

# Audit: USDA disregards GMO field trial problems

Agency approved field trials despite protocol violations, auditors claim

By MATEUSZ PERKOWSKI  
Capital Press

USDA's biotechnology regulators don't take past non-compliance problems into account when approving new field trials for regulated genetically engineered crops, according to an internal audit.

The agency's Office of Inspector General found that eight unnamed biotech developers continued to be allowed to

conduct field trials despite 260 non-compliance incidents over the past two years.

Companies and universities are allowed to test biotech crops in the field as long as they follow protocols to prevent the escape of traits that haven't been deregulated by USDA.

The agency either issues permits to biotech developers or, under a streamlined process, acknowledges their notifications that field trials will occur.

Auditors found one instance where an organization was repeatedly allowed to conduct field trials even though it was cited for 122 incidents, including failing to "devalue" the crops, having the crops persist in the environment and moving

them without authorization.

"Biotechnologists were not, however, using this compliance history when they reviewed and approved new applications for permits and notifications," the audit said.

Officials from the USDA's Animal and Plant Health Inspection Service told auditors that if they're aware of past problems, the biotech developers may be subject to stricter field trials requirements or encouraged to withdraw their applications.

The biotech industry also engages in "self-policing" by ceasing to use farmer "cooperators" who fail to follow protocols when growing the crops, APHIS officials told auditors.

In response to the audit,

APHIS said that staff members who oversee the compliance program have begun meeting with personnel responsible for issuing permits and acknowledging notifications.

The agency agreed to begin considering non-compliance problems when approving field trials, the APHIS response letter said.

Ed Curlett, director of public affairs for APHIS, said the agency welcomes the audit because "regular review and oversight ensures accountability of our programs to the American public."

The agency is already implementing the recommendations made by auditors to prevent the inadvertent release of biotech

traits, such as improving its systems for tracking field trials and non-compliance incidents, Curlett said in an email.

The Biotechnology Industry Organization, which represents developers, did not have staff available to discuss the USDA audit but a spokesperson said the group was reviewing the report.

The Center for Food Safety, a nonprofit that's critical of USDA's biotech oversight, is disturbed such problems still haven't been fixed 10 years after a similarly critical audit was released by the OIG.

"APHIS doesn't have a handle on what is being planted out there," said Bill Freese, the group's science policy analyst.

A history of non-compliance with field testing protocols should carry sanctions, he said. "If people keep violating the field trial regulations with no consequence, they have no incentive to improve."

Aside from the non-compliance issues, the audit found numerous other problems with USDA's biotechnology program, such as its failure to update regulations 15 years after Congress granted APHIS additional authority over genetically engineered crops, he said.

Freese said the agency's "cozy relationship" with biotech developers — rather than financial constraints — is the real reason for this delay.

# Governors urge action on Cuba for ag's sake

Inslee, Otter and California's Brown sign letter

By DON JENKINS  
Capital Press

OLYMPIA — The governors of Washington, Idaho and California are among a bipartisan group of state chief executives asking Congress to end trade sanctions against Cuba to "maintain the tremendous momentum of U.S. agricultural exports."

"Expanding trade with Cuba will further strengthen our nation's agriculture sector by opening a market of 11 million people just 90 miles from our shores," according to a letter signed by nine governors dated Oct. 9 and sent to U.S. House and Senate leaders.

The Obama administration has moved to increase trade, financial and diplomatic dealings with Cuba, but only Congress can fully lift the embargo imposed after the 1959 Cuban Revolution.

Congress has allowed U.S. food and medicine into Cuba since 2000, but Cuban customers can't buy U.S. agricultural products on credit, preventing them from negotiating favorable payment plans.

A U.S. Department of Agriculture report in June cited the cash-only requirement as a major reason for slumping U.S. food sales to Cuba.

U.S. agricultural exports to Cuba peaked at \$685 million in 2008, but decreased to \$268



Associated Press File

U.S. and Cuban flags fly from a balcony in Havana, Cuba, on Aug. 14, the day the U.S. opened an embassy in Cuba. Washington, Idaho and California governors are calling on Congress to lift remaining trade sanctions to allow American farmers to compete for Cuba's business.

million in 2014, according to the USDA. The European Union and Brazil have surpassed the U.S. as food suppliers to Cuba, which imports about \$1.8 billion worth of food annually.

"Financing restrictions imposed by the embargo limit the ability of U.S. companies to competitively serve the Cuban market," according to the governors.

Besides the financing restrictions, Cuba may be turning to other countries to diversify its food supply and to strengthen ties with allies such as China and Vietnam, according to the USDA report.

