



American Sheep Industry Association

Testimony of

Steve Salmon

On behalf of the

American Sheep Industry Association

On the

State of the Sheep Industry

Before the

**Committee on Agriculture
Subcommittee on Livestock and Foreign Agriculture**

U.S. House of Representatives

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Introduction

Chairman Costa, Ranking Member Rouzer, and Members of the Subcommittee, thank you for the opportunity to speak with you today. I am Stephen Salmon, from central west Texas, a member of the American Sheep Industry Association (ASI), and a director of the Texas Sheep and Goat Raisers' Association. I have been involved with both organizations for over 20 years. I am here today to represent the nation's 100,000 sheep producers. America's sheep producers continue a strong tradition of supporting wildlife habitat, natural resources, and open space across the country – all enabled by careful resource management while grazing our flocks on private and federal lands. Our members support rural communities, the tax base, and local businesses providing safe domestic lamb and wool. In fact, the economic impact of sheep and wool production on our nation's economy is immense. From on the farm and ranch to the retail level, the sheep industry has a total retail impact in excess of \$2.7 billion and supports nearly 98,000 sheep-industry related jobs.

I am a third-generation rancher raising sheep, goats and cattle. Our operation is located north of San Angelo, in a semi-arid region of Texas, where we typically receive 16-20 inches of rain per year. This year has been exceptional for our operation, with rain events that have filled lakes and streams that have been dry for many years. Like everyone here we understand the cyclical nature of agriculture and the markets and for that reason we strongly support agricultural research, price discovery and effective predator control. We also market sheep, goats, lambs, wool and mohair. For our us the trade dispute with China has made a big impact on our ability to market fiber with tariffs severely hindering trade with our largest export market.

Trade

Continued strength in the international marketing of lamb and wool requires a commitment to the promotion and export of U.S. wool to export markets through strong USDA Foreign Agricultural Service (FAS) Program funding.

ASI is the cooperator with the FAS for American wool and sheepskins and finds success every year in securing customers with the Market Access Program, the Foreign Market Development Program, and the Quality Samples Program. In 2001, ASI relaunched an export program for wool and significantly improved the competition of American wool. We now export 50 percent of American wool, on average, and have at least doubled the number of U.S. firms that offer wool to overseas markets.

ASI strongly supports the ratification of the United States Mexico Canada Agreement and urges Congress to act swiftly. We have seen the benefits of trade and have made major progress first with the reopening of Taiwan and most recently with the reopening of Japan to American lamb. But we have also experienced first-hand the detriments of trade as over half of the lamb consumed in the U.S. is imported. The vast amount of imported lamb distorts traditional market signals to producers for expansion and muddies price discovery. We support fair trade on a level playing field, and as the Administration looks to negotiate future agreements with China, the European Union, the United Kingdom and others; we urge a cautious approach. We do not currently enjoy the ability to export U.S. lamb to many of these countries and most enjoy the benefit of direct or indirect subsidies to their sheep industry. Again, we welcome the opportunity to compete, but we can only compete on a level playing field.

The current trade disruption with China has been tremendously challenging for our U.S. wool exports. Prior to the implementation of tariffs, 72 percent of U.S. raw wool exports and 80 percent of U.S. sheep skins were sent to China. Since the implementation of tariffs, we have seen raw wool

exports drop by 85 percent and sheep skin exports drop by nearly 70 percent in value. Once a valuable asset, sheep skins now have either no value or even result in a loss to producers at the processing level. As the Administration continues to review and implement ways to aid producers during what we hope is a short-term loss of this valuable market, we ask that wool and sheep skin producers be included in the conversation.

Bighorn Sheep in Domestic Sheep Grazing Allotments

Nationally, about half of all domestic sheep spend time grazing on federal lands, including rangelands managed by the U.S. Forest Service (USFS). Over the years, the USFS has been systematically removing domestic sheep ranchers from federal lands in the name of bighorn sheep management, despite the fact that there are reasonable, science-based solutions to accommodate domestic sheep grazing while protecting the health of bighorn sheep populations. In mid-2016, the USFS announced that it may close some allotments in the Ashley National Forest and the Uintah-Wasatch-Cache National Forest in Summit County, Utah due to bighorn sheep concerns. This is being done without any offer of alternative allotments. In total, three allotments could be closed and a fourth allotment reduced. The ranchers on these allotments have letters from the USFS detailing that when they introduced bighorn sheep to the area, there would not be an impact to the domestic sheep population. There are many examples of these egregious actions.

Mandatory Price Reporting

In September 2015, the President signed into law the Agriculture Reauthorization Act of 2015 which included an extension of the Livestock Mandatory Reporting Act of 1999 (MPR). Unfortunately for sheep, this reauthorization has not adjusted to changes in the lamb meat industry. Of particular concern is the implementation of current confidentiality rules of the U.S. Department of Agriculture (USDA) which restricts the information available. Additionally, federal lamb price insurance products available to the sheep industry rely on the USDA price reporting. ASI is in ongoing discussions with USDA and the Agriculture Committees in the House and Senate to resolve this issue as the date for re-authorization nears. Increased consolidation in the packing industry across livestock will continue to hinder producers' access to accurate price reports and we believe issues of confidentiality will need to be resolved sooner rather than later to preserve this program and the risk management tools that rely on it.

