USDA Actions

Import Rules for Filberts Set

All filberts imported into the United States will be required to measure up to minimum standards required of filberts grown in Oregon and Washington.

Those two States produce most of the U.S. supply of filberts—also known as hazelnuts—and the crop is regulated under a Federal marketing order. Most imported filberts come from Turkey as shelled nuts, while most imported inshell filberts originate in Italy.

The regulation is mandated by a provision of the Food and Agriculture Act of 1977 that adds filberts to several other commodities—oranges, raisins, tomatoes, and walnuts—whose imports are covered by the Agricultural Marketing Agreement Act of 1937. According to that provision, all filberts entering the United States have to meet the same or comparable grade, size, quality, and maturity standards as those required under the Federal marketing order for filberts.

Basic Agreement Reached on Voluntary Meat Import Restraints

The U.S. Government has reached agreement with the governments of major meat exporting countries on arrangements to govern U.S. import trade in meat, mainly beef, during 1978. Canada is expected to participate in a separate arrangement covering U.S.-Canadian two-way trade in beef similar to that of 1977.

The system of arrangements with supplying countries will assure that total imports into the United States in 1978 of meat subject to the Meat Import Law will not exceed the trigger level for quota imposition under the law.

Public Law 88-482 of 1964 provides that if yearly imports of certain meats—primarily beef—are estimated to equal or exceed 110 percent of an adjusted base quantity, quotas are to be imposed on their import. The adjusted base quantity for 1978 is 1,183.9 million pounds, and the quota triggering level is 1,302.3 million pounds. The base for 1977 was 1,165.4 million pounds and the trigger level was 1,281.9 million pounds. The Secretary said 1978 imports would exceed the trigger level were it not for the expected arrangements with the supplying countries.

Consumer Advises the Geneva Delegation

The 1971 International Wheat Agreement expires June 30, 1978. The decision to initiate a formal negotiation to replace that agreement was made at a special meeting of the International Wheat Council in London, Jan. 10-11, following a series of preparatory meetings in 1977. The negotiating conference is also to cover discussions on coarse grains.

The United States proposed negotiation of both a wheat and trade convention and a food aid convention, with these major objectives: (1) to contribute to the security of world food supplies, (2) to moderate extreme price fluctuations, (3) to promote the expansion of international trade, (4) to assure adequate food aid to developing countries, and (5) to encourage more international cooperation on all aspects of wheat trade.

The nongovernment members of the U.S. delegation are: Russell Arendt, vice president, National Corn Growers Association, La Crosse, Indiana; Michael Hall, president, Great Plains Wheat, Inc., Washington, D.C.; Joseph Halow, executive director, North American Export Grain Association, Washington, D.C.; Eugene Vickers, vice president, Western Wheat Associates, Washington, D.C.; Donald Woodward, special trade affairs representative, National Association of Wheat Growers, Washington, D.C.; and Robert Herrmann, Professor of Agricultural Economics, Pennsylvania State University, University Park, Pennsylvania, serving as advisor on consumer aspects.

USDA to Provide Rent Help to Low-Income Rural Families

About 20,000 low-income rural families will have their rents reduced in projects to be authorized this fiscal year under a program newly initiated by the Farmers Home Administrtion (FmHA).

A similar program is operated by the U.S. Department of Housing and Urban Development (HUD). The USDA program is handled through FmHA's 1,750 county offices throughout the United States; HUD operates primarily through more than 70 field offices throughout the country.

In the FmHA program, payments go to landlords to enable reduction of rents and in some cases reimbursements of tenants' utility expenses. The payments are handled so qualifying families will pay a maximum of 25 percent of their adjusted annual incomes for rents and utilities. The average payment may approximate $850 a year.

USDA Amends Regulations for Egg Research and Promotion

USDA amended regulations to the Egg Research and Promotion Order. Under one change, producer-handlers must forward directly to the American Egg Board assessments on thier nest-run (unsized and ungraded) eggs sold to other handlers. This is in addition to the present requirement that producer-handlers pay directly to the Board assessments on eggs they grade, carton, or break.

The time period in which producers can apply for a refund from the American Egg Board also will be changed. Refund applications will have to be mailed within 90 days after the end of the calendar month during which the assessment was paid. This amendment makes the regulations consistent with the Egg Research and Promotion Order and the Egg Research and Consumer Information Act.

USDA Proposes Special Grade for Inspection of Waxy Corn

USDA has proposed a special grade be established for use in the inspection of waxy corn. Waxy corn contains a specialized starch used in the preparation of such foods as baby food, puddings, pie fillings, and tapioca. Current procedures for grading of white corn have not proven suitable for grading of white waxy corn. A special grade should be added to specifically define waxy corn. This would not affect the grading and inspection of other white or yellow corn.

Since no adverse comment is expected and the change is needed to help in the export marketing of this year's crop of waxy corn, the amendment is deemed to be in the public interest. This would permit FGIS to waive the usual 1-year waiting period before grain standard changes can go into effect.

Carrot Marketing Order Tentatively Endorsed

USDA would standardize the markings and net weights of retail packages of carrots under a proposal to create a marketing order for carrots. It applies only to consumer packages of fresh carrots and to containers used to ship them to retail outlets. USDA would regulate the net weight and markings on retail packages and also would establish capacity and marking standards for shipping containers. A committee of nine carrot growers and one public member would be established to recommend standards to USDA.

Standardized consumer packages could result in more efficient manufacturing of packages and reduce packaging material waste and other losses in the marketing system. This, in turn, could provide savings in materials, labor, and energy.

