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# ASI WEEKLY

## NEWS FOR SHEEP INDUSTRY LEADERS

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### **ALB Announces Second Round of Matching Grant Program**

The American Lamb Board (ALB) is now soliciting proposals for the second round of the 2007 Matching Grant Program. The deadline for receiving grant applications is May 1, 2007.

A total of \$20,000 is budgeted for the second round of 2007 grant funding. The grants require a one-to-one cash match from the grant recipient. In-kind contributions are not considered for the matching requirement. Non-profit industry organizations are invited to submit proposals that expand or strengthen the market for American Lamb. Creative marketing projects which include a collaborative effort amongst industry organizations and industry sectors are encouraged. Funds received under the grant program must be spent on activities that are permissible under the Commodity Promotion, Research, and Information Act and the Lamb Promotion, Research, and Information Order.

The new application is available at [www.americanlamb.com](http://www.americanlamb.com). Additional information or the application can also be obtained by calling Rae Maestas at the American Lamb Board at 866-327-LAMB.

### **APHIS Proposed Regionalization of Patagonia South**

The U.S. Department of Agriculture's (USDA) Animal and Plant Health Inspection Service (APHIS) has proposed in the Federal Register to amend the regulations to add the Patagonia South region of Argentina to the list of regions considered free of rinderpest and foot-and-mouth disease (FMD).

APHIS recognized in its documentation that the industry likely to be most affected by this proposed rule would be the U.S. sheep industry. Sheep production is the primary livestock production system in Patagonia South with 60 percent of Argentina's flock located in this region. In 2003, the region had 7.49 million sheep, 265,960 head of cattle, 12,731 pigs and 141,614 goats.

The government of Argentina forecasts that it would export an average of 13.2 million lbs. of sheep meat to the United States.

This week, the American Sheep Industry Association (ASI) submitted a response to this proposed rule recommending the completion of another economic impact analysis correcting the errors in the assumptions used and re-propose the proposed rule after addressing these important concerns. ASI urged APHIS to re-evaluate the special restrictions it also outlined in the rule.

In its comments, ASI stressed its support of APHIS' ongoing efforts to protect the United States against FMD and rinderpest. The introduction of either of these diseases in this country would have devastating effects on our animal agriculture.

To review the entire document presented to APHIS by ASI, go to [www.sheepusa.org](http://www.sheepusa.org). Producers and sheep associations can file their own comments electronically through the March 6, 2007, deadline.

*Staff contact: Paul Rodgers and Peter Orwick, 303-771-3500*

### **Forstmann Closing in East Dublin**

Victor Forstmann, once the economic backbone of Laurens County, Ga., announced today that it is shutting down, putting 124 people out of work.

The manufacturer of wool and worsted fabric made the announcement in a press release faxed to members of the news media. The shutdown is expected by the end of April, according to the release.

The company once employed 1,500 and was Laurens County's largest employer by far. But a steady decline since the early 1990s left Forstmann a shell of its former self. It was the last conventional textile mill in the county.

Employment at the company had gradually declined over the years through a series of layoffs. The most recent came in May, 2005, eliminating 159 of the company's 270 employees.

The company, looking to build a future in niche markets, had some high-profile clients. Forstmann made the fabric used in the green jackets given to winners of the Masters golf tournament, the red stripe of Marine dress uniforms and the wool used in Major League Baseball caps.

Forstmann has been owned by Victor Woolens, a company out of Canada, for the last eight years.

*Reprinted from Macon Telegraph, Georgia*

### **New Postings to [www.sheepusa.org](http://www.sheepusa.org)**

Producers who were unable to attend the 2007 American Sheep Industry Association (ASI) convention in San Antonio in January can now obtain the information that was discussed during the workshops and meetings. The presentations that were used by the many speakers during the convention are posted to the ASI Web site, [www.sheepusa.org](http://www.sheepusa.org).

Also now available on the site is the online educational course "A Producers Guide to Scrapie." The one-hour course is designed to be a learning tool for producers to gather information about scrapie as well as to be used as a reference tool - a sort of one-stop shopping for everything a producer wants to know about scrapie and its eradication.

### **House Ag Committee Adopts Budget Letter**

Today, the House Committee on Agriculture adopted the budget views and estimates letter that outlines the Committee's budget recommendations for the federal agencies and programs under its jurisdiction, outlining the funding issues at the forefront of the upcoming Farm Bill reauthorization. The letter will be submitted to Budget Committee Chairman John Spratt of South Carolina pursuant to section 301(d) of the Congressional Budget Act of 1974 and House Rule X, clause 4(f).

"Our action today represents an early step on our road to the development of the 2007 Farm Bill," Chairman Collin Peterson said.

"Because the budget resolution will, in effect, determine the amount of funding we will have to write the Farm Bill, its shape and form will have a crucial impact on our work. Our proposed views and estimates letter sends these messages: the 2002 Farm Bill is fiscally responsible; it is popular in farm country; and it is serving to enhance the well-being of our farmers, ranchers, needy citizens and consumers."

