U S D A 2007 FARM BILL LISTENING SESSION
ON BEHALF OF THE TEXAS SHEEP AND GOAT INDUSTRY
LUBBOCK, TX OCT. 5, 2005
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The 2007 Farm Bill issues I would like to bring to your attention today are priorities for the sheep and goat industry in Texas:

First , I would ask the Secretary for the continuation of the Wool Loan Deficiency Program. This program also assists the mohair industry in the United States. It was established in 2002 to help producers struggle through the ongoing decline in production of wool and mohair, and the loss of sheep and goat farms and ranches. We ask the Secretary to support reauthorization of the wool LDP at a base loan rate of $1.20 per pound for graded wool and 60 cents per pound for ungraded wool. These rates are currently at $1.00 and .40 cents respectively. We would also ask that the base loan rate on mohair be increased 2% from $4.20 to $4.40. This would provide the full benefit of the program as intended, and would put wool on par with cotton in a marketing loan program. This has been a $20 million/year program with $16 million allocated for wool and $4 million for mohair.

Second, I would ask the Secretary to support and approve funds for a Livestock Risk Protection Pilot Program for the lamb industry to be completed before the finalization of the 2007 Farm Bill. This would be similar to the pilot programs that have been done for the cattle and swine industries, and is available to the crop industry through R M A.

The problem with establishing this program has been that there is no futures market for lamb, therefore making it difficult to determine the risk involved in insuring the price that might be paid for live lamb. I am hopeful that even without a futures market, a risk model can be created to determine if it is possible to provide insurance to lamb producers against price volatility (downswings).

This program as an insurance product would acknowledge to lenders and creditors the existence of a risk management program, hopefully allowing for better lending terms.

This program would also be a tool to help lamb producers manage price risks, protect against significant revenue shortfalls and help optimize the production, marketing and efficiency of our operations. And, I believe, this program would encourage long term confidence in the sheep industry.

Third, I would ask the Secretary to continue funding the Wildlife Services program at least at the current level. This has been a very beneficial and appreciated program to help producers protect their livestock and livelihoods from the ever-present and growing predator problem. Funding for this program has been reduced over recent years forcing the creation of more local predator control associations. But, with the high costs of hiring trained technicians and reliable equipment (especially aircraft) local associations can't pay the entire bill. I firmly believe that continued cooperative efforts between property owners and Wildlife Services is the only way to combat this problem.

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