The move was requested by the United Fresh Fruit and Vegetable Association. It said the standards would reduce packaging costs, shutdowns of packing plant lines when bags are changed, and bag inventories.

USDA Announces 16 Cities for 1978 Urban Garden Program

Sixteen large metropolitan cities will participate in a $3 million urban garden program in 1978 that is aimed at helping low-income families grow their own vegetables. The 16 cities were selected on the basis of their total population and the number of people below the poverty line. The cities are Atlanta, Baltimore, Boston, Cleveland, Jacksonville, Memphis, Milwaukee, Newark, New Orleans, St. Louis, New York, Chicago, Los Angeles, Philadelphia, Detroit, and Houston. The last six cities listed participated in a $1.5 million pilot urban garden program in 1977.

The program is administered by USDA's Science and Education Administration (SEA) through the Cooperative Extension Service (CES) at the land grant universities in the States where the 16 cities are located. The funds are provided by SEA.

Program funds are to be used for adding educational staffs to the State CES and for developing educational materials only. These staff persons work directly with low-income families and neighborhoods in teaching them how to grow vegetables. They also teach the families about vegetable nutrition and offer suggestions on preparing and preserving home-grown produce.

For 1978, New York will receive $500,000; Chicago, $300,000; Los Angeles $250,000; and the other cities will receive $150,000 each. The amount of funds is based on the number of low-income families in each city.

USDA Taking Action Against French Pate Products; Recall in Effect

Because of continuing safety problems, most French-produced liver pate products—except for some now in transit—will be denied entry into the United States until remedial actions are taken. USDA also announced a nationwide recall (the third since May 1977) for various French liver products, of a liver paste product bearing foreign establishment numbers "ETS 24-O2C" and "24-02D" and produced by Delpeyrat, a meat and poultry processing plant in Sarlat, France.

Laboratory tests showed the presence of clostridia, food poisoning bacteria, which can occur in underprocessed products. All of the product in the tested shipment is still at the port of entry and has not entered into consumer channels. However, consumers should return to the store where purchased any liver paste items from previous shipments bearing the Delpeyrat establishment numbers.

The French government has been notified of the USDA action against imports of French-produced liver pate products. Last October, after the second nationwide recall of a French liver product, USDA had requested that the French government develop corrective processing procedures to assure commercial sterility of products to be exported to the U.S. The French government was asked to submit the processing schedules (a description of thermal processing procedures) of each plant for

USDA approval. USDA officials said that to date a schedule has been submitted for one plant—Rougie Vives, of Carlux—and that plant has received approval. Products from that plant, therefore, will be accepted for entry to the U.S. after passing routine port inspection tests.

Products now in transit from France from all other French plants, which have not yet obtained USDA approval of their thermal processing procedures, will be admitted only if they pass additional stringent tests. This will apply to all plants whether or not they have had problems with their products in the past.

USDA To Pay Retroactive Food Stamp Benefits

People who would have qualified for a 30-day emergency allotment of food stamps but were turned down under 1974 verification procedures may be eligible for back benefits.

People whose applications were delayed or denied or who contacted food stamp offices but didn't apply because they thought the 1974 rules would cause delays or other problems also may be eligible for retroactive benefits.

A Federal district court in San Francisco recently ordered USDA to pay the back benefits, after ruling the 1974 verification procedures invalid because they were not published for public comment in the Federal Register, as required by Federal law.

USDA allows applicants in urgent need of assistance to get an emergency 30-day food stamp allotment without having to wait for all the information on the application to be fully verified. This aid is limited to applicants who list net income low enough to qualify for free food stamps—$30 a month for a family of four.

However, under the 1974 rules, applicants could only receive this emergency aid without verification once every 6 months. Local food stamp offices also could not issue the emergency stamps until they got preliminary confirmation of household circumstances from a source with knowledge of an applicant's financial situation.

Retroactive compensation will be limited to those who applied for or asked about food stamps after Aug. 4, 1974, the data that the verification procedures went into effect.

USDA Withdraws Proposal To Change Milk Import Rules

USDA has withdrawn a proposal to permit the importation of ultra-high temperature heat-treated milk and milk products from countries now restricted due to highly contagious livestock diseases.

The proposal was withdrawn because it was based on research on foot-and-mouth disease (FMD) only, whereas any change would also have to assure protection against rinderpest, another highly contagious disease of cattle.

The proposal would have permitted milk and milk products to be imported from FMD and rinderpest affected countries if heated to 148°C (298°F) for at least 2.5 seconds—a process known to destroy the FMD virus. Caseins and caseinates would have been permitted unrestricted distribution after storage in a bonded warehouse for 84 days, the time required for elimination of FMD virus.

APHIS officials noted that this proposal cannot be put into effect until research finds measures to destroy rinderpest virus, or until separate distinctions can be made between nations affected with FMD and rinderpest.

Meat USDA Buys Must Come From U.S.-Produced Livestock

All firms selling meat to the Department for school lunch and other feeding programs will now have to certify that the meat originated from livestock produced in the United States.

USDA food purchases have always been intended to help American farmers as well as to provide good wholesome food for school children, the elderly and all who participate in our feeding programs. That is the stated purpose of the laws that give USDA authority to buy food.

Present regulations prevent the use of imported meat in purchases by USDA. This is done by requiring that ground beef and other meat products sold to the department originate from animals slaughtered in federally inspected U.S. plants.

Under the new requirement, the Department will further require that meat used in these products does not come from imported livestock slaughtered in U.S. plants. Sellers will be required to certify U.S. origin, keep purchase records and make those records available for USDA review.

