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# ASI WEEKLY

## NEWS FOR SHEEP INDUSTRY LEADERS

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### **Johanns Outlines 2008 Ag Budget**

Early this week, Agriculture Secretary Mike Johanns released the details of President Bush's Fiscal Year 2008 U.S. Department of Agriculture (USDA) Budget.

According to Johanns, the 2008 USDA budget reflects the President's priorities to encourage economic growth and increase our security. The budget focuses on growing the farm and rural economy, providing food assistance to those who need it, safeguarding America's food supply and agriculture and supporting sound land management practices and natural resources conservation.

Two areas of interest to the sheep industry include funding for scrapie eradication and wildlife services. The scrapie program has been recommended to receive \$17.32 million, down significantly from the \$18.6 million funded in fiscal year 2006.

The budget for wildlife services operations is recommended to be flat with a funding request of \$77 million.

The 2008 budget recommendation eliminates funding for unrequested Congressional earmarks added to the service since 2001. The funding for the National Sheep Industry Improvement Center was eliminated.

Total USDA expenditures are estimated at about \$89 billion in 2008, which is approximately the same level as 2007. Roughly 75 percent of expenditures, or \$67 billion in 2008, will be for mandatory programs that provide services required by law, which include many of the nutrition assistance, commodity, export promotion and conservation programs.

USDA's discretionary programs account for the remaining 25 percent of expenditures, or \$22 billion in 2008, which is approximately the same level as 2007. Discretionary programs include the Women, Infants and Children program; rural development loans and grants; research and education; soil and water conservation technical assistance; management of National Forests and domestic marketing assistance.

The complete Budget Summary and Annual Performance Plan can be accessed at [www.obpa.usda.gov/budsum/fy08budsum.pdf](http://www.obpa.usda.gov/budsum/fy08budsum.pdf).

*Staff contact: Peter Orwick, ext. 33*

### **Wolves Move Off Endangered Species List**

Effective March 12, 2007, the western Great Lakes population of gray wolves will be removed from the list of threatened and endangered species, according to a Federal Register published on Thursday. The threats to the gray wolf in this region have been reduced or eliminated and greatly exceed the numerical recovery criteria established in the recovery plan. The area includes all of Minnesota, Wisconsin and Michigan as well as parts of North Dakota, South Dakota, Iowa, Illinois, Indiana and Ohio.

The notice is located at <http://a257.g.akamaitech.net/7/257/2422/01jan20071800/edocket.access.gpo.gov/2007/07-471.htm>.

Also posted in the Federal Register on Thursday, the U.S. Fish and Wildlife Service published its proposed rule to establish a distinct population segment of the gray wolf in the Northern Rocky Mountains and to remove the gray wolf in this area from the list of endangered and threatened wildlife.

Comments on this proposal will be considered if received on or before April 9, 2007. Six public hearing will also be held between Feb. 27 and March 8 with an open house scheduled prior to the public hearing at each location.

The public hearings will be held on the following dates in the following cities: Feb. 27 in Cheyenne, Wyo.; Feb. 28 in Salt Lake City, Utah; March 1 in Helena, Mont.; March 6 in Boise, Idaho; March 7 in Pendleton, Ore.; and March 8 in Spokane Valley, Wash.

The full register notice is located at <http://a257.g.akamaitech.net/7/257/2422/01jan20071800/edocket.access.gpo.gov/2007/07-487.htm>.

Both actions are being taken in recognition of the success of the gray wolf recovery efforts under the Endangered Species Act.

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### **Appointments Announced**

James M. Hughes, Gary W. Mast and Constance C. Jackson were appointed to positions with the Department of the Interior and the U.S. Department of Agriculture (USDA) this week.

Hughes was announced as the acting director of the Interior's Bureau of Land Management (BLM), which manages 258 million acres of public land and 700 million acres of subsurface mineral resources.

Hughes, who has been BLM's deputy director for programs and policy since 2002, will serve until a new BLM director is nominated by the President and confirmed by the U.S. Senate as provided by law. Former Director Kathleen Clarke resigned to return to her home state of Utah to rejoin her family.

The USDA announced Mast as deputy under secretary for natural resources and environment. Mast succeeds Merlyn Carlson, who retired from the position on Jan. 5, 2007.

NRE ensures the health of the land through sustainable management and works to prevent damage to natural resources and the environment, restore the resource base and promote good land management.

As Foreign Agricultural Service associate administrator, Jackson will be instrumental in helping the agency manage its market development programs and support U.S. agriculture in both the negotiations of new trade agreements and their enforcement after they go into effect.

