2010-2011 All Time High for U.S. Lamb Prices

- Prices for feeder and market lambs moved past the $2 per pound mark in the spring of 2011
- Cull-ewe market sets record prices since winter of 2010
- Lamb meat wholesale prices have never been at this level

Wool Prices Highest Since 1989

- International wool shortages and U.S. exchange rates have combined for substantial price increases
- Superwash equipment spurring increased competition among U.S. textile companies
  - Record wool returns of $25 per ewe.

Pelts and Breeding Stock

- Sheep skin market ramps up to $15 and $20 range with some sales reaching $25 to $40
- Breeding stock across the board set record prices due to demand from existing and new sheep producers
Wildlife Services Funding

• ASI led campaign against amendment of Humane Society of the United States (HSUS) to cut WS funding by $11 million
• ASI circulated a joint letter signed by 130 national and state organizations
• House members soundly rejected amendment by a 287-132 vote on June 16

Wildlife Services Funding

• All earmarks were eliminated in the FY 2011 funding bill, which included $2.7 million for Wildlife Services in 9 states
  - Wisconsin
  - Minnesota
  - Pennsylvania
  - Michigan
  - Montana
  - South Dakota
  - Wyoming
  - Idaho
  - West Virginia

FY 12 is approved with $4 million plus in operations

ASI Launches Grow Our Flock Campaign

From the lamb and wool processing level, there is a shared concern about meeting the demand for lamb and wool production in the United States.

Lamb Market Needs

• Nontraditional lamb marketing accounts for 30% of all lamb marketed!
  - Farmers markets
  - Small processing plants
  - Direct farm sales
  - Growth in ethnic consumption
• Traditional lamb marketing companies competing for lambs to fill national accounts.
• We must grow to meet the increasing demand for lamb in both segments.
• Kroger’s grocery stores are the largest American-lamb retail chain. This winter it put its branded program on our lamb. 60% of American lamb at retail is by Kroger’s who has committed to grow the category.
• Super Wal-Mart announced in 2011 that its lamb will be exclusively American for the next two years.

**Let’s Grows with twoPLUS**

We can build sheep inventory as easy as 2+2+2 = 315,000 lambs by 2014
- 2 additional ewes per flock or per 100
- 2 lambs born per ewe
- 2 percent increase in the national harvest of lambs

**Two Approaches and One Focus…**

- Increase production from current producers.
- Encourage and facilitate new producers into sheep production.

Our Focus: Grow total inventory to meet needs of both traditional and non-traditional sectors.

**twoPLUS by 2014**

- These goals are:
  - Challenging
  - Realistic
  - Measurable
  - Attainable
Goals #1 and #2

• Increase at least 2 ewes per operation or 2 ewes per 100 by 2014. Two lambs born per ewe =
  – 175,000 additional ewes
  – 254,000 additional lambs to harvest
  – 2 million additional pounds of wool

Goal #3

• Increase harvested lamb crop nationally by 2% - 108% to 110%:
  ♦ Yield 67,500 more lambs harvested.
  ♦ Predator, disease, and mortality can be reduced by management

Growing with twoPLUS

• An increase in sheep inventory of 315,000 lambs at current market prices equates to $71 million for lamb and ~ $3 million for wool.
• Studies have shown that for every 1,000 ewes, 18 jobs are created.
• An increase in sheep inventory of this size will either create or save 5,700 jobs.

Production Tools

• Pre-breeding Tools
  – Flushing
  – Teaser rams
  – Crossbreeding
  – Vaccination
  – Labor
  – SID Handbook

• Pre-lambing Tools
  – Vaccinations
  – Nutrition
  – Labor
  – SID Handbook
Mortality Reduction Tools

- Ewe nutrition
- Guardian animals
- Parasite management
- Targeted predator reduction
- Lambing time protection Labor
- Predator fencing

SID Handbook

Sheep Industry Media Coverage

- Media events to promote the sheep industry held in Oct & Nov in Iowa, Minnesota, Ohio, Indiana & Tennessee
- Best media coverage of sheep in many years with print, radio and TV reports encouraging U.S. sheep production

Mentorship Opportunity

- New producers program launched in October with grants for state associations to create and operate network of experienced producers to mentor newer operators.
- Sheep Center provided funds to ASI for mentor tool kit to assist with education catalog, webinars, and training materials.
- Apply to ASI office.