Under present regulations, a plant could slaughter imported livestock in the U.S. and technically still be in compliance with our requirements. The new requirements are intended to eliminate that possibility.

USDA Authorizes Israel To Ship Poultry Products Into United States

Israel will now be allowed to export poultry products into the United States. An amendment to the U.S. Department of Agriculture's poultry inspection regulations will allow entry of canned products made from chickens, turkeys, ducks, geese, and guineas from individually certified Israeli plants. Only canned, shelf-stable products will be allowed because of the presence of exotic Newcastle disease in Israel.

The action followed a determination by USDA's Food Safety and Quality Service (FSQS) that Israel has a poultry inspection system with standards at least equal to those of the U.S. Israel is now authorized to certify individual plants to export poultry products. Each certified plant will be continuously inspected by Israeli officials and also will be visited several times a year by an FSQS foreign review officer. In addition, the poultry products will be subjected to various tests at U.S. ports of entry to further assure wholesomeness.

USDA's Economics, Statistics, and Cooperatives Agencies Merged

The U.S. Department of Agriculture has created a new agency, the Economics, Statistics, and Cooperatives Services (ESCS), by the merger of the Economic Research Service, the Statistical Reporting Service, and the Farmer Cooperative Service.

Kenneth R. Farrell, formerly deputy administrator of the Economic Research Service, was designated acting ESCS administrator. The new agency reports directly to USDA's director of economics, policy analysis, and budget, Howard W. Hjort.

Some of the key functions of the new agency are to:

- Provide economic analysis on domestic and international agricultural supply and demand; food supplies and prices, nutrition and labeling; production distribution and marketing of agricultural products; the management of natural resources, and development of rural communities and the welfare of rural people.
- Collect and report statistical information on U.S. agriculture, including estimates of crop and livestock production, demand and supply.
- Provide research and technical assistance on the economic and marketing aspects of cooperatives.

Reorganization of USDA's Food and Nutrition Service

USDA reorganized the Food and Nutrition Service (FNS) to strengthen and streamline management of the agency's $9-billion-a-year food assistance programs.

The Food and Nutrition Service is responsible for administering the food stamp, food distribution, national school lunch, school breakfast and special milk, child care, and summer feeding programs, as well as the commodity supplemental food program and the special supplemental food program for women, infants and children.

The reorganization will realign the work of the agency by function. The new organization will reduce fragmentation and duplication by consolidating budget and fiscal management under a new Deputy Administrator, and by establishing an Office of Policy, Planning and Evaluation.

Four Acting Deputy Administrators will coordinate major functions of FNS until permanent Deputies have been selected.

- Nancy Snyder, Acting Deputy Administrator for Family Nutrition Programs, will be responsible for direction of the Food Stamp and Indian Commodity Distribution Programs. Mrs. Snyder has directed the Food Stamp Division.
- Gene Dickey, Acting Deputy Adminstrator for Special Nutrition Programs, will have responsibility for the Child Nutrition, Special Supplemental Food, Commodity Distribution Programs, and related nutrition standards. Mr. Dickey, who is officially assigned as Director of the WIC Program, has recently served as Acting Deputy Administrator for Program Operations.
- David Alspach, Acting Deputy Administrator for Regional Operations, will be responsible for the work of the seven FNS Regional Offices. Mr. Alspach has served as Regional Administrator of the Agency's Southeast Regional Office in Atlanta.
- Frank Gearde, Acting Deputy Administator for Administrative Management, will oversee personnel, automated data processing systems, procurement, and space management. Mr. Gearde has been Director of the Agency's Administrative Services Division.
- George Hall, FNS Budget Director, will head a Fiscal Management transition team until a Deputy Administrator of Fiscal Management is named.
- Herbert Scurlock will be Director of the Office of Civil Rights and Equal Employment Opportunity, reporting to Administrator Straus.

In addition, reporting directly to the Administrator's Office will be a new Office of Legislative Affairs and Public Information, and the Office of Policy, Planning and Evaluation. No Acting Directors will be appointed for those offices now.

Hjort Broadens Scope of USDA Food Policy Analysis

Howard W. Hjort, USDA's Director of Economics, Policy Analysis, and Budget said that USDA analysts are going to be more responsive to consumer interests, give more consideration to the effects of food policy on natural resources and environmental quality, and develop more information on global impacts of U.S. food decisions, such as those on foreign exchange rates and international trade policies.

Hjort told a food policy seminar sponsored by ESCS that USDA analysts had not been providing information on a wide enough range of economic and social issues to form a sound national food policy.

Hjort said that USDA analysts have not reacted sufficiently to the transition in recent years from a national *farm*-policy orientation to a broader *food*-policy formulation task. "Food policy now must be more accountable to the public and to Congress, and we must be more comprehensive in our analysis of social and economic impacts of food policy decision," he said.

At the same time that "we embrace this new constituency concerned with food and fiber policy we cannot forget the needs of our traditional constituency—the producers." He pointed out that even though farm prices fell last year, food prices increased 6 percent and the cost of all production inputs continued to rise.

Hjort attributed the new demands on USDA's economic analysis to the increases in food prices and U.S. farm exports that occurred in the early 1970's. In addition to food price concerns, he continued, "consumers are demanding more information on food quality, the effects of food additives, and the relationship of nutrition to human health and behavior." Increased exports have broadened the U.S. role in world agriculture and increased the dependence of foreign countries on the United States for food supplies and information, Hjort said.

Hjort added that USDA analysts should respond to, rather than create, the public agenda on food issues. "Food policy analysts must not dictate socioeconomic policy goals," he cautioned. "Our role is to research goals established through the political process."

