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ASI WEEKLY

NEWS FOR SHEEP INDUSTRY LEADERS

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WS Livestock Protection Funding Requested

This week, the American Sheep Industry Association (ASI), the National Cattlemen's Beef Association and the Public Lands Council were joined by 24 state sheep and cattle organizations and local and state agriculture and industry groups in support of increased federal appropriations for livestock protection efforts of the U.S. Department of Agriculture's (USDA) Animal and Plant Health Inspection Services' (APHIS) Wildlife Services (WS).

One of the key programs for a healthy sheep and cattle industry in America is the WS livestock protection program. With well over 250,000 sheep and nearly 150,000 cattle lost to predators each year, the livestock protection program is vital to the economic survival of the livestock industry. The value of livestock lost to predators and predator-control expenses are the major expenses of livestock production. Costs of control efforts, including fuel, continue to increase.

Without additional federal funding to support existing western livestock-protection programs, predation-management expertise will be lost and livestock grazing in some areas will be jeopardized. The associations joined in requisitioning an additional \$8.3 million for USDA, APHIS and WS for livestock protection. The program is a partnership of federal, state, county and private funding, yet collectively cooperators have been carrying more and more of the funding responsibility.

"This funding effort is a priority for ASI and given the benefit to livestock producers, this demonstration of support from the broad coalition of organizations will clearly assist the U.S. Congress in appropriations of funds next year," stated Peter Orwick, executive director for ASI.
Staff contact: Peter Orwick, ext. 33

Wool Prices at Four-Year High--Production at 50 Year Low

Wool prices in Australia are trading near a four-year high on fears that drought will reduce supplies.

"What's driving the market is fears for supply and the downturn in quality of supply with the usual drought effect," Stephen Hill, trading manager for the ABB Grain wool unit, said.

Wool prices rose 33 percent last year and are up 15 percent this year, as an El Nino-driven drought curbs production.

Earlier this month, Woolmark chief economist Chris Wilcox said supply would get tighter in the next few months.

Prices reached A\$9.64 a kilogram (US\$3.36 per pound) on March 14, the highest since April 29, 2003.

Australia's wool production, already the lowest in 50 years, may fall further to 421,000 tonnes (464,073 US tons) in the year ending June 30, Australian Wool Innovation said.

Hill said some fabric makers were substituting synthetic fibers because of the higher prices. He said prices may fall next week should the amount of wool offered for sale be greater than expected.

"It's just so fickle the market, any increase is enough to give a buyer an excuse to pull back," he said. "If they wait a few days you may get an exporter to sell you something a bit cheaper."
Staff contact: Rita Kourlis Samuelson, ext. 29

Further NAIS Comments Requested

On Wednesday, the U.S. Department of Agriculture's (USDA) Animal and Plant Health Inspection Service (APHIS) posted its intention to initiate a new information collection activity for collection of species data by state as part of the National Animal Identification System (NAIS).

According to the notice posted in the Federal Register, as part of ongoing efforts to safeguard animal health, the USDA initiated implementation of a NAIS in 2004. The NAIS is a cooperative state-federal-industry program administered by APHIS. The purpose of the NAIS is to provide a streamlined information system that will help producers and animal health officials respond quickly and effectively to animal disease events in the United States.

The first component of the program, premises registration, is well underway and the second component, animal identification, is being implemented for several species. The third component, animal tracing, is currently under development with USDA's state and industry partners. Industry, through private systems, and states will manage the animal tracking databases that maintain the movement records of animals. These information systems will provide the location of a subject animal and the records of other animals that the subject animal came into contact with at each premises. Participation in any component of the program is voluntary.

To encourage participation in premises registration, there is an emphasis, at the national level, on industry organizations (pork, beef, etc.) registering premises through cooperative agreements with APHIS. To track progress that will be made as a result of these efforts, APHIS needs reports of premises registered by species. APHIS needs assistance from each state to provide "species at the premises" statistics, because this information is stored only at the state level rather than in the National Information Records Repository (NPRR).

For states that use USDA's Standardized Premises Registration System, APHIS is able to generate a report of species information by state but only with the written permission of each State animal health official. As indicated earlier, this is because the species data is kept only at the state level and not in the NPRR.

