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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

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

ASI Prepares Ag Appropriations Testimony

The American Sheep Industry Association (ASI) this week presented formal testimony to the U.S. Senate Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies and the counterpart subcommittee of the U.S. House of Representatives in support of U.S. Department of Agriculture programs for the next fiscal year. ASI President Burdell Johnson (N.D.) outlined the industry's priorities in appropriating funding for critical agricultural programs.

Scrapie Eradication. Adequate funding is essential to the scrapie eradication effort being accomplished in a timely manner. The industry supports the appropriations approved in fiscal year (FY) 2006 of 18.4 million and urges the subcommittees to increase funding to this level in FY 2008.

Wildlife Services (WS). The value of sheep and lambs lost to predators and predator control expenses are second only to feed costs for sheep production. ASI supports the FY 2006 appropriations level for WS operations and methods development programs, particularly as it relates to livestock protection.

Risk Management Agency (RMA). The U.S. sheep industry is working with RMA on the development of the Livestock Risk Protection-Lamb insurance product to help producers manage price risk in their operations. ASI urges the subcommittees to support the agency's research and developmental costs to design creative new programs for the livestock sector along with the appropriate maintenance expenses.

Foreign Agricultural Service. Full funding for these programs is encouraged. This includes the Market Access, Quality Samples and the Foreign Market Development Programs. ASI is the cooperator for American wool and sheep pelts and has achieved solid success in increasing exports of domestic product.

Research Initiatives. ASI also recommended continued funding for numerous research projects that are relevant to the sheep industry. Included in these research projects are the Minor Use Animal Drug Program, emerging and exotic diseases, rangeland restoration, grazing, wool laboratory research and scrapie research.

ALB Board Solicitation Announced

The U.S. Department of Agriculture's Agricultural Marketing Service (AMS) announced the nomination period for solicitation to the Lamb Promotion, Research and Information Board, more commonly known as the American Lamb Board (ALB). Four positions are up for appointment this year--two producer slots, one feeder position and one first handler.

The two producer-director positions for which nominations are needed include those of Sandra Snider (Wyo.) and Lorin Moench, Jr. (Utah). Snider represents producers who own 100 head or less annually. Moench represents producers who own more than 500 head annually. Both Snider and Moench are eligible to be re-nominated to the board.

As a certified national organization, the American Sheep Industry Association (ASI) is authorized to nominate individuals to the two producer positions. Nominees for both positions

may be from either the eastern or western region of the United States. AMS requires a minimum of two nominees for each director seat.

Those interested in being considered as producer nominees to this board should contact their state sheep producer association, ASI regional representative or ASI state director. Applications must be received at the ASI office on or before Friday, April 13, in order to allow time for the ASI executive board to meet to finalize nominee selections to be submitted to AMS by Monday, April 30, 2007.

The terms of Spence Rule (Colo.), a feeder, and Teddie Crippen (Ore.), a first handler, are also expiring in December. Individuals interested in being nominated to these positions may contact the ALB for a list of certified nominating organizations at 866-327-5262 or www.info@americanlambboard.org.

Australian Dollar Surges to 10-Year High

The rally of the Australian wool market on Thursday was considered remarkable as the Australian dollar (AU\$) continued to trade at 10-year highs against the American dollar, reported The Wool Record Weekly. Early Wednesday, the AU\$ was trading at 80.35 U.S. cents.

More than 67,000 bales are scheduled for sale in Melbourne next week, the highest offering of the season. The size of rosterings is rapidly overtaking exchange rates as the main influence on price movements, within the context of solid demand from downstream customers and a squeeze on raw-material supplies, continued The Wool Record Weekly.

Risk Management Education Funding Opportunities

The U.S. Department of Agriculture's Risk Management Agency (RMA) announced a correction in the application deadline for the availability of grant funds through its regional Risk Management Education Centers. Applications are now due by the end of the day on April 23, 2007.

These are funding opportunities for projects that help farm and ranch families succeed through targeted risk management strategies. Risk management education provides training that improves the ability of agricultural producers and their families to effectively manage the risks associated with farming and ranching businesses. The purpose of these cooperative partnership agreement programs is to deliver training and information in the management of production, marketing and financial risk to U.S. agricultural producers. The program gives priority to educating producers of crops currently not insured under federal crop insurance, specialty crops and underserved commodities, including livestock and forage.

