

December 8, 2006

ASI WEEKLY

NEWS FOR SHEEP INDUSTRY LEADERS

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Drought Aid Package Short Approval

The U.S. Senate this week was unable to approve a disaster package with assistance for livestock producers hit by drought conditions during the past two years. A vote on an amendment by Sen. Kent Conrad (D-N.D.) received 57 votes toward passage, yet it was defeated on a procedural point of order regarding the budget which required 60 votes for approval.

The \$4.8 billion package would have covered weather-related losses in 2005 and 2006. Roughly half of the money would go to crop producers and an additional \$1.7 billion would compensate ranchers for livestock losses and higher feed costs.

In addition to the drought assistance, the American Sheep Industry Association (ASI) supported inclusion of a retained ewe-lamb program in the disaster package.

Peter Orwick, ASI executive director stated, "While it is disappointing that the disaster package was not approved this year, the Senate vote indicates there is a good chance of passage in February when the 110th Congress convenes. We appreciate the work of the senators who offered the amendment with the assistance for sheep producers and look forward to working with them next year.

"Severe drought conditions have been wide spread over the past two years forcing producers to buy more feed or to transport their sheep to feed. Everyone is familiar with the increases in both feed costs as well as hauling costs this winter," concluded Orwick.

Staff contact: Peter Orwick, ext. 33

Support Worker Program

"We need agricultural worker reform before the end of the 109th Congress," was the message sent to the Hill this week by a coalition of more than 375 national, regional and local organizations in an attempt to strong-arm the passage of this legislation before the session ends.

Worker shortages have been reported from coast to coast, from border to border.

The facts are clear: on many American farms, immigrant labor plants, tends and picks the fruits, vegetables and other crops. Immigrant workers tend the livestock-feeding the chickens, turkeys, horses, sheep, hogs and cattle and milking the cows. Immigrant workers also produce, install and maintain the plants that make our homes, towns and cities livable.

The current agricultural temporary-worker program known as H2A needs reform. American agriculture needs a reformed H2A program that is timely, effective and streamlined. It must provide a transition approach that allows for retaining the experienced workforce while capacity is built on the farm and at the border to support wider use of the program.

Congress did not finalize legislation on this topic in the final days of the 109th Congress.

Staff contact: Peter Orwick, ext. 33

Market Report Available Sooner

The market summary that the American Sheep Industry Association (ASI) posts at the end of the ASI Weekly will now be available on Monday. Each week, ASI will post the report to www.sheepusa.org to provide more timely reporting to the industry. Click on the Weekly Market Summary in the lower left hand corner of the ASI homepage to access this information.

Julie Stepanek Shiflett, Ph.D., compiles the market information for ASI as it becomes available each week. The report will continue to be posted at the end of the newsletter for those who do not have Web access.

What is 'Natural?'

The Food Safety and Inspection Service (FSIS) announced receipt of a petition from Hormel Foods to establish a definition for the voluntary claim 'natural' and to delineate the conditions under which the claim can be used on the labels of meat and poultry products. The petition explained that consumer interest and concern in natural products are rising. Meat and poultry food manufacturers are seeking to establish marketing presence in this growing area of labeling.

FSIS is inviting comments on the issue in general and on the petition as well as announcing that it will hold a public meeting to discuss the petition.

The public meeting will be held on Tuesday, Dec. 12, 2006, from 9 a.m. to 1 p.m. in the south agricultural building in Washington, D.C.

Comments received on or before Jan. 11, 2007, will be considered.

Complete details can be found in the Federal Register at <http://a257.g.akamaitech.net/7/257/2422/01jan20061800/edocket.access.gpo.gov/2006/06-9546.htm>.

2007 Conservation Sign-up

Agriculture Secretary Mike Johanns this week announced the request for proposals for Conservation Innovation Grants (CIG). The CIG program is designed to stimulate the development and adoption of innovative conservation approaches and technologies.

"CIG rewards the creation of new and innovative approaches to managing the nation's natural resources more effectively and efficiently," said Johanns. "It allows applicants to come up with practical solutions to address conservation and resource management on a local, regional or national scale."

For fiscal year 2007, up to \$20 million is available for the National CIG competition. Funds for single- or multi-year projects, not to exceed three years, will be awarded through a nationwide competitive grants process with applications accepted from all 50 states, the Caribbean Area (Puerto Rico and the Virgin Islands) and the Pacific Basin Area (Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands) from all eligible government or non-government organizations or individuals, including federally recognized tribes.

To view the announcement of program funding or to apply visit:

www.nrcs.usda.gov/programs/cig.

NASS Conducts Sheep and Cattle Inventory

The U.S. Department of Agriculture's (USDA) National Agricultural Statistics Service (NASS) will conduct 2007 January sheep and goats and cattle surveys this winter to gather reliable information about inventories for all states. Producers will be asked to report during the Dec. 29-Jan. 12 data collection period.

"Because of the unique issues and challenges facing today's producers, participation in this survey is vital," said Steve Manheimer, director of the NASS Arizona field office. "Only by contacting operations directly can NASS compile and publish the most reliable statistics possible."

Having quality information enables the USDA and the sheep and goats and cattle industries to be more responsive to the American and international public, increase consumer understanding and awareness and establish an appreciation for the safety and health benefits of U.S. lamb and beef products.

