



FARM BILL

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 national loan rate for graded wool is \$1.15/pound. The nongraded wool rate is \$0.40 per pound. These rates have not kept pace with market or producer costs.
- An examination of the wool loan rate strongly supports the need for an adjustment to a more appropriate level. Recent actual outlays have been nonexistent. Coarse micron wool prices are below the cost of production throughout 2017 and continuing in 2018 yet little to no support is expected to trigger for producers.
- 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 are none or minimal.
- **ASI supports updating the rates in order to provide an effective risk management tool for sheep producers.**

Risk Management

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

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 to fund critical 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.**



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 \$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.**

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 has been instrumental in the development of the LRP - Lamb Insurance product and the wool superwash capability in the United States.
- **ASI supports providing mandatory funding for the SPMGP.**

The Wool Research, Development, and Promotion Trust Fund,

- Authorized in 2000 the Wool Trust Fund provides grants to a nationally-recognized council established for the development of the United States wool market.
- The purpose of the Wool Trust Fund is to assist United States wool producers in improving the quality of wool and providing and assisting producers in the development and promotion of the wool market.
- **ASI strongly supports reauthorization of the Wool Trust Fund.**

For more information, please visit the ASI website at www.sheepusa.org.
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