	-0.10
Hogs \$/cwt	44.58	+0.97	5.24
Broilers ¢/lb	59.38	+0.65	-0.77
Cheese \$/lb	1.29	+0.01	-0.63
Butter \$/lb	1.19	0.00	-0.19
Milk* \$/cwt	10.07	-0.01	NA

*August 2000 Class III futures price from the Chicago Mercantile Exchange

II. USDA WORK ON PRESIDENTIAL INITIATIVES

President's Initiative on Food Safety:

USDA/FDA Holding Public Meeting on *Salmonella* Research: On September 8, USDA's Food Safety Inspection Service and FDA will hold a public meeting in Atlanta, GA, to assess the current status of scientific research required to make decisions about *Salmonella enteritidis* (SE) in egg preventive controls, surveillance, and education, based on the Egg Safety Action Plan. A notice about the meeting was published in the *Federal Register* on August 23.

Wal-Mart Fights BAC!TM with ThermoTM: From August 12 through 18, USDA Food Safety Education staff were at the Dallas, TX, Convention Center, promoting food safety education to more than 6,000 Wal-Mart store managers. USDA teamed with the Wal-Mart Quality Assurance staff and featured the Fight BAC!TM and ThermoTM costume characters greeting store managers and handing out food safety education materials. Wal-Mart officials have developed a public service announcement highlighting Fight BAC!TM and ThermoTM that will be aired during September's food safety education month in 800 supercenters nationwide. The announcement will include messages from USDA and the Food Marketing Institute.

National Conference on Animal Production Food Safety (APFS): On September 6 and 7, the

National Conference on Animal Production Food Safety will be held, in St. Louis, MO. The conference will bring together a number of industry and consumer organizations to review the current status of food safety at the food animal production level. The conference will give industry an opportunity to provide an update on quality assurance activities and review ongoing research in support of animal production food safety practices. There will also be discussion on gaps in research to address food safety at the animal production level and discussions on additional educational efforts needed to improve food safety in animal production.

III. UPCOMING GRANTS, ANNOUNCEMENTS AND PUBLICATIONS

Land Management Grant in IL: On August 25, USDA provided a \$30,000 grant to Manual High School, of Peoria, IL, to create an urban land management horticulture course, including a distance learning component with nearby universities. The grant, funded by the USDA Forest Service, Conservation Education program, will be used to build environmental awareness through hands-on instruction in native area plants and conservation, expose students to new career opportunities; and help grab student attention to combat a 25% chronic truancy rate at the high school.

IV. SECRETARY'S SCHEDULE

On Tuesday, August 29, Secretary Glickman inspected drought damage in OK, and toured drought damage with Representative Stenholm near Dallas-Ft. Worth, TX.

From Wednesday, September 6, through Thursday, September 7, Secretary Glickman will inspect forest fire-fighting, and address the National Forest Service Leadership, in Missoula, MT.

On Friday, September 8, Secretary Glickman will address the Second Harvest national conference on food gleaning, in Tucson, AZ.

On Saturday, September 9, Secretary Glickman will address the KS Farm Bureau, tour the KS State Fair, and be interviewed on the Larry Steckline, Mid-America Ag Network Radio Show, in Hutchinson, KS.

On Monday, September 11, Secretary Glickman will address the National Farmers Union legislative fly-in.

V. SUB-CABINET SCHEDULE

On Thursday, August 31, Deputy Secretary Richard Rominger will address the National Conference On Carbon, in Des Moines, IA.

On Friday, September 8, Deputy Secretary Richard Rominger will address the "Meeting 21st Century Challenges Through Agricultural Research" Symposium, in Albany, CA.

On Sunday, September 10, Deputy Secretary Richard Rominger will address the annual Yolo Day in the Country, in Yolo County, CA.

On August 31, Under Secretary Gus Schumacher will attend farm forums with Representative Minge, in New Ulm, MN.

From Saturday, August 26, through Thursday, August 31, Under Secretary Michael V. Dunn is attending the International Federation of Organic Agriculture Movements' 13th International Scientific Conference, in Basel, Switzerland.

On Wednesday, August 30, Under Secretary Jill Long Thompson gave the Keynote Address at the Kansas Agriculture Value-Added Conference, in Hays, KS.

From Wednesday, September 6, through Thursday, September 7, Under Secretary Jim Lyons will accompany Secretary Glickman to forest fire-fighting inspections, and a meeting of the Forest Service National Leadership, in Missoula, MT.

On Wednesday, September 6, Under Secretary Catherine Woteki will address the National Conference on Animal Production Food Safety, in St. Louis, MO.

On Monday, September 11, Food Safety Inspection Service Administrator Tom Billy will address the Codex Committee on Fruits and Vegetables.

On Monday, September 11, Under Secretary Jill Long Thompson will attend an MOU signing for the Southwest Border Pilot Program, in Nogales, AZ.

On September 11, Under Secretary Michael V. Dunn will address the National Farmers Union.

From Tuesday, September 12 through Friday, September 15, Deputy Under Secretary Caren Wilcox will attend a Trans-Atlantic Consumer Dialogue (TACD) meeting in Brussels, Belgium.

On Tuesday, September 12, Under Secretary Gus Schumacher will address Michigan State University faculty on Food Security and Agricultural Development in Africa and Asia, in East Lansing, MI.

On Thursday, September 14, Under Secretary Catherine Woteki will meet with an Egyptian food and agriculture delegation to discuss Codex and other issues.

