

NLPA Board Re-elects Philips as Chairman at Annual Meeting

Colorado Springs, CO (NLPA)—The National Livestock Producers Association (NLPA) re-elected Sam Philips to his fourth term as Chairman at its annual meeting Jan. 17-19 at the World Center Marriott in Orlando.



Sam Philips

Philips, Producers Livestock Marketing Association in Omaha, Neb., is joined by Jack Hanson, Tri-State Livestock Credit Corporation, Sacramento, Calif., who was elected to serve as Vice Chairman. Other Executive Committee members are as follows: Vernon Ainsworth, Equity Cooperative Livestock Sales Association; Dennis Bolling, United Producers, Inc.; Clyde Rutherford, Empire Livestock, LLC; and Robert



Jack Hanson

York, National Livestock Credit Corporation. NLPA's meetings started on Jan. 17th. The NLPA Sheep & Goat Fund Committee met during the day and that evening joined NLPA's Board of Directors for a welcome reception sponsored by Mutual of Omaha.

On Friday, Jan. 18th, the Board conducted a regular business meeting, including the election of officers. The management members of each organization gave brief presentations about their respective organizations and the challenges they are encountering. The guest speaker for Friday's luncheon was Mike Callicrate, who spoke out against consolidation of the packing, processing and retail segments of the beef industry, and the devastating effects of captive supply. Dr. Terry Barr, Chief Economist and Vice President of Agricultural and Trade Policy for the National Council of Farmer Cooperatives, was the featured speaker for the afternoon -- he discussed the economic impact of the farm bill.

NCFC Livestock Subcommittee Confronts Animal Identification Issues at Annual Meeting in Orlando

Colorado Springs, CO (NLPA) – Is it possible to identify all the livestock moving in the United States? Is it an issue that livestock producers should be concerned about? Will there be federal legislation mandating that all animals be identified?

These were the questions addressed at the Jan. 21, 2002, meeting of the National Council of Farmer Cooperatives' Livestock Marketing Subcommittee Meeting. Officials from the Canadian Cattle Identification Agency as well as the USDA met with the subcommittee to provide information on a program that is now mandatory in Canada, and work that is being contemplated in the United States.

Greg Beck, CEO of Equity Cooperative Livestock Sales Association and chairman of the subcommittee summed up the discussions by saying, "It is important that the industry take leadership on this issue. It affects all segments of the livestock industry, and the livestock markets may be the most logical place to help design any identification system in the best interests of the producers."

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Tennessee Livestock Producers Launches New Web Site

Tennessee Livestock Producers (TLP), in Columbia, Tenn., recently launched a new web site at www.tennesseelivestockproducers.com.

The new site contains pages with contact information, news, special events and industry links. Other pages offer details about TLP's auction services, swine buying stations, sheep and goat pool sales, and Producer Genetics programs.

The site also has pages with detailed information about TLP's Video Board Sales, including sale catalogs and sale results.

Wilson Steps in For Lyon as New CEO for Cooperative Resources International

Shawano, WI (CRI) - Tom Lyon, Chief Executive Officer of Cooperative Resources International (CRI), headquartered at Shawano, Wis., has announced his retirement, effective March 1, 2002. Lyon has served as CEO since the formation of CRI in 1993.

CRI Board Chairman Roger Borgwardt, a dairy producer at Valders, Wis., said, "Tom Lyon's visionary leadership positioned our cooperative in the forefront of the industry and made us leaders in the twenty-first century."

The CRI Board of Directors announced that R. Douglas Wilson will serve as the cooperative's Chief Executive Officer, effective March 1.

"Wilson brings to the position considerable knowledge of the dairy and livestock industry along with proven leadership capabilities in cooperative business," Borgwardt said. "Further, his judgement has often been sought by industry and public service groups."

"For CRI, Tom Lyon's retirement marks the culmination of the most significant era this organization will experience," Wilson said. "He was the architect and accepted the challenge of proving its worthiness to the cooperative world."



The National Producer

Monthly newsletter of the National Livestock Producers Association

Sam Philips

Chairman of the Board of Directors

Jack Hanson

Vice Chairman of the Board

Staff:

R. Scott Stuart
President & CEO

Scharee Atchison
*Director of Member Services
& Corporate Secretary*

Melissa A. Schneider
Director of Communications

Contact Us At:

National Livestock
Producers Association
660 Southpointe Court, Suite 314
Colorado Springs, CO 80906
Telephone: (719) 538-8843
Toll-free: (800) 237-7193
Fax: (719) 538-8847
Web site: www.nlpa.org
Email: maschneider@nlpa.org

United Producers Teams Up with NC Farm Bureau to Host Feeder Cattle Tel-O-Sale

Columbus, OH (UPI) - United Producers, Inc., has joined forces with the North Carolina Farm Bureau to develop and grow a Tel-O-Sale feeder cattle auction. The first sale was held on Jan. 16th, 2002.

