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Major News Releases and Speeches

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Speeches

U.S. Department of Agriculture • Office of Governmental and Public Affairs

Remarks by Mary C. Jarratt, Assistant Secretary for Food and Consumer Services, U.S. Department of Agriculture, at the National Extension Food and Nutrition Specialists Workshop, Chicago, Sept. 28, 1981

It would probably be typical of someone representing agriculture, such as myself, to lecture an audience like this with facts about why Americans are getting the best food deals in the world. After all, you do represent millions of readers across the country. What better place would there be for me to pass along such good news about our nation's agriculture?

But, I would suspect that many of you have already seen figures like these. You've heard about the thirty-dollar chuck roasts in Tokyo, or the three-and-a-half-dollar eggs in London. You probably have these figures tucked away someplace in your files, so I won't spend much time today bringing them to your attention again.

You can be assured, however, that I am proud of it. I'm excited about being part of an industry that has given our country the most wholesome, reliable and inexpensive food supply in the world.

It's always fun to compare our food prices with other nations in the world—but it can also be dangerous to rely too heavily on such information. You don't improve yourself by making comparisons. You improve yourself by working harder at your own business. And that's the message about American agriculture that I want to leave with you today.

I want to talk to you about what we are doing to improve the efficiency of American agriculture, and how our efforts will ultimately benefit the consumers of our products. Consumer attitude will play a major role in our overall efforts to improve American agriculture. Likewise, consumer attitude can be one of the most damaging threats if our goals are not clearly understood.

For this reason, I have a great respect for the ability of the American food consumer. The genius that people show as they walk down the supermarket aisles has an effect on our economic picture that is impossible to chart in reports such as the Consumer Price Index. The index can tell us, as accurately as possible, how much food prices fall or rise during a given period. But it does not tell us about the consumers' ability to change buying habits as prices fluctuate. It does not tell us about the consumers' ability to seek out the bargains. While these shopping habits are not fully captured in government indexes, they do send strong messages to agriculture about what and how much should be produced.

Our role in agriculture is to produce the products that are in demand. Not only that, we have to produce these products at a reasonable price for consumers, and yet bring the fairest return to the farmer for his work. It does not always work this way. Last year, American consumers spent $29 billion more on food than what they spent the previous year. Yet, net farm income last year, when adjusted for inflation, was the lowest since the 1930s.

We have to understand that the amount of money agriculture receives is considerably less than what is spent on our domestic food bill. Last year, American consumers spent $269 billion on food—excluding fish and exported foods. Of that $269 billion, farmers received $86 billion. The rest went for other costs such as marketing and packaging.

Many people don't realize that when they buy items like syrup, cereal and soup—the packages and jars often cost more than the food they contain. In many instances, the cost of packaging, alone, is twice as much as the actual food.

Do not misunderstand me. I am not trying to create a cloud over the packaging industry. Those who package our food supply are responsible people who have done a tremendous job in protecting and preserving our food from light, heat, oxygen and infestation.

The point I'm trying to make is that our attempts to improve farm prices will not have a major impact on the money American consumers spend on food. In many cases, we can even bring a more economical product to the consumer—and improve farm prices at the same time.

This is one area where it is essential that we have a clear public understanding of our intentions. I'm talking, in particular, about our attempts to find new world markets for the commodities that our farmers and ranchers produce.

I can see how it would be easy for consumers to rationalize that exports increase food prices here in the United States. After all, they say—if we could keep all of this food in the United States, then we would have so much available that it would hardly cost us anything at all.

But, it doesn't work like that. In fact, if our country did not export any agricultural commodities—then we would have thirty-dollar steaks and three-dollar-a-dozen eggs. Neither agriculture nor the American consumer can afford not to export. Look at it this way:

Agriculture, like any other business, has certain fixed expenses that have to be financed, regardless of how much is produced. In other words, the more units that a farmer produces—the less it costs him for each unit.

As I said earlier, consumer buying habits send messages to agriculture about what and how much to produce. If our nation's farmers were to produce only enough for our domestic consumption, then they would be producing less than their capability. Ultimately, that production would cost more per unit. But, by seeking out new markets in the world, we will be sending a message to agriculture that it should produce to its maximum. That would lower the cost of production. Likewise, that would benefit the consumers in this country.