The letter was signed by seven Democrats, including Wash-

ington Gov. Jay Inslee and California Gov. Jerry Brown. Other Democrats to sign were Mark Dayton of Minnesota, Steve Bullock of Montana, Tom Wolf of Pennsylvania, Peter Shumlin of Vermont and Terry McAuliffe of Virginia.

Republican Govs. Butch Otter of Idaho and Robert Bentley of Alabama signed the letter.

Oregon Gov. Kate Brown, a Democrat, has not announced a position on lifting the embargo, a spokeswoman said.

Washington state does not export any agricultural products to Cuba, said Joe Bippert, Washington State Department of Agriculture international marketing manager.

He said he would expect the state's producers to be interested in exploring the Cuban market, but shipping costs via the Panama Canal would be higher than exporting to the Pacific Rim.

"I think people want to explore it and see what the potential is," he said. "From a Washington perspective, the largest concern is getting the product there."

The U.S. exports mostly chicken, corn, soybean meal and soybeans to Cuba. Before the revolution, the U.S. was Cuba's top supplier of rice, according to the USDA. Today, little U.S. rice enters Cuba, which instead imports the commodity from Brazil.

# OSU will coordinate food safety training for Western states

By ERIC MORTENSON  
Capital Press

Oregon State University will coordinate a multi-state training program to help small and mid-size farmers, food processors and wholesale produce vendors comply with federal food safety rules.

The program, funded by a \$1.2 million grant from the USDA's National Institute of Food and Agriculture, will use extension agents, community groups, cooperatives and others to teach smaller producers and processors how to follow the complicated federal Food Safety Modernization Act.



McGorin

"Here they're expected to comply and they don't have the knowledge and tools," said Robert McGorin, head of OSU's Department of Food Science and Technology and director of the training program. "Certainly the larger farm operations and multi-national food companies have their own resources."

The NIFA funding program directs money to four regional training hubs, using land-grant universities as the coord-

inators. As the lead school in the Western hub, Oregon State will receive one-third of the grant money and will administer the program for 13 states, Guam and American Samoa, McGorin said. The University of Florida coordinates the program in the Southeast; lead schools for the Northeast and Midwest haven't yet been designated.

Oregon State, Washington State, University of Idaho, University of California-Davis, University of Hawaii and Colorado State head up the program in the West. The universities will certify a group of about two-dozen lead train-

ers, who then will train about 200 more people to instruct growers and processors on details of the food safety law.

McGorin said small and medium-size farms often have diverse production and processing issues different from large-scale producers of commodity crops such as corn and wheat.

Oregon, for example, has both tree fruit and tree nuts, while Hawaii has tropical fruit and macadamia nuts and California has citrus, melons and leafy greens, he said. Food safety training will be tailored to account for the crop diversity, McGorin said.

# TPP seen as longer term help to tree fruit

By DAN WHEAT  
Capital Press

YAKIMA, Wash. — The Trans-Pacific Partnership trade deal likely will benefit Pacific Northwest tree fruit in time but may not much in the short-term.

The deal, reached but yet to be ratified by the U.S. and 11 other countries, will make it easier for the Northwest to export apples, pears and cherries to Vietnam and Malaysia. It may boost cherries to Japan, but is not likely to open apple and pear doors there that have been closed for years.

The agreement does not include China, which has a 10 percent tariff on U.S. apples, pears and cherries, plus a 13 percent value added tax on all three.

"Technically, we have access with apples to Japan, but the requirements are so onerous that no one has shipped there since 2000," said Mark Powers, executive vice president of the Northwest Horticultural Council in Yakima. The council represents tree fruit growers and shippers in Washington, Oregon and Idaho on national and international policy issues.

The agreement cuts Japan's 8.5 percent tariff on U.S. fresh cherry imports in half initially and eliminates it in six years, according to the USDA. Northwest cherries are prominently featured in a White House video promoting the agreement.

Japan's 17 percent tariff on fresh apples is reduced by 25 percent and then eliminated in 11 years. Its 4.8-percent tariff on fresh pears goes away on implementation of the agreement.

While those are positives, phytosanitary issues, not tariffs, are keeping U.S. apples and pears out of Japan, Powers said. Those issues are being worked on and the agreement includes rule changes on how they are considered which may be helpful, he said.

The agreement goes beyond prior agreements by including environmental and labor rules, he said.

Fifteen years ago, Japan imported around 800,000, 20-pound boxes of Northwest cherries annually. In the last five years, it's been around 300,000 and is the sixth largest export market. The challenge there isn't so much the tariff as it is



Dan Wheat/Capital Press

A crew harvests Honeycrisp apples in a Custom Orchard at Brewster, Wash., Aug. 31. In time, the Trans-Pacific Partnership trade agreement could increase exports of Pacific Northwest tree fruit.

