

December 9, 2005

# ASI WEEKLY

*NEWS FOR SHEEP INDUSTRY LEADERS*

---

American Sheep Industry Association; 9785 Maroon Circle, Suite 360; Englewood, CO 80112-2692

**Phone:** (303) 771-3500 **Fax:** (303) 771-8200 **Writer/Editor:** Judy Malone **E-mail:** [judym@sheepusa.org](mailto:judym@sheepusa.org)

**Web sites:** <http://www.sheepusa.org> AND <http://www.americanwool.org>

---

## **Butler Resigns**

"With regret and sincere gratitude for his service, I have accepted Dr. Jim Butler's resignation as deputy under secretary for Farm and Foreign Agricultural Services (FAS)," stated Secretary of Agriculture Mike Johanns in a statement this week.

Butler joined the U.S. Department of Agriculture in 2001 as deputy under secretary for Marketing and Regulatory Programs and was later named deputy under secretary for FAS.

"Jim has been involved in the sheep industry for many years, including being director of the National Woolgrowers Association. We were proud of his appointment as deputy undersecretary and greatly appreciate his tenure with the department of agriculture," stated Paul Frischknecht, president of the American Sheep Industry Association.

Butler is taking on the role of deputy director general of the Inter-American Institute for Cooperation on Agriculture (IICA). IICA is a leading organization in the Western Hemisphere for promoting development of the agriculture and food sectors as science-based sanitary and phyto-sanitary standards and biotechnology regulations.

## **Nevada Gray Wolf Will Not be Delisted**

In a Federal Register posted today, the U.S. Fish and Wildlife Service (USFWS) announced a 90-day finding on a petition to delist the gray wolf in Nevada. The finding states that the petition and the available literature cited in the petition do not present substantial scientific or commercial information indicating that delisting is warranted.

In 2003, the Nevada Division of Wildlife filed a petition requesting that the gray wolf in Nevada be delisted. The reasons stated for this request included: the presence of wolves in Nevada was limited to transient, solitary individuals; Nevada does not contain suitable habitat to support wolf populations; the listing of gray wolves as endangered and threatened in Nevada were both done in error; and gray wolf recovery has been achieved.

After reviewing the petition and the literature, USFWS was unable to substantiate any of these findings. Therefore, the request to delist the gray wolf in Nevada has been denied.

Additional information regarding the gray wolf may be submitted to the Nevada Fish and Wildlife Office. To read the entire Federal Register, go to:

<http://a257.g.akamaitech.net/7/257/2422/01jan20051800/edocket.access.gpo.gov/2005/05-23840.htm>.

## **Strategies to Counter High Energy Costs**

A U.S. Department of Agriculture Energy Initiative was launched this week to help farmers and ranchers with high energy costs.

Agriculture Secretary Mike Johanns unveiled many conservation measures that can significantly reduce fuel use and other energy-related costs. He revealed that conservation practices, such as no-till, can save farmers 217 million gallons of fuel and up to \$480 million per year, while other practices such as irrigation water management can reduce diesel consumption by 80 million gallons and save farmers up to \$180 million per year.

Key conservation practices include crop residue management, nutrient management, irrigation water management, precision agriculture, pesticide management, prescribed grazing systems and windbreaks/shelterbelts.

For more information on this initiative, go to: [www.usda.gov/energy](http://www.usda.gov/energy).

### **Ag Statistics Web Site Launched**

The U.S. Department of Agriculture's National Agricultural Statistics Service (NASS) launched its redesigned Web site this week. With a simple click of the mouse, there is now more agricultural data available at your fingertips. The site has been completely revamped to better serve the needs of NASS customers, be it farmers, researchers, government officials, journalists, teachers or others.

"Anyone interested in U.S. agriculture will find that the new site is not only informative and easy to use, but that it makes the most of the latest technology," stated R. Ronald Bosecker, NASS administrator. "The NASS web development team incorporated a variety of tools to enhance the site's usability and enrich its content."

The redesigned Web site is located at: [www.nass.usda.gov](http://www.nass.usda.gov).

### **Changes in AU Micron Profile**

The WoolXpress, a weekly news update from Woolmark, reported last week that "with approximately 45 percent of the Australian wool clip currently tested for the 2005-2006 season, significant changes to the micron profile are already evident, a result of both seasonal and on-farm management decisions."

Reviewing the micron profile, it is evident Australian wool producers continue to move away from 23-micron and 24-micron wool production. Adjusting to the decline in overall test volumes between July to November 2004 and July to November 2005, 23-micron and 24-micron wool has declined by 12 percent and 17 percent, respectively.

