**ASI’s Priority Policy Issues**

ASI is the national organization representing the interests of the 100,000 sheep producers located throughout the United States. From East to West, farm flocks to range operations, ASI works to represent the interests of all producers.

**National Animal Disease Preparedness and Response Program**
- Continued access to key technologies through the animal drugs for minor uses and minor species provision in the NADPRP is critical for the sheep industry.
- ASI STRONGLY supports an annual allocation to USDA’s National Institute of Food and Agriculture for critical minor uses and minor species R&D through the former National Research Support Project No. 7 (NRSP-7).

**Electronic Logging Mandate and Hours of Service**
- The Sheep Industry relies on the safe and efficient transportation of livestock every day of the year.
- ASI supports reasonable statutory and regulatory exemptions to ensure both the safety of our nation’s highways and the welfare of the livestock being hauled.

**H2-A Temporary Agricultural Workers**
- Sheep farmers and ranchers depend on a workable temporary foreign labor program to help care for more one-third of ewes and lambs in the U.S. and, for over 50 years, have used and helped craft the current provisions of the H2A program.
- Any guest worker program MUST maintain special procedures for sheep producers and give our members a fighting chance to compete in an increasingly difficult financial environment, while protecting both domestic and foreign ag workers.
- ASI secured sheep specific language in the Farm Workforce Modernization Act (H.R. 5038), but the “Limited Allocation for Certain Special Procedures Industries” must not be less than 2,500 and codify special procedures in final legislation.

**Mandatory Price Reporting**
- The reauthorization of the Livestock Mandatory Reporting Act of 1999 has been disappointing for sheep producers, due to the implementation of current confidentiality rules followed by the U.S. Department of Agriculture and its chilling effect on price reporting.
- ASI urges the USDA Agricultural Marketing Service to continue to work with the industry to ensure access to vital price reports despite continued market consolidation.

**International Trade Priorities**
- ASI urges extreme caution in trade negotiations with the European Union and United Kingdom as their sheep production is heavily subsidized and, like China, does not provide access for American lamb to their markets.
- ASI thanks USDA for opening Japan and Taiwan for American lamb exports in the last two years.

**China**
- The effects of retaliatory tariffs from Oct. 2018 to date are significant with total value off 85% for wool and 67% percent for sheepskins, China is the largest market for both.
- ASI submitted these trade impacts in May 2019 and again in Jan. 2020 to USDA regarding trade assistance.
- In July 2019, the USDA announced assistance for wool and sheepskin impacts would be met almost entirely with $17 million in lamb meat purchases.
- ASI asked USDA and the USTR to provide direct payments to wool and sheepskin producers as no lamb purchases has impacted revenues to U.S. sheep producers.

For more information, please visit the ASI website at [www.sheepusa.org](http://www.sheepusa.org). Please contact Jim Richards at [jrichards@cagroup.com](mailto:jrichards@cagroup.com) or (202) 448-9509 for more information.
The Honorable Sonny Perdue  
Secretary of Agriculture  
United States Department of Agriculture  
1400 Independence Avenue, SW  
Washington, DC 20250

The Honorable Robert E. Lighthizer  
United States Trade Representative  
600 17th Street, NW  
Washington, DC 20508

January 9th, 2020

Dear Secretary Perdue and Ambassador Lighthizer,

The American Sheep Industry Association advocates for the nation’s 100,000 farmers and ranchers that produce America’s lamb and wool. We share the Administration’s sentiment that our producers would prefer to compete on an open and level playing field rather than seek direct payments. However, as this disruption continues into a second marketing year, our situation has become increasingly untenable. Therefore, we are writing to request consideration of direct payments to sheep producers as part of any future Market Facilitation Program (MFP) or any revision to that program.

Our producers overwhelmingly support efforts aimed at strengthening the United States’ position on free and fair trade and are appreciative of the Administration’s efforts to rectify longstanding disparities in the trading actions of China. To that end, we are optimistic given the recent positive steps taken to sign the first phase of an agreement. Yet, our understanding is that through this process China will maintain retaliatory tariffs, specifically tariffs on raw wool and sheepskins (pelts). That means that we are preparing to head into a second shearing and marketing season with the effective loss of our largest export market.

