

By Florence Henning, Chair

On March 30th I flew to Queretaro Mexico to attend the first North American Sheep Coalition meeting. Dr. Javier Lara took myself, Paul Frischknecht, Glen Fischer and Burdell Johnson, from the American Sheep Industry, to a breakfast meeting with the Secretary of Agriculture for the State of Queretaro, Senor Hector Lugo. Senor Lugo is a big supporter of the sheep industry in Mexico and was pleased to see that we were all meeting together and hoped these meetings lead to greater cooperation between the countries.

We were taken on three farm tours while visiting Mexico. The first tour was a hair sheep feedlot, La Cruz de Mayo, which is in the process of expansion. Lambs from this feedlot go primarily to restaurants, where Mexicans eat most of the lamb on weekends. Barbacoas are a favourite menu choice. Lechal, a small milk lamb, is also a popular choice with the Spanish. We also toured Ovinos Coronel farm which has Dorper, Friesan and Charollais breeds and do a lot of embryo transplants. On this ranch, East Friesans were the main receptors for implanted embryos as they receive well and have good milk production. Rancho A & J owned by Dr. Lara was our third farm visit where we saw his Katahdin and Romanov sheep. While some grazing is done, most farms buy in their forage and feed (consisting of 16% protein) rations for their lambs. The ewes are bred 3 times every two years.

The Coalition members met together and presented an overview of the sheep industry in their countries. The United States has seen their sheep population increase 1.5 per cent to 6.23 million head in 2005; they are anticipating an additional 2 per cent growth in 2006. The price for slaughter lambs in the States, however, has decreased 20 per cent since November 2005.

In regards to live trade regulations for the import of breeding stock into the States is still in the works. However, indications are that sheep are not going to be included in the USDA's second rule. Blue tongue restrictions on U.S. sheep into Canada is a big issue for the Americans and one that they are linking to the border opening for breeding stock.

The Mexican sheep industry continues to grow and expand, with a sheep inventory of 6.8 million; the majority of which are hair sheep. The government is promoting the industry and a further 20,000 bred ewes are being imported from Australia. In addition, the government is offering the industry a 50 per cent subsidy on all handling systems.

The Mexicans indicated that they would prefer to import breeding stock from Canada and the United States and so, are actively lobbying for open borders. They are happy that semen and embryos can now be exported into Mexico from Canada and vice versa. This trade has not been reestablished with the United States. In addition, the Mexicans are pursuing support for their proposal that all sheep for slaughter into Mexico go to federal inspection plants (they now have three up and working). It was suggested that each country should promote each other's products.

Our Mexican hosts were exceptional and very gracious. They are very active in promoting and expanding all aspects of their industry. I received an invitation to the Mexican General Meeting on April 29th in Villahermosa Tabasco. I extended an invitation for the next North American Sheep Producers Coalition to meet in Canada. Queretaro is hosting the 8th World Sheep and Wool Congress July 23-29th, 2007.

CSF PROGRAMS AND THE FUTURE

By Jennifer Fleming, Executive Director

Over the past two years, the Canadian sheep industry has been overseeing the development and implementation of both the *Food Safe Farm Practices* and Canadian Sheep Identification (CSIP) programs.

While no one argues the importance of these programs or the need for our industry to implement them, Agriculture and Agri-food Canada is expecting a lot by asking producers to pay to keep them going. At the same time, the fact that AAFC is predicting lower than ever farm incomes in 2006- \$875 million, down from \$1.9 billion in 2005,¹ leaves one shaking their head. The sheep industry in particular has experienced an 18% decrease in farm cash receipts, falling from \$100,864,000 in 2003 to \$85,426,000 in 2004.²

Is having the federal government pay for programs such as On-Farm Food Safety, animal identification and traceability the answer. No. Should producers foot the bill for programs that are deemed a public good? No. Somewhere in the middle lies the answer but before we get there, we really need to be able to understand what these programs are costing producers.

To help answer that question, the CSF undertook a study to estimate the cost of the CSIP to producers. Although there was a lower than expected participation rate, the results that were given were actually quite interesting.

While the Canadian sheep industry ranks 73rd in the world in terms of sheep inventory and 40th in terms of export value, our CSIP is more advanced when compared to New Zealand and Australia, but less vigorous when compared to EU member countries.

The study, written by AgraPoint International, was based on respondents who indicated that the average flock size was 131 breeding ewes and the average tag related costs were \$3.40 per ewe (for all tagging costs) and \$2.40 per ewe for mandatory ID tagging costs. These costs result in an additional annual cost per survey farm of \$446.03 for all tagging and \$267.24 for mandatory tagging. This additional expense is primarily labour costs associated with tag application and record keeping but also includes tag costs, Canadian Cattle Identification Agency (CCIA) database fees, CSF administration fee, applicator costs and handling system cost.

