

January 5, 2007

# ASI WEEKLY

## NEWS FOR SHEEP INDUSTRY LEADERS

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### **Pre-Registration Deadline**

The pre-registration deadline for the American Sheep Industry Association/National Lamb Feeders Association Annual Convention is Tuesday, Jan. 9, 2007. To be eligible for the discounted fee, registrations must be postmarked no later than that date.

### **Bids Due Today**

In an announcement made on Thursday, Dec. 28, 2006, the U.S. Department of Agriculture (USDA) invited offers to sell frozen lamb products for use in federal food and nutrition programs. This is part of the \$5 million lamb roast purchase program that USDA provided at the request of the American Sheep Industry Association.

All offers must be received by 1:30 p.m. Central Time today, Jan. 5. Acceptances will be announced by midnight, Friday, Jan. 12, with shipments to be scheduled between Feb. 16 and Feb. 28.

Details of the invitation can be accessed at:  
[www.ams.usda.gov/lscp/otherredmeat/orm\\_purchaseinfo.htm](http://www.ams.usda.gov/lscp/otherredmeat/orm_purchaseinfo.htm). Additional assistance can be obtained by calling 202-720-2650.

### **NASS Sheep and Goats Survey Underway**

The U.S. Department of Agriculture's National Agricultural Statistics Service (NASS) is preparing its January Sheep and Goats Inventory Report. NASS will release the report early next month.

The sheep and goat survey is conducted each January and July. The January survey covers all sized operations in the United States with producers being contacted in the first two weeks of the year.

Chief of the NASS livestock branch, Dan Kerestes, says many producers in 48 states can expect to receive a request for information. The majority of the contacts are completed through telephone interviews; however, some of the data is also collected through mailed questionnaires and personal interviews.

Regardless of how the producers supply the information, Kerestes says, participants are providing an important service to the sheep and goat industries and to U.S. agriculture as a whole. Once the information is gathered, NASS uses the data to identify trends in inventories and operations, providing a comprehensive state of the U.S. sheep and goat production systems.

The information collected is used in the development of two different reports. The Sheep and Goats Report provides information on total inventory as well as breeding and market sheep and lambs. Wool production is also included in the January report.

The other report producers will have access to on Feb. 2 is Farms, Land in Farms and

Livestock Operations. The total number of livestock operations is reported here along with a breakdown of how many operations have specific livestock.

NASS reminds producers that any information provided is kept confidential.

### **Property Rights Case Goes to Supreme Court**

On Dec. 2, 2006, the Supreme Court agreed to review a 10th Circuit Court decision involving ranchers, property rights, Racketeer Influenced and Corrupt Organizations Act (RICO), constitutional torts and other issues.

A summary of the 10th Circuit decision, *Robbins v. Wilkie*, No. 04-8016, (10th Cir. Jan. 10, 2006), is as follows:

Robbins sued the Bureau of Land Management (BLM) employees under the RICO Act and for a Bivens constitutional tort for allegedly attempting to extort a right-of-way across his property. In response to his refusal to grant a right-of-way across his property, the BLM allegedly refused to maintain the road providing access to his property; threatened to cancel, and then cancelled, his right-of-way across federal lands; stated they would "bury Frank Robbins"; cancelled his recreation use permit and grazing privileges; brought unfounded criminal charges against him; trespassed on his property; and interfered with his guest cattle drives.

The court first found that individuals have a Fifth Amendment right to exclude the government from one's private property and the government may not retaliate against an individual for exercising that right. The BLM employees were not entitled to immunity from suit for allegedly violating that right.

The court then found the BLM employees to have violated RICO. The court ruled as a matter of law that if the employees had engaged in lawful actions with an intent to extort a right-of-way, then the alleged conduct could give rise to a violation of RICO. The court remanded the case to the district court for a trial of facts on the allegations.

This decision establishes important property rights principles and limits on conduct by government officials.