On September 15, Under Secretary Gus Schumacher will attend the New Entry Farmer Tour with Representative Meehan, in Boston, MA.

VI. PRESS/MEDIA INQUIRIES

ABC News and CNN asked about the severity of drought in TX. NPR, and local media, covered Secretary Glickman's inspection of drought affected areas North of Dallas-Ft. Worth.

U.S. News & World Report asked for USDA reaction to a Pentagon proposal that housing allowances not be included as income for purposes of calculating Food Stamp eligibility.

On August 30, USDA is scheduled to release its latest forecast for FY00 U.S. Agriculture exports and its first FY01 projections. Under Secretary Schumacher and Foreign Agriculture Service Administrator Galvin will conduct interviews with: USDA Radio News; Mid-America Ag. Network; North Shore Productions - Successful Farming Radio Magazine; Northwest AgInfo Network (Spokane, WA); and Ag Radio Network, Utica, NY.

The Forest Service is helping with forest fire-related stories from ABC News, *USA Today*, Reuters, the *Philadelphia Inquirer*, NPR, and other regional media outlets.

The *Wall Street Journal* Chicago Bureau has asked about background information on the Russian wheat aphid, for a story about a newly introduced pest, the Asian soybean aphid.

Reuters has asked about USDA's response to a Foot and Mouth Disease (FMD) outbreak among cattle in Brazil. In a similar item, the *Chicago Tribune* requested information on USDA's hold on all fresh beef from Argentina, due to FMD concerns.

Bridge News has requested USDA reaction to cattle industry assertions that cows from Australia and Uruguay are entering the U.S. through Mexico; USDA's response is that the allegation is unfounded.

USA Today and local media asked about Secretary's decision not to send diseased VT sheep back to Belgium.

VII. FOIA REQUESTS

The Center for Public Integrity has requested any correspondence generated by the Secretary of Agriculture, Under Secretary for Farm and Foreign Agricultural Services, Deputy Under Secretary for Farm and Foreign Agricultural Services, and the Administrator for the Risk Management Agency between April 2, 1997 and May 9, 1997, concerning Risk Management Agency Director Ken Ackerman's team negotiation in the 1997 Standard Reinsurance Agreement; including the names of those present at the meetings, and any contact with the crop insurance industry during those negotiations.

The Brookings Institution has requested information and documents on food safety workforce challenges facing the Food Safety Inspection Service and the Consumer Safety Officer initiative.

VIII. WASTE, FRAUD AND ABUSE

Nothing to report this week.

IX. CLIMATE CHANGE

Nothing to report this week.

X. WEEKEND CONTACT

Eric Olsen

September 06, 2000

MEMORANDUM FOR THE PRESIDENT

THROUGH: THE HONORABLE JOHN PODESTA

FROM: SECRETARY DAN GLICKMAN

SUBJECT: REPORT FOR WEEK OF September 03, 2000

USDA Fact of the Week

From 1998 to 1999, U.S. wine exports to China jumped almost 250%, reaching \$2 million, largely due to wine entering China directly, rather than via Hong Kong, according to the Agriculture Trade Office in Shanghai. Last year, China ranked 23rd as a U.S. wine export market, up considerably from 66th place in 1990. This improvement shows how a growing Chinese middle class and an increasing openness to imported foods, combined with reduced tariffs following Chinese WTO accession efforts, could prove a winning combination for U.S. exporters.

I. KEY DEPARTMENT NEWS

Secretary to Announce Food Security Improvement; Much Work Remains: On September 8, while addressing the Second Harvest national conference in Tucson, AZ, Secretary Glickman will discuss a new USDA report finding that the number of U.S. households experiencing food insecurity declined by 12% from 1995 to 1999, while the number of households experiencing hunger declined by 24% over the same period. Following this marked improvement, during the year ending April 1999, 10.1%, or 10.5 million of the country's nearly 105 million households, remain food insecure; while 3%, or 3.1 million American households, experienced hunger. A food insecure household is one that is uncertain of having, or unable to acquire adequate food to fully meet its basic needs; while a household with hunger has been unable to meet the needs of at least one member of the household.

USDA Distributing \$5.5 Billion in Supplemental Payments: On September 1, the Commodity Credit Corporation (CCC) began distributing \$5.5 billion in supplemental payments to about 1.4 million producers. These payments are part of a \$7.1 billion relief package to help America's farmers. CCC will issue payments to those farmers who received a final FY00 Production Flexibility Contract payment; sometimes called Agricultural Market Transition Act payments or AMTA payments.

Fire Report Overview: As of September 5, more than 72,900 wildland fires have burned 6.24 million acres of public land. The total number of acres burned so far this year is 230% of the of the 10-year average. Over 30,000 people are working to suppress the fires in the Northern Rockies, the Eastern and Western Great Basin, and the Rocky Mountain Area. Four military battalions (three Army and one Marine) are assigned to fires in MT and ID. During the week of September 3; a new Marine battalion from Camp Lejuene, NC, will replace the Marine battalion in ID. There are 798 people from Mexico, Australia/New Zealand, and Canada working with federal and local firefighters to suppress the wildfires.