Let’s Grow Website Available

Go to www.growourflock.org for more details
National Sheep Industry Improvement Center

- ASI secured authorization with $1 million in funding in the 2008 Farm Bill
- Issued over $250,000 in grants in October
- Increasing sheep production is a priority

Superwash to U.S.

Allows wool products to be machine washed and dried without shrinkage but was not available in United States

- ASI’s Sheep Venture Company procured loan from NLPA’s Sheep Loan Fund to purchase equipment from Italy
- Equipment is installed and operating at Chargeurs Wool in South Carolina

Military Contracts for Wool Products

- **Triple-F** - 3 years - $2.8 million – Began Sept. 2011
  - To develop fire resistant fabrics for the military
- **Wool/Nomax** – 1 year - $35,000 – Began 2011
  - A fire retardant fabric for high fire risk military jobs.
  - SBIR contracts are to develop washable wool garments for individual protection that can withstand washing and drying under military field conditions.

Wool Genetics Directory

- Developed at request of Wool Council
- Resource for producers to locate genetics to improve flock wool quality
- Includes information on
  - Wool quality program
  - Certified shearers
  - Wool buyers/warehouses
  - Testing labs
- Where have the Texas genetics gone?
Sheep Reporting

- USDA budget reductions eliminates the annual inventory report for sheep resulting in report numbers every 5 years
- ASI asking Congress & USDA to assist for more frequent reporting. Where did Texas sheep go?
- Voluntary sheep market reports – USDA will maintain the San Angelo Auction report

LRP-Lamb Insurance

Food and Fiber Risk Managers

“Created By the Industry For the Industry”
Burdell Johnson
Email: bjohnson@fafrm.com
Office: 701-867-9160 – Cell: 701-320-5687
Website: www.fafrm.com
(FFRM is a wholly owned subsidiary of ASI)

Industry Defends Sheep Research Station

- Only rangeland sheep station in the U.S.
- Anti-livestock groups sued to force USDA to do NEPA assessment on research station grazing.
- Environmental Analysis still underway in 2011.
- Distraction from efforts in research focus.

Livestock Protection Dog Working Group

- Develop public education and guidelines for dogs to ensure continued use of this predator management tool
- Private lands edition in draft now
- Signs available through Mike Marlow - 970-494-7456
### Bighorn Sheep Taskforce
- ASI taskforce assists western states on this issue
- Conducted January and June meetings with USFS, BLM, state officials and wild sheep advocates
  - Research
    - Focus on vaccine and Prioritize existing BMP
  - Management
    - Identify alternative grazing allotments
    - Practice “Managed Separation”

### Bighorn Sheep Taskforce
- US Forest decision in 2010 cuts sheep grazing on the Payette Forest in Idaho by 70%
- This poses a serious threat to the entire sheep industry. According to Forest Service data, approximately 42% of the sheep that graze on the national forests do so within bighorn habitat. This amounts to about 23% of the total domestic sheep industry. Is only 5% of the wild sheep habitat but nearly a quarter of US sheep business

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### Key Study: Quantifying the U.S. Nontraditional Lamb Market
- **ASI Lamb Council**
  - Nontraditional lamb marketing research to determine volume, impact and market route of ethnic trade or lambs beyond traditional commercial companies
  - Approved by ASI executive board with voluntary funding in cooperation with American Lamb Board

### ASI Industry Survey Results Now Available
- Tabulated January 2010:
  - 60% of respondents are 51 years old or older.
  - 64% commercial; 22% seedstock; 10% club lamb; 4% feeders; and 0.4% dairy.
  - 53% of agriculture operation revenue from sheep.
  - Percent of lambs born per ewe exposed averages 159%
Sheep Industry News Gets New Look

2012 Calendar Mailed

Other Happenings in the Industry...

- ASI promotes sheep business on RFD TV in February!
- Iowa Lamb Company sells to Superior Farms – however, within six months the operation is mothballed until volume picks up
- Record setting drought in Texas, New Mexico and Southeastern U.S. Texas down 300,000 head of ewes
- **Shear those sheep separately** -- ought to pay increased revenue as buyers looking for that Texas wool!

We Want to See You at Your 2012 Convention

*Scottsdale, Arizona*

*January 25-28, 2012*

Thank you for the opportunity to visit.

Let me have your Questions...