"We are excited to work together with the North Carolina Farm Bureau on this project," Jeff Harding, United Producers, Inc. Vice President, Livestock Marketing - Eastern Region, said. "This is an excellent opportunity for producers in the Southeastern Region to expand their marketing options."

The purpose of this type of sale is to provide a competitive market for graded, farm-fresh feeder cattle.

United Producers and the North Carolina Farm Bureau will conduct the sales. They will be held monthly, on the second Wednesday of each month. For more details on these sales please contact John Bertke, United Producers - Asheville, NC market at 828-254-5374.

**NLPA Sheep & Goat
Fund Applications are
available online!**

Visit the NLPA Web site at
www.nlpa.org
or call
1-800-237-7193

The image shows a black and white photograph of several sheep in a pen, with the text overlaid on top.

NLPA Sheep & Goat Fund Helps Bring Sheep Breeding Alliance into the "New Millennium"

By Jennifer Chick

Dwight Tisdale's vision of a sheep breeding alliance is becoming reality with help from the National Livestock Producers Association's (NLPA) Sheep & Goat Fund.

Through NLPA's Sheep and Goat Fund, Tisdale and his wife, Sharon, his daughter, Nicole, and her husband, Larry, and Gene Purdy, all of Kimball, Neb., have received low-interest loans. These producers, along with others, form the New Millennium Sheep Alliance.

"Gene and Larry wouldn't have been able to get the money to develop these breed lines if it hadn't been for



Photo by Jennifer Chick

As lambs are run through a chute, Larry Tisdale scans the lamb's barcode ear tag. A digital scale head stores the lamb's ear tag number and weight, which will then be downloaded to a computer program designed specifically for New Millennium's operation.

the NLPA money," Tisdale said. "These loans give them an interest rate that is low enough to make this venture economically feasible."

The Sheep & Goat Fund was set up to bolster the sheep industry after the wool-incentive act was terminated. The revolving fund awards loans to enhance production methods and services, improve marketing efficiency and product quality in the industry, promote coordination and cooperation within the industry and create opportunities for adding value to sheep and goat products.

Pierce Miller, chairman of the National Sheep Industry Improvement Center (Sheep Center) and a member of the Sheep & Goat Fund Committee, said that one of the first criteria the committee looks at when awarding loans is if the project will have a positive impact on the industry at the local, state or regional level. He said that New Millennium will meet that criteria by having a positive impact on the sheep industry at the state and regional levels.

Richard Drake, vice chairman of the NLPA Sheep & Goat Fund Committee, said the idea behind New Millennium, creating ewes with multiple births and out-of-season breeding, intrigued the committee.

"It's not a new idea, but Tisdale's have taken it from what universities and researchers have done on a small scale to a much larger,

commercial scale," he said. "The production records that the alliance keeps will also help the industry."

New Millennium producers will use these loans for facility and equipment improvements. Miller said that the Sheep Center and NLPA are always looking for new projects to award these low-interest loans, whether in the meat, fiber or dairy sectors of the sheep and goat industry.

New Millennium

Tisdale got the idea for New Millennium after he heard the results of a study conducted by Price Waterhouse Cooper during an American Sheep Industry Association (ASIA) annual meeting in January 1999. The study pointed out a void in the industry that wasn't being filled.

"Eighty percent of the lambs that are born today are born in a two-month period in the spring," Tisdale said. "And they are marketed in a five-month period in the fall and early winter. That leaves 20 percent of the lambs born to satisfy the meat market demands for the other seven months of the year."

New Millennium's goal is to provide replacement ewe lambs for terminal-cross flock producers. The ewe lambs will breed out of season to reduce the seasonality in the sheep industry. These ewes, through breeding management, will have very consistent highly maternal genetics,

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LMA & NCBA Face Off Over Checkoff in SD Case

Aberdeen, SD (LMA) – The mandatory beef checkoff forces cattlemen to support advertising messages they don't agree with, such as ads that don't distinguish between their superior U.S. beef, and imported beef, cattlemen testified here this week.

"I think our cattle market is taking it in the shins because of this imported beef we keep promoting," said Johnnie Smith, cattle producer and co-owner of a livestock market in Ft. Pierre, S.D.

His testimony, and that of four other cattlemen-plaintiffs, came during two days of hearings before Federal District Court Judge Charles Kornmann, in a suit brought by Livestock Marketing Association and several other plaintiffs. The plaintiffs argue that forcing cattlemen to fund such advertising violates producers' First Amendment rights.