New Food Stamp Rules To Help Families With High Winter Utility Bills

New rules will allow food stamp households to have the purchase price of their stamps reduced this winter if their heating or other utility bills rise. The new rules require State welfare agencies to count a household's most recent utility bills in computing the household's food stamp purchase price. The new rules also direct States to recompute purchase prices within 10 days when a household's most recent bills represent an increase of more than $25 over the bills used to certify the household initially.

The food stamp shelter deduction is to reflect current utility expenses. People will not have to choose between buying food stamps and paying the heating bill. The new rules should enable households with significantly increased utility costs to contact their local food stamp office and receive quick service.

Last winter, utility costs rose sharply for many food stamp households, but some did not get the corresponding increase in their shelter deduction which would have lowered the food stamp purchase price.

Under food stamp regulations now in effect, the amount a household must pay for its stamp allotment is based on net income, after itemized deductions.

The principal deduction is for shelter costs—rent or mortgage payments, property taxes, and utilities. If these costs are more than 30 percent of a household's income after all other deductions, the amount over 30 percent is counted as a "shelter deduction." Allowable utility costs include electricity, heating and cooking fuel, water and sewage, trash collection, and basic telephone service.

States Must Renew Food Stamp Eligibility Without Interrupting Benefits

USDA is making sure people using food stamps are given enough time to renew their eligibility before it runs out. New rules will require local welfare agencies to give people using food stamps advance written notice that their eligibility is ending. These notices must arrive in time for people to re-apply for their stamps without an interruption in benefits.

The Department is issuing these rules to settle a nationwide class action lawsuit, Basel v. Butz, which challenged USDA's food stamp re-certification procedures. The new rules will make the re-certification process fairer by requiring States and local agencies to take more responsibility for keeping food stamp users informed about the status of their eligibility.

When a household is approved for food stamps, it is certified for a specified length of time and must re-apply when this certification period ends. Periodic re-certification is necessary, because it gives local agencies an opportunity to review changes in family income or resources.

Under the old rules, households were told at the time of application when their eligibility would expire, and no further notice was given.

Basel v. Butz was filed in October 1974 in U.S. District Court for the District of Columbia. The District Court ruled in USDA's favor, but the U.S. Court of Appeals reversed the lower court early in 1977. On May 13, USDA agreed to settle the case by issuing new regulations.

USDA Sets New Food Stamp Emergency Application Procedures

Responding to a recent court order, the food stamp program has modified its emergency application procedures for applicants with little or no income. USDA regulations permit food stamp applicants to receive stamps for 30 days without prior verification if their net income is so low (less than $30 a month for a family of four) that they would be eligible for free food stamps.

But, rules issued in August 1974 limited this procedure for certifying applicants pending full verification to once in a 6-month period. And, before approving applicants pending verification, local food stamp offices were required to get preliminary confirmation of household circumstances, called a collateral contact, from another person with knowledge of the applicant's financial situation.

A U.S. District Court in San Francisco overturned the 6-month rule and collateral contact requirements on Nov. 30, 1977, on grounds they were not published for public comment in the Federal Register as required by the Administrative Procedures Act.

To comply with the court order, new procedures will no longer require a collateral contact before certifying applicants pending verification. However, after their 30-day eligibility runs out these applicants will have to provide full verification before they can be recertified for any additional food stamps.

USDA Proposes School Breakfast Regulations

USDA plans to require greater efforts by States to expand the school breakfast program to needy schools. Proposed regulations will require States to identify schools in need of the school breakfast program, and to outline the actions they intend to take to encourage and facilitate the expansion of the program.

The proposed regulations will direct States to provide USDA with the following information:

- The number of schools not participating in the school breakfast program that have a substantial number of needy children (25 percent or more of the school's enrollment.)
- The number of "Title I Schools" not participating in the school breakfast program (schools receiving funds under Title I of the Elementary and Secondary Education Act of 1965).
- The number of schools without a food service.
- The States' plans to work to initiate breakfast programs in these schools.
- The States' criteria for determination of especially needy schools under the school breakfast program, and how schools will be informed of these criteria.

The school breakfast program began as a pilot program in 1966. In its first year, 80,000 children were served breakfast daily. In 1975, the program was made permanent. This year, 2.5 million children are being served daily in 21,302 schools. Nearly 90,000 schools participate in the school lunch program.

USDA Increases Reimbursement Rate for Special Milk Program

Schools and nonresidential child care institutions will receive increased payments for milk served in the Special Milk Program. The rate of reimbursement has been increased from 6 cents to 6.25 cents per half pint of milk served to paying children, for the period through June 30, 1978. This increase is based on changes in the food-away-from-home series of the Consumer Price Index.

New legislation (Public Law 95-166) requires this rate of reimbursement to be adjusted retroactively this year, and at the beginning of each "school year," which is established by program regulations as July 1 through June 30. Schools and institutions will continue to be reimbursed the purchase price for milk served free to needy children.

USDA Amends Regulations on Food Donations to Nutrition Programs for the Elderly

USDA will provide cash in lieu of commodities for federally funded nutrition programs for the elderly, in States which elect the cashout option during the fiscal year which began Oct. 1, 1977.

The rule change, mandated by Public Law 95-65, will allow States the option of receiving cash payments for all, or part, of the donated foods the States would otherwise receive. Whichever option States elect will be binding until the end of the fiscal year. Previously, only a State which had phased out its food distribution facilities before June 30, 1974, could elect cash in lieu of commodities for such programs. Kansas was the only State affected.