Of course, there would be other consequences to reducing our nation's agricultural exports. Without these exports, agriculture would not be pumping 20 percent into our Gross National Product. Without agricultural exports, we would not have up to 23 million people working as they do now in this broad industry. And without agricultural exports, we would not have the money to purchase as much foreign oil. For every barrel of oil used in our agricultural production, we generate enough exports to purchase 10 barrels.

The point that I sincerely hope you can get across to your readers is that we're all in this together. Agriculture does not exist within a vacuum. What happens in agriculture has a very dramatic effect on many other sectors of the economy. All of us will benefit more in the future if we can fully understand each other—and trust each other.

This Administration is putting a lot of stock in the word "trust" as it attempts to return more responsibility to the people. Since "trust" is a new word being tossed around Washington and the nation, it is sometimes misunderstood.

I think this was the case in regard to our attempts to modify the school lunch program and return much of that responsibility to the local level. What we were saying was that we trusted local people to be more responsible for their own children. Our intentions, however, were not understood.

The real trouble is that there are no charts—no formulas to measure the effectiveness of this kind of trust. That leaves us vulnerable to criticism. But in the long run, with your help, we're going to eventually get the message across. And when we do, I can assure that you will see some fantastic results in this nation.

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News Conference

U.S. Department of Agriculture • Office of Governmental and Public Affairs

The Following are Edited Excerpts from an Oct. 6 News Conference by Secretary of Agriculture John R. Block.

SECRETARY BLOCK: It is a pleasure today to announce the opening of the feed grain reserve which we hope will provide an opportunity to farmers to move some grain into this reserve. We are optimistic this will strengthen prices and it will provide a reserve for the public.

The reserve is especially important this year with the tremendously large crop. The objective of the reserve is to siphon off some of this crop. I will now be happy to answer your questions of this and other matters.

QUESTION: At the time the farm bill came up in the Senate, did you or any of your aides discuss the possibility of opening the corn reserve or promise it as a quid pro quo?

ANSWER: No. There has been no quid pro quo. As I said earlier, we determined we would open the reserve when we got into the harvest and knew more about the crop and were convinced frost was not a major problem to us.

Q: You've announced a 26.5 cents per bushel storage payment to farmers who put their grain into the reserve. Is that the way the reserve has worked historically?

A: Yes. During the first year, the farmer will earn storage payments of 26.5 cents per bushel, but that farmer will be required to pay interest on the money he borrows on the crop. The rate of interest will be based on the cost of money to the government.

Q: Will interest be waived in the second year?

A: Yes.

Q: Is that an administrative action or one required by law?

A: It is at my discretion, and it is going to happen, provided we get the authority in the new farm bill.

Q: Is there any limit on the size of the reserve, and, secondly, how much corn do you estimate will be entering the reserve?

A: We are projecting 300 million to 600 million bushels will be coming into the reserve, but we don't anticipate any limit on the amount. We think maybe 15 percent of this year's harvest for each crop might be a reasonable amount, but we are not going to reach that, so there is no problem with a limit.

Q: Is that 300 million to 600 million bushel figure just corn or all feed grains?

A: I am talking corn. I don't think the other grains are of major concern to us.

Q: Will you have a feed grain set-aside program for the 1982 crops?

A: I would not predict that right now and I would caution everyone not to predict whether we would or would not have a set-aside. It is a consideration, but I have serious reservations as to the amount of participation we might get.

If I really thought we might get significant participation, I might consider a set-aside more seriously.

Q: How much do you think corn prices will rise as a result of opening the reserve?

A: We feel the price could rise perhaps 20 cents or more, and we certainly hope that would be the case. We would hope that it would be more, because we think we need stronger commodity prices.

Q: Do you think you are going to have to make deficiency payments for all crops?

A: At this time, we don't have enough figures to make an accurate prediction for wheat but we anticipate deficiency payments in the range of $500 million to $1 billion for all crops.

Q: How much do you anticipate loaning out?

A: If we make loans on 400 million bushels of corn at the reserve loan rate of $2.55 per bushel, that comes to around $1.02 billion. But keep in mind that had we not opened the reserve to the 1981 crop, some of it would have gone into the regular loan program at $2.40 per bushel.