Canadian Anti-Dumping/Countervailing Duty Investigation on U.S. Corn: As of September 5, the U.S. is working to meet Canada's September 15 deadline for responding to a questionnaire on its anti-dumping and countervailing duty investigation on U.S. corn exports into Western Canada. The investigation was launched by the Canadian Customs and Revenue Agency (CCRA) on August 9, following a complaint filed by the Manitoba Corn Growers Association alleging that U.S. domestic support programs and the ethanol subsidy program adversely affect corn production and trade. Because of the magnitude of Canada's data request, the U.S. will seek an extension of the September 15 deadline.

USDA Increases Internet Access for Wildfire Management Program: On September 1, USDA doubled its Internet connections in Kansas City, MO, to support the increased usage of centralized, mission-critical applications by the Department's offices of the Chief Information Officer (CIO), National Information Technology (NITC), Forest Service and National Interagency Fire Center. The bandwidth increase was spurred by an outage in an Interior Department network the previous weekend, which impaired access to NITC applications for over 25% of National Wildfire dispatch personnel. To ensure the installation by MCI Worldcom was accomplished as quickly as possible, OCIO invoked the National Communications System's Telecommunications Service Priority System.

Pigford v. Glickman Update: September 15, will be the last date by which individuals may petition to join the class seeking damages according to the Pigford civil rights class action suit. To date, over 21,000 class members have submitted claims as part of the Consent Decree claims resolution process, with over 18,000 decisions having been issued by the adjudicators and arbitrators; claimants have prevailed in approximately 60% of the decisions.

Supreme Beef Update: On August 25, USDA officials met with employees of Supreme Beef Processors, Inc., in Dallas, TX, to attempt to reach agreement on a corrective action plan for the plant's failures to maintain a sanitary environment, and to implement and maintain sanitation standard operating procedures (SSOP's), as required by regulations. While USDA has provided the company with technical assistance and several opportunities to correct these deficiencies, to date the firm's responses have been inadequate. Meanwhile, USDA has urged the Justice Department to appeal a decision of the District Court for the Northern District of TX which bars USDA from enforcing the salmonella provisions against Supreme Beef. Failure to appeal would

be strongly criticized by the Consumer Advocacy Community. A decision to appeal must be made by September 8.

USDA's Online Financial Disclosure System Approved for Use By Other Agencies: On August 17, at the request of the Federal Deposit Insurance Corporation, the Office of Government Ethics issued a letter allowing other agencies take advantage of USDA's web-based financial disclosure reporting system, jointly developed by the Office of Ethics and the National Finance Center (NFC). NFC is treating this system as part of the standard bundle of services that client agencies receive when they sign up for the Employee Personal Page.

Farm Weather Outlook: The NWS 6-10 day outlook for September 10-14 calls for very warm weather to prevail from the Rockies to the Appalachians. Much-above-normal temperatures are expected from the central and southern Plains to the Delta, accompanied by little or no rainfall. Near- to above-normal precipitation is forecast elsewhere across the nation, with the most significant amounts expected in the northwestern and north-central U.S. and in the Mid-Atlantic region. Cool weather is forecast throughout the West.

Commodity Markets in Review: Optimism about wheat exports and weather worries sent wheat prices climbing for the week. Soybean prices moved sharply higher on persistent reports of worsening crop conditions. Surging soybean prices sent corn prices up. Rice cash prices were unchanged, but futures rose in response to USDA's bullish August 28 *Rice Stocks* report, which showed lower stocks. Extreme heat and dry weather in Texas and the Delta sent cotton prices crisply higher. Cattle prices dropped as Labor Day featuring ended. Falling pork prices and ample packer supplies sent hog prices lower. School openings gave a modest boost to cheese prices. The average butter price rose last week in volatile trade.

Average prices for the week ending September 1, 2000

Commodity	Weekly cash price	Change from a week ago	Change from a year ago
Wheat \$/bu	2.85	+0.11	0.15
Corn \$/bu	1.61	+0.05	-0.19
Soybeans \$/bu	4.70	+0.18	0.02
Rice \$/cwt	5.88	0.00	-1.31
Cotton ¢/lb	61.59	+0.68	14.25
Steers \$/cwt	64.38	-1.06	-0.99
Hogs \$/cwt	43.20	-1.38	6.15
Broilers ¢/lb	59.53	+0.15	-0.70
Cheese \$/lb	1.29	+0.01	-0.47
Butter \$/lb	1.20	+0.02	-0.14
Milk* \$/cwt	10.84	+0.08	NA

*September 2000 Class III futures price from the Chicago Mercantile Exchange

II. USDA WORK ON PRESIDENTIAL INITIATIVES

President's Initiative on Food Safety:

USDA Announces Changes to HACCP Inspection Models Project (HIMP): On August 31, USDA briefed industry and media on modifications the agency is making to its inspection approach under HIMP. USDA provided new project data collected by inspectors over 6 months, documenting continued food safety improvements being achieved under HIMP. The adjustments to HIMP are being made to comply with the ruling by the U.S. Court of Appeals for DC in a lawsuit brought by the inspectors' union, the American Federation of Government Employees (AFGE), *et al.* Copies of the statement and additional informational materials can be found at the FSIS web site at: www.fsis.usda.gov/oa/whatsnew.htm.

In related HIMP activities, on August 31, USDA and Justice Department officials met with AFGE's General Counsel and the new Vice Chairman of the NJC to present USDA's proposed changes to HIMP. The AFGE has indicated that a response is forthcoming. USDA informed the groups that the HIMP changes will be implemented on September 18.