APHIS is asking states that wish to gather this information themselves to include this information in the quarterly cooperative agreement progress reports they submit to APHIS.

The Office of Management and Budget (OMB) is being asked to approve the use of these information collection activities for three years.

The purpose of this notice is to solicit comments from the public (as well as affected agencies) concerning our information collection. All comments received on or before May 14, 2007, will be considered. All responses to this notice will be summarized and included in the request for OMB approval. All comments will also become a matter of public record.

The complete Federal Register is located at <http://a257.g.akamaitech.net/7/257/2422/01jan20071800/edocket.access.gpo.gov/2007/E7-4646.htm>.

OIE Endorses BSE Controlled Risk Status for U.S.

The World Organization for Animal Health's (OIE) scientific commission has endorsed the recommendation from an OIE expert panel that the United States should be classified as "controlled risk" for bovine spongiform encephalopathy (BSE), according to a statement from the U.S. Department of Agriculture (USDA).

"This recommendation provides strong support that U.S. regulatory controls are effective and that U.S. cattle and products from cattle of all ages can be safely traded in accordance with international guidelines, due to our interlocking safeguards," said Animal and Plant Health Inspection Service (APHIS) administrator Ron DeHaven, DVM.

USDA submitted an application and supporting documents to OIE to formally request country classification for BSE risk in October 2006. Prior to recommending a risk classification, the OIE

undertakes a thorough review process and then provides an opportunity for all delegate countries to review the recommendations and present comments prior to final adoption of a country's classification in May.

"We are gratified that the OIE's scientific commission recognizes the proactive efforts the U.S. undertook long before our first case of BSE was diagnosed," said AMI Foundation President James H. Hodges.

Reprinted from American Meat Institute

NIAA Annual Meeting Approaches

With nearly all of the speakers set, Michele Vise-Brown, NIAA Chief Executive Officer states, "Those attending the annual meeting of the National Institute for Animal Agriculture (NIAA) will have the opportunity to hear an incredible array of speakers on various issues ranging from the effect of biofuels on animal agriculture to the latest updates on various major diseases to how animal health practices impact food safety."

The Sheep and Goat Health Committee will hold its session on Tuesday morning, April 3, during the NIAA meeting. Alecia Naugle, DVM, Cindy Wolf, DVM, and Cleon Kimberling, DVM, are scheduled to discuss scrapie eradication updates for sheep and goats, sheep and goat identification updates and measles and ovine progressive pneumonia, respectively. The committee will also discuss and propose to the NIAA board of directors new policy for the sheep and goat industries.

The annual meeting will be held in Sacramento at the Hyatt Regency on April 2-5, 2007. Additional information along with registration information is located at www.animalagriculture.org.

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Coalition Recommends Solution to Inefficiencies

A coalition of fresh food associations has announced its creation of "Industry Roadmap: Building the Fresh Foods Supply Chain of the Future," a white paper that suggests a solution to the industry's current inability to identify, mark, manage and track fresh food products across the food supply chain and at point-of-sale.

The coalition includes the American Lamb Board, the Food Marketing Institute, the International Dairy-Deli-Bakery Association, the National Turkey Federation, the National Cattlemen's Beef Association on behalf of The Beef Checkoff, the National Chicken Council, the National Fisheries Institute, the National Pork Board and the Produce Marketing Association, with support from GS1 US. GS1 is a global organization dedicated to the design and implementation of global standards and solutions to improve efficiency and visibility in supply and demand chains globally and across sectors.

The proposed solution to meeting emerging fresh foods supplier and retailer needs calls for using one global communications language for the entire supply chain--from suppliers to retailers to consumers--utilizing existing GS1 standards and technologies including the Global Trade Identification Number and GS1 DataBar (formerly known as Reduced Symbology System or RSS).

Adopting this plan will require each participant in the fresh food supply chain that produces a product or adds value to an existing product to evaluate and potentially upgrade systems in order to effectively utilize the GS1 product identification standards and technologies. It is expected that, while relatively expensive, adopting this proposal across the entire fresh foods industry will yield significant benefits including increased information capture, faster POS throughput, effective category management, effective traceability, fresher product and shrink reduction.