I must emphasize that while this action will increase our outlays over the short term, in the long run it actually will save taxpayers money by strengthening farmers' prices and thereby reduce any deficiency payments on other feedgrains.

Q: Is there any indication whether South Korea is going to buy any rice in addition to the 500,000 tons of wheat it bought last year?

A: We are going to be pushing very hard for South Korea to take more rice but we cannot, at this time, predict how much they will buy.

Q: Do you expect to sign a credit agreement with South Korea during your visit there next week?

A: Yes. We will be signing an agreement with them when we are over there and have pretty much concluded the arrangements on that.

Also during the visit, I will be meeting with our agricultural attaches and counselors from the Asian countries. I want to give them a first-hand background on the policies of this administration to expand agricultural exports, look for new markets and make them aware this is not just a USDA policy, but an across-the-board administration policy.

Q: Do you anticipate Japan to inquire about some type of supply guarantees or a bilateral agreement?

A: We now have a verbal agreement with Japan and I do not anticipate any more formal agreement becoming an issue.

Q: How can you justify a policy that sends massive amounts of feed grain to the Soviet thus feeding its armies?

A: President Reagan campaigned on the issues of a strong defense and on ending the Soviet grain embargo. He has and is fulfilling both of these promises. I think that is the way it should be. The people elected him on that platform.

As far as justifying the policy, I think you have to be realistic in what happens in trade. If we do not sell our crops to the Soviet Union directly, someone else will sell our crops to the Soviet Union.

There are countries all over the world that have moved in to try to fill the vacuum we created by our ill-advised grain embargo, and those countries are some of our closest allies. And I don't complain. They are just looking out after their own self-interest.

Grain flows around the world like water. There is no way to color code it, no way to embargo it. Why pretend we can do something we cannot do? And if we really feel it is necessary and essential to take sanctions against the Soviet Union then certainly the sanction should be a complete embargo. No grains. No anything.

Q: Did the Soviets ask for any assurances on the delivery of the 15 million tons of grain we offered them recently?

A: The Soviets will buy under the same conditions that our other foreign customers are buying. The United States was very definite in pointing out to the Soviets that the guarantees that exist under Article 2 of the agreement and which cover the first eight million tons, do not exist for any additional quantities. It was no big issue.

Q: Why would we not give the guarantee?

A: We do not give guarantee to any country in the world. If we gave them such a guarantee, frankly, that would be preferential treatment. I don't think they should expect it and they are not going to receive it.

Q: You mentioned that other large grain producing countries would be willing to sell whatever surplus they have to the Soviet Union. Could they, taken together, supply the USSR with all the grain that country needs?

A: They can supply them a large amount on their own. But what they can do beyond that is trans-ship our grain. There absolutely would be no restriction on trans-shipment.

Q: While the U.S. team was in Moscow, did the Soviets give any indication of what their harvest would be this year?

A: We asked them several times in different ways about their 1981 harvest and each time the answer was the same: "We don't know. Our crops are not harvested."

Q: Do you anticipate the Soviets will take the entire 23 million metric tons of grain we offered them?

A: Except for the first year of the long-term agreement, the Soviet Union has always taken all we have offered. I don't predict they will this year, but I hope they do.

Even if they don't take the total amount offered, this coming year should see the greatest amount of sales to the Soviet Union in our exporting history.

Q: I understand now that the agriculture department's estimate of the Soviet Union's import capacity has been increased to maybe 45 million or 50 million tons. Is that correct?

A: The Soviets have some 60 different ports. They are getting new equipment all the time and are developing new facilities for ships. They have some covered railroad hopper cars and are improving them so they can reduce their weather-related down time below the current 15 percent level.

I have seen estimates of their port capacity that are considerably larger than the numbers you cited. I think that after getting some other information together that USDA will come out later with an official Soviet import capacity figure.

Q: I understand that either Under Secretary of Agriculture Seeley Lodwick or Special Trade Representative William Brock will be in touch with the Soviets to set a time for negotiating a new long term grain supply agreement. Do you think these talks would begin before January?

A: I cannot tell you precisely what the arrangement will be at this time, but I don't think things will proceed too far off schedule. No date has yet been set to begin the negotiations.

Q: Would you recommend to the president that he veto a farm bill if the House of Represenatives—when it is in conference committee—came out with a bill that cost anymore than the Senate bill?