USDA also announced an increase in the level of commodity assistance to nutrition programs for the elderly from 27.25 cents per meal to 29.25 cents per meal, effective Oct. 1, 1977 through Sept. 30, 1978. The increase is based on a minimum 25 cents per meal which was set by a Nov. 28, 1975 amendment to the Older Americans Act, and which must be adjusted each fiscal year to reflect changes in the Consumer Price Index for food away from home.

USDA Issues Interim Regulations for Summer Food Program

Interim regulations for the summer food program will allow potential sponsors and food service management companies to prepare for this year's program. The summer food program provides nutritious meals at public or private nonresidential institutions or residential summer camps to children from economically needy areas.

Congress recently extended the summer food program for the next 3 years and made several needed revisions in the program. These interim regulations implement a number of those changes.

The interim regulations provide a definition of "eligible children" as persons 18 years of age and under, or individuals older than 18 who are mentally or physically handicapped and who take part in a public school program for the mentally or physically handicapped.

They also allow States to provide up to 20 percent of a sponsor's administrative budget in "start up" payments for administrative costs before the program begins. States will also provide "advance payments" to sponsors upon request to cover administrative and operating costs. Sponsors that prepare their own meals may be advanced up to 65 percent of costs in advance funds; sponsors using a food service management company may receive up to 50 percent in advance funds.

Among other interim provisions are:

- States must announce the availability of the program in all areas of the State and seek out and help sponsors in rural areas.
- Residential summer camps must document the eligibility of each child--based on family size and income—to receive reimbursement for meals. Camps will be reimbursed only for meals served to eligible children;
- Nonresidential sponsors have the option of documenting each child individually or documenting that the areas to be served are of "economic need."
- Residential summer camps may serve up to four meals a day, of which one must be a nutritious snack. Nonresidential local sponsors may serve four meals a day, if they participate under the same conditions as residential summer camps. Other sponsors may serve up to three meals a day, including one nutritious snack as a meal.
- State must approve sponsors' budgets and set limits on spending levels.

Changes are also proposed in the regulations to achieve stronger administrative direction of the program and at the same time, make the summer food program available to as many needy children as served, and from 40 cents to 44.25 cents for each reduced-price breakfast served. The maximum rate of reimbursement for each paid meal in especially needy schools remains at 11.25 cents. Especially needy schools receive as reimbursement their actual costs in producing breakfasts—up to the maximum levels prescribed by these rates.

USDA Takes Action To Bring More Migrant Farmworkers Into WIC Program

USDA is providing $2.5 million to 12 States for a pilot project designed to bring more migrant farmworker families into USDA's special food program for WIC. Estimates from the States of funds they would need to participate were much greater than expected and funding was increased by $1.5 million over the original target of $1 million.

The purpose of the project is to find new and better ways to get WIC program benefits to migrant farmworker families. The WIC program provides special foods and nutrition education to low-income pregnant and breast-feeding women, infants and children up to 5 years old. Participants, who must show signs of poor nutrition, are given monthly food packages of cereal, eggs, cheese, juice, and either milk or baby formula.

USDA's migrant project will focus on a core of States in the mid-continent migrant stream, one of three major streams in the United States: Texas ("homebase" for most mid-continent migrants), Colorado, Iowa, Kansas, Nebraska, North Dakota, Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin. A 13th state, Missouri, is participating in the project but did not request USDA funds.

The mid-continent stream was selected because this is the largest and least served by the WIC program; and because the majority of migrants in this stream live in Texas, which means there is one primary State where USDA can identify and enroll migrant participants.

The primary objective is to open new WIC clinics in areas which had a large influx of migrant workers during the 1977 season. The project also will track migrants as they move from state to state. A third objective is to try new ways to get nutrition education to migrants.

The project's tracking system will enable USDA to develop a profile of WIC migrant participants. The system will show the services migrants receive, where they are served, and where there are lapses in service. Officials will evaluate the project's effectiveness later.

The migrant project will try to solve one of the most difficult problems for migrants: how to continue getting WIC benefits as they move from place to place.

USDA Advisory Council Reports on Program For Women, Infants, and Children

Supplemental food programs of the USDA should emphasize preventing, rather than only remedying, nutrition-related health problems, the National Advisory Council on Maternal, Infants and Fetal Nutrition, said in its 1977 annual report. Currently resources are being directed more towards children over 1 year old, but USDA has proposed a priority system giving the most vulnerable groups—pregnant women and infants—preference in program benefits.

The Council makes a continuing study of the operation of the Special Supplemental Food Program for Women, Infants and Children (WIC Program) and other related programs.

The Council recommended that:

- The WIC Program, which provides nutritious food supplements to eligible pregnant and nursing women, and to eligible children under 5 years old, continue to serve both preventive and remedial purposes.
- Delivery of WIC Program benefits should be coordnated with other programs providing food to children.
- Funding levels for the program should be based on serving high risk groups most critically in need of nutritional supplementation—pregnant teenagers, all other pregnant women, infants up to 18 months, and children over 18 months.

Free copies of the report are available from: Special Supplemental Food Division, Food and Nutrition Service, U.S. Department of Agriculture, Washington, D.C. 20250.

Residue Violations in Meat and Poultry Remain Constant

The percentage of illegal chemical residues in meat and poultry remained constant during the July-September quarter of 1977. A total of 640 residue violations were found among the 7,080 meat and poultry samples analyzed during the quarter.

The main source of violations continued to be sulfa drug residues in swine. There were 614 violations out of 4,426 samples for a violations rate of 13.8 percent—a slight increase over the April-June quarter's sulfa violations rate of 13.4 percent.

