

## Farm Bill

- Senate version includes:
  - Livestock Indemnity
  - Livestock Forage
  - Wool Loan Deficiency
  - LRP-Lamb
  - Grant program at USDA for similar purposes as the sheep center also reauthorized



## Farm Bill

- House approved version includes:
  - Livestock Indemnity
  - Livestock Forage
  - Wool Loan Deficiency
- Sheep Center attacked
- Conferees named
- First meeting was Oct. 30



## Export Markets

- U.S. freely traded lamb market
- Markets closed in 2003 because of cattle BSE
- Requesting significant export market prior to TPP
- Lamb companies show interest in Japan, China, Taiwan, Russia and European Union





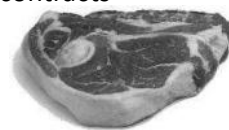
## \$12 Million of Lamb Purchases in 2012

- ASI secured \$2 million in early 2012 and then gained an additional \$10 million for lamb in late summer for single largest purchase ever!
- USDA requires the program benefit sheep producers
- In total, dozens of semi-loads of meat – fresh processed and cooler inventory – were removed from the market.
- 2.63 million pounds total in this “mega purchase” by USDA



## \$5 Million secured for 2013

- In June, Executive Board requested additional \$5 million. Purchases about the only tool ASI has to impact prices.
- End of August, USDA purchased 1.08 million pounds of lamb for \$4.96 million
  - Mt. States and Superior awarded contracts
  - Most deliveries will be made by year end
  - Feeder lamb prices reacting



## Mandatory Price Reporting

- ASI with congressional and livestock support asking USDA to conduct analysis to update Livestock Market Reporting for lamb



- Affects ability to offer LRP-Lamb insurance when data shortages occur in some reporting periods



## Lamb Price Reporting

- Lamb program is entirely by regulation so USDA can implement updates without Congressional changes to the law.
  - Confidentiality
  - Imported lamb
  - Carcass trade
- ASI board received report on changes in January with top items at USDA for change.





## LRP-Lamb

- 2012 sales periods were not always available due to lack of pelt reports some weeks and “circuit breakers” kicking in some weeks.
- 2013 policy sales nearly non-existent as insured levels below a dollar per pound.
- Some in industry question why USDA can’t increase the projected ending values to increase policy sales and lamb prices. (that would make LRP-Lamb a lamb price support, not an insurance product).

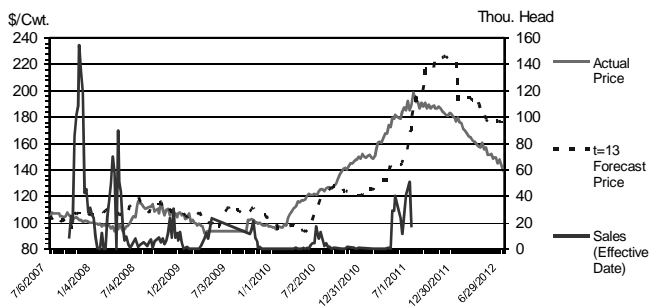


## LRP-Lamb

- LRP-Lamb in customary five year review by USDA for insurance products this year.
- Analysts documented that no more than 200,000 to 250,000 lambs out of 1.25 million slaughtered in any year have been insured.



**LRP LAMB PRICES AND SALES**  
Weekly, By Effective Date



## Senators Support Lamb Producers

- October 2012 Letter from 8 Senators made following requests of Secretary Vilsack:
  - Investigate lamb market
  - Availability of LRP-Lamb Insurance
  - Force open export markets for American Lamb
  - Support updates to mandatory price reporting and price discovery reports compiled by USDA
  - Investigation report in November???