USDA Closes HI, NH, and NY Plants for Food Safety Violations: As a result of violations

discovered during routine food safety inspections, USDA has closed the following plants: on August 29, Designer Meats, Inc., of Hilo, HI, for repetitive positive sampling for *Listeria monocytogenes*; on August 28, The Butcher Block, Inc., of Claremont, NH, for failure to keep HACCP records; and on August 25, Brocco Foods, Inc., of New York Mills, NY, for failure to maintain HACCP records.

President's Global Food for Education Initiative:

USDA Seeking Food for Education Proposals: On September 7, USDA published in the *Federal Register* a request for proposals for school feeding and related child nutrition projects, under your Global Food for Education Initiative. Under the \$300 million first-year pilot program, surplus U.S. commodities will be provided to improve nutrition and access to basic education for as many as 9 million needy children in developing countries. Proposals for conducting school feeding and pre-school nutrition projects may be presented till September 29, by private voluntary organizations with international aid experience, the UN World Food Program, and foreign governments.

III. UPCOMING GRANTS, ANNOUNCEMENTS AND PUBLICATIONS

On September 5, USDA will publish a *Federal Register* notice announcing corrections to the final rule on "Elimination of Requirements for Partial Quality Control Programs."

Housing Money for AZ: On September 6, USDA will present \$500,000 in housing assistance to Comite de Bienestar Housing of San Luis, AZ, at an event to be attended by Representative Pastor.

\$1.4 Million in Rural Development Funds for NV: On September 7, Senator Bryan will present \$400,000 in USDA Rural Development money to the North Central Nevada Historical Society, for financing the completion of the second story of the Humboldt County Museum, in Winnemucca, NV. Later that day, Senator Bryan will present a \$1,000,000 USDA Rural Development check to the Vitality Center, in Elko, NV, to begin groundbreaking for a 24-unit multi-family housing complex.

\$400,000 Water Grant to Ute Tribe: On September 6, USDA will present a \$400,000 grant to the Chief of the Ute Tribe, in Provost, UT. The grant will be used to help fund the cost of a new water system, benefitting 250 families.

IV. SECRETARY'S SCHEDULE

On Friday, September 8, Secretary Glickman will address hunger and food gleaning before the Second Harvest national conference, in Tucson, AZ.

On Saturday, September 9, Secretary Glickman will address the KS Farm Bureau, tour the KS State Fair, and be interviewed on the Larry Steckline (Mid-America AgNetwork) Radio Show, in Hutchinson, KS.

On Monday, September 11, Secretary Glickman will address the National Farmers' Union legislative Fly-in.

On Wednesday, September 13, Secretary Glickman will address the United Fresh Fruits and Vegetables DC Public Policy Conference.

On Wednesday, September 13, Secretary Glickman will address the USDA Hispanic Employees Summit.

On Friday, September 15, Secretary Glickman may attend a Conservation Reserve Enhancement Program agreement signing with Governor Carnahan, in MO.

From Monday, September 18, through Thursday, September 21, Secretary Glickman will attend bilateral meetings, and address the World Meat Congress, in Brazil.

On Friday, September 22, Secretary Glickman may hold a Distance Learning and Telemedicine event with the Vice President.

V. SUB-CABINET SCHEDULE

On Friday, September 8, Deputy Secretary Richard Rominger will address the "Meeting 21st Century Challenges Through Agricultural Research" Symposium, in Albany, CA.

On Sunday, September 10, Deputy Secretary Richard Rominger will address the annual Yolo Day in the Country, in Yolo County, CA.

On Monday, September 18, Deputy Secretary Richard Rominger will address the American University Institute for the Study of Public Policy Implementation's Leadership Forum.

On Tuesday, September 5, and Wednesday, September 6, Deputy Under Secretary Dr. Enrique E. Figueroa will attend the U.S.-Argentina Consultative Committee on Agriculture in Buenos Aires, Argentina.

On Wednesday, September 6, Under Secretary Catherine Woteki will address the National Conference on Animal Production Food Safety in St. Louis.

On Thursday, September 7, and Friday, September 8, Deputy Under Secretary Dr. Enrique E. Figueroa will attend the U.S.-Chile Consultative Committee on Agriculture in Santiago, Chile.

On Friday, September 8, Under Secretary Catherine Woteki will chair a Codex Policy Committee meeting on bio-technology.

On Monday, September 11, Under Secretary Catherine Woteki will address the Joint Institute for Food Safety Research's Policy and Budget Committee.

On Monday, September 11, Food Safety Inspection Service Administrator Tom Billy will open a DC meeting of the Codex Committee on Fruits and Vegetables.

On Monday, September 11, Chief Economist Keith Collins will address the National Dairy Policy Leadership Conference in Williamsburg, VA.

On Tuesday, September 12, Food Safety Inspection Service Administrator Tom Billy will travel to Codex meetings, in Rome, Italy.

From Tuesday, September 12 through Friday, September 15, Deputy Under Secretary Caren Wilcox will attend a Trans-Atlantic Consumer Dialogue (TACD) meeting in Brussels.

On Tuesday, September 12, Under Secretary Gus Schumacher will address international food security before faculty members of Michigan State University, in East Lansing, MI.

On Thursday, September 14, Under Secretary Catherine Woteki will meet on Codex issues with an Egyptian food and agriculture delegation.