Other samples analyzed during the July-September quarter indicated 25 red meat violations out of 1,820 samples for a violation rate of 1.37 percent. There was one poultry residue violation out of 753 samples for a violation rate of 0.13 percent. These violation rates compare to the previous quarter's rates of 1.37 and 0.21 percent, respectively.

Residue violations occur most often when producers using medicated feeds fail to follow withdrawal periods rigidly.

Iowa Beef Processors Charged With Unfairly Restricting Competition

Iowa Beef Processors, Inc., the Nation's largest beef slaughterer, and a subsidiary, Columbia Foods, Inc., have been charged with unfairly restricting competition in the purchase of fed cattle in four Northwestern States.

USDA's Packers and Stockpossible.

Under the proposed regulations, eligible sponsors must demonstrate they are capable, and that they not have been deficient in operating the program in previous years.

When two or more sponsor applicants are competing to serve the same sites or same enrolled children, local schools operating a food service and former, successful sponsors will be given first consideration. Applicants who integrate programs with Federal, State or local employment programs also will receive consideration.

The proposed regulations require sponsors who earn more than $50,000 in program payments to provide States with a management letter from State or local accountants or certified public accountants who have reviewed sponsors' financial records and record-keeping systems. Previously, sponsors were only required to submit letters of engagement with these individuals or firms.

Food service management companies will not be allowed to subcontract for the total meal or for the assembly of the meal.

To help small businesses which have been adversely affected by previous bonding requirements, the proposed regulations would drop a required bid bond for food services for less than $75,000.

The maximum rates sponsors may be reimbursed for meals served under the summer food programs have been increased to reflect changes in the Consumer Price Index. These new rates are: 92.75 cents for lunches and suppers, 51.50 cents for breakfasts and 24.25 cents for nutritious snacks.

In 1978, USDA will conduct an evaluation of meal costs, reviewing both food and administrative costs for sponsors.

Food service management companies which plan to participate in the summer food program will be required to register with the State in which they operate.

The new regulations require that food service management companies provide State agencies which administer the program detailed information on their operation for the past 2 years. All companies which provide food for the summer food program must disclose their name and address and any other names they may be presently using or may have used in the past 2 years. Companies also will be required to certify that their facilities meet local health, safety and sanitation standards and they must report any violations for which they have been cited during the past 2 years.

The new regulations require companies to disclose the names of local officials responsible for plant operations as well as the company's present and past owners, directors, and officers. In addition, companies must specify the number of meals each of their facilities is able to prepare in a 24-hour period.

Companies also will be required to provide States with any record against them of contract terminations and disallowances.

To participate in the program, food service companies must have suitable food preparation facilities, document their ability to meet contractual and regulatory requirements in previous years and be demonstrably capable—both administratively and financially.

USDA Increases Amounts of Price-Support Commodities for School Lunches

Schools may obtain increased quantities of white and brown rice, flour and other grain products, and dairy and peanut products to improve their school lunch programs. These foods, which are acquired by the U.S. Department of Agriculture under its price support programs, will be free and over-and-above the 12.75 cents per meal schools currently receive in cash or commodities under the National School Lunch Act. The Department's stocks of price support commodities have increased substantially in recent months, and this makes them available to schools so they can improve their child nutrition programs. In addition to helping the schools provide more nutritious meals, the action will help reduce Government stocks.

The Department will continue its policy of offering States their fair share of price support commodities against the mandated per lunch entitlement, based on traditional rates of usage and the commodities available.

USDA will continually assess the effects of additional distribution of price support commodities. The program will continue while these foods remain in abundant supply and while the additional distribution proves effective and efficient in the operation of both the school lunch and price support programs.

USDA Proposes Food Services Contracting Procedures for School Lunch Program

USDA proposed procedures to regulate contracts made between schools which participate in the national school lunch program and food service management companies and vendors.

The major provisions of the proposed regulations:

- Require State agencies to develop and issue standard contracts for schools to use when contracting for food service.
- Require competitive bids for any contract for food service in excess of $10,000.
- Require all contracts be established on a fixed fee basis.
- Extend Federal procurement standards to schools, as well as State agencies.

Breakfast Payments Increased for Schools That Are Especially Needy

Especially needy schools may receive increased payments for breakfasts they served under the school breakfast program from Nov. 10 through Dec. 31, 1977.

The maximum reimbursement rate for especially needy schools will increase from 45 cents to 49.25 cents for each free breakfast yards Division said the two firms have entered into a contract with North West Feeders, Inc., a cooperative group of six of the largest feedlots in Idaho and Washington to slaughter, process, and market all of the cattle produced by the feedlots for a 5-year period.

The complaint charges that the contract has the effect of lessening competition in the purchase and slaughter of fed cattle in the area, and tends to create a monopoly that could seriously affect the ability of other firms to compete on a successful basis.

Because of the dominance of Iowa Beef and Columbia Foods, USDA charges that the restriction of competition would have serious effects in the four-State area of Idaho, Montana, Oregon, and Washington.

The firms have a right to a hearing. If the charges are proven, they would be placed under a cease and desist order.

Since its beginning with one plant at Denison, Iowa, in 1961, Iowa Beef now has beef slaughter plants at Luverne, Minn.; Fort Dodge, Iowa; Dakota City and West Point, Neb.; Emporia, Kan.; and Amarillo, Tex. It also operates beef processing plants at Dakota City, Emporia, and Amarillo.

In Dec. 1976, Iowa Beef purchased Columbia Foods, which has slaughter plants at Pasco, Wash., and Boise, Idaho.

On June 23, the two firms contracted with North West Feeders, Inc. to purchase all of the fed cattle produced by the six feedlots in the group. In 1976 the six feedlots marketed about 208,405 head of fed steers and heifers, or 21.6 percent of the total fed cattle marketed in the four-State area.