Two opportunities for funding are available. A total of \$5 million for Commodity Partnerships for Risk Management Education will be funded to a maximum of 50 partnership agreements with a maximum award level of \$100,000. Also available are 50 agreements of up to \$10,000 for Commodity Partnerships for Small Agricultural Risk Management Education Sessions totaling \$500,000.

With the addition of several new risk-management products, including the Livestock Risk Protection-Lamb pilot program in 27 states, the 2007 Extension Risk Management Education Grants Programs offer an opportunity for the development of state and regional projects to help sheep producers understand how the various options can be used in their operation to help manage risk in their sheep enterprises.

"We encourage sheep producer leaders and state affiliates to work with education professionals in their states to develop proposals to help educate producers in how to manage risk," stated Burdell Johnson (N.D.), president of the American Sheep Industry Association.

Detailed information about the grant programs is located in the Federal Register at <http://a257.g.akamaitech.net/7/257/2422/01jan20071800/edocket.access.gpo.gov/2007/E7-4592.htm> and <http://a257.g.akamaitech.net/7/257/2422/01jan20071800/edocket.access.gpo.gov/2007/E7-4593.htm>.

FSIS to Host Public Meeting on Risk-Based Inspection

A public meeting to discuss the algorithm used to compute risk-based inspection levels for processing establishments will be held by the Food Safety and Inspection Service (FSIS).

The meeting will be held April 2, 2007, from 1 to 5 p.m. at George Mason University - Arlington Campus, 4400 University Drive, Fairfax, Va. The agency is also working to establish an audio conference for participants outside of the Washington, D.C., area.

FSIS is introducing a more robust risk-based inspection system in processing plants to better protect public health. By better utilizing information regularly collected by inspection program personnel at processing establishments, the agency will focus resources on products that post the highest inherent risk and processing plants that have demonstrated the least ability to control risk. Daily inspection will continue at processing facilities.

FSIS is using an algorithm, or mathematical formula, to determine the level of inspection that needs to be performed in processing plants. The algorithm combines two measures. The first is the inherent risk measure associated with different types of processed products and the volume of the processed products produced by the establishment. The second is the processing establishment risk control measure, which represents how well each plant is controlling risk in its operations. FSIS will test the algorithm in 30 prototype locations beginning in the spring of 2007.

Additional information, including the meeting agenda, is available at www.fsis.usda.gov.

A Salute to American Agriculture

National Agriculture Day is celebrated each year on or around the first day of spring. It is a time to celebrate American agriculture and honor the people who work within this diverse and vast industry.

Representing more than 22 million people who work in the nation's agriculture industry, hundreds of Americans convened in Washington, D.C., on March 15 to celebrate National Agriculture Day 2007. This year's Ag Day theme -- "Convergence of Food and Fuel" -- was designed to highlight the scope of American agriculture, an industry that puts food on our tables and fuel in our cars.

To kick off the day, Secretary Mike Johanns, U.S. Department of Agriculture (USDA), and Chairman Collin Peterson of the House Committee on Agriculture spoke at a luncheon about how American agriculture is rising to the challenge of producing both food and renewable fuels. Improving technology on the farm and along the processing chain is helping meet the growing demand for crops used to produce renewable biofuels, animal feeds, foods and food ingredients.

Ag Day launched National Agriculture Week (March 18-24), which is designed to raise awareness among Americans of the importance of U.S. agriculture in the stability of our economy and in providing food and fuel to the world. According to USDA, each American farmer now feeds more than 129 people around the globe.

All Americans are asked to enjoy and admire the wonders of American agriculture as National Agriculture Week concludes. Celebrate the dedication of men and women in American agriculture and take the time to re-discover the role agriculture plays in everyday lives.

Advisory Committee for Trade Re-established

The U.S. Department of Agriculture (USDA) this week announced that it is accepting nominations to re-establish the Agricultural Policy Advisory Committee for Trade (APAC) and six Agricultural Technical Advisory Committees for Trade (ATACs).

These committees serve in an advisory capacity to USDA and the U.S. trade representative. The private-sector advisory system was established by Congress in 1974 to ensure a private-sector voice in establishing U.S. agricultural trade policy objectives to reflect U.S. commercial and economic interests. The system's three tiers consist of the President's Advisory Committee on Trade and Policy Negotiations, five general policy advisory committees (including APAC) and 22 technical advisory committees (including six ATACs).

