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# ASI WEEKLY

## NEWS FOR SHEEP INDUSTRY LEADERS

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### **Lamb Roast Offers Rejected**

Today, the U.S. Department of Agriculture's Agricultural Marketing Service rejected offers for frozen lamb products due to price considerations. Bids were 5-percent less expensive on Type 1 roasts and 15-percent less expensive on Type 3 roasts this period as compared to last September.

AMS also announced bids for the next lamb purchase which are due by 1:30 p.m., central time, on Friday, Jan. 26, 2007.

This is part of a continuing lamb purchase program requested by the American Sheep Industry Association and approved by Secretary of Agriculture Mike Johanns in April of 2006.

Additional program information can be accessed at:  
[www.ams.usda.gov/lscp/otherredmeat/orm\\_purchaseinfo.htm](http://www.ams.usda.gov/lscp/otherredmeat/orm_purchaseinfo.htm).

*Staff contact: Peter Orwick, ext. 33*

### **Permanent Disaster Assistance**

Saying the devastating floods and extreme drought of the last few years have demonstrated the need for a stronger farm safety net, Sen. Byron Dorgan (D-N.D.) introduced legislation Monday that would re-establish a permanent agriculture disaster assistance program under the Farm Bill. Supporting Dorgan were Sens. John Thune (R-S.D.), Kent Conrad (D-N.D.) and Mary Landrieu (D-La.).

Though a disaster aid program was for years a staple of the U.S. farm program, the last two Farm Bills did not include reliable disaster assistance - forcing producers to rely on ad hoc legislation when disaster strikes. Dorgan's bill will re-establish a permanent disaster aid program that will help family farmers and ranchers through difficult times.

Dorgan, along with a bipartisan group of senators, has pushed Congress to approve disaster assistance for producers who have been hit by weather-related disasters in 2005 and 2006.

"The outlook for disaster assistance for our family farmers and ranchers is much better in the new Congress, but seeing our efforts blocked repeatedly by the president has made it clear to me that we need to bring back the permanent disaster aid program that producers used to be able to rely on," Dorgan said. "We need to strengthen our farm safety net so our producers don't have to worry that a weather-related disaster will prevent them from staying on the farm from one year to the next."

*Reprinted from AgProfessional*

### **'AgJobs' Bill May Not Wait for Broader Immigration Measure**

A bipartisan group of senators claim to have the votes necessary to pass stand-alone legislation allowing more foreign agricultural workers to come to the United States.

They said they would prefer to move their AgJobs measure as part of a broader immigration overhaul. But they are not prepared to wait indefinitely.

Much of the draft measure, co-sponsored by democratic senators from California, Sens. Dianne Feinstein and Barbara Boxer, Edward M. Kennedy (D-Mass.), Larry E. Craig (R-Idaho) and Mel Martinez (R-Fla.), was included in last year's Senate immigration overhaul.

That measure stalled when the House refused to consider provisions that would have allowed millions of illegal immigrants to earn citizenship over a period of years.

The draft farm jobs measure would allow more than 1.5 million workers to come into the United States over the next five years. It also would create a pilot program to legalize illegal immigrants who have been working in agriculture during the past two years.

The AgJobs legislations includes the H2A program with codification of provisions for sheepherders as supported by the American Sheep Industry Association policy.

*Reprinted from Congressional Quarterly*

### **MAP Allocations Announced**

The American Sheep Industry Association (ASI) is one of 67 U.S. trade organizations allocated Market Access Program (MAP) funds to promote U.S. food and agricultural products overseas. ASI was awarded \$228,746 in this matching funds program as a means of cost-sharing promotional and marketing activities overseas for wool and pelts.

On Wednesday, Agriculture Secretary Mike Johanns announced fiscal year 2007 MAP allocations of \$100 million.

"This is only the first portion of the funding that has been apportioned by the Office of Management and Budget," stated Annie Durbin, executive director for U.S. Agricultural Export Development Council. "The allocation of the remaining funds will be determined by the status of the continuing resolution that the 109th Congress passed prior to its dissolution."

"The sheep industry made a strong showing with positive results from this program in past years," said Rita Kourlis Samuelson, ASI wool marketing director. "This funding is extremely important to the U.S. wool industry as we continue to explore new international markets."

A complete list of recipients can be found at [www.fas.usda.gov/mos/programs/map.asp](http://www.fas.usda.gov/mos/programs/map.asp).

*Staff contact: Rita Kourlis Samuleson, ext. 29*

### **Updated Nutrition Requirements Released**

Nutrition Requirements of Small Ruminants-Sheep, Goats, Cervids and New World Camelids was recently released. This new book provides an evaluation of the scientific literature of the nutrient requirements of small ruminants at all stages of life to support proper animal feeding practices for the production of meat, milk and fiber. In addition, effects of the environment, feed additives and metabolism modifiers on nutrient requirements are addressed.