As a percentage of oval expenses, CSIP costs related to animal health and breeding expenses were 0.25-.3 per cent.

¹ Journal Pioneer (Summerside) Saturday February 11, 2006

² Statistics Canada – Catalogue no. 21-011

On an industry basis, the cost of the CSIP is estimated to be between \$1,199,520 and \$1,999,200 per year. That being said, the total annual estimated benefit to “due diligence” (disease and trade disruption mitigation) is \$30.5 million, at 5 per cent benefit allocation to the CSIP the annual benefit is \$1.525 million. While the total annual estimated benefit to management (scrapie eradication, value chain participation and production management) is \$6.098 million, at 5 per cent benefit allocation to the CSIP the annual benefit is \$304,900.

Under current market conditions, there is little opportunity for producers to recover CSIP related expenses from the commodity market.

In short, the CSIP is primarily an industry “insurance” program with some opportunity for revenue benefit, *if* the CSIP is leveraged for flock management and non-commodity based production. It follows then, that enhancing the CSIP with RFID would be expensive based on the ability of the ewe to generate income to pay for RFID tags. Benefits from RFID for the sheep industry in the current production environment may not be adequate to offset costs.

With this in mind the CSF is cautious about any changes in the current CSIP program. While the cattle industry is moving toward mandatory RFID, the CSF is concerned that there is limited cost benefit moving in this direction. However there is clearly indication that greater traceability for the livestock sector in Canada would be seen as desirable by some. The CSF remains committed to the maintenance and development of the CSIP program. Changes will only occur when there is a clear advantage for the industry. We are committed to the principal that if there is a public good to the program then the public should contribute.

ON-FARM FOOD SAFETY UPDATE: ADDRESSING PRODUCER CONCERNS PART 3: TIME: FRIEND OR FOE?

By France Lanthier, On-Farm Food Safety Coordinator

In this issue of From the Flock, I will take the opportunity to clarify some questions I’ve encountered during producer information and training sessions. Please note that producer comments and suggestions regarding the Food-Safe Farm Practices program are always welcomed and appreciated.

Are the Record forms going to change?

Perhaps... As producers start to use the Record forms found in the Food-Safe Farm Practices manual it is possible that some of the information requested will be deemed of little use or redundant. It is imperative that we keep in mind that our food safety program’s producer manual has passed the Canadian Food Inspection Agency’s (CFIA) technical review. This milestone signifies that the Canadian Sheep Federation’s food safety program is technically sound according to the requirements established by the CFIA. This said, additional information will not be requested from producers unless there is a change in provincial or federal legislation. On the other hand, the reduction of information requested cannot be done unless there is strong evidence (ie. producers showing filled out records) demonstrating that the information requested is excessive. So the short answer; the program will not require more unless the law changes, but

it will definitely not require less if we do nothing between now and the time when it becomes mandatory.

Why do producers need to get a veterinarians signature for products used extra or off-label?

An animal health product used in the following situations fall under the classification of extra/off-label use:

- Administered to species that are not listed on the label;
- Used to treat diseases and conditions that are not listed on the label;
- Used at a different dosage than those stated on the label;
- Administered using a route, frequency, duration or timing of treatment not listed on the label; or
- Administered to animals being shipped for slaughter before the stated withdrawal period.

The food safety concern with the use of any animal health product is the risk of residues in the animal's tissues. When an animal health product is being used in an extra/off-label manner, the risk may be greater since there is no official recommendation provided by the company producing the product.

The Canadian Sheep Federation's Food-Safe Farm Practices program states the following;

A valid patient/client/practitioner relationship with a veterinarian must exist prior to the extra-label use of an animal health product.

What do this mean in terms of program compliance? This means that any product being used in a way that is not described on the product label or product insert requires that the producer obtain a veterinarian's signature for recommendations on product use (dose, route of administration, frequency) and withdrawal date, prior to use. The questions surrounding this requirement are focused on the word "use". What does "use" mean? Is it use with each animal, each time you use the product? Etc...

The definition of use does not mean that a producer would be required to obtain veterinary council each time the off-label product is used. If, for example, an animal health product used off-label is administered to every lamb at lambing, then this could be stipulated in the veterinarian's instructions, or the scripture could be made out to cover the whole lambing season. Therefore 1 vet signature = use of a off-label product covered for whole lambing season, and not one signature per animal the product is used on.

Why is this important for producers? Any person using or prescribing the extra-label o off-label use of an animal health product is subject to regulatory action if product residues are found in human food.