A: If the House bill is substantially higher than the Senate bill then, of course, in conference we will be working towards securing a bill that is consistent with the cost of the Senate bill. If the bill coming out of conference is significantly higher or higher of any consequence, we are going to be scrutinizing it carefully.

There are a few provisions in the bill now that—should they be higher—I would recommend to the president that he veto the bill.

One is the dairy program which right now does not look like it is in shape that it can come under control. I would recommend a veto and I suspect the president would look favorably on that recommendation.

I might add, and I think this is important, I am optimistic that we will come out of the House with a bill that is consistent with the costs of the Senate bill.

In conclusion I'd like to say I regret that the House has been slow in moving on the farm bill. I earlier postponed my three-nation trip to the Far East to be sure I was here during the farm bill work. It now looks as if the farm bill will not be completed before I leave. I am disappointed.

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News Releases

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INTEREST RATES GO UP FOR SOME USDA FARMERS HOME LOANS

WASHINGTON, Oct. 1—The Farmers Home Administration in the U.S. Department of Agriculture will start charging higher interest rates today on several of its loan programs as a result of legislation enacted by Congress.

Dwight O. Calhoun, acting associate administrator of FmHA, said higher rates are required for community facility, water and waste disposal, emergency farm and limited resource farm loans. The changes were included in the budget reconciliation bill passed by Congress just before the August recess.

In addition to the new rates, the use of prime farmland for development purposes will be more costly in some cases under provisions of the 1981 legislation. Calhoun cited as an example an extra 2 percent interest on loans used to finance community facility and certain other projects on "prime" or "unique" farmland.

"Prime" farmland is described as having the best combination of physical and chemical characteristics for producing food, feed, forage, fiber and oilseed crops. It also must be available for those uses.

"Unique" land is other than prime land having special combinations of soil quality, location, growing season and moisture to economically produce high quality or yields.

Increases in interest rates are:

PROGRAM	OLD RATE	NEW RATE
Water and Waste Disposal	5	12.25
Community Facilities	5	*12.25

PROGRAM	OLD RATE	NEW RATE
Emergency Farm Loans		
(For disasters after Oct. 1, 1981)		
For persons able to obtain credit elsewhere (other than FmHA)	15	17
For persons unable to obtain credit elsewhere	5	8

PROGRAM	OLD RATE	NEW RATE
Farm Operating (Insured Limited Resource loans for nonfarm enterprises, recreation, soil and water)	7	*11.5 (For first 3 years, then reviewed every 2 years)
Farm Ownership (Insured Limited Resource loans for nonfarm enterprises, recreation soil and water)	5	*7

*plus 2 percent annually when prime or unique farmland is involved.

Calhoun said the interest premium for use of prime or unique land will not apply if the applicant is a public body or Indian tribe and can demonstrate to FmHA that it cannot suitably locate on other land.

The community facility and water and waste disposal rate of 12.25 percent was derived from the statutory requirement that it not exceed the current municipal bond yield. This rate must be calculated quarterly based on market conditions.

Interest rates will remain at 5 percent for facilities required to meet health and sanitary standards in areas where median family income is below the poverty level established by the Office of Management and Budget, currently $8,450 a year.

Other Farmers Home loan rates are not affected by these changes.

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The new list updates federal regulations for meat and poultry inspection conducted by USDA's Food Safety and Inspection Service conducts.

According to Donald L. Houston, administrator of the agency, the rule will help prevent misuse of certain chemicals in meat and processing plants because it requires that the labels on the chemicals must provide detailed directions for use to assure that safe concentrations are used.

Before issuing this final rule, USDA officials worked with the Food and Drug Administration, U.S. Department of Health and Human Services, to evaluate each substance listed in July 15, 1977, proposal.

"Only one comment was received on the proposal, and it was favorable," Houston said.

However, four agents for scalding poultry that were listed in the proposal-potassium carbonate, potassium bicarbonate, sodium metaphosphate and sodium acid pyrophosphate—are not in the final rule because there is no evidence any processor is using them for scalding poultry, Houston said.

"We also deleted agents proposed for cooling and retort water treatment from the final rule," Houston said. "These agents will be considered in a separate action."