The Universal Product Code (UPC) random weight number system currently used is not sufficient to accommodate the information needed at the point-of-sale register. The coalition believes a single, integrated solution that accommodates fixed measure and variable measure for packaged and fresh foods can be applied across the food industry.

A free copy of "Industry Roadmap: Building the Fresh Foods Supply Chain of the Future," can be obtained at www.pma.com/cig/tech/documents.cfm or by contacting any of the participating

associations.

Reprinted from FreshPlaza, Netherlands

Coordination Agreement on Ag Issues Signed

Agriculture Secretary Mike Johanns and Director-General Jacques Diouf of the United Nations' Food and Agriculture Organization (FAO) this week signed a Framework Agreement to coordinate technical assistance between the U.S. Department of Agriculture (USDA) and the FAO. The agreement will help to address issues important to agriculture, such as chronic hunger, plant and animal diseases including avian influenza, conservation, genetic resources and the growing demand for renewable energy resources.

"This agreement will facilitate greater international coordination and collaboration on a broad range of agricultural issues and help to protect our agricultural systems," said Johanns. "I believe the benefits will be immediate by enhancing the worldwide response to highly pathogenic H5N1 avian influenza."

The Framework Agreement was approved last fall and formally signed today. Under the agreement, a Crisis Management Center was formed, operated by the FAO in close collaboration with the World Organization for Animal Health and located in Rome. It provides animal disease analysis and deploys international resources to prevent and contain animal diseases. The center is currently focused on highly pathogenic H5N1 avian influenza, which continues to spread in parts of the world. Three USDA specialists are currently assigned to the center.

Johanns also provided an update on USDA's efforts to prepare for and protect the United States from highly pathogenic H5N1 avian influenza. USDA has focused its efforts on four key areas: international efforts, wild bird monitoring, domestic poultry monitoring and avian influenza research.

For more information about the collaborative avian influenza efforts, go to the U.S. government's Web site for avian influenza and human pandemic preparedness at www.avianflu.gov.

Weekly National Market Prices for Wool

The U.S. Department of Agriculture's prices for wool the week beginning March 14 can be accessed at 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 March 9, 2007

The updated Market Summary can be accessed at www.sheepusa.org each Monday.

Feeder Prices, San Angelo, 70-80 lbs. 90-99 \$/cwt., 90-105 lbs. 87-95.50 \$/cwt., 110-120 lbs. 88-90 \$/cwt.

Slaughter Prices - Negotiated, Live, woolled and shorn 130-160 lbs. for 90.90-105 \$/cwt., dressed, no sales reported.

Slaughter Prices - Formula, 9,123 head⁽¹⁾ at 169.39-200.17 \$/cwt. for 70.3 ave. lbs., 14,560 head at 164-193.79 \$/cwt. for 78.4 ave. lbs.

Equity Electronic Auction, shorn and woolled 130 lbs. \$92.50/cwt.

Cutout Value/Net Carcass Value⁽²⁾ \$213.13/cwt.

Carcass Price, Choice and Prime, YG 1-4, weighted averages, 2,068 head at 55-65 lbs. for \$204.43/cwt., 3,417 head at 65-75 lbs. for \$191.25/cwt., 3,695 head at 75-85 lbs. for \$187.75/cwt., 2,024 head at 85 lbs. and up for \$175.05/cwt.

Boxed Lamb, weighted average prices (\$/cwt.), Trimmed 4" Loins 402.28, Hotel rack⁽³⁾ 578.17, Leg (trotter off) 256.72, Ground lamb 277.71.

Wool, Price (\$/lb.) Clean, Delivered, 18 micron (Grade 80s) 3.10, 19 micron (Grade 80's) 3.00-

3.02, 20 micron (Grade 70's) 2.90, 21 micron (Grade 64-70's) 2.80-2.86, 22 micron (Grade 64's) 2.38, 23 micron (Grade 62's) 2.34, 24 micron (Grade 60-62's) 2.19, 25 micron (Grade 58's) 1.75, 26 micron (Grade 56-58's) 1.50, 27 micron (Grade 56's) 1.15.

⁽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)