While it is recognised that it is a challenge for many sheep producers to obtain veterinary council due to an array of reasons (geography, availability of vets for small ruminant practices, costs...) it is deemed feasible, at this time, that producers could obtain veterinary council for the use of off-label animal health products, as required by the program.

Water Quality: Why is it in the manual?

One of the concerns expressed by producers and other members of our industry is the following: If a good production practice is only *recommended* why is it in the manual? Some have expressed that only *mandatory* practices should figure in the manual.

Thus is the case for the water quality section.

Why is water quality in the manual?

Water quality is a major area of concern in terms of food safety. Chemical residues in water can be absorbed by livestock and end up in the meat or milk. Residues of chemicals in foods consumed by humans are controlled under the Canadian Food and Drugs Act and Regulations administered by Health Canada. Any person found responsible for meat or milk containing chemical residues product is subject to regulatory action if chemical residues are found in human food.

Why is water quality analysis only recommended and not mandatory?

Water quality guidelines, as established by the Council of Resource and Environment Ministers (now the Canadian Council of Ministers of the Environment [CCME]) in 1987 and then revised in 1993, were adopted from various jurisdictions when they were considered appropriate for Canadian conditions. The guidelines that were developed more recently, even though they are better supported, still suffer from the absence of an established and approved formalized protocol. Water analysis is potentially very costly. While it is true that the only method to assure adequate water quality is to have a water quality analysis performed, this is not legislated.

Producers should be aware to the surroundings of their livestock operation. It is recommended in the Canadian Sheep Federation's Food-Safe Farm Practices program that water quality be monitored though testing on a yearly basis or on an as-needed basis. Due to the lack of legislative enforcement on this issue, the Canadian Sheep Federation has opted to rely on producer's good judgment rather than make a potentially costly test mandatory.

So I ask again, Time... Friend or Foe? In the case of the Food-Safe Farm Practices program, I say Friend. As an industry we are currently in a situation where we have a CFIA approved food safety program and no industry pressure to implement it. This gives us time to work with the program and iron out any potential challenges and perhaps even errors (Yes indeed, we all make them!!!). This is a better situation than having an unapproved program and an industry that demands it. With this in mind, I encourage producers to start learning about, and implementing the program.

With the advent of various agricultural programs, some mandatory and stringent, many producers feel trapped and as though their opinions and efforts are not being valued or considered. This does not have to be the case with the food safety program in the sheep industry. We have time... we can use it or let it pass us by. I encourage our producers, our industry to get on the train.

QUEBEC LEADS IN SHEEP FOR FIRST TIME

by Mark Cardwell

Source: *AgriSuccess Express*

As curling goes, so goes sheep production in Quebec. Just days after the provincial men's team ended a decades-long drought at the national curling championship by beating Ontario in the final to win the Brier, the province's sheep producers learned that they, too, recently overtook Ontario to become Canada's leading producers of sheep and lambs.

"It's an historic moment for our industry," said Marie-Ève Tremblay, an agro-economist and interim general manager of the Fédération des producteurs d'agneaux et moutons du Québec.

Tremblay was referring to Statistics Canada numbers for January, which estimated the number of head of lambs and sheep in Quebec to be 255,000. That was 25,000 more the number in Ontario and 100,000 more than Alberta.

Like in curling, Ontario and Alberta have long been the perennial champions in Canadian sheep production. Quebec, however, has been closing the gap in recent years.

According to Tremblay, the main reason has been the stabilizing effect that revenue-subsidy programs have had on the industry in Quebec. "There's been a big boom since the early 1990s," said Tremblay. "The number of both producers and animals has tripled since then." She added that the lamb and sheep federation now has about 1,000 members, most of which are located in the hilly but pasture-rich Lower St. Lawrence and Estrie regions.

Another reason for the industry's growth has been an increase in consumer demand in Quebec. The main market is Montreal, which has large numbers of immigrants from North Africa and the Middle East, where lamb and sheep consumption is high.

But Tremblay said other people in Quebec are now eating more lamb as well. She credits that increase to a shift away from traditional cuts of stronger-tasting ewes to more tender cuts of lamb. That explains, she added, the strong demand for "heavy" lamb of between 100-110 kgs. Together, Quebec and Ontario accounted for roughly half of the 919,000 sheep and lamb across Canada in January.

SCRAPIE PROGRAMS FROM AROUND THE WORLD: GETTING THE BROADER PERSPECTIVE

In light of the irreversible damage resulting from the BSE crisis, sheep industries throughout the world are recognizing the importance of planning ahead when it comes to animal health and global trade. Countries like Canada, the US, England, Wales, Scotland, Ireland, the Netherlands, France, and Iceland have all developed national initiatives to prevent, control and eliminate Scrapie- the most costly disease facing sheep industries worldwide. Over the next few issues of *From the Flock*, Scrapie programs from around the world will be reviewed, highlighting the steps individual nations are taking to eradicate this threatening disease. This issue will focus on the Scrapie program initiated by England, Wales, and Scotland.

