



The National Association of State Departments of Agriculture
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March 21, 2003

Honorable Ann M. Veneman
Secretary
U.S. Department of Agriculture
1400 Independence Ave., S.W.
Washington, D.C. 20250

Dear Secretary Veneman,

As you are aware, Congress approved a provision in the fiscal year 2003 Omnibus Appropriations Bill that provides a 180-day period to resolve the concerns raised about USDA's proposed merchandising rules for the federal grain warehouse program. In cooperation with other interested agricultural organizations, the National Association of State Departments of Agriculture (NASDA) would like to work with USDA to determine appropriate options to resolve the implementation of the proposed merchandising changes under the U.S. Warehouse Act.

NASDA members appreciate the efforts of Under Secretary J.B. Penn and his staff to develop federal grain merchandising regulations that protect producers and to provide opportunities for NASDA to provide comments on the proposed program. USDA staff members took time at our recent Mid-Year Conference to give an overview of the new program and answer questions. The information provided gave NASDA members a conceptual understanding of the new federal grain merchandising program and how it would be implemented.

We believe the 180-day period provided by Congress offers an opportunity to seek options that could result in a federal and state regulatory framework similar to the one that was outlined in my letter to you dated February 12, 2003. In preparation for discussions and meetings with interested agriculture organizations, we would like to request that USDA provide a very detailed description of the program that was announced on February 5, 2003, including specific costs of the program. It is our understanding that the National Grain and Feed Association has requested several items related to the cost of the program from USDA, including an estimated fee schedule, licensing fees and cost comparisons between the federal program and several states. If we can be provided detailed information about the proposed federal warehouse and merchandising program along with your response to my February 12th letter, we in turn can develop better suggestions to resolve the matters that have been brought forth by states.

Only with specific program details, descriptions, and explanations can NASDA and other agricultural groups develop a productive dialogue, concentrate on areas of concern, and develop options that are fair and equitable. After receiving and reviewing USDA's detailed plans, we expect additional questions from NASDA members. We hope we can continue to work with you, Under Secretary Penn and your staff in developing regulations that enhance the commerce of grain commodities across the country.



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NASDA is a nonprofit association of public officials
comprised of the Commissioners, Secretaries, and Directors
of agriculture in the fifty states and four territories

We look forward to your earliest response so that time may be used wisely during this 180-day period.

Sincerely,

Patrick A. Takasugi
Secretary, Idaho Department of Agriculture
President, NASDA

pc: Under Secretary J.B. Penn