### **2007 Federal Grazing Fee Announced**

The federal grazing fee for Western public lands managed by the U.S. Forest Service (USFS) and the Bureau of Land Management (BLM) will be \$1.35 per animal unit month (AUM) in 2007, down from \$1.56 in 2006. The newly adjusted fee, determined by a congressional formula and effective on March 1, applies to more than 8,000 permits administered by the USFS and nearly 18,000 grazing permits and leases administered by the BLM.

Under a presidential executive order, the grazing fee cannot fall below \$1.35 per AUM, and any increase or decrease cannot exceed 25 percent of the previous year's level. An AUM is the amount of forage needed to sustain one cow and her calf, one horse or five sheep or goats for a month.

The \$1.35 per AUM grazing fee applies to 16 Western states on public lands administered by the USFS and BLM. The states are Arizona, California, Colorado, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington and Wyoming.

The USFS applies different grazing fees to national grasslands and to lands under its management in the Eastern and Midwestern states and parts of Texas. The national grassland fee will be \$1.37 per AUM, down from \$1.73 in 2006, and will also take effect March 1. The fee for the Eastern and Midwestern states and parts of Texas will be out later this month.

### **Researchers Exploit Cattle Pathogen's Genomic Secrets**

With genomic 'maps' in hand, Agricultural Research Service (ARS) scientists are plotting new ways to protect cattle from cellular attack by *Anaplasmosis marginale*.

*A. marginale* is a primarily tick-borne bacterium that invades and destroys the red blood cells of cattle and other ruminant hosts. Severe infections cause anemia, weight loss and death. Between 50,000 and 100,000 U.S. cattle succumb to it annually. Those surviving the disease-known as anaplasmosis-become lifelong carriers that can endanger other herd members and impede U.S. cattle trade.

Although antibiotics can kill *A. marginale*, a long-sought alternative strategy has been to develop a vaccine to keep the bacterium from infecting cattle in the first place. However, vaccination has been dogged by safety issues and uneven performance. A chief reason is *A. marginale*'s ability to reconfigure its surface proteins and evade detection by the animals' immune systems, according to Lowell S. Kappmeyer, a geneticist in the ARS Animal Diseases Research Unit (ADRU) at Pullman, Wash.

Now the jig could be up, thanks to Kappmeyer and colleagues' success in determining the nucleic acid sequence for the genome of the bacterium's St. Maries strain, which is tick-transmitted. His fellow 'decoders' include ADRU research leader Don Knowles, other scientists in the unit and a team led by Guy Palmer at Washington State University-Pullman.

The advance, first reported in January 2005, has enabled the researchers to identify 70 percent of *A. marginale*'s genes, including those encoding for two protein superfamilies. Many superfamily proteins reside on the bacterium's outer surface, where the host's immune system searches for them in order to mount a defensive response.

According to Lowell, the discovery raises the prospect of devising new vaccines that will help the immune systems of cattle to better recognize the bacterium's protein-shuffling shenanigans and to flag them with antibodies that mobilize pathogen-eating cells.

Genomics research in sheep holds great potential for many production, health and management areas. It is also one of the priority initiatives identified by the Tri-Lamb group. The American Sheep Industry Association's Board of Directors voted unanimously during its annual meeting to incorporate a new policy for the industry that encourages increased funding from the U.S. Department of Agriculture to support international sheep genomics research and education efforts.

You can read more about this research at [www.ars.usda.gov/is/AR/archive/feb07/disease0207.htm](http://www.ars.usda.gov/is/AR/archive/feb07/disease0207.htm).

*Reprinted from Agricultural Research Service*

### **Nonprofits Eligible for NIAS Agreements**

The U.S. Department of Agriculture (USDA) announced a request for proposals (RFP) from nonprofit livestock and poultry industry organizations that wish to enter into cooperative agreements with USDA to advance the development of the National Animal Identification System (NAIS). These cooperative agreements will support the efforts of such organizations to promote NAIS and, specifically, increase participation in premises registration-the foundation of the program.

USDA will make up to \$6 million available for the cooperative agreements, subject to the availability of funding.

Organizations that receive these cooperative agreement funds will not be responsible for the actual administration or processing of premises registration applications. Rather, the agreements will be limited to outreach and promotional efforts that result in new premises registrations. Cooperating groups will promote premises registration to producers and increase their respective

sectors' level of registration in secure databases maintained by state and tribal authorities.

Additional information about the NAIS program, along with a link to the RFP, is available at [www.usda.gov/nais](http://www.usda.gov/nais).