A joint effort of the Agriculture and Rural Affairs Departments for Great Britain, the National Scrapie Plan (NSP) of England, Wales and Scotland was launched on July 19, 2001. The NSP has been designed to control and eradicate Transmissible Spongiform Encephalopathies (TSEs) from the national flock through genotyping and selective breeding using rams shown to be genetically resistant to the disease.

Over time, the NSP aims to increase the prevalence of the 'ARR' allele, which is the gene known to be highly resistant to scrapie and TSEs in general. Farms with both purebred and commercial flocks can join the program, but regulated controls must be put into place to ensure the integrity of the purebred flock.

At least 40 sheep must be tested per sample visit. All stock rams are genotyped, together with a proportion of ram lambs. If the total of stock rams is fewer than 40, additional ram lambs and/or ewes may also be tested to make the total up to 40. Once a farm is participating in the program and breeding using sheep with resistant genotypes, a proportion of the ram lambs are tested annually.

What is unique about the NSP is that there are numerous schemes and initiatives that farmers can choose to follow- 10 in total- working towards a healthier and genetically stronger flock.

And if flock health improvement is not incentive enough to join, the EU has actually made it the law! As of April 1, 2005, the EU legislated that all registered purebred flocks are required to participate in a Scrapie genotyping breeding program, in one form or another. This decision is based on evidence from the European Commission's Scientific Steering Committee, which supported pro-active control and eradication of scrapie- recommending breeding towards resistance as a way to maintain national animal health and access to the global marketplace.

The program seems to be a success. In its 5 short years in existence, over one million samples have already been drawn and analyzed. It is estimated that there are over 40,000 purebred flocks throughout England, Wales and Scotland that could potentially apply to the program. For more information on the National Scrapie Plan, please see the following website:
www.defra.gov.uk/animalh/bse/othertses/scrapie/nsp/index.html

SHEEP'S MILK YOGURT

Source: Marcie Fraser, news10now.com/content/health/healthy_living/?ArID=62518

Over the last 10 years, the health benefits from yogurt have become more popular. Yogurt is generally made from a cow's milk, but today, we are talking sheep. About 1,200 sheep call the 600-acre Old Chatham Shepherding Company home. It's the largest sheep dairy farm and one of the first to make sheep's milk products in the U.S.

Owner Nancy Clark tends to every part of the business and maybe that's why her yogurt and cheese have won awards. Clark said, "Sheep milk is the original yogurt that was made in the

mountains centuries ago." Comparing cow's milk to sheep's milk, there is no added sugar, sheep produce a thicker milk so there's no need for stabilizers, and the nutritional value is higher. "Forty-eight percent more protein. It has 38 percent more calcium than cow's milk," explained Clark.

Twice a day, the sheep head into the electronic milking stations. The head is secured while the sheep grazes. Udders are cleaned, inflations are attached, and the pump does the work. It takes 30 minutes and each ewe produces about one and half quarts of milk.

The milk is then taken to refrigeration tanks, then to pasteurization vats where cultures are added. Next the yogurt cup fillers do their thing and they are ready to go. They make three different types -- plain, ginger and maple. You can taste the richness of it. It does have more fat content compared to other yogurts, but it is the good fat. Clark said the benefits are how the good fat is digested, "These go directly to the liver and going directly to the tissue in the liver is what you need for energy and your body to operate."

By comparing sheep's milk to cow's milk, sheep's milk has double the amount of protein, 50 percent more calcium and iron, it's higher in vitamin A, D, C, E and B and has less salt.

COMPOSTING MAY BE THE BEST OPTION FOR DEALING WITH SHEEP LOSSES

By Wendy Sweeter, www.theprairiestar.com/articles/2006/03/17/ag_news/livestock/live16.txt

Current research at South Dakota State University's Sheep Unit may yield a solution to sheep producers dealing with how to get rid of their sheep losses.

SDSU sheep researcher Jay Daniel started conducting research on composting sheep at the Sheep Unit in October 2004. Since most rendering companies will not pick up sheep carcasses in South Dakota, Nebraska, Iowa or Minnesota, Daniel thought composting may be an answer for sheep producers.

"We had some sheep that died and we also get all of the offal from the sheep from the meat lab because their renderer won't take it," Daniel said. "We had historically had a lot of predation problems because we were using a pit to dispose of them and feeding a lot of coyotes. And then when we ran out of dead stuff for them to eat, they started eating live sheep."

