



ASI strongly supports reauthorization of the Agricultural Act of 2014 (2014 Farm Bill). The Farm Bill should provide producers a reasonable safety net, encourage rural growth and support the production of U.S. food and fiber.

Wool Marketing Assistance Loan and Loan Deficiency Payment

- The 2014 Farm Bill authorizes nonrecourse marketing assistance loans (MALs) and loan deficiency payments (LDPs) for wool to eligible producers who grow and shear wool for the 2014 through 2018 crop years.
- The LDP program is available to eligible producers of nongraded and graded wool.
- The national loan rate for graded wool is \$1.15/pound. The nongraded wool rate established in 2002 is \$0.40 per pound. These rates have not kept pace with markets and producer costs.
- When the 2014 farm bill was enacted, CBO estimated that the cost of the MAL/LDP was \$4 million for wool annually. Estimated (and actual) costs of the program indicate there will be no or minimal costs of the program.
- With the recent low levels of producer income, ASI supports a re-examination of the wool loan rate and supports an adjustment to a more appropriate level. Recent actual outlays have been nonexistent.
- ASI supports updating the rates and guarantees to provide an effective risk management for sheep producers.

Risk Management

Livestock Risk Protection (LRP)
- Lamb insurance is the only risk management tool for lamb producers as neither lamb nor wool are traded in the commodity futures market.

Foot and Mouth Disease (FMD) Vaccine Bank

- An outbreak of a foreign animal disease has the ability to cripple the entire agricultural sector and would have long-lasting ramifications for the economic viability of the livestock industry.
- It is critical that the USDA Animal and Plant Health Inspection Service (APHIS) work collaboratively with state animal health officials to be able to rapidly respond to any such outbreak.
- In the event of an outbreak of FMD, U.S. producers must have immediate access to a viable vaccine bank. We join with others in the livestock industry in supporting the creation and maintenance of an FMD vaccine bank and continued research.
- ASI asks Congress to provide the authority and \$150 million a year in mandatory funding for USDA APHIS to establish a vaccine bank and to protect the U.S. livestock industry from foreign animal disease outbreak.

For more information, please visit the ASI website at www.sheepusa.org.
Please contact Jim Richards at jrichards@cgagroup.com or (202) 448-9509 for more information.



FDA Minor Use Animal Drug Program

- Continued access to key technologies is critical for the sheep industry.
- The targeted use of biologics and pharmaceuticals within a veterinary-client-patient relationship is key to our ability to maintain flock health and provide a safe, wholesome product.
- ASI urges the creation of a mechanism for **USDA's National Institute of Food and Agriculture (NIFA)** funding for minor use animal drug research through the National Research Support Project No. 7 (NRSP-7); NRSP-7 has an established record with Land-grant universities and has demonstrated excellent results for minor use drug research for nearly 40 years.

Export Programs of the USDA / Foreign Agriculture Service (FAS)

- Access to foreign markets is critical for the sheep industry
- Approximately 50% of U.S. wool is exported.
- ASI supports funding for FAS programs (such as MAP and FMD) that help sheep producers promote the export of wool.

Sheep Production and Marketing Grant Program (SPMGP)

- The Sheep Production and Marketing Grant Program (section 209 of the AMA of 1946) is intimately connected to the National Sheep Industry Improvement Center (NSIIC).
- The Sheep Production and Marketing Grant Program (SPMGP) was authorized in the 2014 Farm Bill and provided \$1.5 M for fiscal year 2014 (to remain available until expended) of Commodity Credit Corporation (CCC) funding to USDA/AMS for the SPMGP.
- The SPMGP provided funds on a competitive basis to national organizations whose mission is to strengthen and enhance the production and marketing of sheep and sheep products in the United States, including the improvement of infrastructure business, resource development, and the development of innovative approaches to solve long-term needs.
- NSIIC is considered instrumental in the development of the LRP - Lamb Insurance product and the wool superwash capability in the United States.
- ASI strongly supports providing mandatory funding for the SPMGP.