On Friday, September 15, Under Secretary Gus Schumacher will attend a New Entry Farmer Tour with Representative Meehan, in Boston, MA.

On Friday, September 15, Under Secretary Catherine Woteki will join the Secretary at a meeting on food safety and other issues with Hong Kong's Secretary for Environment and Food.

On Monday, September 18, Assistant Secretary for Administration Paul W. Fiddick will attend a town hall meeting of the President's Commission on Asian Americans and Pacific Islanders (AAPIS), in New York, NY.

On Monday, September 18, Under Secretary Jim Lyons will address the American Forests conference, in Annapolis, MD.

On Wednesday, September 20, Under Secretary Catherine Woteki will address the Ceres Hemispheric Forum at Georgetown University.

On Friday, September 22, Under Secretary Gus Schumacher will address the Eastern States Exposition Meeting, in Boston, MA.

VI. PRESS/MEDIA INQUIRIES

On August 30, Secretary Glickman and Under Secretary Gus Schumacher held a live radio teleconference with Southeast Agrinet (AL, FL, Southeast), Mid-America Ag Net, Agri-America Net (IN), *Successful Farming Radio*, Ag Radio Net (NY), WAAG (IL), KHTK (CA), Northern Broadcasting System (MT), and WIBW (KS). Several other reporters participated on "listen-only" lines.

NBC Nightly News, National Public Radio, *USA Today*, *Science Magazine*, and the *New Republic* are working on stories about western wildfires. It is highly likely that some of these stories will run during the week of September 3.

From August 28-31, reporters with National Public Radio, the Associated Press, *Inside U.S. Trade*, and Bridge News requested information about USDA's final rule on Argentine citrus imports. Interviews with Deputy Secretary Rominger and other officials were provided.

FOX news has been broadcasting segments detailing the positive environmental benefits of using biodiesel fuel instead of regular diesel fuel; specified was the use of B20 biodiesel in all diesel vehicles at USDA's Beltsville Agricultural Research Center.

VII. FOIA REQUESTS

Safe Tables Our Priority (STOP) has requested documents concerning Supreme Beef Processors from January 1, 1995, to the present. The documents being released are mostly inspection records from 1998 to the present, and micro testing results from 1995 to the present. The *Dallas Morning News*, Dallas TX, has requested records concerning Supreme Beef dated from January to July.

ABC's *20/20* has requested all correspondence between USDA and former Defense Secretary Richard Cheney and members of his Halliburton Company staff, dating from January 1, 1994, to the present; and all correspondence from Senator Lieberman and his staff to USDA from January 1, 1994, through the present.

VIII. WASTE, FRAUD AND ABUSE

Bid-rigging on Frozen Food and Produce Contracts for New York City Schools: On August 25, USDA suspended 7 companies and 11 individuals from entering into Federally funded transactions government-wide. These companies and individuals were indicted earlier this summer by the Department of Justice for participating in conspiracies to rig bids and allocate contracts to supply frozen food and produce contracts to the Board of Education of the City of New York. Most of the food was sold and used in New York City public, private and parochial schools. USDA is currently considering appropriate Federal administrative action for an

additional 7 companies and 13 individuals also charged with participating in the conspiracies.

IX. CLIMATE CHANGE

Nothing to report this week.

X. WEEKEND CONTACT

Eric Olsen

September 13, 2000

MEMORANDUM FOR THE PRESIDENT

THROUGH: THE HONORABLE JOHN PODESTA

FROM: SECRETARY DAN GLICKMAN

SUBJECT: REPORT FOR WEEK OF September 10, 2000

USDA Fact of the Week

USDA is helping landscape a new entrance to Columbine High School in Littleton, CO, site of the tragic 1999 school shooting. USDA and natural resource partners may contribute nearly \$70,000 to create a landscaped school entrance serving as an ecologically friendly model for other schools, and complementing construction of the new Columbine High School library, scheduled for an April, 2001 dedication. Additional funds could be used for trees, shrubs, and related site preparations, matched with volunteer work or non-federal cash.

I. KEY DEPARTMENT NEWS

Biotech and Natural Resource Management Research Grants: On September 13, Secretary Glickman awarded \$113 million in competitive research grants under the Initiative for Future Agriculture and Food Systems, to more than 500 scientists and educators who will seek science-based solutions to critical emerging challenges in genomics, biotechnology, and natural resource management. The 86 research projects receiving grants will develop new uses for agricultural products; improve natural resources management; and enhance farm efficiency and profitability, particularly for small farms. Nearly 1,000 proposals had been reviewed by farmers, consumer representatives, teachers, researchers, and USDA's Cooperative Extension Service specialists. A complete listing of funded projects is available at www.reeusda.gov/ifafs/.

Distance Learning and Telemedicine Funds: USDA is prepared to announce over \$18 million in loans and grants for 84 Distance Learning and Telemedicine projects in 34 states. Under the program, in operation since 1993, high-quality education and health care are made available to rural residents, through improved communications technology. Since its inception, the program has provided over \$83 million for more than 300 projects in rural areas of 44 states and two U.S. territories, benefitting over 1,000 rural schools and libraries, and over 800 hospitals and health care facilities. This amount has also leveraged tens of millions of dollars in state, local and

private dollars. The new loans and grants to be announced will bring new educational opportunities to over 65,000 K-12 students, while the telemedicine funding will be used for new communications technologies helping patients in 37 rural health clinics to be examined, diagnosed and treated by doctors working in distant medical centers.