In order to compost in South Dakota, producers need to contact the Animal Industry Board in Pierre, S.D., to get approval. According to Jeff Wild, Nebraska Department of Agriculture investigator and composting program manager, producers do not need to have a license to compost in his state.

In South Dakota and most surrounding states, producers can burn, bury, render or compost their livestock losses. In South Dakota, dead animals need to be disposed of within 36 hours, unless a producer composts, then it is 24 hours.

At SDSU, Daniel has composted some whole sheep carcasses, a lot of offal from SDSU's meat lab, lambs and placentas. Producers are not allowed to compost if the animal died of a

communicable disease. “Usually if we compost them we know what they died from,” Daniel said. “If we had something die from an unknown cause, we send it to the diagnostic lab to find out what it died from.”

In SDSU's research, they take temperatures on their compost piles daily to get some usable data. Daniel believes for producers, taking the temperature daily until the pile reaches 130 to 140 degrees and then weekly until it comes back down is sufficient.

“If you don't get it to 130 or 140 degrees, a lot of disease-causing organisms will really stay around and you'll have more odor problems too. The 130-140 degrees reduces most pathogens and it kills most viable weed seeds too,” he said.

In Daniel's experiments, he has used open piles of ground hay and loose hay. The ground hay heated a little better than the loose hay but the loose hay still got hot enough.

“They were open piles and we did notice some problems with some animals digging in and scavenging. We think it's mostly skunks because we trapped several skunks out,” Daniel said. “We decided you do need sides.”

They also conducted experiments using wooden pallets and old tenderfoot for sides. Daniel liked the tenderfoot better because it let a lot of air move through, they did not need to worry about rotting and animals could not get into the pile.

“We were worried that it's metal that it might keep it too cold and we never really ran into any problems with that. The tenderfoot heated up just as well as the wood sides did,” he said.

Daniel says composting is a good option for sheep producers because it is a way to get rid of the carcasses in an environmentally-friendly way. It is also relatively inexpensive, avoids problems with predators and reduces the spread of disease.

“It's a more environmentally-friendly way to dispose of them than say incineration. Burial sounds pretty simple, but there's a lot of concern for contaminating water with burial,” Daniel said.

EAT WOOL TO KEEP SKIN YOUTHFUL - NZ COMPANY

By Kent Atkinson, <http://www.stuff.co.nz/stuff/0,2106,3611464a3600,00.html>

A New Zealand company wants to see people eating wool to keep skin young-looking.

The farmer-owned biotech company Karatec Ltd, based at Lincoln near Christchurch, designs and manufactures keratin-based biomaterials from the wool of selected flocks of New Zealand sheep.

Keratin is a structural protein that is a main constituent in skin, hair and nails, and is normally not soluble.

The company has developed a method of extracting up to 800g of keratin from each 1kg of wool in a soluble, digestible form by separating wool fibres into their constituent parts without destroying the protein strands.

The company will launch the products next week at an expo in Anaheim, California. One of the products is for rubbing on the skin surface, and the other is to be taken.

The products are expected to help cosmetics companies diversify into the dietary supplement or "nutriceutical" sector and companies already working in dietary supplements move into skin care.

Keratec, effectively owned by 12,000 farmers through Wool Equities Ltd, is hoping it can help companies develop anti-ageing solutions, consisting of both a topical and an oral element.

It said that the protein fraction being marketed as Cynergy TK contained copper and zinc, which had roles in promoting healthy skin, and it contained enzymatic antioxidants superoxide dismutase and glutathione-dependent peroxidase, recognised free-radical scavengers.

According to Keratec, Cynergy can improve skin elasticity, hydration and skin cell antioxidant activity, and the availability of a natural, bioactive, renewable single-product range "changes the game" for beauty products.

The company launched its first dietary supplement containing keratin, Cynatine FLX, using a fraction of the protein with an amino acid profile the company said tests showed had a role in joint health.

Keratec's executive in charge of business development, Fertram Sigurjonsson, said that 2006 was an important year for the company, which said last year that it needed \$2 million to pursue its strategic plan for the 2005/06 year.

"We are rapidly changing from being a research and development company over to being a marketing company, and this is a crucial year for that transition," he said.

But he said the company was continuing to extract its own keratin from New Zealand wool at its factory at Lincoln. The intellectual property involved was partly protected because it is "black boxed" – outsiders did not get to see critical parts of the technology.

LAMB INDUSTRY HEADS FOR A NEW WORLD

By Marius Cumming, National sheep and wool writer - Australia

SOURCE: Extract from report in Stock & Land, Vic, March 30.

Long-term supply contracts, more specialist breeders, more grow out and finishing facilities and a reduction in saleyard or auction selling - that's the coming new world for lamb.