The new rule, which becomes effective Nov. 4, is scheduled to be published in the Oct. 5 Federal Register, which is available in local libraries. Additional information, including the impact analysis describing options considered in the rulemaking process, is available from Donald Derr, chief, product safety branch, Food Ingredient Assessment Division, Science, FSIS, USDA, Washington, D.C.,20250; phone (202) 447-7680.

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USDA WITHDRAWS PROPOSAL ON TREATING INSECT-INFESTED GRAIN

WASHINGTON, Oct. 2—A proposal to change rules under the U.S. Grain Standards Act to prohibit treatment of insect-infested grain during loading on ships other than dry bulk cargo carriers has been withdrawn by the U.S. Department of Agriculture.

Kenneth Gilles, administrator of USDA's Federal Grain Inspection Service, said many comments received said other less restrictive alternatives should be evaluated.

The agency had proposed that if insect-infested grain were loaded on carriers other than bulk dry cargo ships, the elevator could either remove the grain from the ship or receive a certificate that said the grain was infested.

USDA will continue to permit the treatment of insect-infested grain during loading aboard lakers, 'tween deckers and oceangoing barges; subject to an official examination of the grain to check effectiveness of the treatment, Gilles said.

Intransit treatment of insect-infested grain was approved earlier and is still in effect for bulk carriers, he said. We will continue our interim policy of permitting intransit treatment of grain in tankers, pending completion of research.

USDA is preparing an alternate proposal that would provide safe and effective treatment of insect-infested grain during loading as well as minimizing the economic hardship on the U.S. grain and maritime industries.

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USDA PROPOSES ADDING 25 TO LIST OF NOXIOUS FOREIGN WEEDS RESTRICTED FROM U.S.

WASHINGTON, Oct. 5—U.S. Department of Agriculture officials are proposing to add 25 noxious foreign weeds to the list of weeds that are prohibited from entering the United States by federal regulations.

Paul Sand, a plant protection official of USDA's Animal and Plant Health Inspection Service, said the expanded list would triple the number of species that would be regulated and include five species of aquatic weeds, all of the parasitic weeds known as dodder and 43 species of terrestrial weeds, including 25 of mesquite.

"These weeds could severely damage agriculture, wildlife or water resources or injure the public health if they were to become established in the United States," Sand said.

The proposed USDA action would also change the existing list, where necessary, to update the technical names to those currently used by the scientific community, and to add common names where they would be helpful in identification.

Regulations mandated by the Federal Noxious Weed Act of 1974 require an importer to have a written USDA permit to import or move interstate any weed, its seeds or plant parts, if it is on the list. Permits, which specify conditions for each importation, are issued only after USDA has determined the weeds cannot escape and cause an infestation.

Comments on the proposal may be submitted through Dec. 1 to T.J. Lanier, regulatory support staff, Plant Protection and Quarantine, APHIS, USDA, Rm. 635 Federal Building, Hyattsville, Md., 20782. Requests for a public hearing must be received by Nov. 2.

Species USDA is proposing to add to the list of noxious foreign weeds are:

AQUATIC WEEDS:

Azolla pinnata R. Brown (mosquito fern, water velvet)

Hygrophila polysperma T. Anderson (miramar weed)

Ipomoea aquatica Forskal (water spinach, swamp morning-glory)

Limnophila sessiliflora (Vahl) Blume (ambulia)

Sagittaria sagittifolia Linnaeus (arrowhead)

PARASITIC WEEDS:

Cuscutta spp. (dodders), other than those found in the United States.

TERRESTRIAL WEEDS:

Alternanthera sessilis (Linnaeus) R. Brown ex de Candolle (sessile joyweed)

Avena sterilis Linnaeus (including Avena Ludoviciana Durieu) (animated oat, wild oat)

Borreria alata (Aublet) de Candolle

Chrysopogon aciculatus (Retzius) Trinius (pilipiliula)

Crupina vulgaris Cassini (common crupina)