Fire Report: As of September 13, 76,898 wildland fires have burned more than 6.6 million acres in all jurisdictions – 225% the 10-year average. In the last week, 400,000 acres have been affected by fire, including 52 fires of over 1,000 acres. Total personnel assigned to wildland fires decreased this week to just over 23,000 people, reflecting the moderation of fire activity in the Northern Rockies due to cooler temperatures and increased precipitation. Four military battalions are assigned to fires in MT and ID (three Army and one Marine). There are also 663 International firefighters aiding U.S. efforts: 2 persons from Mexico, 91 from Australia/New Zealand, and 570 from Canada. Low humidity and extreme temperatures are causing an increase in fire activity in the southern area, particularly in TX, where 25 fires are burning.

Trade Reform Study Presented to Inter-Agency Trade Policy Committee: On September 14, USDA will present to the Trade Policy Sub-Committee on Agriculture (TPSC) the preliminary findings from a forthcoming report, "Options for Agricultural Policy Reform." The report estimates the costs of current agricultural and trade policies, and breaks out the source of trade distortions by type of policy instrument. This presentation will be followed by a brief update on the completion of the Agricultural Market Access Database project.

USDA Nutrition and Aging Symposium: On Thursday, September 28, Secretary Glickman and Under Secretary Shirley Watkins will open the USDA symposium on *Nutrition and Aging: Leading a Healthy, Active Life*. The day-long event will feature some of the country's leading research scientists, who will discuss the aging of America's population, and its effects on nutrition issues. Today, there are approximately 35 million Americans 65 years and older, a number which will double in the next 30 years. The meeting is open to be public.

Senate Hearing on Civil Rights: On September 12, USDA Assistant Secretary for Administration Paul W. Fiddick, General Counsel Charles R. Rawls, and Civil Rights Director Rosalind Gray testified on Civil Rights issues before an oversight hearing of the Senate Agriculture Committee. Witnesses included officials from GAO and the USDA Inspector General, followed by Mr. Fiddick, Mr. Rawls, and Ms. Gray, who were in turn followed by a panel of USDA employees and customers. Senators recognized USDA progress in resolving decades-old complaints, voiced concern that complaint processing was slow, and noted that complaints of racial and sexual discrimination in the Department continue. Information was provided on USDA progress in implementing Inspector General and GAO recommendations, and noting that USDA now meets the government-wide average of 1.0% of Federal employees filing discrimination complaints per year.

Disaster declaration: On September 8, Secretary Glickman designated 68 counties in KS agriculture disaster areas due to crop damage from severe drought, excessive heat, high winds,

hail, and flooding that took place last summer. USDA's website includes links for information on disaster declarations for TX, CO, IA, OR, NV, OK, and ID.

WIC and Food Stamp Welfare Reform Rules: On September 5, USDA published the interim rule implementing the WIC mandates of the 1996 Welfare Reform Bill. These legislative provisions, in place at the State agency level since early 1997, streamline WIC State Plans and reduce State agency administrative burdens by revising the definition of "homeless individual;" allowing States to limit WIC services to U.S. citizens, nationals, and qualified aliens; and eliminating several State Plan requirements. The rule becomes effective on October 6 and the comment period ends November 6.

In a related story, the 5 food stamp welfare reform final rules to be published are moving rapidly through clearance; with 3 of the rules now at OMB, and 2 undergoing USDA clearance. OMB reports that one of the rules will be cleared by September 16, and has committed to a 30 day target for clearing the remaining rules, in lieu of the usual 90 day clearance period.

USDA Releases Supply and Demand Forecasts: On September 12, the National Agricultural Statistics Service (NASS) issued forecasts for durum, other spring wheat, barley, cotton, corn, sorghum, rice, soybeans, sugarcane, and sugar beets in its *Crop Production* report. USDA's projections of U.S. supply, use, and prices for 2000/01 were published, at the same time, in the *World Agricultural Supply and Demand Estimates (WASDE)* report. The *WASDE* report also contains 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 and 2001 U.S. livestock product and dairy supply, use, and prices. Highlights include:

Spring wheat: Durum wheat production is forecast at 118 million bushels, 3 percent above last month and 19 percent above 1999. Other spring wheat production is forecast at 590 million bushels, up 6.5 percent from August indications and 17 percent more than last year.

All wheat: Projected U.S. 2000/01 ending stocks of wheat are up 14 million bushels from last month as a larger crop more than offsets increased exports. Projected exports are 25 million bushels above last month's projection due to reduced competition. The projected 2000/01 price range of \$2.25 to \$2.75 per bushel is unchanged from last month.

Rice: Today's NASS *Crop Production* report lowered estimates of rice production for 1998/99, 1999/2000, and 2000/01. U.S. 2000/01 rice production is forecast at 191.6 million cwt, down 6.6 million cwt from last month and a decline of 14.4 million cwt from the revised 1999/2000 crop. The average yield is estimated at a record 6,212 pounds per acre, up 28 pounds per acre from last month's estimate, and 346 pounds per acre above the revised 1999/2000 yield.

Corn: Projected U.S. 2000/01 ending stocks of corn are down 147 million bushels from last month because of lower carryin stocks and higher expected use. Forecast production, at 10.362 billion bushels, is down 7 million bushels from last month. Projected domestic use of corn is up

65 million bushels from last month. Substitution of corn for sorghum imports by Mexico, expanding global corn imports, and reduced competition are the major reasons for an increase in projected U.S. corn exports. The projected 2000/01 price range for corn is up 5 cents on each end to \$1.50 to \$1.90 per bushel.