The pork and chicken industries have certainly headed down this path and our lamb sector is evolving in this way, too. The important question about the future structure of our industries has been asked by the Australian Farm Institute through a research report compiled by ACIL Tasman

consultants.

Report author, Mark Barber says the lamb industry is indeed likely to see a significant change in its structure along these lines as producers look to differentiate their product and retailers look to sure up supply and quality.

For example, lamb feedlots and finishing systems are becoming more widespread. And to make a committed change along these lines, producers are seeking long term price contracts with processors. Processors themselves are looking to guarantee a certain quality and quantity, so in some instances the development suits both parties.

LAMB EXPORTS TO JAPAN AND US BREAK MORE RECORDS

Source: www.mla.com.au.

Australia exported 1108 tonnes (dressed) of lamb to Japan during February – a record volume for that month, up a whopping 131pc above the same period last year.

And Australian lamb exporters shipped a record 4294t to the US during February – 11pc above year ago levels. The high export volumes so early in the year give a strong indication that Australia is on track to achieve its forecast 12,500t of lamb exports to Japan in 2006.

The result builds on a strong performance, with exports to Japan in the calendar year to February up 129pc. Chilled lamb continued to be Japan's product of choice, making up 63pc of total exports for the month, at 703t. The high export volumes are noteworthy given the traditional peak consumption period for lamb in Japan is summertime, which falls mid-year in Japan.

In recent years, demand seasonality has seen lamb exports exceed 1000t in mid-year months, when Japanese importers cater for the barbecue season. However, it seems Japan's taste for lamb has developed so that many Japanese consumers are no longer able to wait for summer, with lamb now being consumed in a wider variety of dishes.

Meanwhile in the US, the high tonnage is mainly in response to this year's late Easter (14–17 April).

This year, exports could be concentrated in the month of February rather than be divided between the second half of January and the first half of February, and still arrive on US shelves prior to the high lamb consumption period of Easter. Australian exports to the US in the first two months of 2006 are roughly on par with year ago levels, at 6880t.

Following last year's record lamb exports to the US – up 27pc on 2004 levels, to reach 40,700t – export growth in 2006 is expected to be moderate. Meat and Livestock Australia has forecast that shipments will increase 6pc in 2006, to reach 43,000t.

The expectation of slower export growth in 2006 is due to three main reasons: little expansion in Australian lamb supplies; increased competition from NZ in the US; and a likely reduction in

prices for imported lamb in the US (due to higher NZ and US supplies and the increasing disparity between lamb prices and other meats in the US).

Another factor that could further impact on Australian exports in the coming year is the prevailing drought conditions in Texas, which contains 17pc of the US sheep flock, and surrounding states.

If conditions fail to improve, US lamb production has the potential to increase prematurely, thwarting efforts of producers in drought affected areas to rebuild flocks.

LAMB LOBBY IN EUROPE

Source: <http://www.meatnews.com/index.cfm?fuseaction=Article&artNum=11342>

EUROPE/AUSTRALIA: Australian sheep processors and farmers call for greater access to E.U. markets.

Representatives of Australia's 42,000 sheep farmers are in Brussels this week to lobby for greater access to the consumer markets of the European Union.

They are complaining that the annual quota of 18,650 metric tons allocated to Australia under the E.U. sheep-meat regime compares with an allocation of 226,700 metric tons to New Zealand. Australia and New Zealand accounted for well over 90 percent of all mutton and lamb imported into the European Union last year.

The Australian farmers said they do not have the target of taking away from sales of New Zealand lamb, or to erode the market share held by European sheep meat producers. Rather, they see instead an opportunity for their product to compete against chicken and pork for a share of Euro expenditures on meat.

Ian Feldtmann, a sheep farmer with 3,000 ewes in Victoria, who holds the presidency of the Sheep Meat Council of Australia, is heading up the delegation visiting Brussels. He said that any success in gaining increased E.U. market access would be followed by moves to work with European sheep industry organizations on the generic promotion of lamb within E.U. target countries, for the benefit of all concerned. In this respect the Sheep Meat Council of Australia would seek to repeat a line of action that it has already followed in the United States, Feldtmann said.

Joint promotional activities with the National Sheep Association in the United States have been successful in securing extra sales by winning the support of influential chefs. This strategy created a boost in demand that has prompted some major U.S. grocery chains to re-assess their policy and devote more shelf space to selling lamb, until then a product that was hard to find in many American supermarkets.

Feldtmann said that one such chain has since observed that sales of the meat provide a valuable indicator for its business. The people who buy lamb are often the store's best customers, in that they also tend to spend more than average on their other purchases.