Digitaria velutina (Forskal) Palisot de Beauvois (velvet fingergrass)
Euphorbia prunifolia Jacquin (painted euphorbia)
Galega officinalis Linnaeus (goatsrue)
Neracleum mantegazzianum Sommier & Levier (giant hogweed)
Ipomoea triloba Linnaeus (little bell, aiea morning-glory)
Nikania cordata (Burman f.) B. L. Robinson (mile-a-minute)
Mimosa invisa Martius (giant sensitive plant)
Pennisetum clandestinum Nochstetter ex Chiovenda (kikiyugrass)
Pennisetum pedicellatum Trinius (kyasumagrass)
Pennisetum polystachion (Linnaeus) Schultes (missiongrass, thin napiergrass)
Prosopis (mesquite) 25 species listed
Saccharum spontaneum Linnaeus (wild sugarcane)
Solanum torvum Swartz (turkeyberry)
Tridax procumbens Linnaeus (coat buttons)

#

FEED GRAIN ELIGIBLE FOR IMMEDIATE ENTRY INTO FARMER-OWNED GRAIN RESERVE

WASHINGTON, Oct. 6—Secretary of Agriculture John R. Block today announced that farmers can immediately enter their 1981 corn, sorghum and barley crops into the farmer-owned grain reserve.

"It is apparent this year's harvest will reach record levels," Block said. "This makes it essential that we take action to relieve the pressure on the already depressed market prices. By opening this reserve, I believe we are offering farmers another option as they begin to make their marketing decisions."

Block said farmers with 1980-crop corn, sorghum and barley currently under a regular Commodity Credit Corporation price support loan also may immediately enter their grain into the reserve.

However 1980 corn and sorghum previously entered in a reserve are not eligible for reentry, and neither year's crop of oats may be entered at this time.

Producers placing grain into the reserve will receive annual storage payments of 26-1/2 cents per bushel, payable in advance. While interest on the loan will be charged during the first year the grain is in the reserve, interest will be waived during the second and subsequent years. The current interest rate for CCC loans is 14-1/2 percent.

Under the program, farmers agree to keep their grain in reserve until the national five-day moving average market price for their commodity is at or above the reserve trigger release level of $2.55 per bushel for barley, $3.15 per bushel for corn and $5.36 per hundred pounds for sorghum, or until the three-year reserve loan matures. When the release level is triggered, farmers may take their grain out of the reserve without penalty.

If the market price continues above the trigger release level after the initial release period (the remainder of the month in which release is triggered plus one additional month), farmers will stop earning storage payments. Interest charges, if previously stopped, will resume.

Earlier crop barley now in other farmer-held reserves may be transferred into the new reserve, Block said. Barley in these other reserves may not be held in reserve for more than five years from the date it was first placed in reserve, he said.

#

USDA RELEASES COST OF FOOD AT HOME FOR AUGUST

WASHINGTON, Oct. 6—The U.S. Department of Agriculture today released its monthly update of the weekly cost of food at home for August 1981.

USDA's Human Nutrition Information Service computes the cost of food at home for four food plans—thrifty, low-cost, moderate-cost and liberal.

Betty Peterkin, a home economist with the Human Nutrition Information Service, said the plans consist of foods that together provide well-balanced meals and snacks for a week.

USDA assumes all food is bought at the store and fixed at home. Costs do not include alcoholic beverages, pet food, soap, cigarettes, paper goods and other nonfood items bought at the store.

"USDA costs are only guides to spending," Peterkin said. "Families may spend more or less, depending on such factors as where they buy their food, how carefully they plan and buy, whether some food is produced at home, what foods the family likes and how much food is prepared at home.

"Most families will find the moderate-cost or low-cost plan suitable," she said. "The thrifty plan, which USDA uses to set the coupon allotment in the food stamp program, is for families with less money for food. Families with unlimited resources might use the liberal plan."

Details of the four food plans are described in Home and Garden Bulletin No. 94, "Family Food Budgeting. . .for Good Meals and Good Nutrition," which may be purchased for $1.50 each from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

#

SIX MORE STATES UNDER GYPSY MOTH REGULATIONS; PUBLIC HEARING TO BE HELD

WASHINGTON, Oct. 8—Recent discoveries of gypsy moths in portions of six states has caused the U.S. Department of Agriculture to add those areas to the regulations designed to control the pest, USDA officials said today.

Gypsy moths defoliated millions of acres of trees from Maine to Maryland this spring and summer, said Elliott Crooks, staff officer with the USDA's Animal and Plant Health Inspection Service.

"We added portions of the six new states—Arkansas, California, Nebraska, Oregon, Washington and West Virginia—because areas in them are infested," Crooks said.