Soybeans and products: Soybean production is down 89 million bushels from last month to 2.9 billion bushels, based on a yield of 39.5 bushels per acre. Yield declines are mainly in some Western Corn Belt States and the Delta. Soybean exports for 2000/01 are reduced 10 million bushels to 1.00 billion bushels, still record large. U.S. season-average soybean prices for 2000/01 are projected at \$4.35 to \$5.15 per bushel, up about 40 cents per bushel from last month, compared with \$4.65 per bushel last year.

Cotton: U.S. 2000/01 cotton production, exports, and stocks are reduced this month. The crop production estimate is down 4.4 percent from August to 18.3 million bales; the reduction is due to recent extreme heat and drought in the Delta and Southwest regions. Lower beginning stocks for 2000/01 reflect Bureau of the Census data which indicate higher mill use and lower ending stocks in 1999/2000 than estimated previously. Domestic mill use for 2000/01 is unchanged, but exports are reduced 300,000 bales as a result of the lower supply. Estimated ending stocks are cut 700,000 bales to 4.2 million bales.

Sugar: Projected fiscal year 2000/01 sugar production is decreased 70,000 short tons, raw value, from last month. Production implications from the announced payment-in-kind program will not be projected until additional details are known.

Livestock and poultry: Forecast total meat production in 2000 is little changed but 2001 meat production is projected to be slightly lower than last month. Dry conditions have led to continued high placements of cattle into feedlots, depleting supplies of feeder cattle for placement later this year and into 2001. Forecast broiler production in 2001 is reduced about 1 percent from last month as lower returns are expected to trim the rise in broiler production. Pork production is unchanged. Price forecasts for cattle, hogs, and broilers are reduced in 2000 and 2001 due to large supplies of meat.

Dairy: Forecast milk production is increased slightly in 1999/2000 and 2000/01 due to higher projected cow numbers. Milk per cow is unchanged. The forecast for the Class III price is slightly higher due to a firmer cheese price outlook compared with last month.

Farm Weather Outlook: The NWS 6-10 day outlook for September 14-18 calls for very warm weather to prevail across the western half of the U.S., while cool conditions are forecast in the East. Near-normal precipitation in the Plains should boost topsoil moisture for winter wheat germination, while mostly dry weather will favor fieldwork from the Corn Belt into the Northeast. Locally heavy rainfall may occur in portions of the Southeast.

Commodity Markets in Review: Hot, dry conditions in the Southern Plains helped send wheat

prices higher. Persistent heat and lack of moisture in the Southeast and Delta was also expected to reduce corn, soybeans, and rice yields, driving those prices up. Cotton prices stabilized, as worsening conditions in Texas and the South have been factored into the market. Cattle prices fell modestly in light trade. Hog cash prices were off slightly, but futures rose along with belly and ham prices. Broiler prices rose as buyers aggressively restocked inventories following the Labor Day holiday. Cheese prices rose for the week, but prices were volatile. Increased cream supplies led butter down.

Average prices for the week ending September 8, 2000

Commodity	Weekly cash price	Change from a week ago	Change from a year ago
Wheat \$/bu	2.94	+0.07	0.11
Corn \$/bu	1.62	+0.02	-0.24
Soybeans \$/bu	4.80	+0.08	-0.11
Rice \$/cwt	6.00	+0.12	-1.19
Cotton ¢/lb	61.47	+0.09	13.17
Steers \$/cwt	63.48	-0.65	-2.05
Hogs \$/cwt	42.15	-0.62	6.98
Broilers ¢/lb	59.91	+0.38	0.05
Cheese \$/lb	1.33	+0.03	-0.38
Butter \$/lb	1.15	-0.06	-0.20
Milk* \$/cwt	10.71	-0.10	NA

*September 2000 Class III futures price from the Chicago Mercantile Exchange

II. USDA WORK ON PRESIDENTIAL INITIATIVES

President's Initiative on Food Safety:

MN, CA Firms Recall Ground Beef for *E. Coli* O157:H7: On September 6, USDA announced the recall of approximately 30,000 lbs. of frozen ground beef patties by Rochester Meat Co., of Rochester, MN, because of contamination with *E. coli* O157:H7. The MN Agriculture Department has established a link between 3 illnesses and the recalled product. On September 5, USDA announced the recall of approximately 170 lbs. of ground beef by a Safeway supermarket in Davis, CA, due to *E. coli* O157:H7 discovered through routine USDA sampling and tests.

President's Initiative on Rural Empowerment:

\$8.9 Million for Rural Businesses: On September 7, Secretary Glickman announced \$8.9 million in USDA loans to help boost small businesses in rural areas of 10 states. The loans will be made to local economic development agencies which, in turn, will use the money for revolving loan funds to help start or expand businesses or for community development projects. The Secretary, when announcing the aid package, said a stronger small business sector is important to job growth and economic expansion.