NEW BSE-LIKE SCRAPIE STRAIN IN FRANCE

Source: Bryan Salvage, www.meatnews.com/index.cfm?fuseaction=Article&artNum=11254

FRANCE: Veterinarians find a new form of scrapie that is different from classical scrapie and BSE in two sheep.

In France, veterinary authorities have detected an atypical form of scrapie in two sheep. The authorities said that the form of the disease is different from other cases of the disease they had observed. Samples have been sent to experts at the European disease laboratory in Weybridge, United Kingdom, for further tests.

The French veterinarians said that after initial tests, the form of the disease also showed characteristics different from classical scrapie and bovine spongiform encephalopathy (BSE), another prion-based brain-destroying disease. The agriculture ministry of France said the tests will be confirmed through tests on mice, which will take about one year to complete.

In the United Kingdom, the British Food Standards Agency has been discussing further findings by the Spongiform Encephalopathy Advisory Committee over the presence of atypical scrapie in sheep. The SEAC findings show that this new variant of scrapie is distinguishable from both classical scrapie and BSE.

SEAC concluded: "There is no evidence to date that atypical scrapie can infect humans, although theoretical risk cannot be excluded."

"The Food Standards Agency has always been open about the uncertainty surrounding the possible risk of BSE and other brain diseases in sheep," said Dr Alison Gleadle, head of the FSA's Transmissible Spongiform Encephalopathy Division. "Emerging evidence and expert opinion is pointing to more uncertainty. Much more work is needed before we can form a clearer picture of what, if any, risk there might be to people. While FSA advice remains that they are not advising people to stop eating sheep or goat meat or products, this issue will be discussed thoroughly by our Board and kept under review as evidence emerges."

JOHANNIS SAYS TRACEABILITY IS BECOMING A CRITICAL TRADE ISSUE

Source: John Gregerson, Meatingplace.com

Agriculture Secretary Mike Johanns told members of the National Cattlemen's Beef Association that the difficulty of tracing the origin and history of U.S. livestock underscores the need for a national animal identification system.

"It is critical that the United States, like other nations, have this in their trade arsenal," he said. "Australia is aggressively marketing traceability to gain an advantage. Competitors are out there saying, 'We've got I.D. They don't.'"

Johannis said USDA still plans to have full participation in a national identification system by 2009, but emphasized he shares NCBA's desire to achieve participation voluntarily rather than by government mandate.

Current NCBA policy calls for voluntary, market-driven participation in an industry-led animal database that protects confidential information.

"Our hope, which I think is the same as yours, is to bring the system along and hit the benchmarks on a voluntary basis," Johanns said. "But I just think it's going to be absolutely necessary. Because of the retail market and foreign competition, nobody can afford to be left behind." <http://www.meatingplace.com/MembersOnly/webNews/details.aspx?item=15738>

Sheep and goat NLIS tagging set to begin

Source: http://www.farmonline.com.au/news_daily.asp?ag_id=33232

The roll-out of the National Livestock Identification System for sheep and goats is about to hit full swing as autumn lambing gets under way. The NSW Department of Primary Industries is urging producers to be prepared for tagging all lambs born during this autumn. NSW DPI NLIS (sheep and goats) co-ordinator, Bill O'Halloran, says sheep and goat producers' responsibilities under NLIS are simple and involve only two main requirements - tag 2006 drop lambs and kids and keep a copy of movement paperwork.

"All sheep and goats born on or after 1 January 2006 must be fitted with a NLIS tag before they are sent to a saleyard or another property," Mr O'Halloran said. "The NLIS system uses visually readable ear tags printed with a property identification code (PIC). Electronic tags can be used as an option as long as the PIC is printed on them.

"In NSW NLIS tags are not required to have the NLIS logo and are not required to be a specific colour. "However, it is strongly recommended that producers use approved NLIS tags that will have the logo on them." The NSW Farmers' Association also supports this recommendation.

"Producers are also advised to use year of birth colour system, particularly in instances when stock may be traded interstate," Mr O'Halloran said.

SHEEP SHEARING VIA PHONE MAY RING TRUE IN THE FUTURE

Shearing sheep in the future could be as easy as dialling a number on your mobile phone. Researchers at the University of South Australia are looking for a bioactive substance which would cause wool fibres to break simultaneously at a predetermined time.

The new method of alternative shearing is still a few years away but researcher Michelle Hebard says the possibilities are endless. "The animals would receive an implant, this may be in the ear at tagging time," she said. "That implant would contain a bioactive which would be activated through the mobile." "You would just simply dial a certain number, that would then release the active over a period of perhaps a week and that active would then cause that window of weakness."