In the first round of the MFP, the USDA identified $17 million in American Lamb purchases. That option has not impacted markets or provided any revenue to sheep producers for sheepskins and certainly not for wool. We ask that the program specific to our industry be reconsidered to focus on wool and sheepskins as the primary targeted products.

For over a decade, China has been the number one destination for U.S. sheepskins and raw wool exports. Prior to the current trade disruptions, 72 percent of U.S. raw wool exports and 80 percent of U.S. sheepskins were sent to China. Since the implementation of Chinese tariffs, our market has seen an 85 percent drop in wool exports by value and an 84 percent drop in exports by volume. The numbers are similar for sheepskins, where this once valuable commodity is now a loss with producers being charged a disposal cost. Our most recent surveys indicated that wool warehouses are sitting on 4 to 5 million pounds of wool in carryover storage, with more expected to come in over the next months as we enter shearing season.

Our wool market is effectively closed, with producers not receiving checks for unsold wool and warehouses sitting on product that cannot be absorbed into the domestic market. Textile capacity in the United States, similar to hide tanning, is a shadow of its former self.
Initially, we had hoped that we could help bridge this gap through the use of the existing Wool Marketing Loan Program administered by USDA/FSA. While we have been successful in working with USDA on updated price reporting, unsold wools do not generate a price report and it seems we may be at a standstill to see the repayment rates reflect this wreck in the wool and unshorn sheepskin market.

We are hearing clearly from producers across the nation on the impact this is having to their bottom line and profitability. Without the ability to sell their wool, they are completely reliant on the slaughter market where the loss incurred to sheepskins alone is eliminating their profitability. As we come up on our annual convention at the end of this month, I fully expect this to be a major topic and already our state affiliates have circulated policy directives urging ASI to continue to pursue a pathway to diminish the effect of this trade disruption on our wool and sheepskin market.

We again ask for your consideration of sheep producers as you develop the next round of the MFP, or any changes to the existing MFP structure.

Sincerely,

Benny Cox, President
American Sheep Industry Association
Mr. Benny Cox  
President  
American Sheep Industry Association  
9785 Maroon Circle, Suite 360  
Englewood, Colorado  80112  

Dear Mr. Cox:

Thank you for your letter of January 9, 2020, requesting assistance for sheep producers—specifically sheepskin and wool producers—who are negatively impacted by unjustified retaliatory tariffs through the U.S. Department of Agriculture’s (USDA) Market Facilitation Program (MFP).

MFP assists farmers and ranchers with commodities directly impacted by unjustified retaliatory tariffs, which cause the loss of traditional export markets. The 2019 MFP provided aid to eligible producers of certain non-specialty crops, specialty crops, dairy, and hogs. The scope of the 2019 MFP did not include sheepskin or wool producers.

Although sheepskin and wool producers are ineligible for aid through the 2019 MFP, USDA announced the Agricultural Trade Program (ATP) in May 2019. The ATP was created to help U.S. agricultural producers harmed by retaliatory tariffs by providing eligible U.S. organizations with cost-share assistance for consumer advertising, public relations, point-of-sale demonstrations, participation in trade fairs and exhibits, market research, and technical assistance. In 2019, USDA awarded the American Sheep Industry Association $1.5 million in ATP funding.

I recognize and sympathize with the difficulties facing sheep producers. Although sheepskin and wool are ineligible for support under MFP, should there be another opportunity to revisit the scope of the program, I will keep your comments and recommendations in mind.

Again, thank you for writing and your continued support.

Sincerely,

Sonny Perdue  
Secretary
Scrapie is a transmissible spongiform encephalopathy (TSE) affecting sheep and goats. The presence of classical scrapie in the U.S. sheep and goat population affects industry economically through production losses, lost exports, and increased production and disposal costs. Public health concerns related to the transmission of bovine spongiform encephalopathy (BSE) to humans have resulted in efforts to eradicate all TSEs in food-producing animals.