President's Initiative on Hiring of the Disabled:

USDA to Increase Hiring of the Disabled: Under Executive Order 13163, USDA's Office of Human Resources Management has provided OPM with preliminary estimates of the numbers of persons with disabilities USDA will hire over the next five years. The order sets a goal of hiring 100,000 employees with disabilities over a five-year span, while USDA estimates a total of 8,000 new permanent and temporary hires. This is a jump in our hiring rate of persons with disabilities from 4.3% to 7.0% of total hires. Of the 8,000, USDA estimates that 1,375 will be persons with "targeted" (more severe) disabilities, a goal which had been adjusted to account for the Department's many temporary hires in the Natural Resources and Environment mission area, where outdoor and seasonal work can be very physically demanding. OPM praised USDA as one of only 4 Departments to have submitted reasonable goals consistent with the intent of the Executive Order.

III. UPCOMING GRANTS, ANNOUNCEMENTS AND PUBLICATIONS

Electric Loan Announcements: On September 8, USDA announced a \$5,500,000 loan to the Tri-State Electric Membership Corporation, in McCaysville, GA, to serve 2,700 new consumers, construct 176 miles of distribution line, and make other system improvements. Also on September 8, USDA announced a \$6,940,000 loan to the Sangre De Cristo Electric Association, Inc., in Buena Vista, CO, to serve 1,420 new consumers, construct 135 miles of distribution line, and make other system improvements.

On September 7, USDA announced a \$6,585,000 loan to Federated Rural Electric, of Jackson, MN, to serve 200 new consumers, construct 47 miles of distribution line, and make other system improvements; announced a \$6,800,000 loan to the Northern Neck Electric Cooperative, of Warsaw, VA, to serve 1,080 new consumers, construct 87 miles of distribution line, and make other system improvements; and announced a \$4,569,000 loan to the Capital Electric Cooperative, Inc., of Bismarck, ND, to serve 357 new consumers, construct 78 miles of distribution line, and make other system improvements.

IV. SECRETARY'S SCHEDULE

On Wednesday, September 13, Secretary Glickman addressed the United Fresh Fruits and Vegetables DC Public Policy Conference.

On Wednesday, September 13, Secretary Glickman addressed the USDA Hispanic Employees Summit.

On Wednesday, September 13, Secretary Glickman addressed the National Jewish Federation's "Tree of Life" award dinner, in Cleveland, OH.

On Friday, September 15, Secretary Glickman will attend a Conservation Reserve Enhancement Program agreement signing with Governor Carnahan, in Kansas City, MO.

On Friday, September 15, Secretary Glickman will hold a farm forum event with Governor Carnahan, in Columbia, MO.

On Monday, September 18, Secretary Glickman will meet with the Western Governors' Association, in Salt Lake City, UT.

On Friday, September 22, Secretary Glickman may hold a Distance Learning and Telemedicine event with the Vice President.

On Thursday, September 28, Secretary Glickman will hold a nutrition and aging symposium.

V. SUB-CABINET SCHEDULE

On Wednesday, September 13, Deputy Secretary Richard Rominger will address the Agricultural Research Service Science Hall of Fame Awards Ceremony, at the U.S. National Arboretum.

On Monday, September 18, Deputy Secretary Richard Rominger will address the Leadership Forum of the Institute for the Study of Public Policy Implementation, at American University.

From Tuesday, September 12 through Friday, September 15, Deputy Under Secretary Caren Wilcox will attend a Trans-Atlantic Consumer Dialogue (TACD) meeting in Brussels, Belgium.

On Monday, September 18, Under Secretary Jim Lyons will address the American Forests Conference, in Annapolis, MD.

On Monday, September 18, Assistant Secretary Paul W. Fiddick will attend the Eastern Region Community Town Hall Meeting of the President's Advisory Commission on Asian Americans and Pacific Islanders, in New York, NY.

On Wednesday, September 20, Under Secretary Catherine Woteki will address the Ceres Hemispheric Forum at Georgetown University.

On Wednesday, September 20, Under Secretary Jill Long Thompson will chair the opening session of the Interagency Task Force on the Economic Development of the Southwest Border.

On Wednesday, September 20, Chief Economist Keith Collins will attend the Public Forum Meeting on Captive Supplies in the Livestock Industry, in Denver, CO.

On Wednesday, September 20, Chief Financial Officer Sally Thompson will attend a ceremony honoring the chair of the 2000 Federally Employed Women's Conference, and the Combined Federal Campaign kick-off ceremony at the National Finance Center in New Orleans, LA.

On Friday, September 22, Under Secretary Gus Schumacher will address the Eastern States Exposition Meeting, in Boston, MA.

On Saturday, September 23, Under Secretary Jim Lyons will address the National Trails Conference, in Redding, CA.

On Monday, September 25, and Tuesday, September 26, Under Secretary Gus Schumacher will address the National Association of State Departments of Agriculture, in Columbus, OH.

VI. PRESS/MEDIA INQUIRIES

Administrator Tom Billy has been interviewed by AP, Bridge News, Bloomberg, Scripps-Howard, ABCnews.com, Pacifica radio, BNA, Reuters, and the *Des Moines Register* on a GAP/Public Citizen survey alleging declines in food safety quality.

Organic & Natural News magazine, *Farm Journal*, and *Produce Business* inquired about the USDA proposed rule on organic standards.

Rocky Mountain News asked about an upcoming meeting between western governors and Secretary Glickman.

VII. FOIA REQUESTS

Nothing of significance this week.

VIII. WASTE, FRAUD AND ABUSE

Nothing of significance this week.

IX. CLIMATE CHANGE

Nothing of significance this week.

X. WEEKEND CONTACT

Eric Olsen