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ASI WEEKLY

NEWS FOR SHEEP INDUSTRY LEADERS

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Emergency Spending Bills Pass

On Thursday, in a vote of 51 to 47, the U.S. Senate passed their version of the \$122 billion fiscal year 2007 Emergency Spending Bill that was originally intended to provide supplemental funding for the wars in Iraq and Afghanistan. The Senate bill also added funding for disaster relief for victims of hurricanes Katrina and Rita along with approximately \$4 billion for farmers and ranchers hurt by natural disasters. The Senate included disaster assistance for livestock and the retained ewe lamb program in disaster counties for 2005 or 2006.

Last week, the U.S. House of Representatives passed a similar bill including \$3.8 billion for agriculture disaster assistance on a 218 to 212 vote. The House version also included funds for peanut storage payments, continuation of the Milk Income Loss Contract (MILC) program and aid for spinach growers but not a ewe lamb program.

Both the House and Senate versions contain timetables for withdrawing combat troops from Iraq. This pullout provision, as well as the funding for domestic programs unrelated to the war, prompted veto threats from the President. It remains to be seen what a final version of the bill will contain after the House and Senate meet to resolve differences in their respective bills.

Staff contact: Fran Boyd, 202-484-7134

Spring Trip Scheduled

Sheep industry leaders are finalizing plans for the annual spring trip to Washington, D.C. Members of the American Sheep Industry Association's (ASI) Legislative Action Council along with member state sheep association delegates will be in Washington from May 2-4.

The purpose of this trip is to visit with federal policy makers regarding legislation and federal agriculture and land management agency programs that affect the business of sheep producers in this country. A key topic for this year's discussion involves the upcoming 2008 Farm Bill, which includes the loan deficiency program for wool. Other topics of interest are next year's appropriations funding for Wildlife Services, scrapie eradication and sheep and wool research.

Also included on the agenda are meetings with officials from the U.S. Department of Agriculture and land management agencies on the status of sheep industry projects and programs from scrapie eradication to targeted grazing. The ASI American lamb barbecue is scheduled for Wednesday evening, May 2.

Producers interested in participating in this event should contact their state association or Peter Orwick at porwick@sheepusa.org.

Staff contact: Peter Orwick, ext. 33

Ungraded Wool LDP Rate Falls

Wool Loan Deficiency Payment (LDP) rates for ungraded wool fell this week to \$0.18 per pound greasy from \$0.23 per pound greasy last week. With the drop in the ungraded LDP rate, producers who have wools core tested at 18.6 microns or less, as well as those graded at 26 micron or higher, may find the graded LDP favorable over the ungraded rates.

"Wool with at least a 50-percent yield may well pay better on the graded program," according to Peter Orwick, American Sheep Industry Association executive director. "The graded program requires a core test and is computed on a clean basis."

FSA offices have the weekly posting of LDP rates for both graded and ungraded wool. Test information is not required for the ungraded LDP rate.

To be eligible to apply for an LDP, the wool must be sheared and the producer must retain beneficial interest in the wool.

The LDP rate tables can be accessed at www.fsa.usda.gov/FSA/webapp?area=home&subject=prsu&topic=ldp.

Staff contact: Peter Orwick, ext. 33

Extension on Wolf Comment Period

The U.S. Fish and Wildlife Service this week announced an extension of the comment period for the proposed rule to establish a distinct population segment (DPS) of the gray wolf in the Northern Rocky Mountains (NRM) of the United States and to remove the gray wolf in the NRM DPS from the list of endangered and threatened wildlife under the Endangered Species Act. The deadline for submitting comments has been extended to May 9, 2007.

Also announced was an additional hearing to receive public comments on this proposal that will be held on Thursday, April 9, in Cody, Wyo., from 6 to 8 p.m.

Previously submitted comments should not be resubmitted.

The full Federal Register is located at <http://a257.g.akamaitech.net/7/257/2422/01jan20071800/edocket.access.gpo.gov/2007/E7-5744.htm>.

NLFA Leadership School -- July 22-25

Applications for the 2007 Howard Wyman Sheep Industry Leadership School, sponsored by the National Lamb Feeders Association (NLFA), must be submitted by May 1, 2007. This year's school will meet in Sioux Falls, S.D., on July 22-25, 2007, under the direction of Mike Caskey of Minnesota West Community & Technical College in Pipestone, Minn.

There is no fee to apply. A \$100 registration fee is required once applicants are selected. The school is open to all persons interested in sheep production, feeding or any related industry business who are 20 years of age or older. All levels of experience are eligible.

For more information, call NLFA at 503-364-5462. Applications are available online at www.nlfa-sheep.org.

DeHaven To Leave APHIS

Ron DeHaven, DVM, administrator of the U.S. Department of Agriculture's (USDA) Animal and Plant Health Inspection Service, has been named the new executive vice president at the American Veterinary Medical Association (AVMA). With more than 25 years of public health experience, DeHaven will succeed Bruce Little, DVM, who is retiring this year after service as executive vice president since 1996.