Proper formulation of diets for small ruminants depends on adequate knowledge of their nutrient requirements. These requirements depend on the breed and age of the animal and whether he or she is exercising, pregnant or lactating. Nutrition Requirements of Small Ruminants brings together a summary of this latest data with new and expanded information on the composition of feeds commonly consumed by small ruminants, both domestic and wild. The data tables in this volume are separated by species providing more useful information for the various producers.

The audience for this report is diverse, ranging from animal nutritionists, veterinarians and scientists to practical nutritionists and flock managers. As both a practical and a technical reference book, this material is written to ensure that diets of small ruminants contain adequate amounts of nutrients and that intakes of certain nutrients are not so excessive that they inhibit performance or impair health.

The American Sheep Industry Association (ASI) and other sponsors who were concerned with the efficiency of sheep production stated the urgent need to revise the existing nutrient-

requirement publications for sheep and goats. Through this request came the release of this new publication.

To order your copy, go to [www.nap.edu/catalog/11654.html](http://www.nap.edu/catalog/11654.html). The cost of the book is currently reduced down to \$116.10.

This new publication updates two previous National Research Council publications, Nutrient Requirements of Sheep, Sixth Revised Edition, 1985, and Nutrient Requirements of Goats, First Edition, 1981,

### **Wool Prices Soar**

Australian wool prices soared 9.1 percent this week as sales resumed following the three-week seasonal recess, reported The Wool Record Weekly.

The clamor for wool this week is explained by a combination of factors. These include healthy levels of inquiry from customers during the break, sustained downstream demand, low stocks at combing and spinning mills in China and India and, most significantly, a looming and alarming fall in raw-material supplies, allied with quality issues stemming from the worst drought on record in key Australian wool growing areas.

All micron categories benefited with the finer end leading the way.

Chris Wilcox, Woolmark's chief economist, does not think consumer demand for wool is strong enough to sustain the new price levels.

High wool prices are also being reported out of South Africa. The wool market there surged to its highest level since 2003 when sales resumed after the Christmas break. Prices increased by 9.2 percent, up 25 percent since the opening of the season and 71-percent higher than the corresponding sale last year.

*Staff contact: Rita Kourlis Samuelson, ext. 29*

### **LDP Deadline Nears**

Wool and mohair producers are eligible to apply for nonrecourse marketing assistance loans and loan deficiency payments (LDP) but they must apply by Jan. 31 for their 2006 year crop.

Producers have until Jan. 31 of the year following the year in which the wool or mohair was sheared to apply for a nine-month loan or LDP. This deadline also applies to LDP's for unshorn pelts from unshorn lambs slaughtered in 2006.

Sign-up is also underway for the 2007 calendar year wool, mohair and unshorn pelt production. Using the new CCC-633 EZ form, producers complete the portion of the form which indicates his/her intention to receive an LDP benefit later in the year. It is still important that producers complete this portion of the form before losing beneficial interest in the commodity.

"This is a program that has benefited sheep producers and we will lobby for the inclusion of it in the next Farm Bill," commented Peter Orwick, executive director for the American Sheep Industry Association.

Producers must contact their local Farm Service Administration Service Center to be considered for this program.

*Staff contact: Peter Orwick, ext. 33*

### **LCP Re-authorization Possible**

In a news release issued from Sen. Pete Domenici's (R-N.M.) office last Friday, it was announced that he and four Western colleagues introduced legislation late Thursday, Jan. 4, to aid farmers and ranchers who have been impacted by the severe winter storms in New Mexico and the region.

Domenici was joined by Sens. Wayne Allard (R-Colo.), Pat Roberts (R-Kansas), Chuck Hagel (R-Neb.) and James Inhofe (R-OK) to introduce legislation that will re-authorize the Livestock Compensation Program (LCP) and provide aid for producers who suffered livestock losses.

The bill (S.165) will direct the secretary of agriculture to allocate funds from the Commodity

Credit Corporate to eligible producers that suffered losses from the recent winter storms in the West. The storms have stranded thousands of livestock without food or water. A companion bill (H.R.185) has been introduced in the House of Representatives.

"New Mexico farmers and ranchers are facing a very serious and difficult situation because of the winter storms that impacted our state. I am working with the federal government to ensure that immediate emergency aid will be available to those who need it to try to stem as many losses as possible.

"Unfortunately, livestock losses from this event are inevitable and have already occurred. The legislation we have introduced will help compensate farmers and ranchers for losses that happened as a result of the storms. I hope that the Senate can act quickly on this bill to get additional help to ranchers in New Mexico and across the West," Domenici aid.