- Scrapie is a degenerative and eventually fatal brain disease of sheep and goats. It is in the same class of diseases as BSE in cattle and Chronic Wasting Disease in elk and deer.
- Since its discovery in 1947, scrapie has been diagnosed in more than 1,000 flocks throughout the United States.
- No breed of sheep is known to be immune, though the disease does have a higher occurrence in certain breeds, such as the Suffolk.
- The U.S. sheep industry, working collaboratively with USDA’s Animal and Plant Health Inspection Service (APHIS) and state partners through the National Scrapie Eradication Program, has nearly eliminated scrapie. In fact, the program has directly led to a reduced prevalence rate of 99%.
- USDA’s mandated identification, surveillance, and traceability of both sheep and goats is critical to continuing and maintaining Scrapie elimination efforts in order to preserve and enhance current and future export markets.
- In late 2015 USDA/APHIS proposed to amend the scrapie eradication regulations, which when published will accelerate the Scrapie Eradication program to identify any remaining pockets of the disease in the U.S. Sheep and Goat populations. USDA published the final rule in April 2019.
- In order to implement the amendment to the scrapie eradication rule and to be able to claim that the U.S. has eradicated scrapie from U.S. sheep and goats in a timely and cost-effective manner, the current amount of federal spending on scrapie eradication within the Equine, Cervid and Small Ruminant Health Line will need to increase by at least $6 million over the next two years. Accordingly, ASI urges Congress to fund the U.S. Scrapie Eradication program at $19 million in FY2021 within APHIS’ Equine, Cervid and Small Ruminant Health Line.
Appropriations Bill
Agriculture

Agency
Animal and Plant Health Inspection Service

Account
Salaries and Expenses

Program
Equine, Cervid, and Small Ruminant Health Program

FY2021 Requested Amount
$26.5 million (At least $19 million of which shall be dedicated to the NSEP)

Description
Scrapie is a transmissible spongiform encephalopathy (TSE) affecting sheep and goats. The presence of classical scrapie in the U.S. sheep and goat population affects industry economically through production losses, lost exports, and increased production and disposal costs. Public health concerns related to the transmission of bovine spongiform encephalopathy (BSE) to humans have resulted in efforts to eradicate all TSEs in food-producing animals.

Surveillance for scrapie in the United States is conducted through the National Scrapie Eradication Program (NSEP), a cooperative State-Federal-industry program. The surveillance components of the NSEP include:
1. Regulatory Scrapie Slaughter Surveillance;
2. Non-slaughter surveillance (e.g., trace investigations, on-farm testing); and
3. The Scrapie Free Flock Certification Program.

The program’s goals are to eradicate classical scrapie from the United States and to meet World Organization for Animal Health criteria for disease freedom. Since 2002, the prevalence of scrapie has decreased significantly through existing eradication efforts, largely a result of effective slaughter surveillance.

Since slaughter surveillance stared in FY 2003, the percent of cull sheep found positive at slaughter (once adjusted for face color) has decreased 99 percent. However, in order to declare the U.S. “scrapie free”, we must be able to prove to the world that we have conducted testing in all sheep and goat populations. This is why your submission of samples from sheep/goats over 18 months of age found dead or euthanized on your farm is extremely important. Without your help, we will not be able to declare the US free of scrapie, costing the sheep and goat industries approximately $10 to $20 million, annually.

Authorization
U.S.C. 8301-8317; 7 CFR 2.22, 2.80, and 371.4

President’s FY 2021 Budget Request
$21,129,000

For more information, please visit the ASI website at www.sheepusa.org. Please contact Jim Richards at jrichards@cagroup.com or (202) 448-9509 for more information.
U.S. Sheep Experiment Station (USSES)

In FY 2021 and beyond, Congress must preserve USSES to ensure that valuable livestock, rangeland and wildlife research efforts and an irreplaceable field laboratory are not lost forever. The station must be funded at $4.141 million in FY2020 and be permanently removed from the ARS closure list.