The Public Lands Council (PLC) views this case as an example of the government overstepping their limits and, because of the importance of the property rights issues in the case, PLC has decided to file an amicus brief. PLC has retained Holland and Hart for representation in this matter.

### **UN Declares "International Year of Natural Fibers"**

As the movement away from petroleum-based products gathers momentum, the year 2009 has been declared the International Year of Natural Fibers (IYNF) by the United Nations (UN) General Assembly at a recent meeting in New York.

The UN says that the aim of the IYNF 2009 is to develop the efficiency and sustainability of agricultural industries that employ millions of people, contribute to food security and provide new economic development opportunities.

"The International Year of Natural Fibers 2009 will raise consumer awareness of natural fibers in the world economy as well as within the textile sector," said a press statement from the International Wool Textile Organization (IWTO), which welcomed the move. It is hoped the initiative will strengthen demand for natural fiber products, improve the livelihoods of the farmers who produce them and revenues for countries that export them.

The wide range of natural fibers includes wool, jute, cotton, flax, silk, sisal, coconut fiber and many others including a range of cellulose. Some are produced from plants, others from animals, and they are used in clothing, interior textiles and other consumer goods, as well as in industrial applications. Virtually every country in the world produces some natural fibers.

Fashion shows, exhibitions, conferences, TV documentaries, books and programs for school children are some of the activities that will be associated with the IYNF 2009.

The Food and Agriculture Organization of the United Nations (FAO) will coordinate the IYNF 2009, with participation by organizations representing the wool, cotton, jute, linen, coir, hemp and other hard fiber industries.

IWTO will represent the wool and animal hair sector on the steering committee for the IYNF 2009.

The American Sheep Industry Association is the official representative of the U.S. wool industry to the IWTO.

Additional information can be found at [www.iwto.org](http://www.iwto.org).

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### **USDA Proposed Additional Imports from Minimal-Risk Countries**

The U.S. Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) today announced a proposal to expand the list of allowable imports from countries recognized as presenting a minimal risk of introducing bovine spongiform encephalopathy (BSE) into the United States. Currently, Canada is the only minimal-risk country designated by the United States.

"This proposal would continue to protect against BSE in the United States while taking the next step forward in our efforts to implement science-based trade relations with countries that have appropriate safeguards in place to prevent BSE," said Agriculture Secretary Mike Johanns. "We previously recognized Canada's comprehensive set of safeguards and we have now completed a risk assessment confirming that additional animals and products can be safely traded. Our approach is consistent with science-based international guidelines."

The proposal expands upon a rule published by APHIS in January 2005 that allowed the importation of certain live ruminants and ruminant products, including cattle under 30 months of age for delivery to a slaughterhouse or feedlot, from countries recognized as minimal-risk. In the rule announced today, APHIS is proposing to allow the importation of: " live cattle and other bovines for any use born on or after, March 1, 1999, the date determined by APHIS to be the date of effective enforcement of the ruminant-to-ruminant feed ban in Canada; " blood and blood products derived from bovines, collected under certain conditions; and " casings and part of the small intestine derived from bovines.

Meat and meat products from animals of any age, with specified risk materials removed, were addressed in the January 2005 final rule. In March 2005, APHIS published a notice of a delay of applicability of certain provisions of that rule. This delay affected only meat and meat products from animals 30 months of age or older. If the proposed rule announced today is made final, it would be consistent to lift the delay and also allow the importation of these products.

As part of the proposal, APHIS conducted a thorough risk assessment following guidelines put forth by the World Organization for Animal Health, or OIE, and found that the risk associated with these commodities is minimal. This assessment evaluated the entire risk pathway, including mitigations in place both in Canada and the United States. The assessment included evaluating the likelihood of introduction of BSE via imports, the likelihood of animal exposure if this were to occur and the subsequent consequences. All of these were combined to give the overall minimal risk estimation.

The risk assessment concluded that for all the commodities considered under the current proposal, the risk of BSE infectivity is minimal and the disease will not become established in the United States. The proposed rule will be published in the Jan. 9, 2007, Federal Register.