### **Hawke's Bay shearer breaks ewe strong wool record**

A Hawke's Bay, New Zealand, shearer broke a decade-old world ewe-shearing record by just one animal.

Rodney Sutton of Porangahau sheared 721 sheep in nine hours, breaking the strong wool ewe record set by Darin Forde 10 years ago.

Sutton started the final sheep just seconds before the 5 p.m. deadline. Under the rules, he was allowed to finish shearing it, and that clinched him the record.

### **New Issue of Health Animals Available**

The Agricultural Research Service (ARS) posted a new issue of Healthy Animals at [www.ars.usda.gov/is/np/ha/han28.htm](http://www.ars.usda.gov/is/np/ha/han28.htm).

This quarterly online newsletter compiles ARS news and expert resources on the health and well-being of agricultural livestock, poultry and fish.

### **Veterinarian Jobs Go Unfilled**

For an aspiring veterinarian, Iowa State University student Pete Thomas is in a distinct minority. He wants to work with livestock rather than pets. He wants to stay in Iowa.

"I thought that vet school would be a good way to stay connected with agriculture, be with livestock and stay on farms without necessarily having the risk involved with being a farmer," he said.

But veterinarians and livestock industry officials worry that there are too few future vets like Thomas, especially if there is an outbreak of diseases such as avian influenza or foot and mouth.

Research published last year by the American Veterinary Medical Association projected that the need for livestock veterinarians will grow by 12 percent to 13 percent a year and that four in every 100 positions will remain vacant.

The U.S. Department of Agriculture (USDA), the biggest employer of veterinarians, will be short as many as 400 in coming years without an increase in recruitment and a slowdown in retirements, officials say. USDA vets conduct research, investigate disease outbreaks and inspect cattle at slaughterhouses for signs of illnesses such as mad cow disease.

"If we don't have food-animal practitioners in the field as the first line of defense to detect some of these things, that's a real vulnerability we have," said Mike Chaddock, a former Michigan state veterinarian who now works for the Association of American Veterinary Colleges.

The nation's 28 veterinary schools typically graduate 2,500 students a year. Fewer than 10 percent of those go into food-animal jobs, Chaddock said. Experts say twice that number is needed.

A federal law passed in 2004 authorized the USDA to repay the student debt of new veterinarians who work in rural areas or inner cities, but the department has yet to implement rules for the program.

*Reprinted from USAHA News Alert Summaries*

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

The U.S. Department of Agriculture's prices for wool the week beginning Jan. 31 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 2, 2007**

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

**Feeder Prices**, Intermountain area, 60-70 lbs. 108-113 \$/cwt., 70-80 lbs. 109-110 \$/cwt., 80-90 lbs. for 102.50-107 \$/cwt.

**Slaughter Prices - Negotiated**, Live, woolled and shorn 115-160 lbs. for 87.67-99.50 \$/cwt., dressed, no sales reported.

**Slaughter Prices - Formula**, 9,029 head<sup>(1)</sup> at 176.53-193.33 \$/cwt. for 72.8 ave. lbs., 9,860 head at 161.53-195.15 \$/cwt. for 79.4 ave. lbs.

**Equity Electronic Auction**, shorn and woolled 130 lbs. for \$90.75/cwt.

**Cutout Value/Net Carcass Value**<sup>(2)</sup> \$202.14/cwt.

**Carcass Price**, Choice and Prime, YG 1-4, weighted averages, 2,225 head at 55-65 lbs. for \$203.40/cwt., 3,265 head at 65-75 lbs. for \$189.89/cwt., 3,108 head at 75-85 lbs. for \$186.44/cwt., 1,342 head at 85 lbs. and up for \$175.08/cwt.

**Boxed Lamb**, weighted average prices (\$/cwt.), Trimmed 4" Loins 415.65, Hotel rack<sup>(3)</sup> 587.16, Leg (trotter off) 218.96, Ground lamb 272.54.

**Wool**, Price (\$/pound) Clean, Delivered, 18 micron (Grade 80s) no prices reported, 19 micron (Grade 80s) no prices reported, 20 micron (Grade 70s) no prices reported, 21 micron (Grade 64-70s) 1.90, 22 micron (Grade 64s) 1.75-2.32, 23 micron (Grade 62s) 1.98, 24 micron (Grade 60-62s) 1.88, 25 micron (Grade 58s) 1.54, 26 micron (Grade 56-58s) 1.33, 27 micron (Grade 56s) 1.20.

<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)*