The APAC provides advice on overall agricultural trade policy objectives and positions prior to entering trade agreements, the operation of trade agreements and other trade matters.

The six ATACs focus on specific commodities, covering trade in animals and animal products; fruits and vegetables; grains, feed and oilseeds; sweeteners and sweetener products; tobacco, cotton, peanuts and planting seeds; and processed foods.

The committees, usually composed of 35 members, represent a cross-section of the food and agriculture industry and members must have knowledge of agriculture and trade matters. Committee members must be U.S. citizens, qualify for a security clearance and serve without compensation for time, travel or expenses. The committees meet about four times a year.

Nominations for any of the committees must include a current resume and AD-755, available at www.fas.usda.gov/admin/ad755.pdf. For further information, contact Michelle Moore at michelle.moore@fas.usda.gov or 202-720-6219.

Chicago's Last Slaughterhouse Looking for a New Home

Chiappetti Veal and Lamb, Chicago's last major slaughterhouse, is looking for a new home. Franco Chiappetti, among the fourth generation of Chiappettis in the business, said the company is pressed by a lack of space - and increasingly surrounded by expensive homes, shops and restaurants rapidly transforming the once-gritty enclave.

"I'm looking out the window at the rooftop of a \$500,000, 3-year-old home," Chiappetti said. "We didn't pick a residential area, a residential area picked us."

When the slaughterhouse moves, the old brick buildings likely will be torn down to make way for houses, book stores, restaurants and other businesses, said Franco Chiappetti's father, company President Dennis Chiappetti.

And with that, the neighborhood could lose one of the last reminders of an industry that once was the envy of the world and a symbol of American ingenuity.

Opened in 1865, the Chicago Union Stockyards were the center of a small city of slaughterhouses and packing houses that was the largest meatpacking district in the world. Railroads brought in millions of cattle, sheep and pigs, and the animals then were shipped all over the nation.

Chiappetti went into businesses in the 1920s. The company bought the buildings that comprise its current home in the 1940s and 1960s.

The stockyards closed in 1971, prompting meatpackers big and small to leave. But Chiappetti stayed, and more than three decades later, the 130-employee business slaughters about 3,000 lambs and 400 veal calves a week.

The Chiappettis said they expect to find a new home somewhere in Chicago - perhaps even in an industrial park on part of the old stockyards, but the process could take a year.

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Weekly National Market Prices for Wool

The U.S. Department of Agriculture's prices for wool the week beginning March 21 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 16, 2007

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

Feeder Prices, San Angelo, 60-90 lbs. 88-95 \$/cwt., 97 lbs. for \$85/cwt., new crop 60-70 lbs. 110-117 \$/cwt., 70-80 lbs. 113-115 \$/cwt.

Slaughter Prices - Negotiated, Live, woolled and shorn 120-155 lbs. for 90.16-105 \$/cwt., dressed, no sales reported.

Slaughter Prices - Formula, 8,151 head⁽¹⁾ at 160-191.88 \$/cwt. for 70.5 ave. lbs., 16,114 head at 164-193.34 \$/cwt. for 79.3 ave. lbs.

Equity Electronic Auction, shorn and woolled 130 lbs. \$91.50/cwt.

Cutout Value/Net Carcass Value⁽²⁾ \$210.44/cwt.

Carcass Price, Choice and Prime, YG 1-4, weighted averages, 2,451 head at 55-65 lbs. for \$202.21/cwt., 3,674 head at 65-75 lbs. for \$193.30/cwt., 3,832 head at 75-85 lbs. for \$190.19/cwt., 2,063 head at 85 lbs. and up for \$176.70/cwt.

Boxed Lamb, weighted average prices (\$/cwt.), Trimmed 4" Loins 403.89, Hotel rack⁽³⁾ 554.41, Leg (trotter off) 263.71, Ground lamb 274.94.

Wool, Price (\$/lb.) Clean, Delivered, 18 micron (Grade 80s) 3.10, 19 micron (Grade 80s) 3.00, 20 micron (Grade 70s) 2.90, 21 micron (Grade 64-70s) 2.64, 22 micron (Grade 64s) 2.38, 23 micron (Grade 62s) 2.33, 24 micron (Grade 60-62s) 1.97, 25 micron (Grade 58s) 1.61, 26 micron (Grade 56-58s) 1.50, 27 micron (Grade 56s) 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)