Understanding that this rule applies to bovines, a reporter asked John Clifford, DVM, chief veterinary officer for APHIS, during an audio conference if another rule would be coming for sheep and goats.

"With regard to sheep, yes, that would require future rulemaking," stated Clifford.

APHIS invites comments on this proposed rule. Consideration will be given to comments received on or before March 12, 2007. Complete details can be accessed at [http://www.aphis.usda.gov/newsroom/hot\\_issues/bse/downloads/Docket06-041-1.pdf](http://www.aphis.usda.gov/newsroom/hot_issues/bse/downloads/Docket06-041-1.pdf).

### **Canada OK's E. coli cattle vaccine**

The Canadian Food Inspection Agency has authorized the distribution of an E. coli O157:H7 vaccine to Canadian veterinarians, aiming to reduce shedding of the potentially deadly bacteria from cattle.

Manufactured by Bioniche Life Sciences, Inc., a Canadian biopharmaceutical company, the vaccine, "will be an important factor in helping to reduce the prevalence of this toxic bacterium," said Graeme McRae, the company's president and chief executive officer.

Distribution of the vaccine will be allowed under a Permit to Release Veterinary Biologics, which equates to what is called a "conditional license" in the United States. Clinical trials, involving tests of the vaccine on more than 30,000 cattle over the past four years, have consistently shown a significant decrease in the number of cattle shedding E. coli in their manure.

"This vaccine will ensure that Canadian cattle producers continue to provide a safe product for Canadian consumers," said Dr. Lorne Babiuk, director of the Vaccine and Infectious Disease Organization and Canada's chairman of research in vaccinology and biotechnology in Saskatoon, Saskatchewan. "More importantly, the reduction of E. coli shedding into the environment will have far-reaching consequences regarding environmental contamination."

*Reprinted from meatingplace.com*

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

The U.S. Department of Agriculture's prices for wool the week beginning Jan. 3 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 December 29, 2006**

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

**Feeder Prices**, San Angelo, 60-80 lbs. for 94-106 \$/cwt., 80-90 lbs. for 90-98 \$/cwt.

**Slaughter Prices - Negotiated**, Live, woolled and shorn 130-150 lbs. for 86.71-93.50 \$/cwt., dressed, load woolled and shorn 81 lb. carcasses \$189.82/cwt.

**Slaughter Prices - Formula**, 2,223 head<sup>(1)</sup> at 174.40-197.06 \$/cwt. for 70.60 ave. lbs., 15,705 head at 174.34-199.12 \$/cwt. for 77.60 ave. lbs.

**Equity Electronic Auction**, No sales reported.

**Cutout Value/Net Carcass Value** <sup>(2)</sup>\$221.61/cwt.

**Carcass Price**, Choice and Prime, YG 1-4, weighted averages, 2,114 head at 55-65 lbs. for \$205.43/cwt., 3,902 head at 65-75 lbs. for \$194.62/cwt., 5,000 head at 75-85 lbs. for \$190.43/cwt., 1,968 head at 85 lbs. and up for \$178.32/cwt.

**Boxed Lamb**, weighted average prices (\$/cwt.), Trimmed 4" Loins 447.65, Hotel rack<sup>(3)</sup> 598.17, Leg (trotter off) 253.09, Ground lamb 287.63.

**Wool**, Price (\$/pound) Clean, Delivered, 18 micron (Grade 80s) 2.57-2.82, 19 micron (Grade 80's) 2.55-2.74, 20 micron (Grade 70's) 2.21, 21 micron (Grade 64-70's) 2.03, 22 micron (Grade 64's) no prices reported, 23 micron (Grade 62's) 1.82, 24 micron (Grade 60-62's) 1.71, 25 micron (Grade 58's) No prices reported, 26 micron (Grade 56-58's) No prices reported, 27 micron (Grade 56's) 1.01.

<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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