"We urge the Budget Committee to carefully consider the budget views and estimates letter we are submitting and not solely base their decision on projected baselines. We're asking that they not turn their backs on America's farmers and ranchers and provide the Agriculture Committee with the funds needed to address the wide variety of issues facing rural America," said Ranking Member Bob Goodlatte.

The letter to Budget Chairman Spratt shares the views of the Agriculture Committee following the series of field hearings held by the committee last year to meet with farmers and ranchers across America, as well as processors and consumers, about current farm policies and where

they can be improved. Chairman Peterson and Ranking Member Goodlatte previously testified before the Budget Committee on Feb. 14, 2007, about the positive feedback they received from the field hearings.

This year's Farm Bill debate will include new proposals that will require additional resources from the Budget Committee, including a strong energy title, essential to facilitate investments in the expanding agriculturally based renewable energy market, including ethanol and biodiesel. The letter also states that the committee likely will consider proposals that may affect budget allocations in the areas of specialty crops, conservation, food stamps and the Milk Income Loss Contract program.

A copy of the budget and estimates letter is available on the committee Web site at <http://agriculture.house.gov/inside/publications.html>. Each member of the committee will have an opportunity to submit additional views before the letter is filed on Monday, March 5.

*Reprinted from The U.S. House Committee on Agriculture Web Site*

### **Statistics-Based Sampling Approved**

Processors may now use statistically based sampling as a method to ensure meat trimmings have the required legal minimum amount of lean tissue present. The Food Safety and Inspection Service (FSIS) announced it was changing the rules as a means to help processors reduce costs.

The FSIS notice informs its inspectors that processors and other establishments may meet the minimum 12 percent lean tissue standard by using statistically-based sampling and analytical methods.

Processors were previously required to inspect each piece of trim for the requisite lean tissue content either manually or by using expensive analysis equipment.

The announcement covers meat from cattle, sheep, swine and goats.

Notice 15-07 is located at <http://www.fsis.usda.gov/OPPDE/rdad/FSISNotices/15-07.pdf>.

### **APHIS Schedules ID Meetings**

The U.S. Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) has scheduled two public meetings to discuss the implementation of private and state animal identification number device distribution databases for the animal identification component of the National Animal Identification System (NAIS), a voluntary program.

The meetings will be held the afternoon of March 5 and the morning of March 6, 2007, and the afternoon of March 12 and the morning of March 13, 2007. Both meetings will be held at the Hilton Kansas City Airport in Kansas City, Mo.

To read the entire meeting notice, go to <http://a257.g.akamaitech.net/7/257/2422/01jan20071800/edocket.access.gpo.gov/2007/E7-3509.htm>.

### **2007 Exports Forecast Raised to \$78 Billion**

U.S. Department of Agriculture Secretary Mike Johanns announced Thursday an increase in the forecast for agricultural exports to a record \$78 billion for fiscal year 2007.

"Projections show 2007 exports would be up \$9.3 billion over last year, the second largest increase on record and the fourth year of back-to-back records," said Johanns. "Two-thirds of this increase is due to the grain and oilseed sectors. Several trends are driving the rise in export value and keeping U.S. competitiveness strong, such as demand for corn due to increased ethanol production, reduced competition for wheat and only moderate growth in South American oilseed production."

"But this year's story is not just about bulk grains and oilseeds, because we are also expecting considerable growth and record sales for livestock and horticultural products. Livestock and poultry product exports are forecast to increase \$1.2 billion, supported by higher meat volumes to many markets. Rising sales of processed products are driving a \$1.3 billion increase in horticultural exports."

The summary and full report of USDA's "Outlook for U.S. Agricultural Trade" may be accessed

from at <http://www.fas.usda.gov>.

### **Instructions Regarding Canadian Imports Released**

Important information for Food Safety and Inspection Service (FSIS) personnel about the receipt, slaughter and inspection of cattle, sheep and goats imported from Canada was released by the agency this week.

FSIS Notice 14-07, "Importation of Canadian Cattle, Sheep and Goats into the United States," also outlines the regulatory requirements for the importation of certain Canadian ruminants, which began July 15, 2005. The notice carries forward the instructions for inspection of these animals from FSIS Notice 15-05 with the following changes:

- Verification instructions for inspection program personnel to follow when slaughter establishment employees are authorized to break seals on livestock trucks;
- FSIS verification of Canadian ruminants when Canadian ear tags are lost or missing at the U.S. feedlot and the animals are retagged at the feedlot; and,
- Verification instructions for inspection program personnel at establishments that receive Canadian bison for slaughter.

This notice cancels FSIS Notice 15-05. The notice can be accessed at <http://www.fsis.usda.gov/OPPDE/rdad/FSISNotices/14-07.pdf>.  
*Staff contact: Paul Rodgers, 303-771-3500*

### **Air Force Purchases Wool Blankets**

On Feb. 23, Woolrich was awarded a contract to supply 10,300 wool Air Force blankets (55 inches by 45 inches). This contract will require approximately 15,000 pounds of clean and reprocessed 25-micron to 32-micron wool.