The 100-year-old research station has demonstrated an impact on all of agriculture, especially the nation’s sheep industry. Its 48,000 acres of land provides a unique location and is exclusively positioned for collaborative large-scale integrated livestock, wildlife and rangeland research.

The USSES present state and strengths include:
- A large, high quality, intact, landscape-scale field laboratory,
- Historical and on-going high-quality research and long term data,
- Significant potential for future research to benefit numerous wildlife species including those considered for listing under the Endangered Species Act,
- Location in rural areas and positive local economic impact,
- Veterinary medicine intern program nationally known and respected, and
- A model for production and management practices, including infectious diseases, for university extension and industry to utilize.

The USSES unique opportunities and needs for the future:
- An expanded mission, focus, landholdings and budget that tie into other western/national priorities like fire mitigation, climate change and interactive livestock/wildlife grazing and disease issues.

Over the past 5 years, collaboration with the U.S. Sheep Experiment Station has created and supported new research positions at: the University of Idaho, Montana State University, the University of Wyoming, the University of Nebraska, North Dakota State University, and Virginia Tech. This research also has an international educational impact.

Sage Grouse — Population and habitat has been studied for 49 years at the USSES, leading to irreplaceable historical rangeland data. Sage grouse populations thrive on USSES lands where sheep graze, with annual USSES lek counts often exceeding regional counts. Efforts are underway to:
- Enhance current monitoring programs for grizzly bear and sage grouse; combine USSES sage grouse records with the USSES Rangeland and Climate Databases; and research the effects of fire, climate, and grazing management on sage grouse lek populations. These efforts are needed to identify factors most associated with sage grouse presence and viability, which in turn will be used to craft science-based strategies for effective and responsible management of rangelands and wildlife.

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

Agency
Agriculture Research Service

Account
Salaries and Expenses

FY2020 Requested Amount
$4.141 million

Description
ARS is the principal in house research agency of the U.S. Department of Agriculture (USDA). Congress first authorized federally supported agricultural research in the Organic Act of 1862, which established what is now USDA. That statute directed the Commissioner of Agriculture “to acquire and preserve in his department all information he can obtain by means of books and correspondence, and by practical and scientific experiments.” The scope of USDA’s agricultural research programs has been expanded and extended more than 60 times since the Department was created.

The 100-year-old research station has demonstrated an impact on all of agriculture, especially the nation’s sheep industry. Its 48,000 acres of land provides a unique location and is exclusively positioned for collaborative large-scale integrated livestock, wildlife and rangeland research.

The mission of the USDA, ARS, Range Sheep Production Efficiency Research Unit, U.S. Sheep Experiment Station is to develop integrated methods for increasing production efficiency of sheep and to simultaneously improve the sustainability of rangeland ecosystems.

Proposed FY2021 Report Language
The Committee recognizes that the U.S. Sheep Experiment Station is a valuable asset for grazing lands and sheep industry genetic research, and the repository of over five decades of sage grouse research and data. The station is not only valuable for the domestic livestock industry, but also the Western region’s wildlife interface. The Committee provides an additional $2 million for rangeland research and urges ARS to continue engaging collaborators to ensure the station functions as an agricultural research facility while also evaluating opportunities through a domestic livestock / wildlife collaboration.

Authorization
The Agricultural Research Service (ARS) was established on November 2, 1953, pursuant to authority vested in the Secretary of Agriculture by 5 U.S.C. 301 and Reorganization Plan No. 2 of 1953, and other authorities.

President’s FY 2020 Budget Request
$2,141,000

For more information, please visit the ASI website at www.sheepusa.org. Please contact Jim Richards at jrichards@cagroup.com or (202) 448-9509 for more information.
The American Sheep Industry Association (ASI) urges Congress to provide sufficient funding to the USDA Animal and Plant Health Inspection Service (APHIS) Wildlife Services program. ASI opposes any effort to restrict or eliminate WS funding and strongly urges continued vigilance to stave off any potential WS program attacks during House/Senate consideration of the FY 2021 Agriculture Appropriations Bill.

