

## **2 FEBRUARY 2007**

### **2007 Sheep Industry Convention Reflects Growing Business**

Nearly 400 sheep producers and industry supporters gathered in the Lone Star State the last full week of January to attend the 2007 American Sheep Industry Association (ASI)/National Lamb Feeders Association (NLFA) Annual Convention. Energy was high as participants took part in the many activities planned during the four-day event.

"There continues to be great optimism and unity in the sheep industry as was evident by the increased number of participants in San Antonio as well as the presence of six sheep organizations," states Paul Frischknecht, ASI president. "The theme of the convention, 'Building Upon a Legacy Looking to the Future' reminds the industry of our vast history but keeps us focused on what we can do to continue to be successful."

Once again, the sheep industry demonstrated a unified front with participation from seven national associations including ASI, NLFA, the American Lamb Board, the American Sheep and Goat Center, the Western Range Association and the National Livestock Producers Association along with ASI Women and the national Make It With Wool contestants.

A full-day industry tour kicked off the events with stops at Nugget International, Hillingdon Ranch and Fredericksburg. Mike Wheeler, chief executive officer, and the Nugget staff welcomed the more than 80 visitors by walking them through the pelt tannery process from washing, stretching and drying to the finished product. Nugget has a long history in the sheep and lamb business and continues to provide quality products and consistent value.

Robin and Carol Giles, owners and operators of Hillingdon Ranch located in the Texas Hill Country, greeted the group by providing a brief history of their operation. Robin, a third-generation rancher, runs sheep, goats and cattle. He discussed the value of the rangeland and believes it can be more productive if it is managed properly. The inclusion of the trade show once again gave attendees an opportunity to learn about new programs and products available to them. Displays ranged from milk products and pharmaceuticals to identification tagging options and grazing land programs. Sheep breed associations were also present to provide breed-specific information.

The convention schedule was filled with workshops and presentations covering multiple aspects relevant to the industry. A session devoted to parasites in sheep and how to manage them provided valuable information. Another workshop informed producers of a new product that will be available to them in 2007, Livestock Risk Protection for Lamb (LRP-Lamb). This product holds potential for sheep producers to manage price risk within their operation in the event of a serious market decline.

J. Burton Eller, Jr., deputy under secretary for Marketing and Regulatory Programs, addressed the assembled board of directors and indicated that 2007 is gearing up to be a good year for the sheep industry. He mentioned the industry's continued progress toward the eradication of scrapie in this country and the development of a new test to detect scrapie in live animals. The U.S. Department of Agriculture (USDA) is committed to being able to trace all scrapie animals back to their flock-of-origin and to enhance compliance and enforcement of the scrapie regulations.

The USDA understands the request of the sheep industry to avoid the need of separate numbering systems between the scrapie eradication program and the National Animal Identification System (NAIS). Eller agreed that identification should be kept simple and practical. The department is also working expeditiously to re-implement mandatory price reporting but is

required to do new rulemaking. No time estimate is available for the completion of this process.

There was good news for wool producers as Chris Wilcox, chief economist with The Woolmark Co., explained that the wool textile industry is experiencing the best conditions it has seen in the last five years. Wilcox sees opportunities for U.S. wools as the supply from Australia declines and the demand for all wools and especially medium-micron wools increases. With increased casualization and consumers' price sensitivity, he sees a need to educate the general public on the advantages of wool in order to maintain and grow the market share. The largest wool-apparel retail sales markets in the world are in China, the United States and Japan, respectively.

As for the outlook, Wilcox said that while high wool prices are likely to continue into 2007, ranging at or near long-term highs, economic indicators for wool are weakening a little, and wool's price competitiveness against synthetics is declining.

The board adopted new policies, which include:

- ASI supports the use of both U.S. citizens and properly documented, legal foreign labor for shearing in the United States.
- ASI supports and encourages increased USDA funding and resources to support international sheep genomics research and education efforts.
- ASI vigorously supports and encourages research efforts to develop the necessary scientific information that will better direct management of animals relative to food safety as well as provide research-based, peer-reviewed science for developing policy for both public and private land.
- ASI supports the promotion of a campaign to decrease recreation conflicts on federal lands.
- ASI urges strengthening the role of prescribed grazing in the Conservation Title of the Farm Bill.
- ASI encourages the Agricultural Marketing Service to conduct the necessary research and develop the appropriate testing protocols and requirements in conjunction with all interested parties to allow for instrument technologies to be utilized in evaluations of lamb carcasses for the classification of those carcasses based on published criteria that reflect attribute differentiation that can be utilized for value determinations.

The board of directors welcomed back into membership sheep producers from Kansas.

A new slate of officers was elected during the board of directors meeting with Burdell Johnson (N.D.) serving as president, Glen Fisher (Texas) as vice president and Margaret Soulen Hinson (Idaho) as secretary/treasurer. New regional representatives on the executive board include Burton Pfliger (N.D.) and Clint Krebs (Ore.).

"Industry leaders have committed huge resources to incentives and national programs to grow the U.S. sheep business. Cooperation among the various sheep organizations and commitments to continue joint efforts will keep the industry moving in a positive direction," concludes Frischknecht.