The 2002-2003 LCP program provided to sheep producers allowed \$4.50 per head for sheep and goats.

### **Johanns Prepares Farmers for Lower Subsidies**

While no details are so far available, the 2007 Farm Bill that will be introduced next month is likely to call for less spending on farm supports, Agriculture Secretary Mike Johanns hinted during an address to the American Farm Bureau Federation's annual meeting in Salt Lake City on Monday.

"Good policy must take into account much more than dollar count," Johanns said. "It must be tailored to provide strong support that is relevant to current trends and forward-looking for future growth."

If the 2002 Farm Bill had simply been renewed, as many farm organizations preferred, the dollar figure would have dropped by as much as \$20 billion, he noted, due to stronger crop markets.

Crop subsidies reached a peak in fiscal 2000, a lackluster year, at \$32 billion, and declined as farms became more productive and profitable, with subsidies now at the \$20 billion level. Renewable energy has introduced a new market for key crops and while it has put pressure on the livestock industries, it has been good for farmers overall, Johanns said, adding that he expects the livestock industry to 'adjust' to high corn, soybean and other feed prices.

Farm spending is likely to shift from subsidies to providing higher loan limits for beginning farmers, Johanns said. That would bring the United States into closer harmony with international trade standards; Canada, Brazil and the European Union have filed complaints with the World Trade Organization in recent times over protectionist behavior in the U.S. agricultural sector, Johanns said.

He also said the bill is likely to address inequities in subsidies, 54 percent of which goes to the top 15 percent of farms by size and sales. About 60 percent of farmers, generally smaller, family operations, receive no direct subsidies at all.

*Reprinted from meatingplace.com*

### **USDA Announces Forest Service Chief**

The U.S. Department of Agriculture today announced the selection of Abigail Kimbell as the 16th chief of the Forest Service. Kimbell succeeds Chief Dale Bosworth, who is retiring on Feb. 2 after 41 years with the Forest Service.

"Abigail Kimbell is a veteran of the Forest Service who began as a seasonal worker and has since filled an impressive series of field assignments," said Agriculture Secretary Mike Johanns. "Gail brings a wealth of knowledge to her new position. She is well respected both within the agency and by our stakeholders. I'm confident she will do a terrific job as chief."

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

The U.S. Department of Agriculture's prices for wool the week beginning Jan. 10 can be accessed at [www.fsa.usda.gov/FSA/webapp?area=home&subject=ecpa&topic=fta-wm](http://www.fsa.usda.gov/FSA/webapp?area=home&subject=ecpa&topic=fta-wm).

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.

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

### **Market Summary, Week Ending January 5, 2007**

The updated Market Summary can be accessed at [www.sheepusa.org](http://www.sheepusa.org) each Monday.

**Feeder Prices**, San Angelo, no sale, South Dakota, 37 lbs. for \$125/cwt., 75-80 lbs. for 109-111.50 \$/cwt., 80-95 lbs. for 100-101 \$/cwt.

**Slaughter Prices - Negotiated**, Live, woolled and shorn 130-150 lbs. for 88-103 \$/cwt., dressed, no sales reported.

**Slaughter Prices - Formula**, 5,327 head<sup>(1)</sup> at 183.12-197.31 \$/cwt. for 74.20 ave. lbs., 12,202 head at 164.78-197.21 \$/cwt. for 79.30 ave. lbs.

**Equity Electronic Auction**, shorn and woolled 125 lbs. for \$89.50/cwt., 155 lbs. for \$86.50/cwt.

**Cutout Value/Net Carcass Value** <sup>(2)</sup>\$216.17/cwt.

**Carcass Price**, Choice and Prime, YG 1-4, weighted averages, 1,532 head at 55-65 lbs. for \$205.58/cwt., 2,753 head at 65-75 lbs. for \$191.85/cwt., 2,953 head at 75-85 lbs. for \$189.24/cwt., 1,244 head at 85 lbs. and up for \$178.06/cwt.

**Boxed Lamb**, weighted average prices (\$/cwt.), Trimmed 4" Loins 430.14, Hotel rack<sup>(3)</sup> 584.57, Leg (trotter off) 247.79, Ground lamb 275.59.

**Wool**, Price (\$/pound) Clean, Delivered, 18 micron (Grade 80s) 2.57-2.82, 19 micron (Grade 80's) 2.55 and 20 micron (Grade 70's) 2.21. No other prices reported.

<sup>(1)</sup> Prices reported for the two weight categories of the largest volume traded. <sup>(2)</sup> 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. <sup>(3)</sup> Average of light, medium and heavy 8-Rib Rack.

*(Source: USDA/Agricultural Marketing Service)*

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