Wildlife Services is an essential program in agricultural production in the United States. Wildlife causes more than $12.8 billion in damage each year to natural resources, public infrastructures, private property and agriculture. WS works to prevent, minimize and manage this damage and to protect human health and safety from conflicts with wildlife.

Coyotes, mountain lions, wolves and bears kill thousands of lambs and calves each year. Livestock losses attributed to these predators cost ranchers and producers more than $232 million annually, according to the most recent surveys by the USDA’s National Agricultural Statistics Service (NASS). Sheep are the most frequent victims.

Wildlife Services assists farmers and ranchers in 50 States and 2 territories to reduce the impact of predators on their animals, protecting 4.5 million head of cattle, 3.4 million sheep, and 550,000 head of other livestock in 375,000 direct control actions and over 90,000 technical assistance activities that enable 12,043 producers to implement improved husbandry and methods such as use of guard animals, exclusion, fencing, and predator dispersal.

In FY19, Wildlife Services spent $11.7 million on cooperative work with federal and state agencies to protect and assist 378 threatened or endangered species in 39 states and 2 territories in support of the Endangered Species Act.

Wildlife Services has the knowledge and skill, as well as the equipment, to track, capture and remove predators when they cause serious damage. Livestock producers are not the only group to benefit – so does the general public.

For years ASI has led the aggressive defense of the federal partner 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. In February, over 219 organizations signed on to the House and Senate Appropriations letters in support of Wildlife Services.

ASI supports $111,776,000, an increase to allow for $2.02 million in NEPA compliance costs, for Wildlife Damage Management and $19.07 million for Wildlife Services Methods Development.

For more information, please visit the ASI website at www.sheepusa.org. Please contact Jim Richards at jrichards@cagroup.com or (202) 448-9509 for more information.
The Wildlife Damage Management (WDM) program resolves human/wildlife conflicts and protects agriculture, human health and safety, personal property, and natural resources from wildlife damage and wildlife-borne diseases in the United States. This program protects agriculture by protecting livestock from predators, managing invasive species such as feral swine and beaver damage, conducting a national rabies management program, and managing wildlife species and diseases.

Livestock losses attributed to predators cost producers more than $178 million annually, according to the most recent surveys by National Agriculture Statistics Service. Cost-benefit analyses have shown that for each dollar spent on livestock protection, APHIS saves producers between $2 and $7 in losses. APHIS prevents and reduces livestock predation through education, technical assistance to producers, and management programs. In FY 2014, APHIS’ WDM program helped more than 11,000 producers in the western United States with livestock valued at more than $2.3 billion.

The WSMD program serves as an international leader in non-lethal research to reduce wildlife damage.
**Bighorn Sheep in Domestic Sheep Grazing Allotments**

In 2010, the U.S. Forest Service (USFS) prohibited 13,000 sheep from grazing on their historic grazing allotments within the Payette National Forest in Idaho, driving one ranch out of business entirely and drastically reducing the operations of three others. The supposed reason for this reduction was an obscure regulation of the National Forest Management Act allegedly requiring each national forest to maintain “minimum viable” populations of all vertebrate species found there.

Forest Service officials continue to make decisions on the future use of “high risk” allotments grazed by domestic sheep using the Payette decision, even though only 3 percent of federal sheep allotments overlap with occupied bighorn habitat. At a minimum 400,000 domestic sheep, and the families who raise and care for them, may be affected. The impacts are serious, affecting not only sheep operators and their employees, but meat packing plants, woolen mills, and even the military, which purchases twenty percent of the nation’s wool production to help equip America’s service men and women.

- Domestic sheep and bighorns have co-existed in many of the same areas for decades without, apparently, decimating bighorn herds.

- While *M. ovipneumoniae* (Movi) is often identified as the pathogen that causes respiratory disease in bighorns, there is no single pathogen responsible for causing the most common respiratory diseases in bighorn sheep clearly be tied to contact with domestic sheep on the open range. In fact, there are documented die-offs of bighorns in areas far removed from any domestic sheep and healthy bighorn populations that carry Movi.