USDA will hold a public hearing Nov. 3 at 10 a.m. in room 1612 of the Federal Building, 1520 Market St., St. Louis, Mo., to receive comments before the action becomes permanent.

Gypsy moth regulations govern movement of trees and woody shrubs with roots attached—unless grown indoors year-round; logs and pulpwood— unless bound for approved mills; recreational vehicles moving from infested campgrounds; firewood; mobile homes and other articles that could spread the pest.

Adding these states to the quarantine gives officials the option of designating heavily infested "high-risk" and lightly-infested "low- risk" areas within them as conditions warrant, Crooks said.

Arkansas has one county—Fulton—designated high-risk. Regulated articles must be inspected and certified pest-free before being moved from this county to unregulated areas.

The other states contain only low-risk areas. These include part of Orange County in California, Lancaster County in Nebraska, Marion County in Oregon, King and Clark Counties in Washington and Jefferson County in West Virginia.

Regulated articles may move freely into and out of these areas.

Anyone unable to attend the Nov. 3 public hearing but wishing to comment may do so in writing until Dec. 1. Comments should be sent to: Tom Lanier, Regulatory Support Staff, USDA-APHIS-PPQ, Room 635-A, Federal Building, 6505 Belcrest Road, Hyattsville, Md. 20782.

Comments will be considered carefully and, if feasible, incorporated into permanent regulations, which will then be published in the Federal Register, Crooks said.

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TEXAS NO LONGER WILL ACCEPT STALLIONS FROM CEM-AFFECTED COUNTRIES

WASHINGTON, Oct. 8—Citing tight budgets, Texas has asked the U.S. Department of Agriculture to remove it from the list of states approved to receive stallions imported from countries affected with contagious equine metritis, USDA officials said today.

John K. Atwell, deputy administrator of USDA's Animal and Plant Health Inspection Service, said Texas requested the action because of costs. Under the cooperative agreement between USDA and Texas, the state had provided additional inspection, precautionary treatment and testing to prevent introducing the disease into the United States.

This action leaves eight states that have agreements with USDA to inspect, treat and test stallions from countries affected with the disease, as required under federal regulations. They are California, Colorado, Kentucky, Maryland, North Carolina, Ohio, South Carolina and Virginia.

Atwell said contagious equine metritis has been spread by the international movement of infected breeding horses. Since the disease was discovered in 1977, it has been found in Australia, Austria, Belgium, Denmark, Federal Republic of Germany, France, Ireland, Italy, the United Kingdom and the United States. The only cases diagnosed in this country have been in Kentucky and Missouri.

Contagious equine metritis is a highly transmissible venereal disease of horses that infects mares, causing them to fail to conceive. The stallion is a carrier, but can be treated by cleaning and disinfection of the genitals, using specific antibiotics.

Notice of this action is scheduled to be published in the Oct. 10 Federal Register.

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USDA PROPOSES CHANGES IN DRY BEAN STANDARDS

WASHINGTON, Oct. 8—Public comment will be accepted until Dec. 3 on proposed changes in the U.S. dry bean standards that will clarify the standards and facilitate marketing, a U.S. Department of Agriculture official said today.

Kenneth A. Gilles, administrator of USDA's Federal Grain Inspection Service, said the proposed changes are primarily revisions in format of the grading tables to clarify the standards and to facilitate marketing of dry beans.

The proposal would eliminate the special and premium grades of choice handpicked, handpicked and extra No. 1 from all classes of beans except pea beans.

Eliminating these special and premium grades reflects comments USDA received on an Oct. 28, 1980, proposal and discussions with members of the National Dry Bean Council, Gilles said.

"We periodically review existing regulations, such as those governing dry beans, to assure that standards continue to serve the needs of the marketplace," Gilles said.

Comments on the proposal should be sent in duplicate to Lewis Lebakken, Jr., issuance and coordination officer, Resources Management Division, room 1127, Auditor's bldg., FGIS, USDA, Washington, D.C., 20250; phone (202) 447-3910.

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USDA ISSUES MAJOR ANTI-FRAUD RULES IN FOOD STAMP PROGRAM

WASHINGTON, Oct. 9—The U.S. Department of Agriculture today issued new rules requiring food stamp recipients in large metropolitan areas to show photographic identification when receiving their food stamps.