NASS safeguards the confidentiality of all survey responses. Data collected from individual

operations are combined with other responses to provide the needed data. NASS will not disclose any data about an individual operation.

NASS will publish the 2007 Sheep and Goats and 2007 Cattle Reports with state and national estimates on Jan. 26, 2007.

Reprinted from Western Farm Press

Group Petitions to Delist Wolves in Idaho

A local sportsmen's group is forming a petition calling for the immediate delisting of wolves in Idaho.

The ultimate decision on whether wolves should be delisted is up to the federal government; however, the Sportsmen for Fish and Wildlife are now collecting signatures to send a petition to those decision makers.

"If in fact we don't have an endangered species in our state, and we have adequate protections under the Endangered Species Act to prevent it from happening again, then we should be allowed to manage and that's what we're asking for," said Nate Helm, Sportsmen for Fish and Wildlife.

Governor Jim Risch wrote a letter last month to the Interior Department saying he wants this process expedited.

The Idaho Defenders of Wildlife says it would support delisting wolves once a better plan for managing the animals is in place.

Reprinted from KTVB in Idaho

AU Requiring Animal ID

Western Australian farmers intending to sell or move sheep and goats must now ensure they are tagged to comply with the National Livestock Identification Scheme.

New regulations came into force last Friday requiring all sheep and goats to be identified with ear tags imprinted with the owners' brand.

The system has been introduced to make it easier to trace livestock in the event of an outbreak of an exotic disease.

Non-compliance with the scheme could result in fines of up to \$5,000.

Some exceptions to the regulations apply include lambs being taken directly to slaughter and pastoral goats moving between neighboring properties.

Reprinted from ABC Australia

AU Lamb Slaughter Reaches 25 Year High

Lamb slaughter numbers are at their highest levels in more than 25 years.

The Australian Bureau of Statistics (ABS) says total sheep and lamb slaughter numbers have risen for the 10th consecutive month to more than 3.2 million.

Mutton production was also up.

Nigel Gibson from the ABS says the figures reflect the impact of the drought.

"We had 1.7 million lambs processed for the month, which is around 200,000 more for the same month than the four or five previous years," he said.

"[It is a] very much higher figure than what we'd normally expect to see.

"In Victoria the numbers are up over 20 percent from the previous month and in New South Wales, they're up 17 percent on the previous month," Gibson concluded.

Reprinted from ABC Australia

Lamb Good Source of Vitamin D

New research shows beef and lamb are rich sources of a type of vitamin D, something we usually get from sunlight.

Dietary sources of vitamin D are becoming more and more important as we heed health messages to protect ourselves from the sun's harmful rays.

A study led by Associate Professor Roger Purchas, Ph.D., at the Institute of Food, Nutrition

and Human Health, estimates that one serving of lamb can provide half the daily vitamin D requirement and beef about a quarter when both forms of the vitamin are taken into account.

This form of vitamin D, 25-hydroxyvitamin D, is three times more potent than other types.

"Recognizing the contribution beef and lamb can make to our vitamin D intake is both timely and important.

"Food sources have been limited primarily to oily fish, eggs and some dairy products; beef and lamb can now be added to the list," Purchas says.

Reprinted in part from Gisborne Herald, New Zealand

Weekly National Market Prices for Wool

The U.S. Department of Agriculture's prices for wool the week beginning Dec. 6 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 December 1, 2006

Feeder Prices, San Angelo, 60-70 lbs. for 102-110 \$/cwt., 70-80 lbs. for 101-106 \$/cwt., 80-90 lbs. for 96-105 \$/cwt.

Slaughter Prices - Negotiated, Live, woolled and shorn 125-165 lbs. for 88.56-95 \$/cwt., dressed, load woolled 72 lbs. carcass for \$176/cwt.

Slaughter Prices - Formula, 4,350 head⁽¹⁾ at 183.85-207.44 \$/cwt. for 71.40 ave. lbs., 12,969 head at 180-202.18 \$/cwt. for 77.60 ave. lbs.

Equity Electronic Auction, Live, shorn and woolled 125 lbs. for \$85.50/cwt.

Cutout Value/Net Carcass Value⁽²⁾\$222.48/cwt.

Carcass Price, Choice and Prime, YG 1-4, weighted averages, 1,984 head at 55-65 lbs. for \$205.60/cwt., 4,097 head at 65-75 lbs. for \$198.39/cwt., 4,345 head at 75-85 lbs. for \$197.48/cwt., 1,470 head at 85 lbs. and up for \$187.05/cwt.

Boxed Lamb, weighted average prices (\$/cwt.), Trimmed 4" Loins 484.54, Hotel rack⁽³⁾ 583.37, Leg (trotter off) 240.88, Ground lamb 283.23.

Wool, Price (\$/lb.) Clean, Delivered, 18 micron (Grade 80s) 2.35, 19 micron (Grade 80's) 2.35, 20 micron (Grade 70's) No prices reported, 21 micron (Grade 64-70's) 2.03, 22 micron (Grade 64's) 2.20, 23 micron (Grade 62's) 1.90, 24 micron (Grade 60-62's) 1.78, 25 micron (Grade 58's) No prices reported, 26 micron (Grade 56-58's) No prices reported, 27 micron (Grade 56's) No prices reported.

⁽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)