- *M. ovipneumoniae* has now been confirmed present in moose, caribou, and mule and white-tailed deer as published in the Centers for Disease Control Emerging Infectious Diseases Journal, Dec. 2018

- USDA is heavily involved in research to identify the causes of bighorn diseases and transmission vectors and the sheep industry strongly supports this research. Yet, research conducted by USDA’s intramural science agency, the Agricultural Research Service, is specifically being ignored by USFS. In abject contravention to congressional direction.

ASI recognizes the legal obligations of the Forest Service and BLM to analyze all threats to the viability of bighorn sheep. However, ASI does not recognize “single species viability” as trumping all legal obligations for multiple use of federal lands, including grazing. Calls for closing various allotments and removing domestic sheep, in spite of the lack of clear scientific cause and effect, have already occurred. Given this, ASI requests a simple, equitable exchange: find suitable alternative allotments for those sheep operators whose permits in bighorn habitat have been reduced.

This exchange represents more than just good intentions—making alternative allotments available will require completion of an environmental analysis and other clearances, and this can take some time. Therefore, no translocations of domestic sheep to alternative allotments should be mandated until NEPA is complete and all challenges to the use of those allotments by domestic sheep are resolved. ASI strongly supports this equitable approach allowing for the survival of the domestic sheep industry in the face of mounting challenges related to bighorn habitat.

For more information, please visit the ASI website at [www.sheepusa.org](http://www.sheepusa.org). Please contact Jim Richards at jrichards@cgagroup.com or (202) 448-9500 for more information.
Proposed FY2021 Report Language:

*Bighorn Sheep Conservation.*—The Committee directs the Service to complete Risk of Contact analyses using the Western Association of Fish and Wildlife Agencies’ occupied bighorn habitat maps, telemetry data, and recent bighorn observations. The Service is further directed to transparently and promptly share findings with other federal land management agencies, state and local governments, state wildlife agencies, and state and federal animal health professionals, including the Agricultural Research Service, permittees, and stakeholders. The Committee directs the Forest Service to engage the Agricultural Research Service and the aforementioned cooperating agencies and participants to ensure the best professional scientific understanding of where and if disease transmission occurs, and the degree of that risk, before making further management decisions that impact permittees. In direct acknowledgment of the fact that the presence of the pathogen most commonly blamed for causing respiratory disease in bighorn sheep, *M. ovipneumoniae*, has recently been confirmed in bison and whitetail deer, the Committee directs the Service to sample other wildlife in occupied bighorn habitat for the presence of *M. ovipneumoniae*. The Forest Service is further directed, if warranted, to use this base of information to identify and implement actions to resolve high-risk of disease transmission allotments, including if agreeable to the permittee, the relocation of domestic sheep to lower-risk allotments, with minimal disruption and displacement of permittees. However, transplantation of a permittee cannot be ordered until a proper analysis, in direct coordination with the Agricultural Research Service, of the risk of pathogen conveyance from species other than domestic sheep has been conducted. The Forest Service is directed to provide quarterly briefings to the House and Senate Committees on Appropriations, both in writing and in person, on its progress and adherence to the directives contained herein.

Proposed FY2021 Bill Language:

SEC. XXX. The Secretary of the Interior, with respect to public lands administered by the Bureau of Land Management, and the Secretary of Agriculture, with respect to National Forest System lands, shall make vacant grazing allotments available to a holder of a grazing permit or lease issued by either Secretary if the lands covered by the permit or lease are unusable because of drought, wildfire, or conflict with wildlife, as determined by the Secretary concerned. *Provided,* That the terms and conditions contained in a permit or lease made available pursuant to this section shall be the same as the terms and conditions of the most recent permit or lease that was applicable to the vacant grazing allotment made available. *Provided further,* That Section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332) shall not apply with respect to any Federal agency action under this section.

For more information, please visit the ASI website at [www.sheepusa.org](http://www.sheepusa.org). Please contact Jim Richards at [jrichards@cgagroup.com](mailto:jrichards@cgagroup.com) or (202) 448-9500 for more information.