Two of the feedlots are located at Pasco and Moses Lake, Wash. The other four are in Idaho, at American Falls, Caldwell, Eagle, and Grandview. They purchase livestock for feeding purposes in the four-State area of Idaho, Oregon, Montana, and Washington.

USDA's Packers and Stockyards Division charged that the probable effects of the joint venture may be to:

- Lessen competition by denying other packers in the four-state area access to a substantial share of the available supply of fed steers and heifers.
- Eliminate or restrict opportunities of competing packers to obtain an adequate supply of fed steers and heifers.
- Enhance Iowa Beef's and Columbia Foods dominant position in the purchase and slaughter of fed steers and heifers in the area, giving them the ability to manipulate prices of cattle.
- Lessen competition by generating increased vertical integration.
- Preclude or limit the entry of new competition or expansion of existing competition in the area.
- Lessen competition in the feeding and marketing of fed cattle.
- Lessen competition by restricting opportunities of competing packers and independent feedlots to operate independently.

Consumer Group Says USDA Should Reject Inspection Study

The Community Nutrition Institute (CNI), asked by USDA to evaluate a consultant's study on the Federal meat and poultry inspection program, has recommended that the study be rejected but that other changes be made to improve the meat and poultry inspection program.

CNI recommended rejection of the Booz, Allen, and Hamilton study on meat and poultry inspection programs, because CNI contends the study was based on invalid assumptions, including the assumption that the present inspection system is effective.

Booz, Allen, and Hamilton is a management consulting firm which was awarded a USDA contract in 1976 to find ways to improve the efficiency and economy of the meat and poultry inspection program.

Limited by "narrowly drawn" conditions imposed in the original request for the study, CNI said that the Booz, Allen, and Hamilton study "does not focus on the major health hazards which confront USDA's Food Safety and Quality Service (FSQS) as it seeks to protect the safety and wholesomeness of meat and poultry."

The CNI report suggests that FSQS use the Booz, Allen, and Hamilton proposal to alter the processed meat inspection system "as the basis for further development of a new approach." It also recommends that USDA conduct staff studies, with the help of outside participants, to develop:

- "A poultry inspection system which will minimize microbial contamination and eliminate the economic adulteration which occurs from current industry technology.
- "New staffing requirements based on a broader range of technical and scientific disciplines.
- "A research program capable of supporting FSQS.
- "A career ladder program for inspectors and other staff to emphasize technical and scientific skills and the public interest objectives of FSQS and its enabling legislation."

Finally, CNI recommends that USDA establish an office of citizen participation which includes a specific section to deal with FSQS.

CNI was awarded a contract to evaluate the Booz, Allen, and Hamilton study from the consumer standpoint shortly after USDA held a series of public briefings on the Booz-Allen proposals.

Copies of the CNI study reviewing the reorganization proposal for meat and poultry inspection may be obtained from the director, Information Division, FSQS, USDA, Washington, D.C. 20250.

USDA Proposes Changes in Meat Grading and Labeling; Public Hearings Scheduled

Changes in the Federal meat grading service were proposed by USDA to eliminate fraud and corruption and to improve program efficiency.

Under the proposal, meat

offered for sale to consumers would be marked either with the traditional quality grade or with a new stamp, "U.S. Ungraded." "This proposal would not make grading mandatory," according to Assistant Secretary Carol Foreman. "But it would require that meat which has not been officially graded by USDA to be so identified. Officially graded meat would continue to be identified by the official grade mark—i.e., USDA Prime, Choice, Good, etc. Both graded and ungraded meat would have to be labeled as such all the way through the marketing chain and final sale to consumers," Ms. Foreman said.

Under the existing grading system, ungraded meat may be represented for sale as being of a better quality than it actually is, Ms. Foreman said. Labeling meat with its true grade or the designation, U.S. Ungraded, should eliminate this practice.

Since 1975, USDA has taken action against packers in five States for the illegal removal of yield grade stamps, and has further assisted State or local officials with a number of complaints dealng with misrepresentation of USDA meat quality grades.

Another proposed change would restrict grading to only the whole carcass or a side, and only at the plant in which the animal is slaughtered. This would result in more uniformity of grading, and would eliminate regrading of sides and wholesale cuts which have been trimmed of outside fat to make them appear to be of a better grade than the grade originally assigned to the whole carcass.

Current regulations permit meat to be graded at facilities other than the packing plant where the animal is slaughtered. For example, grading is now allowed at facilities where the carcass is cut into forequarters, hindquarters, or wholesale cuts, such as ribs and loins. This present system can result in parts of the same carcass being given different grades—a hindquarter may be graded as "U.S. Choice" while the forequarter may be graded as "U.S. Good".

These proposals apply only to beef, calf, veal, mutton, and lamb. Pork would not be affected, as there are no official standards for consumer grades of pork.

Additional changes being proposed—which would apply to beef only—would:

- Require that the kidneys and the fat surrounding the kidneys, pelvic region and heart be removed before carcasses are graded. This change would increase the accuracy and uniformity of yield-grading—the system by which carcasses are judged for their yield of closely trimmed boneless retail cuts.
- Require the beef carcasses to be cut to expose the ribeye at least 30 minutes before grading. This would assure that the marbling (the fat mixed with the lean) and other factors affecting the quality grade would be sufficiently developed for accurate evaluation.
- Permit the yield grade mark to be removed from beef carcasses or cuts which have had the fat layer trimmed to one-half inch or less.
- Define the term 'beef carcass' more specifically in the regulation.