Defendants are the Cattlemen's Beef Board (CBB), the U.S. Department of Agriculture (USDA) and the Nebraska Cattlemen's, Inc., as intervenors.

The plaintiffs strongly cross-examined testimony by Monte Reese, chief operating officer of the CBB, and Barry Carpenter, of the USDA's Agricultural Marketing Service, that the checkoff is a government program. Because it's controlled by the government, the checkoff is exempt from the free speech requirements of the First Amendment, Reese and Carpenter said.

The defendants testified that the government gets to decide what the

Beef Board can say, and the government chooses the message they want to say.

Reese said because the checkoff program was created by Congress, the advertisements that are designed by the National Cattlemen's Beef Association (NCBA), and approved by the CBB and USDA, must be government speech. Reese and Carpenter, the only two witnesses for the checkoff, also denied that it is similar to the mushroom checkoff, which the U.S. Supreme Court last year ruled was unconstitutional.

LMA's attorneys noted, however, that the U.S. Department of Justice, which is defending the Beef Board and USDA in the beef checkoff suit, had taken the opposite position before the Supreme Court in briefs defending the mushroom checkoff.

The Beef Act and the Mushroom Act, the Justice Department told the Supreme Court, are "substantively identical" in "all pertinent respects."

LMA originally filed suit seeking a producer vote on the checkoff in December, 2000. After the Supreme Court decision was handed down, in June, 2001, Judge Kornmann asked both sides address the impact of that decision on the beef checkoff.

NCBA Responds

Lynn Cornwell, President National Cattlemen's Beef Association (NCBA) released the following statement regarding proceedings in the case.

"The U.S. District Court yesterday concluded its trial resulting from organizations and individuals challenging the constitutionality of the beef checkoff. Hearing trial arguments, the National Cattlemen's Beef Association still believes the program is constitutional.

"Federal District Judge Charles Kornmann heard two days of testimony in an Aberdeen, S.D., courtroom in the case raised by the LMA, the Western Organization of Resource Councils (WORC) and individuals in an earlier petition.

"The National Cattlemen's Beef Association and its predecessor organizations, along with individual NCBA members and state and breed association affiliates, were key to the establishment of the checkoff in 1985, and have strongly supported the program since.

"USDA, the Department of Justice and the Nebraska Cattlemen waged a vigorous legal defense of the checkoff and presented strong evidence and witnesses that supported the constitutionality of the checkoff.

"Judge Kornmann has taken the case under advisement and is expected to issue a written ruling later. It's expected that regardless of his decision, the ruling will be appealed.

"We are confident the facts will ultimately support a victory for the checkoff. If, however, this court rules differently, we are prepared to take our case to a higher court and ensure the checkoff continues."

Challenge to Pork Checkoff Settlement Withdrawn

Des Moines, IA (NPPC) – The legal challenges to the settlement continuing the Pork Checkoff Program have ended in the trial court.

The Campaign for Family Farms (CFF) asked the Federal trial court to dismiss its claim that USDA Secretary Ann Veneman's decision in February 2001 to continue the Pork Checkoff Program was "arbitrary and capricious."

The dismissal of the claim ends the sole remaining legal challenge to the settlement agreement in the trial court. The constitutional challenges to commodity checkoff programs continue.

In Dec. 2001, the federal court ruled that Veneman acted in accordance

with the law when she entered into a settlement agreement with the Michigan Pork Producers Association, the National Pork Producers Council (NPPC) and three Michigan pork producers continuing the Pork Checkoff Program.

The agreement also required the administrative separation of checkoff and non-checkoff activities. That separation was completed in July, when responsibility for pork promotional, educational, and research programs was transferred from NPPC to the National Pork Board.

In its December decision, the trial court withheld judgment on CFF's "arbitrary and capricious" claim pending its examination of the administrative record in the case,

which would have included USDA decision-making documents and the pork checkoff petitions submitted by CFF.

Only the judge and lawyers for the two sides, by prior ruling, would have been able to examine the petitions. An examination of the petitions would have determined whether USDA staff were correct when they determined in January 2000 that CFF fell short of the number of petitions required to trigger a pork checkoff referendum.

"For more than two years, CFF has been declaring that enough valid petitions were submitted to USDA." NPPC President Barb Determan said. "This was their chance to prove it and they walked away."

New Millennium continued from page 3 . . .

which will enable the meat industry to produce a consistent fresh lamb product year-round Tisdale said.

"High numbers of ewes with the genetics to breed out of season and year-round are very hard to find," he said.