### Lamb Initiatives

- Opportunity to establish a tenderness certification for lamb with USDA. Could apply to 90% of product.
- Instrument grading of lamb a possibility with companies securing “lambcam”
- Lamb to Europe with hormone free certification
- ALB Industry Assessment – Hale Group Roadmap



### Lamb Carcass Maturity Directive -- 2013

*Directive Passed by ASI Board of Directors on 1/26/13*

**BE IT DIRECTED** that ASI works with USDA to propose a more accurate definition of the maturity window for the grade standard that currently exists for yearling mutton, and  
**BE IT FINALLY DIRECTED** that ASI works with USDA to propose a more industry agreeable term for yearling mutton.



### Livestock, Dairy, and Poultry Outlook (USDA ERS Feb. 2013)

- The sheep inventory registered a smaller decline than in the previous 2 years. Despite the drought conditions in most of the sheep-producing areas, the “grow our flock” program by the sheep industry appeared to slow the decline.
- 2012 imports were down 6 percent from 2011 and lowest tonnage compared to US commercial production in six years.
- Continued tight supplies and fairly stable demand are expected to contribute to the improved prices.

### Iowa and Minnesota Sheep Numbers Down 10%





## Legislative Action Council

- In July, ASI hired Jim Richards of Cornerstone Government Affairs as Washington, DC lobbyist.
- Jim worked for Joe Skeen (NM), Henry Bonilla of (TX) and covered sheep issues in House for a decade.
- Also contracted Northwest Natural Resources for strategy on wild sheep controversy



## Animal Rights still after Wildlife Services

- ASI led a letter to Congress with 158 county, state government, local and national agriculture and sportsmen groups to oppose any efforts to cut or eliminate USDA Wildlife Services.
- ASI led defeat of the Humane Society of U.S. sponsored amendment in June 2011 to gut Wildlife Services for any livestock protection. Vote was overwhelming at 284 – 132.
- Airline and Airport organizations joined us this year!



## Oppose Animal Rights Egg Legislation



- Livestock groups joined forces to oppose a HSUS legislation to mandate production practices of eggs.
- Dangerous precedent to have legislation via animal rights sponsorship affecting farms and ranches.
- We kept the provision out of the Senate Farm Bill.



## H-2A Legislative Subcommittee



- ASI, WRA and MPAS coordinating on 113<sup>th</sup> Congress immigration reform legislation
- Codify the three year contract and annual visa with range livestock and range housing
- Codify special procedures
- Senate package includes special procedures industries which would be first time appearing in law.



## Wool Superwash

- Huge success story for industry.
- A shrink-resist treatment line that makes wool products machine washable and dryable without shrinking meeting Total Easy Care standards.
- Use in commercial and military products.
- This line exceeded its production projections by more than 40% in the first year.
- ASI and Sheep Venture Co. making loan payments



## Let's Grow Efforts

- Focus on management efficiency.
- 3 Webinars presented with great participation.
- “We need to maximize efficiency of lambs born and lambs/wool shipped every year to be profitable much less grow production.”

[www.growourflock.org](http://www.growourflock.org)



## Let's Grow Efforts – New Loan Program

- ASI and NLPA Sheep Loan Fund offering new load program for flock expansion
- \$35,000 minimum loan – fixed rate and fixed at five years
- Must be used to purchase breeding animals

Call -- 800-237-7193



## ASI Market App

- Provides wool and lamb markets
- All reports come from USDA
  - 7 Auction Reports
  - National Reports
- Designed for iPhones & Androids
- Download from Apple's App Store or the Android Store
- More than 750 downloads to date





## 2014 ASI Calendar

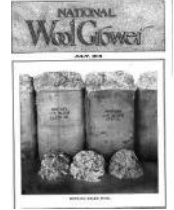


- Uses Photo Contest Winners
- Will ship in your December *Sheep Industry News*

## 150<sup>th</sup> Anniversary in 2015



- ASI dates back to 1865
- Successor to the National Wool Growers Association
- Oldest National Livestock Association in the United States



## 2014 ASI Convention January 22-25

*Charleston*

*Registration forms will be in boxes the middle of November.*

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