"Unfortunately, the present system lends itself to practices which are confusing and misleading to consumers. Without accurate grade information, consumers may pay 'Choice' prices for meat of lesser quality. It is therefore critical that we continue to improve the system so that it can be conducted honestly, accurately, uniformly and efficiently, so that everyone from the producer to the consumer benefits from this Government service," Ms. Foreman said.

In addition to these proposed changes, Ms. Foreman said FSQS officials are considering three other proposals for possible later changes in meat grading regulations:

- Establishing mandatory waiting periods and temperature requirements before beef carcasses can be graded.
- Requiring that the yield grade assigned to a beef carcass be retained on beef cuts at the retail level.
- Further revising the definition of 'beef carcass' to be even more specific.

USDA To Publish Names of "Chronic Problem" Meat and Poultry Plants

USDA will begin publicizing the names of meat and poultry plants when they are identified as "chronic problem plants" under inspection compliance procedures.

FSQS inspectors are stationed daily in the more than 7,000 meat and poultry slaughtering and processing establishments, to make sure that products leaving those plants are produced under sanitary conditions and are wholesome and truthfully labeled. When inspectors find an adulterated product, they can condemn it or, when appropriate, make certain it is reprocessed to remove the adulteration.

Usually, all our inspectors have to do is advise the plant management to clean things up. But some plants consistently work as close as possible to the absolute minimum safety standards. When a plant sticks to that borderline, despite warnings, it is classified as a "chronic problem plant."

Plant managers are given ample opportunity to correct borderline insanitary conditions before they are listed as chronic problems. When these borderline conditions persist, FSQS inspectors find it increasingly difficult to assure that products remain unadulterated.

USDA Proposes More Accurate Net Weight Information for Consumers

Consumers would get more accurate net weight information about meat and poultry products under a proposed change in Federal regulations. This change would require that net weight be accurate at the time the product is sold to the consumer, rather than accurate only at the time it leaves the processing plant. Certain meat and poultry products lose moisture during transportation and storage, sometimes resulting in containers being below their indicated net weight when sold.

"The consumer who pays for 1 pound of product wants to know that it weights 1 pound when it is bought—not at some previous time when it left the packing plant," says Assistant Secretary Carol Foreman.

"Consumers should be aware, though, that if these new regulations are adopted, processors might increase prices for some meat and poultry products to cover their costs of overpacking containers to make up for moisture loss that occurs in certain products," Ms. Foreman believes.

New regulations were developed to overcome shortcomings in the present system.

Various court decisions have prevented State and local officials from fully enforcing their statutes aimed at protecting consumers from short-weight packages. The new regulations would eliminate this problem.

The new regulations also incorporate suggestions made by consumers and State officials at USDA public hearings 3 years ago which had never been finally acted upon.

The proposed regulations eliminate the current provision which permit juices and liquids that drain from some meat and poultry products after packaging to be included in the net weight of the package. In other words, the net weight on packages of such products as chicken and corned beef would have to be the *drained weight* and could not include the moisture that drains out of the product after packaging.

The other proposed changes in the Federal meat and poultry inspection regulations administered by USDA's Food Safety and Quality Service would:

- Define specific limits by which individual containers could vary from the stated net weight on the label, with some variations permitted as a result of normal manufacturing procedures. These specific limitations would replace the present undefined phrase in the regulations that allows for "reasonable variation caused by gain or loss of moisture," which has been criticized by the States as being vague.

When products are being checked for compliance, inspectors would select a specified number of packages. The average net weight of these sampled packages would have to conform to the net weight marked on the labels. Some individual packages would be permitted to be below that net weight—within specified limitations—but others would have to be above to raise the average to the net weight marked. For example, if 1-pound packages of hot dogs were being checked, one package among the samples could weigh as low as 15.27 ounces if other packages weighed more than 16 ounces to keep the average at 16 ounces.

- Require meat and poultry processors to maintain a USDA-approved quality control system for net weight compliance under which all lots of consumer-sized containers would have to be sampled. This quality control system would be closely monitored by FSQS meat and poultry inspectors on duty in processing plants.

- Small packages of poultry products, those weighing less than one-half ounce, which are shipped to retailers in large containers would be exempt from the net weight labeling regulations—provided that their shipping containers comply with the proposed regulations. This provision would conform with present labeling regulations on small packages of meat products.

- Cartons of shingle-packed bacon would have to conform to the general net weight labeling regulations covering other meat products. The net weight statement would be required on the principal display panel on these packages and would have to be expressed in both ounces and pounds, for example, "Net Wt. 24 oz. (1 lb., 8 oz."). Current regulations exempt bacon packages from this requirement.

USDA Clarifies Rules Dealing With Fruit and Vegetable Misrepresentation

Revised rules explaining the procedures and penalties for dealing with traders who mislabel or misrepresent fruits and vegetables are now in effect. Changes made in 1974 to the Perishable Agricultural Commodities Act (PACA), which established levels of violation and penalties for each, needed clarifying.

With the revised rules, traders should clearly understand the procedures USDA uses to determine if produce has been misrepresented or misbranded. Moreover, with the revisions, USDA can determine how severe a violation is and set the payment for an assessed penalty.

Before the 1974 amendments, USDA officials could only issue warning letters or take formal action to suspend or revoke a trader's PACA license for misrepresenting produce.

PACA doesn't require any particular markings on containers, but those that are used—such as quality, grade, quantity, weight or state of origin—must be accurate.

The only major change in the revised rules clears a PACA licensee's record if the trader does not violate the mislabeling provisions of the Act for a 24-month period and if any previous violations are not part of a formal proceeding.