"This position at the AVMA will provide me an exciting opportunity to give back to the profession. I will be in a leadership position in the organization that represents 75,000 veterinarians at a time when the profession is at a crossroads. We are facing a future where the intersection of animal health, public health and food-supply veterinary medicine is becoming critical to meeting the needs of a global society," DeHaven said.

DeHaven is planning to remain in his position at APHIS for a few months to ensure an orderly transition for USDA.

Web Site for Federal Recreation Reservations

Secretary of the Interior Dirk Kempthorne and Secretary of Agriculture Mike Johanns this week demonstrated a one-stop internet site for making reservations and exploring federal recreation lands.

This interagency Web site allows the public to view photos and information on thousands of recreation sites and activities from sightseeing at the Washington Monument to canoeing in a Minnesota forest. The public can also use www.recreation.gov to make reservations and payments online.

"Americans love to enjoy our parks, forests, historic sites and other public lands, and we want to make it easier for them to do so," said Kempthorne. "At recreation.gov, Americans can find, plan and reserve their 'place under the stars' on one internet Web site or with a single phone call."

Agriculture Secretary Mike Johanns added, "Recreation.gov not only simplifies reservations, it showcases the many opportunities to enjoy public lands. This is a refreshing change for those who have searched multiple Web pages to make their recreation plans, and it's an example of better coordination to better serve Americans."

Shear Genius Upgrades Sewage Treatment Plant

Sheep's fleece might keep people warm in the winter but it also is one of the newest products used in treating sanitary sewage.

Officials in Portage, N.Y., hope new filters made of fleece, scheduled to be installed at the city's wastewater treatment plant next year, will help increase plant capacity.

The new filters should increase process capacity from 3.5 million gallons per day to 14 million gallons per day. The plant presently uses sand filters in the process, which allows for filtering 2 gallons of waste water per minute per square foot. The new filters could nearly double that capacity.

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Corn Acres Expected to Soar

Driven by growing ethanol demand, U.S. farmers intend to plant 15 percent more corn acres in 2007, according to the Prospective Plantings report released today by the U.S. Department of Agriculture's National Agricultural Statistics Service (NASS). Producers plan to plant 90.5 million acres of corn, the largest area since 1944 and 12.1 million acres more than in 2006.

Expected corn acreage is up in nearly all states, due to favorable prices fueled by increased demand from ethanol producers as well as strong export sales. Illinois farmers intend to plant a record 12.9 million corn acres this spring, up 1.6 million acres from 2006. Record-high acreage is also expected in Minnesota, North Dakota, California and Idaho. Iowa continues to be the largest corn acreage state with 13.9 million acres, up 1.3 million acres from 2006.

The Prospective Plantings report provides the first official estimates of U.S. farmers' planting intentions for 2007. NASS' acreage estimates are based on surveys conducted during the first two weeks of March from a sample of more than 86,000 farm operators across the United States.

The full report is located at

<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1136>.

Weekly National Market Prices for Wool

The U.S. Department of Agriculture's prices for wool the week beginning March 28 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, \$0.24; Region 2, \$0.22; and Region 3, \$0.22.

The LDP rate for ungraded wool, therefore, is \$0.18 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 23, 2007

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

Feeder Prices, an Angelo, 60-70 lbs. 90-100 \$/cwt., 70-95 lbs. for 88-95 \$/cwt., set 107 lbs. for \$84/cwt., new crop 70-80 lbs. 110-115 \$/cwt.

Slaughter Prices - Negotiated, Live, woolled and shorn 115-160 lbs. for 90.44-105 \$/cwt., dressed, no sales reported.

Slaughter Prices - Formula, 11,323 head⁽¹⁾ at 170-193.45 \$/cwt. for 70.5 ave. lbs., 19,231 head at 166.79-193.63 \$/cwt. for 78.2 ave. lbs.

Equity Electronic Auction, shorn and woolled 130 lbs. \$91/cwt.

Cutout Value/Net Carcass Value⁽²⁾ \$215.64/cwt.

Carcass Price, Choice and Prime, YG 1-4, weighted averages, 2,774 head at 55-65 lbs. for \$203.44/cwt., 4,370 head at 65-75 lbs. for \$193.30/cwt., 3,768 head at 75-85 lbs. for \$189.12/cwt., 1,867 head at 85 lbs. and up for \$176.39/cwt.

Boxed Lamb, weighted average prices (\$/cwt.), Trimmed 4" Loins 391.06, Hotel rack⁽³⁾ 555.97, Leg (trotter off) 261.06, Ground lamb 275.51.

Wool, Price (\$/lb.) Clean, Delivered, 18 micron (Grade 80s) 3.10, 19 micron (Grade 80's) 3.00, 20 micron (Grade 70's) 2.55, 21 micron (Grade 64-70's) 2.47-2.61, 22 micron (Grade 64's) 2.49-2.51, 23 micron (Grade 62's) 2.12-2.38, 24 micron (Grade 60-62's) 1.96, 25 micron (Grade 58's) 1.61, 26 micron (Grade 56-58's) 1.60, 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)