Japan doubling the size of its own cherry production in the past 10 years, said B.J. Thurlby, president of Northwest Cherry Growers in Yakima.

Meanwhile, South Korea exploded from zero to a 1.2-million-box market in the past 10 years, largely helped by elimination of a 24 percent tariff in 2012, Thurlby said.

China also is a 1.2 million-box market, even with its tariff and tax.

"My question is when will this (tariff reduction) happen with China?" Thurlby asked.

In the near term, the TPP should help Northwest cherry exports to Southeast Asia, he said.

The agreement eliminates a 10 percent tariff on apples, pears and cherries in Vietnam in three years and immediately gets rid of a 5 percent tariff on apples, pears and cherries in Malaysia, according to USDA.

Vietnam is roughly a \$27 million annual market for Northwest apples, pears and cherries with most of that being apples, Powers said. Malaysia is about \$12 million per year. Removal of the tariffs will make the Northwest more competitive in those areas with China and New Zealand, he said.

Removal of the tariffs will probably have little impact this season because Washington has fewer apples and foreign countries have less buying power against a stronger dollar, said Todd Fryhover, president of the Washington Apple Commission in Wenatchee. However, the tariff reductions should help in future seasons, he said.

# Washington Farm Bureau reaffirms support for coal exports

Wyoming, Montana lawmakers seek Washington's help

By DON JENKINS  
Capital Press

LONGVIEW, Wash. — The Washington Farm Bureau has joined the newest push for a \$680 million coal export terminal on the Lower Columbia River, arguing that overall improvements in rail lines and ports will benefit agriculture.

"Private investment into the system, that's an awesome thing," Farm Bureau CEO John Stuhlmiller said Tuesday in an interview after a media event held by terminal proponents. "I love the idea of not having taxpayers pay."

Millennium Bulk Terminals proposes to export up to 48.5 million tons of Powder River



Don Jenkins/Capital Press

Anti-coal activists demonstrate Oct. 19 in Longview, Wash., against a proposal to export coal from a former aluminum plant along the Lower Columbia River. The Washington Farm Bureau supports the project, saying private investment in rail lines and seaports will benefit agriculture.

Basin coal to Asia from a former Reynolds Metals aluminum plant, which closed in 2001.

The company hosted the on-site press conference four days after government officials reviewing the project said their report on environmental impacts

would be delayed from November until at least early next year.

Millennium President and CEO Bill Chapman said he was disappointed by the delay. The company has been awaiting approval for more than three years, he said.

Washington Department of Ecology spokesman Chase Gallagher said officials have had to wait for information from the company, review more than 215,000 public comments and evaluate a project that if built would equal half of current U.S. coal exports. "The work has been going on non-stop," he said.

The project faces environmental opposition, including from climate change activists. About 15 protesters Tuesday stood outside the site's entrance holding signs with slogans such as, "Clean Air Not Coal Dust."

Stuhlmiller said he isn't worried about coal dust, but there is some concern about coal trains crowding rail lines. He said the Farm Bureau has been talking about that with railroad officials. However, the upside to increasing export capacity is too great to pass up, he said.

Even if agricultural products

aren't exported by Millennium, farmers will benefit from a project that increases the state's ability to move goods to and from ports, he said. "We have to have first-rate export facilities."

Millennium, owned by privately held Lighthouse Resources Inc. and publicly traded Arch Coal bought the site in 2011 and cleaned up what had become a rusting industrial wasteland. On a lightly used dock that Millennium inherited, the company imports alumina destined for Alcoa's Wenatchee smelter and distributes a small amount of domestic coal to a mill along Longview's industrial riverfront.

Millennium proposes to build two new docks to export coal. Company officials say the existing dock could be upgraded to export other products, including agricultural goods.

"We're open for business," Chapman said.

To export coal, the company

must obtain permits from DOE, the Army of Corps of Engineers and Cowlitz County. The environmental review will include estimating the terminal's contribution to greenhouse gas emissions. DOE will consider the project's impact on the state's climate, Gallagher said.

Gov. Jay Inslee has made climate change a focus of his administration. He recently ordered DOE to develop a plan to roll-back greenhouse gas emissions.

Millennium maintains that U.S. coal shipped overseas will displace "dirtier" coal from Indonesia and Malaysia.

A report this year by the federal Surface Transportation Board concluded a new Montana rail line that could carry coal toward the West Coast would cause "very little change in overall coal consumption on an international level as one coal tends to replace another coal."