Alliance producers are raising commercial Polypay-type ewes, which are highly prolific and able to breed out of season with the milking ability to raise lambs. The Polypay breed is a composite of Dorset, Rambouillet, Finn and Targhee breeds. The alliance's lambing goal is that their ewes will produce three lambings in two years, roughly every eight months. Twins are expected, but many ewes will have three or four lambs.

To maintain consistent highly maternal genetics, the ewes are bred to registered, purebred Polypay rams. These rams are produced from Tisdale's purebred Polypay flock, Tisdale's Superior Polypays.

New Millennium is currently in the process of contracting with terminal-cross producers. They are also interested in adding other producers to the alliance. For more information about New Millennium, contact the Tisdale's at (308) 235-2246 or via email at tisdale@megavision.com.

For more information about the NLPA Sheep & Goat Fund, please call 1-800-237-7193 or email nlpa@nlpa.org.

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AFN 51576

Market Commentary

Jan. 29, 2002 Report

by John Nelson, Director of Commodity Marketing,
Producers Livestock Marketing Association



PRODUCERS LIVESTOCK MARKETING ASSOCIATION

CATTLE

Last week's kill of 653,000 hd. was down 4 percent from the previous week and down 2 percent from the same week last year. Average carcass weights dropped 4 lbs. last week to 766 lbs., but still compared to 739 lbs. last year. Live weights gained 2 lbs. to 1265 lbs., compared to 1232 lbs. last year. Total beef production last week was down 4½ percent from the previous week but up 2½ percent from the same week last year. Beef demand has shown only moderate improvement, as the light choice box rose \$0.84/cwt. last week to \$112.35.

HOGS

Last week's kill of 1.9 million head was down 3½ percent from the previous week but down only slightly from the same week last year. Average weights went back up last week. Carcass weights were up 1 lb. to 200 lbs., compared to 197 lbs. last year. Live weights gained 2 lbs. to 269 lbs., compared to 266 lbs. last year.

LIVESTOCK FUNDAMENTAL COMMENTS

CATTLE

Feedlots seem to be gaining the upper hand, as cash prices gained again last week, up \$1 in the South at \$69 and up \$1 in the Midwest at mostly \$108. Showlists are on the decline, especially in the South, where numbers were the most burdensome at the end of last year. Weights are still heavy, as winter weather hasn't affected feedlot performance at all, quite a change from last year's brutal winter. Packer margins have really suffered as of late and their response will be to cut kills in an attempt to boost boxed beef prices. On the other hand, beef demand typically struggles in February, and really doesn't come out of hibernation until the weather warms up. Numbers will continue to decrease on into the spring. It will be interesting to see how well demand holds up.

HOGS

The hog market continues to advance, with 51-53 percent lean hogs gaining another dollar last week selling from \$44-45 live. This is about a \$6/cwt. increase in cash prices in the last two weeks. Cutouts held steady last week, as packers did slow down their work last week, with kills down 3½ percent from the previous week. Numbers should continue to decline in the weeks ahead, so it is possible to see prices remain strong. Pork demand remains strong, both domestically and over seas. Weights are still something to watch, as they are still running 3 lbs. over last year. Last week's monthly hog report was somewhat bearish, as the pig crop increase was more than expected. Also, productivity improved, probably due to the mild weather, as pigs per litter increased to 8.8 pigs.

LIVESTOCK MARKETING RECOMMENDATIONS

CATTLE

Futures prices have held together rather well, and should give us additional hedging opportunities in the days ahead. We would recommend selling April futures at \$75 on a portion of expected marketings. Also, buy August \$68 Puts at \$1.25/cwt. We are not necessarily bearish, but we think getting additional protection at these levels is a good idea.

HOGS

We are slowly picking around the edges, as futures managed to make new highs again last week. Look to sell May futures at \$66.90, June at \$67.75 and July at \$66.25. If filled, this would get up to 50 percent covered for that time frame. Also, sell April futures at \$63.00, which would get us to 75 percent covered for that time frame.

Information contained herein is based on what is believed to be the most reliable resources available at the time of publication. Trading commodity futures or options involves risk, and past performance does not indicate future results.

Harkin, Lugar Call on USDA to Complete Delayed Initiatives on Enforcement of Livestock Marketing Laws

Washington, D.C. (U.S. Senate) – U.S. Senator Tom Harkin (D-IA), Chairman of the Senate Committee on Agriculture Nutrition and Forestry, and Senator Dick Lugar (R-IN), the Committee’s ranking member, on Jan. 31, requested that the U.S. Department of Agriculture (USDA) complete two long-delayed initiatives that will help provide fairer treatment for livestock producers.