The increased prevalence of wool in the 24.6-micron to 28.5-micron range, 7 percent and 8 percent, respectively, highlight the changing management decisions by growers towards an increasing focus on meat-sheep breeds.

### **Australia-China FTA to Boost Wool Sales**

A new report from Australia has found that Australian wool producers would reap a \$780 million windfall if barriers to trade with China are ripped down.

The Australian Wool Innovation-commissioned report into the benefits of the proposed Australia-China free trade agreement (FTA) would boost wool sales to China by more than 20 percent over the next decade.

It also found China's clothing and textile industries would be \$A516 million better off as exports to other nations soared.

Australia and China, this year, formally began FTA negotiations, although a final deal is not expected for several years.

An analysis commissioned by the two governments estimated an FTA would boost the Australian economy by up to \$23 billion and China's economy by up to \$83 billion.

The new report found Australian wool growers would benefit mostly from an end to the tariff-rate quota system on greasy and lightly processed wool enforced by China. Wool sold above the quota attracts a tariff of 38 percent.

### **EU Standards May Cost Wool Industry**

Tougher environmental standards for wool exports to Europe could prove costly for Australia's wool industry.

After October 2007, European Union (EU) countries will test wool scouring and processing plants for residual pesticide traces and reject wool that is above official tolerance levels.

Martin Holmes from the Australian Pesticides and Veterinary Medicines Authority says that could force farmers to change the way they use chemicals and lead to extensive wool testing in

Australia prior to export.

"Our analysis has shown that at the moment there are residues in Australian wool which violate those EU standards," he said. "Europe is not the only country which scours Australian wool, but other countries will adopt European standards for themselves."

The Australian Wool Industries Secretariat, which represents exporters and processors, says blanket testing is too costly, but random testing and grower declarations in Australia might satisfy the new standards.

*Reprinted from ABC Australia*

### **Weekly National Market Prices for Wool**

The U.S. Department of Agriculture's prices for wool the week beginning Dec. 7, 2005, can be accessed at: <http://www.fsa.usda.gov/pas/reports/wool.htm>.

Posted prices for ungraded wool (per lb./greasy basis) for the week are: Region 1, \$0.19; Region 2, \$0.17; and Region 3, \$0.15.

The LDP rate for ungraded wool, therefore, is \$0.23 per lb. greasy this week. Producers with grade and yield documentation on their wool should review the graded LDP categories, as payments have increased again in recent weeks.

These rates are used to determine the loan repayment rates for marketing assistance loans and to calculate loan deficiency payments.

The 2006 loan rates were also announced this week and are unchanged from those in 2005.

### **Market Summary, Week ending December 2, 2005**

**Feeder Prices**, San Angelo, 50-60 lbs. for 130-140.5 \$/cwt., 60-70 lbs. for 127-134 \$/cwt., 70-80 lbs. for 120-131 \$/cwt., 80-90 lbs. for 119.50-124 \$/cwt.

**Slaughter Prices** - Negotiated, Live, woolled and shorn 135-150 lbs. for 88.94-110 \$/cwt., dressed, no sales reported.

**Slaughter Prices** - Formula, 7,500 head(1) at 173.43-200 \$/cwt. for 73.60 ave. lbs., 7,571 head at 173.16-196.40 \$/cwt. for 79.10 ave. lbs.

**Cutout value/Net carcass value (2)**, 214.32 \$/cwt.

**Carcass Price**, Choice and Prime, YG 1-4, 2,118 head at 55-65 lbs. for 182-214 \$/cwt., 10,978 head at 65-85 lbs. for 165-212 \$/cwt., 2,201 head at 85 lbs. and up for 165-187 \$/cwt.

**Boxed Lamb**, weighted average prices (\$/cwt.), Trimmed 4" Loins 424.29, Hotel rack(3) 621.41, Leg (trotter off) 241.82, Ground lamb 298.46.

**Wool**, Price (\$/lb.) Clean, Delivered, 18 micron 2.16, 19 micron (Grade 80's) no prices reported, 20 micron (Grade 70's) 1.47, 21 micron (Grade 64-70's) 1.40-1.59, 22 micron (Grade 64's) 1.24-1.40, 23 micron (Grade 62's) 1.39, 24 micron (Grade 60-62's) 1.15, 25 micron (Grade 58's) no prices reported, 26 micron (Grade 56-58's) 0.90, 27 micron (Grade 56's) no prices reported.

(1) Prices reported for the two weight categories of the largest volume traded.

(2) The cutout value is the same as a net carcass value. It is a composite value that sums the value of the respective lamb cuts multiplied by their weights. It is also the gross carcass value less processing and packaging costs.

(3) Average of light, medium and heavy 8-Rib Rack.

*(Source: USDA/Agricultural Marketing Service)*

---