FDA Minor Use Animal Drug Program

It is also critical that producers have continued access to key technologies. We strongly support the Food and Drug Administration (FDA) Minor Use Animal Drug Program and its historic collaboration with USDA's National Institute of Food and Agriculture (NIFA). 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. We urge the creation of a mechanism for 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. We urge the USDA to make funds available under Section 12101 of the 2018 Farm Bill to ensure sheep producers have access to critical technologies, many of which are currently being used with great success by our international competition, but not labeled for use in the United States.

Wildlife Services

Coyotes, mountain lions, wolves, and bears kill tens of thousands of lambs and calves each year. Livestock losses attributed to these predators cost ranchers and producers more than \$232 million annually. For years, ASI has led the aggressive defense of livestock protection by bringing together

a diverse coalition of supporters in the areas of aquaculture, aviation, forestry, livestock production, range/forage management, and state departments of agriculture to ensure the programs' survival. Earlier this year, ASI led a coalition of 219 organizations to sign a letter supporting Wildlife Services funding.

Every dollar spent on predation management returns three dollars in livestock value saved. This has a tremendous impact on sheep and cattle producers and the rural economies they support. Predator management also supports abundant wildlife, hunting, and recreation activities on private and federal land. We applaud Congressional efforts ensuring USDA Wildlife Services is fully funded and has the resources needed to carry out their livestock protection efforts.

We are also keenly aware that existing, highly effective predator control products like sodium cyanide and sodium fluoroacetate (Compound 1080) are under attack and their continued use is threatened. These are the best available products for predator control; highly targeted, species specific, environmentally sound and humane. Despite enhanced guidance from Wildlife Services on the use and placement of these tools and a track record of EPA approval, these products continue to come under attack from Congress. The industry is committed to responding with science, but also a keen eye to find alternatives that respond to the concerns of the public. Developing alternatives that meet or exceed the attributes of current products is a great challenge, and we rely on the work of Wildlife Services Methods Development through the National Wildlife Research Center in Fort Collins, CO. We urge Congress to devote resources to that program for the development of alternatives to ensure U.S. sheep producers remain competitive worldwide.

U.S. Sheep Experiment Station (USSES)

The domestic sheep industry relies heavily on the work of the U.S. Sheep Experiment Station (USSES) and the Animal Disease Research Unit (ADRU). Both facilities work collaboratively and are critical components of the USDA's Agriculture Research Service. As our nation's only experiment station primarily dedicated to sheep production, the work carried out by these researchers and faculty are critical to our ability to remain productive and push back against flawed science on the range and in the area of animal health. In the past, administrative action has worked to limit the scope of these facilities. Such action not only threatens the viability of this resource for producers, but also threatens the USSES' unparalleled historic sage grouse data. We support the merger of the USSES and ADRU and encourage growth in their roles in food-animal science, rangeland systems, and animal health programs. These stations have a dedicated history of careful use of taxpayer funds to solve issues and challenges for our producers and counter flawed science from those wishing to remove livestock and multiple uses from our nation's public lands. We appreciate USDA's recognition in the role of the USSES as a critical part of our nation's agricultural research system and will continue to work with Congress, stakeholders and collaborators to build that resource.

Scrapie Eradication

Working collaboratively with USDA/APHIS and state partners, the American Sheep Industry has nearly eliminated scrapie from the United States. Official identification, surveillance, and traceability of both sheep and goats are critical to continuing and maintaining these efforts in order to preserve and enhance current and future export markets. Continued and increased funding of the National Scrapie Eradication Program must remain a priority to expand and build on export opportunities.

H2-A Temporary Agricultural Workers

The American sheep industry has a decades long history of a reliable, consistent, and legal workforce. Sheep ranchers depend on the H-2A shepherder program to help care for more than one-third of the ewes and lambs in the United States. To meet those needs, the industry has largely participated in temporary visa programs (in various forms) since the 1950s. As a result, sheep producers employ a legal labor force with an estimated eight American jobs created/supported by each foreign worker employed.

Increased regulation with ambiguous policies and enforcement have made the H-2A shepherder program very costly for employers. In the 2015 re-write of the shepherder provisions, our program now constitutes over half of all pages of regulations governing the entire H-2A program, even though we are only a small percent of total H-2A employees in the United States. A workable temporary foreign labor program is essential for the sheep industry including the special procedures for herding in future legislation involving immigration workers.

2018 Farm Bill

ASI strongly supported the Agricultural Improvement Act of 2018 (2018 Farm Bill) and appreciates the leadership of the House Agriculture Committee. The first and most important national security concern is the ability of a country to clothe and feed its citizens. The small investment made in agriculture by the farm bill when compared to the federal budget and the safe, affordable, and abundant food supply enjoyed by the U.S. illustrates the wise investment farm bill programs provide.

Conclusion

Thank you for your support of the livestock industry and for allowing me to visit with you about our priorities.