“The lack of fair and open competition in livestock markets continues to be one of the biggest concerns of farmers and ranchers across the country,” Harkin said. “Congress has passed initiatives, one more than two years ago, to improve the openness of livestock markets and increase the enforcement of the existing Packers and Stockyards Act. Unfortunately, despite specific instructions and time limits, USDA has yet to follow through.”

The two initiatives that Harkin and Lugar called for are:

Swine Contract Library Final Rule.

The Livestock Mandatory Reporting Act of 1999 required the USDA to establish the Swine Contract Library, which would provide producers information on hog marketing agreements. The law instructed USDA to implement this requirement 180 days from Oct. 22, 1999, the day the law was enacted. Harkin, as a member of the Agriculture Appropriations Committee, also helped to provide \$200,000 in funding for this project in the Consolidated Appropriations

Act of 2001. A final rule has yet to be published.

Report on GAO Recommendations.

A provision was included in the FY 2001 omnibus appropriations bill which required the Grain Inspection Packers and Stockyards Administration (GIPSA) to publish a report outlining how the agency would improve its ability to investigate allegations of anti-competitive practices. This initiative was in response to a study compiled by the Government Accounting Office (GAO) which recommended that GIPSA address their ability to coordinate such investigations. The provision required this report to be presented to Congress by Nov. 9, 2001. However, the report has not been completed.

Harkin and Lugar expressed their concern with these delays in their letter stating, “We, along with many other members of the Committee on Agriculture, Nutrition, and Forestry are concerned with the ability of the USDA to protect farmers in their dealings with packers and poultry processors. This report will provide the Committee vital information as it considers policy to improve the enforcement of the Packers and Stockyards Act.”

Citing the fact that the USDA rule on one of these initiatives has been overdue for more than 16 months, Harkin and Lugar urged USDA to report back on the progress of the studies by Feb. 11, 2002.

Harkin Vows to Keep Ban on Packer Ownership

Harkin also indicated his commitment to fight any attempts to remove from the farm bill a provision to ban meat-packers from owning livestock prior to processing.

In December the full Senate approved an amendment offered by Senator Tim Johnson (D-SD), and cosponsored by Harkin, to prohibit meat packers from owning or controlling livestock more than 14 days prior to processing. This provision will limit packers’ ability to manipulate market conditions and will improve farmers’ access to livestock markets.

“I am very concerned that those in the meat packing industry who oppose the ban will stop at nothing to remove this provision from the farm bill - I will do everything I can to maintain this crucial provision,” said Harkin. “Farmers across the nation deserve a fair and equal opportunity to sell their livestock in the open market. If we allow meat packers to take over the livestock market, we help them push the family producer out of business.”

Livestock farmers overwhelmingly support the ban on packer ownership as have several mainstream agricultural organizations including: The American Farm Bureau Federation, the National Farmers Union, the Iowa Farm Bureau Federation, Iowa Farmers Union and the Iowa Pork Producers Association.

News Highlights for January 2002

National Cattlemen's Beef Assn., 1/9 - Chuck Schroeder, Chief Executive Officer of the National Cattlemen's Beef Association, has announced his resignation effective March 1, 2002. Schroeder has accepted a position as Executive Director of the National Cowboy and Western Heritage Museum in Oklahoma City, Okla.

Cornwell announced that Terry Stokes, NCBA Executive Vice President and Chief Financial Officer, has been named interim Chief Executive Officer. Cornwell said a search committee would be formed with a goal of having a permanent Chief Executive Officer named as soon as possible.

National Pork Producers Council, 1/9 - The Board of Directors of the National Pork Producers Council (NPPC) announces the appointment of Neil Dierks, 44, as Chief Executive Officer of the organization effective Feb. 12. Dierks will succeed Al Tank who resigned on Oct. 15.

American Farm Bureau Federation, 1/21 - The Tennessee Farm Bureau Federation shared top honors with eight other state Farm Bureau agencies for offering stellar programs for Farm Bureau members in 2001. The nine states each earned plaques decorated with the maximum 12 gold stars, which recognize superior work in the organization's 12 program categories. The Tennessee Farm Bureau Federation also earned the prestigious President's Award for overall program and membership achievement.

American Sheep Industry Assn. 1/31 - ASI's American Lamb Council launched a new ad campaign, at their annual convention. Three new print ads were unveiled, all with the tag line Fresh American Lamb (Meat Lovers Know). Attendees also heard details from the agencies of WeberShandwick and Campbell-Mithun on the extensive research conducted to develop the ads and the campaign. The new ads and campaign were presented to a packed room and were overwhelmingly received by producer attendees.