### **Panel Recommends US, Canada Get Favorable BSE Rating**

A panel for the World Organization for Animal Health (OIE) has recommended to its 167 member countries that the United States and Canada be given a favorable rating on mad cow disease safety, a designation both countries want to spur beef and cattle trade, according to officials in the United States and Canada.

The OIE is proposing both countries get a 'controlled' risk rating for their handling of the cattle disease that can be passed to humans through consumption of tainted meat.

The OIE will meet in May for its annual general session, and members will vote to approve or disapprove rating categories being proposed for several countries, including the United States and Canada.

### **'Domestic' Wolf Killed Sheep**

An elusive predator that killed more than 120 sheep in eastern Montana last year was a 'domestic' wolf, and if its owner can be found, that person would be liable for the damages, state wildlife officials said Wednesday.

DNA testing at two labs determined the wolf, which was killed on a ranch east of Jordan last November, was the product of "human-manipulated breeding in a domestic, captive situation," according to the Montana Department of Fish, Wildlife and Parks.

The animal had genetic material from wolves in the Great Lakes region, the lower 48 states and Alaska, tests showed.

"You just don't see that Heinz 57 hodgepodge in wild wolves," Carolyn Sime, head of the state's wolf program, said Wednesday.

But it's unclear where the animal came from.

"In the absence of any permanent markings on this animal, we have no way to trace it back to its owner," Sime said. "That part of the mystery will remain unresolved unless somebody comes forward."

The 106-pound male caused a stir for months in Garfield and McCone counties, where it traveled widely and periodically preyed on sheep. Reports of depredations began in December 2005 and lasted until July of last year.

The predator eluded trackers until last fall, when its footprints were spotted in deep snow. Federal agents with Wildlife Services shot and killed it from the air on Nov. 2.

"This individual displays classic characteristics of being a domestic wolf," Dyan Straughan, a forensic scientist at the National Forensics Laboratory, said in a statement.

Other characteristics, including its orange color, small foot size, long claws and teeth that were in relatively good condition, also indicated the wolf wasn't from the wild.

Montana law requires that any captive, domestic or hybrid animal that is more than half wolf be permanently tattooed and registered with Fish, Wildlife and Parks and that any escaped animal be reported. Financial liability for property damage caused by such animals is the responsibility of the owner, state officials said.

Since the law passed in 1985, 332 tattoo registration numbers have been issued and 60 people have registered captive or hybrid wolves, Sime said.

The domestic wolf shot in Garfield County didn't have any tattoos. Tracing its origins might be difficult because the domestic wolf business can be hard to track.

"It's a closeted industry that's hard get a handle on," Sime said.

*Reprinted from The Casper Star Tribune*

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

The U.S. Department of Agriculture's prices for wool the week beginning Feb. 21 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 February 23, 2007**

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

**Feeder Prices**, San Angelo, 60-70 lbs. 103-109.50 \$/cwt., 70-80 lbs. 96-105 \$/cwt., 80-90 lbs. for 95-106 \$/cwt.

**Slaughter Prices - Negotiated**, Live, woolled and shorn 125-160 lbs. for 90-105 \$/cwt., dressed, no sales reported.

**Slaughter Prices - Formula**, 8,381 head<sup>(1)</sup> at 167.21-193.73 \$/cwt. for 71.4 ave. lbs., 16,147 head at 167.34-191.77 \$/cwt. for 78.5 ave. lbs.

**Equity Electronic Auction**, No test.

**Cutout Value/Net Carcass Value**<sup>(2)</sup> \$213.61/cwt.

**Carcass Price**, Choice and Prime, YG 1-4, weighted averages, 2,254 head at 55-65 lbs. for \$202.93/cwt., 3,075 head at 65-75 lbs. for \$190.80/cwt., 3,440 head at 75-85 lbs. for \$187.93/cwt., 1,211 head at 85 lbs. and up for \$176.57/cwt.

**Boxed Lamb**, weighted average prices (\$/cwt.), Trimmed 4" Loins 425.99, Hotel rack<sup>(3)</sup> 580.28, Leg (trotter off) 239.88, Ground lamb 275.93.

**Wool**, Price (\$/lb.) Clean, Delivered, 18 micron (Grade 80s) no prices reported, 19 micron (Grade 80s) 3.02, 20 micron (Grade 70s) 2.50, 21 micron (Grade 64-70s) 1.90-2.80, 22 micron (Grade 64s) 1.75-2.58, 23 micron (Grade 62s) 2.23, 24 micron (Grade 60-62s) 2.06, 25 micron (Grade 58s) 1.73, 26 micron (Grade 56-58s) 1.50-1.59, 27 micron (Grade 56s) 1.50.

<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)*