Secretary of Agriculture John R. Block said the new photo ID system "will play an important role in joint efforts by the U.S. Departments of Agriculture and Justice to crack down on abuse of the food stamp program."

Under the new rules, USDA will no longer replace food stamps reported lost or stolen. Block said these and other major anti-fraud measures are part of the Reagan administration's overall effort to eliminate fraud and abuse in the federal food stamp stamp program.

State welfare agencies will be required to institute photo ID system within a year in food stamp project areas with 100,000 or more recipients, unless they get an exemption from USDA's Food and Nutrition Service. Smaller food stamp project areas may also be required to install photo ID systems if the FNS and the USDA Inspector General's office finds it useful to protect program integrity.

"The new photo ID system is principally designed to prevent the issuing of duplicate benefits," Block said. "For example, if a food stamp authorization card is stolen from the mail, the photo ID requirement can prevent an ineligible person from using the authorization card to obtain food stamps illegally. By recording and cross-checking ID numbers, the new system will discourage individuals from attempting to get a double allotment of food stamps by reporting their first authorization card lost or stolen and requesting a second."

"Individuals caught defrauding the government in this program are subject to both criminal and civil penalties. Further, under new legislation recently passed, individuals would be required to pay back any fraudulent benefits received by having future benefits reduced," Block said.

The City of New York, which has had a significant problem with duplicate food stamp issuance, will be the first to implement the new photo ID system. New York plans to begin using the ID system Nov. 1, in conjunction with other new controls which have already cut the rate of authorization card replacements by two-thirds.

In New York and other areas where the photo ID card is mandated, all food stamp households will be required to have a member or an authorized representative of the household get and use the ID card as a condition of eligibility. Exceptions can be made for such cases as an elderly or disabled person who is unable to come to the food stamp application office.

Other new rules will tighten procedures for replacing food stamp coupons and authorization cards which recipients report lost, stolen or destroyed.

"Through these new guidelines we aim to protect food stamp recipients against legitimate verifiable losses while limiting the government's liability and the cost to the taxpayer," Block said.

Under the new rules, coupons reported lost by or stolen from recipients will no longer be replaced by the federal government. However, in certain disaster situations such as floods or fires, destroyed coupons may be replaced once in a six-month period. In the past, any food stamp recipient could receive a replacement for their food stamps if they were reported lost or stolen. Such a policy has led to widespread abuse in some areas.

Limits will be placed on the frequency and condition under which local welfare agencies can replace authorization cards lost in the mails or destroyed in a fire of similar disaster.

Block said these new rules represent only the start of a number of new procedures the Food and Nutrition Service will be issuing in the food stamp program designed to reduce fraud, improve program management and assure that benefits go to those actually in need.

The new rules appear in the Oct. 9 Federal Register.

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USDA WAIVES LIQUIDATED DAMAGES FEE FOR REENTRY OF SOME U.S. GROWN PEANUTS

WASHINGTON, Oct. 9—U.S. handlers whose U.S. grown peanuts were sold for export and subsequently reimported last season may not be subject to the 10-cent-per-pound liquidated damages fee normally assessed for these peanuts, according to Hoke Leggett, vice president of the U.S. Department of Agriculture's Commodity Credit Corporation.

Leggett said CCC would determine each case on its merit. About 8.8 million pounds of U.S. grown peanuts have been reimported, he said.

He said the liquidated damages fee may be waived because reentry of U.S. peanuts contracted for export did not interfere with the domestic price support program this past marketing year. Severe drought conditions in some of the major U.S. peanut growing areas greatly reduced the 1980 crop and required the importing of large quantities of peanuts, he said.

Liquidated damages are intended to prevent U.S. peanuts contracted for export from reentering the United States. Such reimportation could cause CCC to lose money on peanuts grown for the domestic market and supported at prices normally above the world market, Leggett said.

Current regulations provide that peanut handlers who sell U.S. peanuts into the export market are responsible for paying the liquidated damages fee should those peanuts ever be reimported.

Quota peanuts are those grown for the domestic market and within the poundage quota established for the marketing year. Peanuts grown for export or for domestic crushing are called "additional peanuts" and are grown on a farm's alloted acreage but in excess of the poundage quota.

During the 1980 marketing year, about 301 million pounds of foreign grown peanuts were imported into the United States to help make up the domestic crop shortfall.

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