Source: <http://www.abc.net.au/rural/news/content/2006/s1612711.htm>

SHEEP TAG SYSTEM LABELLED A JOKE

Source: Beth Johnston, http://www.farmonline.com.au/news_daily.asp?ag_id=33269

It has been a case of easier said than done with the January 1 mandatory deadline for the sheep National Livestock Identification System. The Western Australian legislation to make NLIS for sheep mandatory is still in the parliamentary process with no sign of when it will be given the all clear.

The January deadline has come and gone and although it is a requirement for sheep to be correctly tagged, those who do not comply cannot be prosecuted. Some agents have labelled the sheep NLIS a joke, citing that not all sheep going through the sale yards have the required tags.

Agriculture Department NLIS sheep executive officer, Julian Gardner, says the department has no power to prosecute those who did not comply with the NLIS regulations. "We've asked people to implement NLIS as on January 1, but the legislation is held up in Parliament so we are going a little soft at the moment, purely because we don't have the legislative back-up," Mr Gardner said.

He says in WA there will not be a huge change to current practices, but it is a massive issue in the eastern states because there has been virtually no identification system in place. Mr Gardner says WA could have a few people who are not using the pink tags, which are required in the opposite ear of year colour tags when a new buyer purchases sheep.

"There are always a few hiccups with these things and some people who will grumble, but it is background noise really," Mr Gardner said.

TOUGH TIMES LOOM FOR SHEEP, BEEF FARMERS

A COMBINATION of factors will see sheep and beef farmers nationwide experiencing some tougher than usual times this year, and the impact will be starting to be felt now. Meat and Wool New Zealand's executive director of economic services Rob Davison said there are several contributing reasons for the gloomy forecast.

"Basically the lamb prices are down on expectations we had up to December last year. It's a combination of factors, like markets in Europe coming off their peak and the high prices last year masking the high New Zealand dollar. Last year we started low and ended high and this year we've started high and gone down. Lambskin prices have also dropped and freezing work costs gone up as they face higher charges because of holiday pay legislation. "It's a combination of a lot of things coming together like that." He said farmers are looking at an eight per cent drop in revenue at the farm gate from last year, which in dollars equates to \$525 million less than last year. This means farmers will have to re-evaluate budgets for the year and defer repair and maintenance work.

"That will have a flow-on effect into provincial New Zealand," he said. There are certain things, like rates and animal husbandry, that can't be put off, and the cost of those coupled with the falling income translates to a drop of about 33 per cent in farm profit before tax.

Wairarapa farmer and stock agent Dick Chamberlain agreed, and said the situation is getting pretty dire for farmers here in Wairarapa. "They're down 20 per cent on income from lamb prices last year, coupled with a dry period. Today a 16kg lamb is worth \$45-46, last year it was worth \$65." He said the recent lack of rain isn't helping matters. "It wouldn't be so bad if we could get some rain, then there would be a light at the end of the tunnel, but we keep getting these dry southerlies and it's compounding."

He said the cropping farmers who traditionally buy a lot of store lambs planted feed crops but as there has been no substantial rainfall the crops have suffered, so farmers aren't in a good position to buy lambs. Added to these problems are the issues of rising fuel prices and rates and the grocery and power bills everybody faces. He said people might think it's just farmers complaining, but that is not the case. "Nobody who earns wages would like to have a 20-30 per cent wage decrease, and have the costs still go on."

USDA PROGRAM INTRODUCES NATIONWIDE DATABASE FOR LIVESTOCK

Knight-Ridder, Tribune

Jeff DeMoss, Standard-Examiner, Ogden, Utah

BRIGHAM CITY -- The National Animal Identification System is, according to this story, an effort by the U.S. Department of Agriculture and industry groups to establish a nationwide

database of all livestock production locations, and eventually monitor individual animals. Officials were cited as saying the system will help trace diseases to their exact source faster and more efficiently, and will help with any issue where the nation's livestock could be in jeopardy. The young program, which USDA hopes to have fully operational in 2009, is being implemented in three phases. The first phase, currently under way, involves establishing a database of all premises that raise domestic livestock.

Once that is accomplished, the agency will begin identifying individual animals and groups. The final phase involves the actual tracking of animals. Jim Rogers, spokesman for the USDA Animal and Plant Health Inspection Service in Washington, D.C., was quoted as saying, "The goal is to essentially do what FedEx does with a package. Rather than following a paper trail of farm records, we're talking about a database that could be accessed instantly."

Rogers said the database will be run by a private entity, but accessible only to relevant state and national government agencies. Terry Menlove, animal identification coordinator for the Utah Department of Agriculture, was cited as saying Utah is ahead of most states in the first phase of the NAIS and that the department has issued premise identification numbers to about 7,100 ranches and other livestock locations statewide. The total number of registrations for the voluntary program could range from 20,000 to 80,000, he said.